

Amer Sports Corporation

HALF YEAR FINANCIAL REPORT

July 27, 2017 at 1:00 p.m.

## Amer Sports Half Year Financial Report January-June 2017

### APRIL-JUNE 2017

- Net sales EUR 487.3 million (April-June 2016: 477.4), up by 2%. In local currencies, net sales increased by 1%.
- Gross margin 44.5% (44.7).
- EBIT excluding items affecting comparability EUR -24.8 million (-12.1). Items affecting comparability were EUR +1.0 million (-).
- Earnings per share excluding IAC EUR -0.21 (-0.13).
- Free cash flow EUR 7.0 million (-54.3).
- Own initiatives and order positions support gradually accelerating profitable growth as of second half of the year. Outlook for 2017 unchanged.

### JANUARY-JUNE 2017

- Net sales EUR 1,148.9 million (January-June 2016: 1,112.9), up by 3%. In local currencies, net sales increased by 2%.
- Gross margin 44.9% (46.3).
- EBIT excluding IAC EUR 13.4 million (33.9). Items affecting comparability were EUR -5.7 million (-6.3).
- Earnings per share excluding IAC EUR 0.00 (0.11).
- Free cash flow EUR 60.9 million (-21.5).

### OUTLOOK

In 2017, Amer Sports' net sales in local currencies are expected to increase from 2016, despite short-term market softness. EBIT excl. IAC is expected to be approximately at the level of 2016.

The growth in 2017 is expected to be biased to the second half of the year. EBIT excl. IAC includes further accelerated investment into the company's transformation toward omni-channel and digital to win in the fast changing market place. The company will continue to focus on growing the core business and the five prioritized areas: Apparel and Footwear, US, China, Business to Consumer, as well as digitally connected devices and services.

### KEY FIGURES

EUR million	4-6/2017	4-6/2016	1-6/2017	1-6/2016	2016
Net sales	487.3	477.4	1,148.9	1,112.9	2,622.1
Gross profit	216.8	213.6	516.4	515.1	1,213.5
Gross profit %	44.5	44.7	44.9	46.3	46.3
EBITDA excl. IAC*)	-7.0	1.5	50.4	62.8	281.7
EBIT excl. IAC	-24.8	-12.1	13.4	33.9	221.7
EBIT % excl. IAC			1.2	3.0	8.5
IAC**)	+1.0	-	-5.7	-6.3	-16.9
EBIT	-23.8	-12.1	7.7	27.6	204.8
EBIT %			0.7	2.5	7.8
Financing income and expenses	-8.6	-8.0	-13.8	-15.9	-31.8
Earnings before taxes	-32.4	-20.1	-6.1	11.7	173.0
Net result	-24.0	-14.7	-4.5	8.5	126.9
Earnings per share excluding IAC, EUR	-0.21	-0.13	0.00	0.11	1.18
Free cash flow***)	7.0	-54.3	60.9	-21.5	64.4
Equity ratio, % at period end			35.4	35.8	36.9
Net debt/equity at period end			0.69	0.70	0.53
Personnel at period end			8,680	8,514	8,526

Average rates used, EUR/USD 1.10 1.13 1.08 1.12 1.11

\*) EBITDA excl. IAC = EBIT excluding items affecting comparability and depreciation and amortization

\*\*) Items affecting comparability are material items or transactions, which are relevant for understanding the financial performance of Amer Sports when comparing profit of the current period with previous periods. These items can include, but are not limited to, capital gains and losses, significant write-downs, provisions for planned restructuring and other items that are not related to normal business operations from Amer Sports' management view. A single item affecting comparability has to represent more than one cent per share on annual basis.

\*\*\*) Cash flow from operating activities - net capital expenditures – change in restricted cash (Net capital expenditures: Total capital expenditure less proceeds from sale of assets).

## HEIKKI TAKALA, PRESIDENT AND CEO:

In the second quarter, consumer demand for our brands continued to be high, and we grew at strong double-digit rate in our strategic priority areas Apparel, own retail, e-commerce, and China. Whilst our sell-through in most of the US wholesale market was strong, our sales into the channel were still down as we annualized the 2016 customer bankruptcies with now lower number of physical doors.

In H1, we continued to pave the way for acceleration in Fitness and Sports Instruments, although the quarterly growth remains uneven. We invested into the company transformation and opened several new retail stores, grew our consumer database, and built further capabilities in e-commerce, own retail, and digital consumer engagement. We also completed our EMEA and North-American Go to Market re-organization into omni-channel model which is now well aligned to the changing consumer shopping habits to enable our future growth.

In line with our expectations, entering into H2, we see the trading conditions gradually improving. This improvement, coupled with our robust pipeline of brand initiatives and strengthened omni-channel capabilities, is supporting our growth in the second half of the year and beyond. Importantly, we prioritize profitable growth, and continue to drive productivity, enabled by ongoing transformation and restructuring.

## For further information, please contact:

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## TELEPHONE CONFERENCE

An English-language conference call for investors and analysts will be held at 3:00 p.m. Finnish time. To participate in the conference call, please call +44 20 7572 1187 or +49 (0) 69 2222 4998, PIN 95913689#. The conference can also be followed live via <https://amersports.videosync.fi/half-yearfinancialreport2017>. A replay of the conference call and a transcript will be available later. The replay number is +44 20 3426 2807 or +49 69 2222 33985, PIN 681824#.

## CAPITAL MARKETS DAY

Amer Sports is hosting a Capital Markets Day for analysts and institutional investors in Helsinki on August 31, 2017.

## THIRD QUARTER RESULTS BULLETIN

Amer Sports will publish its Q3/2017 results bulletin on Thursday, October 26, 2017 at approximately 1:00 p.m. Finnish time.

## INVESTOR RELATIONS NEWSLETTER

Subscribe to Amer Sports Investor Relations Newsletter at [www.amersports.com/investors/subscribe](http://www.amersports.com/investors/subscribe).

## DISTRIBUTION

Nasdaq Helsinki, main media, [www.amersports.com](http://www.amersports.com)

**AMER SPORTS**

Amer Sports ([www.amersports.com](http://www.amersports.com)) is a sporting goods company with internationally recognized brands including Salomon, Wilson, Atomic, Arc'teryx, Mavic, Suunto, and Precor. The company's technically advanced sports equipment, footwear, and apparel improve performance and increase the enjoyment of sports and outdoor activities. The Group's business is balanced by its broad portfolio of sports and products and a presence in all major markets. Amer Sports shares are listed on the Nasdaq Helsinki stock exchange (AMEAS).

## Half Year Financial Report January-June 2017

### NET SALES AND EBIT APRIL-JUNE 2017

Amer Sports' net sales in April-June 2017 were EUR 487.3 million (April-June 2016: 477.4), up by 2%. Net sales increased by 1% in local currencies.

#### Net sales by operating segment

EUR million	4-6/ 2017	4-6/ 2016	Change %	Change %*)	% of sales 4-6/2017	% of sales 4-6/2016	2016
Outdoor	238.3	231.0	3	3	49	48	1,601.8
Ball Sports	167.5	165.5	1	0	34	35	671.1
Fitness	81.5	80.9	1	1	17	17	349.2
Total	487.3	477.4	2	1	100	100	2,622.1

\*) In local currencies

#### Geographic breakdown of net sales

EUR million	4-6/ 2017	4-6/ 2016	Change %	Change %*)	% of sales 4-6/2017	% of sales 4-6/2016	2016
EMEA	170.5	174.8	-2	-2	35	37	1,133.7
Americas	238.0	229.8	4	2	49	48	1,116.0
Asia Pacific	78.8	72.8	8	8	16	15	372.4
Total	487.3	477.4	2	1	100	100	2,622.1

\*) In local currencies

Gross margin was 44.5% (44.7).

EBIT excl. items affecting comparability (IAC) was EUR -24.8 million (-12.1). Items affecting comparability were EUR +1.0 million. Increased sales in local currencies contributed to EBIT by approximately EUR 3 million and declined gross margin by approximately EUR -3 million. Operating expenses increased by approximately EUR 12 million. EBIT was EUR -23.8 million (-12.1).

#### EBIT excluding IAC by operating segment

EUR million	4-6/2017	4-6/2016	2016
Outdoor	-31.1	-16.0	196.9
Ball Sports	9.0	7.7	44.8
Fitness	2.5	4.5	17.0
Headquarters*)	-5.2	-8.3	-37.0
EBIT excluding IAC	-24.8	-12.1	221.7
IAC	1.0	-	-16.9
EBIT total	-23.8	-12.1	204.8

\*) The Headquarters consists of Group digital service development, administration, shared services, other non-operational income and expenses, and fair valuation of share-based compensations.

#### Reconciliation of EBIT excluding IAC

	4-6/2017	4-6/2016	2016
EBIT excl. IAC	-24.8	-12.1	221.7
Items affecting comparability			
Significant write-down of the receivable balance from a U.S. sporting goods retailer	-	-	-6.3
Restructuring program 2016	-2.0	-	-10.6
Gain on the acquisition	+3.0	-	-

EBIT	-23.8	-12.1	204.8
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Net financial expenses totaled EUR 8.6 million (8.0), including net interest expenses of EUR 7.8 million (6.2). Net foreign exchange losses were EUR 1.3 million (0.8). Other financing income were EUR 0.5 million (expenses 1.0). Earnings before taxes totaled EUR -32.4 million (-20.1) and taxes were EUR 8.4 million (5.4). Earnings per share excl. IAC were EUR -0.21 (-0.13). Earnings per share were EUR -0.21 (-0.13).

#### NET SALES AND EBIT JANUARY-JUNE 2017

Amer Sports' net sales in January-June 2017 were EUR 1,148.9 million (January-June 2016: EUR 1,112.9 million), up by 3%. Net sales increased by 2% in local currencies.

#### Net sales by operating segment

EUR million	1-6/ 2017	1-6/ 2016	Change %	Change %*)	% of sales 1-6/2017	% of sales 1-6/2016	2016
Outdoor	634.5	605.4	5	3	55	54	1,601.8
Ball Sports	352.4	352.2	0	-2	31	32	671.1
Fitness	162.0	155.3	4	3	14	14	349.2
Total	1,148.9	1,112.9	3	2	100	100	2,622.1

\*) In local currencies

#### Geographic breakdown of net sales

EUR million	1-6/ 2017	1-6/ 2016	Change %	Change %*)	% of sales 1-6/2017	% of sales 1-6/2016	2016
EMEA	460.0	453.7	1	1	40	41	1,133.7
Americas	514.0	496.9	3	0	45	45	1,116.0
Asia Pacific	174.9	162.3	8	6	15	14	372.4
Total	1,148.9	1,112.9	3	2	100	100	2,622.1

\*) In local currencies

Gross margin was 44.9% (46.3). The decline was due to less favorable hedges partly offset by the increased share of own retail and e-commerce sales.

EBIT excl. IAC was EUR 13.4 million (33.9). Items affecting comparability were EUR -5.7 million. Increased sales in local currencies contributed to EBIT by approximately EUR 9 million and declined gross margin by approximately EUR -18 million. Operating expenses increased by approximately EUR 14 million in local currencies, driven by investments into digital acceleration and own retail. Other income and expenses and currencies had a positive impact of approximately EUR 3 million on EBIT. EBIT was EUR 7.7 million (27.6).

#### EBIT excluding IAC by operating segment

EUR million	1-6/2017	1-6/2016	2016
Outdoor	-2.3	21.7	196.9
Ball Sports	25.5	26.7	44.8
Fitness	3.2	4.8	17.0
Headquarters*)	-13.0	-19.3	-37.0
EBIT excluding IAC	13.4	33.9	221.7
IAC	-5.7	-6.3	-16.9
EBIT total	7.7	27.6	204.8

\*) The Headquarters consists of Group digital service development, administration, shared services, other non-operational income and expenses, and fair valuation of share-based compensations.

### Reconciliation of EBIT excluding IAC

	1-6/2017	1-6/2016	2016
EBIT excl. IAC	13.4	33.9	221.7
Items affecting comparability			
Significant write-down of the receivable balance from a U.S. sporting goods retailer	-	-6.3	-6.3
Restructuring program 2016	-8.7	-	-10.6
Gain on the acquisition	+3.0	-	-
EBIT	7.7	27.6	204.8

Net financial expenses totaled EUR 13.8 million (15.9), including net interest expenses of EUR 15.7 million (13.7). Net foreign exchange losses were EUR 0.7 million (0.1). Other financing income was EUR 2.6 million (expense 2.1). Earnings before taxes totaled EUR -6.1 million (11.7) and taxes were EUR 1.6 million (-3.2). Earnings per share excluding IAC were EUR 0.00 (0.11). Earnings per share were EUR -0.04 (0.07).

### CASH FLOW AND FINANCING

Net cash flow after investing activities (free cash flow) was EUR 60.9 million (-21.5) in January-June. Working capital decreased by EUR 71.7 million (increase 13.8). Inventories increased by EUR 71.0 million (97.7) and receivables decreased by EUR 183.5 million (173.5). Payables decreased by EUR 40.8 million (89.6).

At the end of June, the Group's net debt amounted to EUR 584.4 million (June 30, 2016: 599.9).

Interest-bearing liabilities amounted to EUR 830.8 million (June 30, 2016: 829.8) consisting of short-term debt of EUR 1.9 million and long-term debt of EUR 828.9 million. The average interest rate on the Group's interest-bearing liabilities was 2.5% (June 30, 2016: 2.1%).

At the end of June, Amer Sports had not issued any commercial papers in the Finnish market (June 30, 2016: EUR 49.9 million). The total size of the commercial paper program is EUR 500 million.

Cash and cash equivalents totaled EUR 246.4 million (June 30, 2016: 229.9).

Amer Sports had not used any of its EUR 150 million committed revolving credit facility at the end of the review period.

The equity ratio at the end of June was 35.4% (June 30, 2016: 35.8%) and net debt/equity was 0.69 (June 30, 2016: 0.70).

### CAPITAL EXPENDITURE AND INVESTMENTS

The Group's capital expenditure totaled EUR 33.1 million (44.7). Depreciation totaled EUR 37.0 million (28.9). Capital expenditure for the whole year is expected to be approximately 3.5% of net sales.

### OPERATING SEGMENT REVIEWS

#### OUTDOOR

EUR million	4-6/ 2017	4-6/ 2016	Ch %	Ch %*)	1-6/ 2017	1-6/ 2016	Ch %	Ch %*)	2016
Net sales									
Footwear	100.1	97.0	3	2	256.7	249.5	3	2	490.5
Apparel	59.2	48.8	21	22	183.6	153.3	20	17	431.1
Winter Sports Equipment	14.2	16.1	-12	-12	66.3	59.5	11	10	388.5
Cycling	31.4	38.0	-17	-18	69.1	77.7	-11	-12	150.2
Sports Instruments	33.4	31.1	7	7	58.8	65.4	-10	-11	141.5

Net sales, total	238.3	231.0	3	3	634.5	605.4	5	3	1,601.8
EBIT excluding IAC	-31.1	-16.0			-2.3	21.7			196.9
EBIT % excluding IAC						3.6			12.3
Personnel at period end					5,890	5,547	6		5,619

\*) Change in local currencies

Outdoor net sales in April-June were EUR 238.3 million (231.0), an increase of 3% in local currencies. The wholesale market, especially in the US, continued to be challenging. At the same time, own retail and e-commerce continued to perform well. Apparel 22% growth was driven by Arc'teryx. In Footwear, sales grew by 2% but were adversely impacted by global distribution consolidation, and volatility in Latin America. In Cycling, Mavic sales were impacted by high OEM and retail inventories, together with H2 biased product launches versus H1 biased in 2016. At the same time, ENVE grew by 26% mainly due to global distribution expansion. The Mavic business is expected to stabilize in H2. Sports Instruments sales grew by 7% due to Spartan multisport watches.

Winter Sports Equipment pre-orders for the coming season increased by 5% compared to the previous year.

### Geographic breakdown of net sales

EUR million	4-6/ 2017	4-6/ 2016	Ch %	Ch %*)	1-6/ 2017	1-6/ 2016	Ch %	Ch %*)	2016
EMEA	121.6	125.7	-3	-3	357.1	350.9	2	1	935.5
Americas	72.2	65.8	10	9	171.5	156.9	9	6	429.6
Asia Pacific	44.5	39.5	13	12	105.9	97.6	9	7	236.7
Total	238.3	231.0	3	3	634.5	605.4	5	3	1,601.8

\*) Change in local currencies

In April-June, EBIT excl. IAC was EUR -31.1 million (-16.0). Increased sales in local currencies contributed to EBIT by approximately EUR 3 million while declined gross margin had a negative impact of approximately EUR 2 million. Operating expenses decreased by approximately EUR 15 million. Other income and expenses and currencies had a negative impact of EUR 3 million on EBIT.

### BALL SPORTS

EUR million	4-6/ 2017	4-6/ 2016	Ch %	Ch %*)	1-6/ 2017	1-6/ 2016	Ch %	Ch %*)	2016
Net sales									
Individual Ball Sports	81.1	79.5	2	1	169.5	168.7	0	-1	299.8
Team Sports	86.4	86.0	0	-2	182.9	183.5	0	-3	371.3
Net sales, total	167.5	165.5	1	0	352.4	352.2	0	-2	671.1
EBIT excl. IAC	9.0	7.7	17		25.5	26.7	-4		44.8
EBIT % excl. IAC	5.4	4.7			7.2	7.6			6.7
Personnel at period end					1,695	1,781	-5		1,770

\*) Change in local currencies

In April-June, Ball Sports' net sales were EUR 167.5 million (165.5). In local currencies, net sales were at previous year's level. Sales were adversely impacted by the challenging US wholesale market and baseball de-stocking ahead of changes in bat regulations in early 2018.

### Geographic breakdown of net sales

EUR million	4-6/ 2017	4-6/ 2016	Ch %	Ch %*)	1-6/ 2017	1-6/ 2016	Ch %	Ch %*)	2016
EMEA	31.4	31.7	-1	1	69.2	70.9	-2	-1	118.2
Americas	116.6	116.0	1	-2	242.5	244.2	-1	-4	476.2

Asia Pacific	19.5	17.8	10	8	40.7	37.1	10	6	76.7
Total	167.5	165.5	1	0	352.4	352.2	0	-2	671.1

\*) Change in local currencies

In April-June, Ball Sports' EBIT excl. IAC was EUR 9.0 million (7.7). Improved gross margin had a positive impact of approximately EUR 1 million on EBIT.

## FITNESS

EUR million	4-6/ 2017	4-6/ 2016	Ch %	Ch %*)	1-6/ 2017	1-6/ 2016	Ch %	Ch %*)	2016
Net sales	81.5	80.9	1	1	162.0	155.3	4	3	349.2
EBIT excl. IAC	2.5	4.5	-44		3.2	4.8	-33		17.0
EBIT % excl. IAC	3.1	5.6			2.0	3.1			4.9
Personnel at period end					880	957	-8		908

\*) Change in local currencies

In April-June, Fitness' net sales were EUR 81.5 million (80.9). Net sales increased slightly as the company rolled out new products. The order book continued to strengthen.

## Geographic breakdown of net sales

EUR million	4-6/ 2017	4-6/ 2016	Ch %	Ch %*)	1-6/ 2017	1-6/ 2016	Ch %	Ch %*)	2016
EMEA	17.5	17.4	1	4	33.7	31.9	6	9	80.0
Americas	49.2	48.0	3	0	100.0	95.8	4	1	210.2
Asia Pacific	14.8	15.5	-5	-4	28.3	27.6	3	2	59.0
Total	81.5	80.9	1	1	162.0	155.3	4	3	349.2

\*) Change in local currencies

In April-June, Fitness' EBIT excl. IAC was EUR 2.5 million (4.5). Declined gross margin contributed to EBIT by approximately EUR -3 million. Operating expenses decreased by approximately EUR 1 million.

## PERSONNEL

At the end of June, the number of Group employees was 8,680 (June 30, 2016: 8,514). The increase was driven by Winter Sports Equipment seasonal manufacturing, Apparel, and own retail. The increases were partially offset through targeted reductions in other areas.

	June 30, 2017	June 30, 2016	Change %	December 31, 2016
Outdoor	5,890	5,547	6	5,619
Ball Sports	1,695	1,781	-5	1,770
Fitness	880	957	-8	908
Headquarters and shared services	215	229	-6	229
Total	8,680	8,514	2	8,526

  

	June 30, 2017	June 30, 2016	Change %	December 31, 2016
EMEA	4,375	4,281	2	4,205
Americas	3,431	3,353	2	3,442
Asia Pacific	874	880	-1	879
Total	8,680	8,514	2	8,526



## SHARES AND SHAREHOLDERS

The company's share capital totaled EUR 292,182,204 on June 30, 2017 and the number of shares was 118,517,285.

### Authorizations

The Annual General Meeting held on March 9, 2017 authorized the Board of Directors to decide on the repurchase of a maximum of 10,000,000 of the Company's own shares ("Repurchase Authorization"). The Company's own shares shall be repurchased otherwise than in proportion to the holdings of the shareholders by using the unrestricted equity through trading on regulated market organized by Nasdaq Helsinki Ltd at the market price prevailing at the time of acquisition. The shares shall be repurchased and paid for in accordance with the rules of Nasdaq Helsinki Ltd and Euroclear Finland Ltd. The Repurchase Authorization is valid for eighteen (18) months from the decision of the Annual General Meeting.

The Annual General Meeting held on March 9, 2017 authorized the Board of Directors to decide on issuing new shares and/or conveying the Company's own shares held by the Company as follows: By virtue of the authorization, the Board of Directors is entitled to decide on issuing new shares and/or on conveying the Company's own shares at the maximum amount of 10,000,000 shares in aggregate. The Board of Directors decides on all the conditions of the share issue. The issuance or conveyance of shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue). The authorization includes possibility to issue shares to the Company itself without payment. The authorization is valid for two (2) years from the date of the decision of the Annual General Meeting, except that the authorization to issue new shares and/or convey the Company's own shares for purposes other than the Company's bonus schemes is valid for fourteen (14) months from the date of the decision of the Annual General Meeting.

The Annual General Meeting held on March 8, 2016 authorized the Board of Directors to decide on the repurchase of a maximum of 10,000,000 of the Company's own shares ("Repurchase Authorization"). The Company's own shares shall be repurchased otherwise than in proportion to the holdings of the shareholders by using the non-restricted equity through trading on regulated market organized by Nasdaq Helsinki Ltd at the market price prevailing at the time of acquisition. The shares shall be repurchased and paid for in accordance with the rules of Nasdaq Helsinki Ltd and Euroclear Finland Ltd. The Repurchase Authorization is valid for eighteen (18) months from the decision of the Annual General Meeting.

The Annual General Meeting held on March 8, 2016 authorized the Board of Directors to decide on issuing new shares and/or conveying the Company's own shares held by the Company as follows: By virtue of the authorization, the Board of Directors is entitled to decide on issuing new shares and/or on conveying the Company's own shares at the maximum amount of 10,000,000 shares in aggregate. The Board of Directors decides on all the conditions of the share issue. The issuance or conveyance of shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue). The authorization includes possibility to issue shares to the Company itself without payment. The authorization is valid for two (2) years from the date of the decision of the Annual General Meeting, except that the authorization to issue new shares and/or convey the Company's own shares for purposes other than the Company's bonus schemes was valid for fourteen (14) months from the date of the decision of the Annual General Meeting.

Apart from the above, the Board of Directors has no other authorizations to issue shares, convertible bonds or warrant programs.

### Own shares

In February, Amer Sports Board of Directors decided to utilize the authorization given by the Annual General Meeting held on March 8, 2016 to repurchase Amer Sports shares. The repurchases started on February 13, 2017. In February-June, the company repurchased a total of 1,070,000 shares at an average price of EUR 21.92. The number of repurchased shares corresponds to 0.90% of all shares.

Time	Amount	Total value, EUR	Purchase price (average), EUR	Purchase price (high and low), EUR
Feb 13 – June 27, 2017	1,070,000	23,455,632	21.92	22.77 and 20.31

At the end of June, Amer Sports held a total of 1,888,421 shares (941,124) of Amer Sports Corporation. The number of own shares corresponds to 1.59% (0.79%) of all Amer Sports shares.

In March, a total of 175,230 Amer Sports shares were transferred to the personnel participating in the Performance Share Plan 2013, Performance Share Plan 2016 and Restricted Stock Plan 2016 incentive programs.

A total of 21,933 shares granted as share-based incentives were returned to Amer Sports during the review period.

### **Trading in shares**

A total of 65.2 million (37.0) Amer Sports shares with a value totaling EUR 1,441.2 million (930.3) were traded on the Nasdaq Helsinki Ltd in the review period. Share turnover was 55.7% (31.5%) (as a proportion of the average number of shares, excluding own shares). The average daily volume in January–June 2017 was 526,189 shares (298,141).

In addition to Nasdaq Helsinki, in total 17.8 million Amer Sports shares were traded on the biggest alternative exchanges (Chi-X, BATS and Turquoise) during the review period.

The closing price of the Amer Sports Corporation share on the Nasdaq Helsinki Ltd on June 30, 2017 was EUR 21.90 (24.56). Shares registered a high of EUR 26.36 (27.77) and a low of EUR 19.81 (22.78) during the review period. The average share price was EUR 22.09 (25.16). On June 30, 2017, the company had a market capitalization of EUR 2,554.2 million (2,887.7), excluding own shares.

At the end of June, Amer Sports Corporation had 29,023 registered shareholders (19,619). Ownership outside of Finland and nominee registrations represented 46% (52%) of the company's shares.

### **DECISIONS OF THE GENERAL MEETING OF SHAREHOLDERS**

Documentation and stock exchange releases relating to the resolutions approved by the Amer Sports Corporation Annual General Meeting held on March 9, 2017 are available at [www.amersports.com/investors](http://www.amersports.com/investors).

### **CHANGES IN GROUP STRUCTURE**

In March, Amer Sports acquired Armada, the iconic US ski brand, with annual net sales of approximately USD 10 million. The acquisition includes the Armada brand, Armada-branded products, as well as intellectual property and distribution rights. The transaction value was USD 4.1 million, of which USD 2.5 million was settled with cash. Armada is being integrated into Amer Sports Winter Sports Equipment business unit. The acquisition has no material impact on Amer Sports 2017 financial results.

### **RESTRUCTURING PROGRAMS**

In August 2016, Amer Sports started a targeted restructuring to free up operating expenses of approximately EUR 20 million, which have been reallocated to fund growth. Restructuring expenses were EUR 19.3 million (pre-tax, reported under "Items affecting comparability"), of which EUR 10.6 million were recognized in 2016, and EUR 8.7 million during the first half in 2017. The restructuring has been successfully completed.

Due to the challenging market conditions, in February 2017 Amer Sports expanded the cost restructuring program initiated in August 2016, with the objective to reduce operating expenses worth approximately 100 EBIT margin basis points by the end of 2018, with full impact in 2019.

### **SIGNIFICANT SHORT-TERM RISKS AND UNCERTAINTIES**

Amer Sports' business is balanced by its broad portfolio of sports and brands, the increasing share of apparel and footwear in the company portfolio as well as the company's presence in all major markets. Short-term risks for Amer Sports are particularly associated with general economic conditions, changes in the wholesale channel, consumer demand development, the ability to compete successfully against existing or new competitors and the ability to identify and respond to constantly shifting trends, to leverage technology advancements and to develop new and appealing products.

Further information on the company's business risks and uncertainty factors is available at [www.amersports.com/investors](http://www.amersports.com/investors).

#### **CORPORATE RESPONSIBILITY**

Amer Sports published its Corporate Responsibility Report 2016 in June. The report is available at [www.amersports.com/responsibility/reports](http://www.amersports.com/responsibility/reports).

#### **OUTLOOK**

In 2017, Amer Sports' net sales in local currencies are expected to increase from 2016, despite short-term market softness. EBIT excl. IAC is expected to be approximately at the level of 2016.

The growth in 2017 is expected to be biased to the second half of the year. EBIT excl. IAC includes further accelerated investment into the company's transformation toward omni-channel and digital to win in the fast changing market place. The company will continue to focus on growing the core business and the five prioritized areas: Apparel and Footwear, US, China, Business to Consumer, as well as digitally connected devices and services.

## TABLES

The notes are an integral part of consolidated interim financial information.

Unaudited

EUR million

### CONSOLIDATED RESULTS

	4-6/ 2017	4-6/ 2016	Change %	1-6/ 2017	1-6/ 2016	Change %	2016
<b>NET SALES</b>	487.3	477.4	2	1,148.9	1,112.9	3	2,622.1
Cost of goods sold	-270.6	-263.8		-632.6	-597.8		-1,409.7
License income	1.2	1.6		2.5	3.4		6.8
Other operating income	4.1	1.4		5.9	2.2		8.8
Research and development expenses	-25.8	-22.6		-52.6	-44.9		-97.5
Selling and marketing expenses	-175.8	-163.7		-370.8	-348.1		-731.1
Administrative and other expenses	-44.2	-42.4		-93.6	-100.1		-194.6
<b>EARNINGS BEFORE INTEREST AND TAXES</b>	-23.8	-12.1		7.7	27.6		204.8
% of net sales				0.7	2.5		7.8
Financing income and expenses	-8.6	-8.0		-13.8	-15.9		-31.8
<b>EARNINGS BEFORE TAXES</b>	-32.4	-20.1		-6.1	11.7		173.0
Taxes	8.4	5.4		1.6	-3.2		-46.1
<b>NET RESULT</b>	-24.0	-14.7		-4.5	8.5		126.9
Attributable to:							
Equity holders of the parent company	-24.0	-14.7		-4.5	8.5		126.9
Earnings per share, EUR	-0.21	-0.13		-0.04	0.07		1.08
Earnings per share, diluted, EUR	-0.21	-0.13		-0.04	0.07		1.07
Adjusted average number of shares in issue less own shares, million				117.1	117.5		117.5
Adjusted average number of shares in issue less own shares, diluted, million				117.5	118.0		118.1
Equity per share, EUR				7.21	7.30		8.53
ROCE, % *)				13.0	16.2		14.8
ROE, %				-1.0	1.9		13.0
Average rates used: EUR 1.00 = USD	1.0995	1.1294		1.0820	1.1158		1.1071

\*) 12 months' rolling average

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	4-6/ 2017	4-6/ 2016	1-6/ 2017	1-6/ 2016	2016
Net result	-24.0	-14.7	-4.5	8.5	126.9
<b>Other comprehensive income</b>					
Items that will not be reclassified to profit or loss					
Remeasurement effects of postemployment benefit plans	-1.5	-5.8	-4.6	-15.7	-8.9
Income tax related to remeasurement effects	0.5	1.9	1.6	4.8	-3.2

## Items that may be reclassified to profit or loss

Translation differences	-26.9	15.0	-18.5	2.9	16.1
Cash flow hedges	-33.9	4.4	-53.2	-37.3	-20.0
Income tax related to cash flow hedges	6.8	-0.9	10.6	7.4	4.0
Other comprehensive income, net of tax	-55.0	14.6	-64.1	-37.9	-12.0
Total comprehensive income	-79.0	-0.1	-68.6	-29.4	114.9

**Total comprehensive income attributable to:**

Equity holders of the parent company	-79.0	-0.1	-68.6	-29.4	114.9
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**NET SALES BY OPERATING SEGMENT**

	4-6/ 2017	4-6/ 2016	Change %	1-6/ 2017	1-6/ 2016	Change %	2016
Outdoor	238.3	231.0	3	634.5	605.4	5	1,601.8
Ball Sports	167.5	165.5	1	352.4	352.2	0	671.1
Fitness	81.5	80.9	1	162.0	155.3	4	349.2
Total	487.3	477.4	2	1,148.9	1,112.9	3	2,622.1

**GEOGRAPHIC BREAKDOWN OF NET SALES**

	4-6/ 2017	4-6/ 2016	Change %	1-6/ 2017	1-6/ 2016	Change %	2016
EMEA	170.5	174.8	-2	460.0	453.7	1	1,133.7
Americas	238.0	229.8	4	514.0	496.9	3	1,116.0
Asia Pacific	78.8	72.8	8	174.9	162.3	8	372.4
Total	487.3	477.4	2	1,148.9	1,112.9	3	2,622.1

**EBIT EXCLUDING ITEMS AFFECTING COMPARABILITY (IAC) BY OPERATING SEGMENT**

	4-6/ 2017	4-6/ 2016	Change %	1-6/ 2017	1-6/ 2016	Change %	2016
Outdoor	-31.1	-16.0		-2.3	21.7		196.9
Ball Sports	9.0	7.7	17	25.5	26.7	-4	44.8
Fitness	2.5	4.5	-44	3.2	4.8	-33	17.0
Headquarters*)	-5.2	-8.3		-13.0	-19.3		-37.0
EBIT excluding IAC	-24.8	-12.1		13.4	33.9	-60	221.7
IAC	1.0	-		-5.7	-6.3		-16.9
EBIT	-23.8	-12.1		7.7	27.6	-72	204.8

\*) The Headquarters consists of Group digital service development, administration, shared services, other non-operational income and expenses, and fair valuation of share-based compensations.

**CONSOLIDATED CASH FLOW STATEMENT**

	Note	4-6/ 2017	4-6/ 2016	1-6/ 2017	1-6/ 2016	2016
Earnings before interest and taxes		-23.8	-12.1	7.7	27.6	204.8
Adjustments to cash flow from operating activities and depreciation		12.7	12.3	32.3	29.7	63.2
Change in working capital		33.0	-27.2	71.7	-13.8	-57.5
Cash flow from operating activities before financing items and taxes		21.9	-27.0	111.7	43.5	210.5
Interest paid and received		-4.3	-4.7	-10.6	-14.5	-27.3
Income taxes paid and received		-6.6	-9.0	-13.5	-19.3	-32.9
Net cash flow from operating activities		11.0	-40.7	87.6	9.7	150.3
						-56.8

Acquired operations	-	2.9	-2.3	-42.4	
Capital expenditure on non-current tangible and intangible assets	-14.3	-27.1	-33.1	-44.7	-91.7
Proceeds from sale of tangible non-current assets	0.8	0.4	0.8	0.4	0.6
Net cash flow from investing activities	-13.5	-23.8	-34.6	-86.7	-147.9
Repurchase of own shares	-7.8	-	-23.5	-	-
Capital repayment/dividends paid	3	-6.5	0.0	-72.7	-64.7
Change in debt and other financing items	-27.6	-1.6	-70.9	37.5	92.8
Net cash flow from financing activities	-41.9	-1.6	-167.1	-27.0	28.1
Cash and cash equivalents on April 1/January 1	295.3	292.9	364.0	331.4	331.4
Translation differences	-4.5	3.1	-3.5	2.5	2.1
Change in cash and cash equivalents	-44.4	-66.1	-114.1	-104.0	30.5
Cash and cash equivalents on June 30/December 31	246.4	229.9	246.4	229.9	364.0
Free cash flow *)	7.0	-54.3	60.9	-21.5	64.4

\*) Cash flow from operating activities – net capital expenditures – change in restricted cash  
Net capital expenditure = total capital expenditure less proceeds from sale of assets

## CONSOLIDATED BALANCE SHEET

	Note	June 30, 2017	June 30, 2016	December 31, 2016
<b>Assets</b>				
Goodwill		354.0	341.1	373.4
Other intangible non-current assets		325.9	324.6	332.3
Tangible non-current assets		211.6	216.4	226.0
Other non-current assets		117.4	128.1	119.8
Inventories and work in progress		565.5	585.7	513.6
Current tax receivables		11.9	2.4	17.4
Other receivables		542.1	571.8	768.6
Cash and cash equivalents		246.4	229.9	364.0
Total assets	2	2,374.8	2,400.0	2,715.1
<b>Shareholders' equity and liabilities</b>				
Shareholders' equity		840.5	858.2	1,003.1
Long-term interest-bearing liabilities		828.9	777.7	846.2
Other long-term liabilities		136.3	137.3	136.7
Current interest-bearing liabilities		1.9	52.1	53.7
Current tax liabilities		11.9	11.1	32.1
Other current liabilities		516.1	528.8	603.6
Provisions		39.2	34.8	39.7
Total shareholders' equity and liabilities		2,374.8	2,400.0	2,715.1
Equity ratio, %		35.4	35.8	36.9
Gearing, %		69	70	53
EUR 1.00 = USD		1.1412	1.1135	1.0541

# CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Note	Share capital	Premium fund	Fund for own shares	Translation differences	Fair value and other reserves	Remeasurements	Invested unrestricted equity reserve	Retained earnings	Total
Balance at Jan. 1, 2016		292.2	12.1	-18.1	17.0	43.8	-35.1	163.1	474.6	949.6
<b>Other comprehensive income:</b>										
Translation differences					2.9					2.9
Cash flow and fair value hedges						-37.3				-37.3
Income tax related to OCI						7.4	4.8			12.2
Remeasurement effects of postemployment benefit plans							-15.7			-15.7
Net result									8.5	8.5
Total comprehensive income					2.9	-29.9	-10.9		8.5	-29.4
<b>Transactions with owners:</b>										
Share-based incentive program				3.1					-0.4	2.7
Dividend distribution	3								-64.7	-64.7
Balance at June 30, 2016		292.2	12.1	-15.0	19.9	13.9	-46.0	163.1	418.0	858.2
Balance at Jan. 1, 2017		292.2	12.1	-15.5	33.1	27.8	-47.2	163.1	537.5	1,003.1
<b>Other comprehensive income:</b>										
Translation differences					-18.5					-18.5
Cash flow and fair value hedges						-53.2				-53.2
Income tax related to OCI						10.6	1.6			12.2
Remeasurement effects of postemployment benefit plans							-4.6			-4.6
Net result									-4.5	-4.5
Total comprehensive income					-18.5	-42.6	-3.0		-4.5	-68.6
<b>Transactions with owners:</b>										
Repurchased own shares				-23.5						-23.5
Share-based incentive program				2.1				1.3	-1.2	2.2
Capital repayment	3							-72.7		-72.7
Balance at June 30, 2017		292.2	12.1	-36.9	14.6	-14.8	-50.2	91.7	531.8	840.5

## QUARTERLY BREAKDOWN OF NET SALES AND EBIT EXCLUDING IAC

	Q2/ 2017	Q1/ 2017	Q4/ 2016	Q3/ 2016	Q2/ 2016	Q1/ 2016	Q4/ 2015	Q3/ 2015
<b>NET SALES</b>								
Outdoor	238.3	396.2	490.7	505.7	231.0	374.4	501.9	476.6
Ball Sports	167.5	184.9	171.9	147.0	165.5	186.7	165.7	147.8
Fitness	81.5	80.5	109.8	84.1	80.9	74.4	116.1	89.3
Total	487.3	661.6	772.4	736.8	477.4	635.5	783.7	713.7
	Q2/ 2017	Q1/ 2017	Q4/ 2016	Q3/ 2016	Q2/ 2016	Q1/ 2016	Q4/ 2015	Q3/ 2015
<b>EBIT</b>								
Outdoor	-31.1	28.8	69.7	105.5	-16.0	37.7	65.6	92.9
Ball Sports	9.0	16.5	12.8	5.3	7.7	19.0	8.2	8.8
Fitness	2.5	0.7	6.8	5.4	4.5	0.3	15.7	9.1
Headquarters	-5.2	-7.8	-8.0	-9.7	-8.3	-11.0	-5.5	-7.3
EBIT excluding IAC	-24.8	38.2	81.3	106.5	-12.1	46.0	84.0	103.5
IAC	1.0	-6.7	-8.2	-2.4	-	-6.3	-	-
EBIT	-23.8	31.5	73.1	104.1	-12.1	39.7	84.0	103.5

## THE NOTES TO THE FINANCIAL STATEMENTS

### ACCOUNTING POLICIES

The interim financial information has been prepared in accordance with IAS 34 Interim Financial Reporting and in compliance with IFRS standards and interpretations in force as at January 1, 2017 as adopted by the EU. The IFRS recognition and measurement principles as described in the annual financial statements for 2016 have also been applied in the preparation of the interim financial information.

From January 1, 2018 Amer Sports will adopt IFRS 9 and IFRS 15.

**IFRS 9 Financial Instruments:** During 2017 Amer Sports will assess the effect of IFRS 9 on its consolidated financial statements and expects that changes will arise from the expected credit loss model.

**IFRS 15 Revenue from Contracts with Customers:** During 2016 Amer Sports performed a preliminary assessment of the implications of IFRS 15. Amer Sports continues to assess individual contracts to determine IFRS 15 related changes during 2017 and will adopt IFRS 15 using the full retrospective method.

Some contracts that Amer Sports has with its customers provide a right of return and trade discounts and give rise to variable consideration under IFRS 15. The current provisions for deferred revenue give rise to variable consideration, and will be required to be estimated at contract inception. Amer Sports expects more revenue being deferred under IFRS 15 than is under current IFRS.

The customer loyalty programmes offered within Amer Sports B2C business are expected to give rise to a separate performance obligation as they generally provide a material right to the consumer. Amer Sports will allocate a portion of the transaction price to the loyalty programme points based on relative stand-alone selling prices instead of the allocation using the fair value of points issued. At the current level of activity of the customer loyalty programmes, no material change is expected on the revenue recognition.

Amer Sports provides installation services in its Fitness segment. Currently the revenue from the installation services has been netted against the related expenses. As Amer Sports acts as the principal in rendering the installation services, netting of the revenue and expenses is no longer applicable according to IFRS 15. Amer Sports has assessed that the services are satisfied over time and will continue to recognize revenue for these service contracts over time rather than at a point of time. Amer Sports expects to report more service related revenue and expenses under IFRS 15, whereas no impact is expected on the EBIT.



In 2016 Amer Sports has developed account structures, accounting policies and procedures and planned ERP changes to collect and disclose the required information according to IFRS 15. During the first half-year in 2017 Amer Sports has implemented changes into ERP systems, created accounts and reports to collect comparison information and actual data from the date of adoption, organized group wide training sessions and communicated the revenue accounting policy changes. The customer contracts have been collected and contract analysis continues during the third quarter.

**IFRS 16 Leases:** Amer Sports will adopt IFRS 16 from January 1, 2019 provided that the standard is approved by the EU. IFRS 16 will have significant implications on the recognition of the lease expenses, non-current assets, interest-bearing liabilities as well as on the key financial ratios. Due to the great number of lease contracts and related liabilities Amer Sports expects to report significant increases in leasing assets and leasing liabilities. The off-balance sheet operating lease commitments as of June 30, 2017 were EUR 234.1 million. The number of agreements recognized in the balance sheet under IFRS 16 may differ from the number of agreements recognized as operating lease commitments as the concept of agreements disclosed as lease commitments is somewhat different from the concept used in IFRS 16. In 2017 Amer Sports assesses the effect of IFRS 16 on its consolidated financial statements on a more detailed level.

## 2. SEGMENT INFORMATION

Amer Sports has three operating segments: Outdoor, Ball Sports and Fitness.

The accounting policies for segment reporting do not differ from the Group's accounting policies. However, the decisions concerning assessing the performance of segments and allocation of resources to the segments are based on segments' net sales and earnings before interest and taxes excluding items affecting comparability (EBIT excluding IAC). The chief operating decision maker of Amer Sports is President and CEO, who is assisted by the Executive Board.

There were no intersegment business operations during the reported periods.

	Net sales	EBIT	Financing income and expenses	Earnings before taxes	Assets
<b>1-6/2017</b>					
Outdoor	634.5	-2.3			1,110.9
Ball Sports	352.4	25.5			477.5
Fitness	162.0	3.2			334.7
Segments, total	1,148.9	26.4			1,923.1
IAC		-5.7			
Headquarters		-13.0	-13.8		451.7
Group total	1,148.9	7.7	-13.8	-6.1	2,374.8
<b>1-6/2016</b>					
Outdoor	605.4	21.7			1,086.0
Ball Sports	352.2	26.7			505.6
Fitness	155.3	4.8			341.6
Segments, total	1,112.9	53.2			1,933.2
IAC		-6.3			
Headquarters		-19.3	-15.9		466.8
Group total	1,112.9	27.6	-15.9	11.7	2,400.0
<b>1-12/2016</b>					
Outdoor	1,601.8	196.9			1,224.4
Ball Sports	671.1	44.8			524.6
Fitness	349.2	17.0			377.4
Segments, total	2,622.1	258.7			2,126.4

IAC		-16.9			
Headquarters		-37.0	-31.8		588.7
Group total	2,622.1	204.8	-31.8	173.0	2,715.1

### GEOGRAPHIC BREAKDOWN OF NET SALES

	1-6/ 2017	1-6/ 2016	2016
EMEA	460.0	453.7	1,133.7
Americas	514.0	496.9	1,116.0
Asia Pacific	174.9	162.3	372.4
Total	1,148.9	1,112.9	2,622.1

### 3. CAPITAL REPAYMENT/DIVIDENDS

Relating to the year ending on December 31, 2016, the capital repayment distributed to the shareholders of Amer Sports Corporation was EUR 0.62 per share and amounted in total to EUR 72.7 million (2015: dividend 0.55 per share, in total 64.7 million). The capital repayment was paid out in March-April 2017.

### 4. CONTINGENT LIABILITIES AND SECURED ASSETS

	June 30, 2017	June 30, 2016	December 31, 2016
Guarantees	32.9	24.6	30.2
Liabilities for leasing and rental agreements	234.1	189.5	239.4
Other liabilities	57.7	68.1	74.2

There are no guarantees or contingencies given for the management of the company, the shareholders or the associated companies.

### 5. ONGOING LITIGATIONS

The Group has extensive international operations and is involved in a number of legal proceedings, including product liability suits. The Group does not expect the outcome of any legal proceedings currently pending to have materially adverse effect upon its consolidated results or financial position.

### 6. SEASONALITY

Although Amer Sports operates in a number of sporting goods segments during all four seasons, its business is subject to seasonal fluctuations. Historically, the third and fourth quarters of a financial year have been the strongest quarters for Amer Sports in terms of both net sales and profitability, mainly because sales of winter sports equipment ahead of the winter season typically take place during the third and fourth quarters. The summer season for ball sports balances seasonality to a certain extent, as the strongest quarters for the Ball Sports segment are the first and second quarters. Usually the net cash flow from operating activities is very strong in the first quarter when the cash inflows from the sales of winter sports equipment realizes. Especially during the third quarter, the net cash flow from operating activities is tied up in working capital.

### 7. DERIVATIVE FINANCIAL INSTRUMENTS AND AVAILABLE-FOR-SALE FINANCIAL ASSETS MEASURED AT FAIR VALUE

The fair values of financial assets and liabilities whose fair value is recognized through income statement and derivative financial instruments used in hedge accounting are presented in the following table. All derivatives are classified as Level 2 instruments whose fair value is determined by using valuation techniques from observable market data. Available-for-sale financial assets are classified as Level 3 instruments and valued by using valuation techniques without any observable market data.

The company's derivative financial instruments may include foreign exchange forward contracts and options, interest rate swaps and interest rate options and cross-currency swaps. Foreign exchange forward contracts and options are used to hedge against changes in the value of receivables, liabilities and future cash flows denominated in a foreign currency and interest rate swaps and interest rate options to hedge against the

interest rate risk. Cross-currency swaps are used to hedge against changes in value of foreign currency denominated receivables and liabilities and against the interest rate risk.

Derivative financial instruments are initially and subsequently recognized at fair value. Fair values of foreign currency denominated derivatives are measured by recognizing the exchange rate difference by using the closing rates quoted by the European Central Bank on the reporting date. The future cash flows related to forward contract's interest rate differential are discounted with the relevant market interest rate yield curves on the reporting date and compared with initial interest rate differential. The time value of foreign exchange options is measured using commonly known option pricing models. The expected future cash flows of the interest rate swaps and cross currency swaps are discounted with the market interest yield curves of the currencies concerned. Interest rate options are valued by using commonly known option pricing models. The accrued interest of forward contracts, interest rate swaps and cross currency swaps are periodized over the duration of the instruments on a net basis.

The counterparty risk of the company hasn't materially changed and hence has no material effect on the valuation of the company's derivative instruments.

Available-for-sale financial assets are Level 3 instruments whose exact fair values can't be reliably measured. The fair values of available-for-sale assets are presented at bookkeeping value or a lower value if they are impaired. The fair values do not materially deviate from the bookkeeping value.

	Financial assets/liabilities at fair value through income statement	Derivative financial instruments used in hedge accounting	Available- for-sale financial assets
<b>June 30, 2017</b>			
<b>Non-current financial assets</b>			
Other non-current financial assets			0.6
Foreign exchange derivatives		1.5	
Interest rate derivatives and cross currency swaps	7.5	0.0	
<b>Current financial assets</b>			
Foreign exchange derivatives	13.4	12.2	
<b>Long-term financial liabilities</b>			
Foreign exchange derivatives		8.9	
Interest rate derivatives and cross currency swaps	18.0	3.6	
<b>Current financial liabilities</b>			
Foreign exchange derivatives	1.7	19.6	
Interest rate derivatives and cross currency swaps		0.4	
Nominal value of foreign exchange derivatives	540.0	1,276.4	
Nominal value of interest rate	135.0	232.7	

derivatives  
Nominal value of cross  
currency swaps

77.8

	Financial assets/liabilities at fair value through income statement	Derivative financial instruments used in hedge accounting	Available- for-sale financial assets
<b>June 30, 2016</b>			
<b>Non-current financial assets</b>			
Other non-current financial assets			0.5
Foreign exchange derivatives		3.1	
Interest rate derivatives and cross currency swaps	5.3	0.2	
<b>Current financial assets</b>			
Foreign exchange derivatives	30.6	30.2	
<b>Long-term financial liabilities</b>			
Foreign exchange derivatives		0.8	
Interest rate derivatives and cross currency swaps	14.9	7.1	
<b>Current financial liabilities</b>			
Foreign exchange derivatives	36.2	8.2	
Interest rate derivatives and cross currency swaps		1.1	
Nominal value of foreign exchange derivatives	450.3	1,041.1	
Nominal value of interest rate derivatives	135.0	235.7	
Nominal value of cross currency swaps		79.9	

	Financial assets/liabilities at fair value through income statement	Derivative financial instruments used in hedge accounting	Available- for-sale financial assets
<b>December 31, 2016</b>			
<b>Non-current financial assets</b>			
Other non-current financial assets			0.4
Foreign exchange derivatives		4.5	

Interest rate derivatives and cross currency swaps	8.6	0.1
<b>Current financial assets</b>		
Foreign exchange derivatives	4.2	38.6
<b>Long-term financial liabilities</b>		
Foreign exchange derivatives		0.4
Interest rate derivatives and cross currency swaps	21.4	3.5
<b>Current financial liabilities</b>		
Foreign exchange derivatives	10.4	4.5
Interest rate derivatives and cross currency swaps		1.0
Nominal value of foreign exchange derivatives	549.6	1,145.5
Nominal value of interest rate derivatives	135.0	242.8
Nominal value of cross currency swaps		78.5

## 8. ACQUIRED AND DIVESTED BUSINESSES

### 2017:

On March 29, 2017 Amer Sports acquired the iconic US ski brand Armada with annual net sales of approximately USD 10 million. The acquisition included the Armada brand, Armada-branded products, as well as intellectual property and distribution rights. The transaction value was USD 4.1 million, of which USD 2.5 million was settled with cash. Armada is being integrated into Amer Sports Winter Sports Equipment business unit. Based on the preliminary purchase price allocation the identifiable acquired net assets were EUR 7.0 million resulting in a gain of EUR 3.0 million. The accounting for the business combination will be finalized during 2017.

The acquisition has no material impact on Amer Sports 2017 financial results.

### 2016:

On March 8, 2016 Amer Sports acquired 100% of the shares in the company ENVE Composites LLC. ENVE is a fast-growing brand in high-end carbon wheels, components, and accessories for road and mountain biking with annual sales of approximately USD 30 million. The acquisition accelerates Amer Sports Cycling business especially in the United States and provides further expansion opportunities internationally. ENVE brings capabilities in carbon technology, and it offers operational scale and synergy benefits complementing Amer Sports' cycling category.

The net cash acquisition price was USD 50 million in an all-cash transaction and was paid in March 2016. According to the purchase price allocation, the fair value of the acquired net assets was EUR 48.0 million. EUR 18.9 million of the fair value was allocated to the ENVE intangible assets including trademarks, customer relationships and technology. These assets are amortized over 10-15 years. EUR 18.5 million of the fair value was allocated to goodwill. Purchase of ENVE was treated as asset purchase in taxation and no deferred taxes were recognized.

The following fair values of the assets and liabilities of ENVE Composites LLC have been consolidated into Amer Sports' result from the acquisition date. Transaction costs of EUR 0.3 million are included in the administrative expenses of the consolidated income statement.

<b>EUR million</b>	<b>Fair value</b>
Intangible non-current assets	18.9
Goodwill	18.5
Other non-current assets	1.2
Inventories	5.7
Accounts receivables and other current assets	2.9
Cash	3.3
<b>TOTAL ASSETS</b>	<b>50.5</b>
Interest-free liabilities	2.5
<b>TOTAL LIABILITIES</b>	<b>2.5</b>
<b>NET ASSETS</b>	<b>48.0</b>
Purchase price	48.0

#### Analysis of the cash flows on the acquisition

<b>EUR million</b>	<b>Fair value</b>
Purchase price	48.0
ENVE cash	-3.3
Transaction costs	0.3
<b>Net cash flow on acquisition</b>	<b>45.0</b>

Fair value of accounts receivables was equal to book value at the date of transaction.

The ENVE sales in 2016 from the date of acquisition were EUR 20 million. The ENVE transaction including one time integration costs and amortization of intangible assets had slightly negative impact on Amer Sports' 2016 financial results.

On November 17, 2016 Amer Sports acquired EvoShield, the leading protective gear brand for baseball and softball.

EvoShield is the leading brand of protective gear for baseball and softball athletes and teams in the U.S., and the Official Protective Gear of Major League Baseball® (MLB). The annual net sales of EvoShield are approximately EUR 10 million.

The price of this selective asset acquisition was USD 9.3 million and it included the EvoShield brand, all EvoShield branded products as well as intellectual property and distribution rights. Based on preliminary purchase price allocation the fair value of acquired intangible assets such as EvoShield trademark was USD 7.3 million. The purchase accounting will be completed during 2017.

EvoShield has been integrated into Amer Sports Ball Sports business segment, which already includes the brands Wilson, Louisville Slugger, DeMarini and ATEC.

The EvoShield acquisition had no material impact on Amer Sports 2016 financial results.

## 9. RECONCILIATION BETWEEN REPORTED EARNINGS BEFORE INTEREST AND TAXES (EBIT) AND EBIT EXCLUDING ITEMS AFFECTING COMPARABILITY (EBIT EXCLUDING IAC) COMMENTED IN THIS FINANCIAL REVIEW

The income statement under IFRS has been adjusted by the following adjustments when reporting and commenting earnings before interest and taxes excluding items affecting comparability in this financial review.

	4-6/2017			1-6/2017		
	IFRS	IAC	Income statement excl. IAC	IFRS	IAC	Income statement excl. IAC
<b>NET SALES</b>	487.3	-	487.3	1,148.9	-	1,148.9
Cost of goods sold	-270.6	0.1	-270.5	-632.6	0.1	-632.5
Licence income	1.2	-	1.2	2.5	-	2.5
Other operating income	4.1	-3.0	1.1	5.9	-3.0	2.9
Research and development expenses	-25.8	-	-25.8	-52.6	0.7	-51.9
Selling and marketing expenses	-175.8	1.7	-174.1	-370.8	7.4	-363.4
Administrative and other expenses	-44.2	0.2	-44.0	-93.6	0.5	-93.1
<b>EBIT</b>	-23.8	-1.0	-24.8	7.7	5.7	13.4

	4-6/2016			1-6/2016		
	IFRS	IAC	Income statement excl. IAC	IFRS	IAC	Income statement excl. IAC
<b>NET SALES</b>	477.4	-	477.4	1,112.9	-	1,112.9
Cost of goods sold	-263.8	-	-263.8	-597.8	-	-597.8
Licence income	1.6	-	1.6	3.4	-	3.4
Other operating income	1.4	-	1.4	2.2	-	2.2
Research and development expenses	-22.6	-	-22.6	-44.9	-	-44.9
Selling and marketing expenses	-163.7	-	-163.7	-348.1	6.3	-341.8
Administrative and other expenses	-42.4	-	-42.4	-100.1	-	-100.1
<b>EBIT</b>	-12.1	-	-12.1	27.6	6.3	33.9

1-12/2016	IFRS	IAC	Income statement excl. IAC
<b>NET SALES</b>	2,622.1	-	2,622.1
Cost of goods sold	-1,409.7	1.1	-1,408.6
Licence income	6.8	-	6.8
Other operating income	8.8	-	8.8
Research and development expenses	-97.5	2.3	-95.2
Selling and marketing expenses	-731.1	13.1	-718.0
Administrative and other expenses	-194.6	0.4	-194.2
<b>EBIT</b>	204.8	16.9	221.7

Items affecting comparability (IAC) are material items or transactions, which are relevant for understanding the financial performance of Amer Sports when comparing profit of the current period with previous periods.

These items can include, but are not limited to, capital gains and losses, significant write-downs, provisions for planned restructuring and other items that are not related to normal business operations from Amer Sports' management view. A single item affecting comparability has to represent more than one cent per share.

# **10. FORMULAS AND BRIDGE CALCULATIONS OF KEY INDICATORS**

ESMA (European Securities and Markets Authority) guidelines on Alternative Performance Measures (APMs) are effective from the financial year 2016. Amer Sports presents APMs to reflect the underlying business performance and to enhance comparability between financial periods. APMs should not be considered as a substitute for measures of performance in accordance with the IFRS. As of Q1 2016, Amer Sports relabeled the previously referenced "excluding non-recurring items" with "excluding items affecting comparability" (IAC). Operating segments' EBIT is reported excluding IAC. Items affecting comparability and APMs used by Amer Sports are defined in this note.

## **EBIT excluding IAC:**

EBIT + IAC

	4-6/ 2017	4-6/ 2016	1-6/ 2017	1-6/ 2016	2016
EBIT	-23.8	-12.1	7.7	27.6	204.8
IAC	-1.0	-	5.7	6.3	16.9
EBIT excluding IAC	-24.8	-12.1	13.4	33.9	221.7

## **EBIT % excluding IAC:**

100 x  $\frac{\text{EBIT} + \text{IAC}}{\text{Net Sales}}$

ITEMS AFFECTING COMPARABILITY (IAC) are material items or transactions, which are relevant for understanding the financial performance of Amer Sports when comparing profit of the current period with previous periods. These items can include, but are not limited to, capital gains and losses, significant write-downs, provisions for planned restructuring and other items that are not related to normal business operations from Amer Sports' management view. A single item affecting comparability has to represent more than one cent per share.

	4-6/ 2017	4-6/ 2016	1-6/ 2017	1-6/ 2016	2016
Significant write-down of the receivable balance from a U.S. sporting goods retailer	-	-	-	6.3	6.3
Restructuring program 2016	2.0	-	8.7	-	10.6
Gain on the acquisition	-3.0	-	-3.0	-	-
Items affecting comparability total	-1.0	-	5.7	6.3	16.9

## **EARNINGS PER SHARE excluding IAC:**

Net result excluding IAC attributable to equity holders of the parent company

Average number of shares adjusted for the bonus element of share issues

	4-6/ 2017	4-6/ 2016	1-6/ 2017	1-6/ 2016	2016
Net result	-24.0	-14.7	-4.5	8.5	126.9
IAC	-1.0	-	5.7	6.3	16.9
Tax effect	0.4	-	-1.5	-1.7	-4.5
Net result excl. IAC	-24.6	-14.7	-0.3	13.1	139.3



**EBITDA:**

EBIT + Depreciations and amortizations

	4-6/ 2017	4-6/ 2016	1-6/ 2017	1-6/ 2016	2016
EBIT	-23.8	-12.1	7.7	27.6	204.8
Depreciations and amortizations	17.8	13.6	37.0	28.9	60.0
EBITDA	-6.0	1.5	44.7	56.5	264.8

**EBITDA excluding IAC:**

EBIT excluding IAC + Depreciations and amortizations

	4-6/ 2017	4-6/ 2016	1-6/ 2017	1-6/ 2016	2016
EBIT	-23.8	-12.1	7.7	27.6	204.8
IAC	-1.0	-	5.7	6.3	16.9
Depreciations and amortization	17.8	13.6	37.0	28.9	60.0
EBITDA excl. IAC	-7.0	1.5	50.4	62.8	281.7

**NET DEBT:**

Long-term and current Interest-bearing liabilities – cash and cash equivalents

	June 30, 2017	June 30, 2016	December 31, 2016
Long-term interest-bearing liabilities	828.9	777.7	846.2
Current interest-bearing liabilities	1.9	52.1	53.7
Cash and cash equivalents	-246.4	-229.9	-364.0
NET DEBT	584.4	599.9	535.9

**NET DEBT/EBITDA:**

100 x  $\frac{\text{Net Debt}}{\text{EBIT + Depreciations and amortizations}}$

**NET DEBT/EBITDA excl. IAC:**

100 x  $\frac{\text{Net Debt}}{\text{EBIT excluding IAC + Depreciations and amortizations}}$

**FREE CASH FLOW:**

Cash flow from operating activities – net capital expenditures – change in restricted cash

	4-6/ 2017	4-6/ 2016	1-6/ 2017	1-6/ 2016	2016
Cash flow from operating activities	11.0	-40.7	87.6	9.7	150.3

Net capital expenditures	-13.5	-26.7	-32.3	-44.3	-91.1
Restricted cash	9.5	13.1	5.6	13.1	5.2
FREE CASH FLOW	7.0	-54.3	60.9	-21.5	64.4

#### **NET CAPITAL EXPENDITURE:**

Total capital expenditure on non-current tangible and intangible assets - proceeds from sale of assets

	<b>4-6/ 2017</b>	<b>4-6/ 2016</b>	<b>1-6/ 2017</b>	<b>1-6/ 2016</b>	<b>2016</b>
Total capital expenditure on non-current tangible and intangible assets	-14.3	-27.1	-33.1	-44.7	-91.7
Proceeds from sale of assets	0.8	0.4	0.8	0.4	0.6
NET CAPITAL EXPENDITURE	-13.5	-26.7	-32.3	-44.3	-91.1

All forecasts and estimates presented in this report are based on the management's current judgment of the economic environment. The actual results may differ significantly.

#### **AMER SPORTS CORPORATION**

#### **Board of Directors**