



**Half-Year Report 2025**  
**On Holding AG**



# MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Unless otherwise indicated or the context otherwise requires, all references in this document to "On," "On Holding AG," the "Company," "we," "our," "ours," "us," or similar terms refer to On Holding AG and its consolidated subsidiaries.

The following discussion of our financial condition and results of operations should be read in conjunction with the unaudited interim condensed consolidated financial statements, included in the Form 6-k filed with this management's discussion and analysis of financial condition and results of operations with the Securities and Exchange Commission ("SEC"), as well as our audited financial statements and the notes thereto, and the section titled "Risk Factors," each of which appear in our annual report on Form 20-F for the year ended December 31, 2024, filed with the SEC on March 4, 2025 ("Annual Report"). As discussed in the section titled "Special Note Regarding Forward-Looking Statements," the following management's discussion and analysis contains forward-looking statements that involve risks and uncertainties, as well as assumptions that, if they never materialize or prove incorrect, could cause our results to differ materially from those expressed or implied by such forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those identified in such section. The unaudited interim condensed consolidated financial statements as of June 30, 2025, and for the three-month and six-month periods ended June 30, 2025 and 2024 were prepared in accordance with International Accounting Standards ("IFRS"), and International Accounting Standard 34, Interim Financial Reporting ("IAS 34"), as issued by the International Accounting Standards Board, and presented in Swiss Francs (CHF), the legal currency of Switzerland.

Certain numerical figures shown as totals in some tables may not be an arithmetic aggregation of the figures that preceded them due to rounding. With respect to financial information set out in this document, a dash ("—") signifies that the relevant figure is available but is or has been rounded to zero.

## Overview

On is a premium performance sportswear brand rooted in innovation, design and sustainability that has built a passionate global community of fans across more than 80 countries. We focus on providing a premium product experience to customers wherever they are, and our brand resonates with our loyal customers around the world.

We believe our Swiss heritage and our focus on innovating at the cutting edge of performance, design and sustainability differentiates us from other sports brands. We are committed to creating premium products that deliver strong performance. Our relentless culture of innovation has driven us to repeatedly introduce numerous groundbreaking technologies that are designed to change the experience of running and create continuous excitement for our fans as we bring new products to market. Building off our heritage of supporting the runner, we have applied our expertise to creating performance products for a broader set of global consumers who use them in everyday life, expanding our product range beyond Performance Running to Performance Outdoor, Performance All Day, Performance Tennis and Performance Training.

On operates as a single-brand consumer products business and therefore has a single operating and reportable segment.

## Key Financial and Operating Metrics

Key financial and operating metrics for the three-month period ended June 30, 2025 compared to the three-month period ended June 30, 2024 include:

- net sales increased by 32.0% to CHF 749.2 million, or by 38.2% on a constant currency basis;
- net sales through the direct-to-consumer ("DTC") sales channel increased by 47.2% to CHF 308.3 million, or by 54.3% on a constant currency basis;
- net sales through the wholesale sales channel increased by 23.1% to CHF 441.0 million, or by 28.8% on a constant currency basis;
- net sales in Europe, Middle East and Africa ("EMEA"), Americas and Asia-Pacific increased by 42.9% to CHF 197.8 million, 16.8% to CHF 432.3 million and 101.3% to CHF 119.2 million, respectively;
- net sales in EMEA, Americas, and Asia-Pacific increased by 46.1%, 23.6% and 110.9% on a constant currency basis, respectively;
- net sales from shoes, apparel and accessories increased by 29.9% to CHF 704.9 million, 67.5% to 36.7 million and 133.3% to 7.7 million, respectively;

- net sales from shoes, apparel and accessories increased by 36.0%, 75.5%, 143.2% on a constant currency basis, respectively;
- gross profit increased by 35.4% to CHF 460.8 million from CHF 340.2 million;
- gross profit margin increased to 61.5% from 59.9%;
- net income / (loss) decreased by 232.7% to CHF (40.9) million from CHF 30.8 million;
- net income / (loss) margin decreased to (5.5)% from 5.4%;
- basic earnings per share ("EPS") Class A (CHF) decreased to (0.12) from 0.10;
- diluted EPS Class A (CHF) decreased to (0.12) from 0.09;
- adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") increased by 50.0% to CHF 136.1 million from CHF 90.8 million;
- adjusted EBITDA margin increased to 18.2% from 16.0%;
- adjusted net income / (loss) decreased to CHF (29.7) million from CHF 46.9 million;
- adjusted basic EPS Class A (CHF) decreased to (0.09) from 0.15; and
- adjusted diluted EPS Class A (CHF) decreased to (0.09) from 0.14.

Key financial and operating metrics for the six-month period ended June 30, 2025 compared to the six-month period ended June 30, 2024 include:

- net sales increased by 37.2% to CHF 1,475.8 million; or by 39.1% on a constant currency basis;
- net sales through the DTC sales channel increased by 46.3% to CHF 585.2 million, or by 48.6% on a constant currency basis;
- net sales through the wholesale sales channel increased by 31.8% to CHF 890.6 million, or by 33.4% on constant currency basis;
- net sales in EMEA, Americas and Asia-Pacific increased by 38.5% to CHF 366.4 million, 24.3% to CHF 869.7 million and 114.8% to CHF 239.7 million, respectively;
- net sales in EMEA, Americas, and Asia-Pacific increased by 39.8%, 25.9% and 119.4% on a constant currency basis, respectively;
- net sales from shoes, apparel and accessories increased by 34.9% to CHF 1,385.8 million, 79.6% to CHF 74.8 million and 114.1% to CHF 15.2 million, respectively;
- net sales from shoes, apparel and accessories increased by 36.7%, 82.8%, 118.5% on a constant currency basis, respectively;
- gross profit increased by 39.2% to CHF 896.1 million from CHF 643.6 million;
- gross profit margin increased to 60.7% from 59.8%;
- net income decreased by 87.1% to CHF 15.8 million from CHF 122.2 million;
- net income margin decreased to 1.1% from 11.4%;
- basic EPS Class A (CHF) decreased to 0.05 from 0.38;
- diluted EPS Class A (CHF) decreased to 0.05 from 0.37;
- adjusted EBITDA increased by 52.2% to CHF 256.1 million from CHF 168.2 million;
- adjusted EBITDA margin increased to 17.4% from 15.6%;
- adjusted net income decreased to CHF 40.9 million from CHF 153.4 million;
- adjusted basic EPS Class A (CHF) decreased to 0.12 from 0.48; and
- adjusted diluted EPS Class A (CHF) decreased to 0.12 from 0.47.

Key financial and operating metrics as of June 30, 2025 compared to December 31, 2024 included:

- cash and cash equivalents decreased by 8% to CHF 846.6 million from CHF 924.3 million; and
- net working capital increased by 6.9% to CHF 533.4 million from CHF 498.9 million.

Adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted basic EPS, adjusted diluted EPS, net working capital and net sales on a constant currency basis are non-IFRS measures used by us to evaluate our performance. Furthermore, we believe these non-IFRS measures enhance investors' understanding of our financial and operating performance from period to period because they enhance the comparability of results between each period, help identify trends in operating results and provide additional insight and transparency on how management evaluates the business. Adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted basic EPS, adjusted diluted EPS, net working capital and net sales on a constant

currency basis should not be considered in isolation or as a substitute for other financial measures calculated and presented in accordance with IFRS. For a detailed description and a reconciliation to the nearest IFRS measure, see section titled “Non-IFRS Measures.”



# Operating Results

The following table summarizes certain key operating measures for the three-month and six-month periods ended June 30, 2025 and 2024.

(CHF in millions)	Three-month period ended June 30,			Six-month period ended June 30,		
	2025	2024	% Change	2025	2024	% Change
Net sales	749.2	567.7	32.0 %	1,475.8	1,075.9	37.2 %
Cost of sales	(288.4)	(227.4)	26.8 %	(579.7)	(432.3)	34.1 %
<b>Gross profit</b>	<b>460.8</b>	<b>340.2</b>	<b>35.4 %</b>	<b>896.1</b>	<b>643.6</b>	<b>39.2 %</b>
Gross profit margin	61.5 %	59.9 %		60.7 %	59.8 %	
Selling, general and administrative expenses	(368.0)	(292.9)	25.6 %	(726.3)	(557.7)	30.2 %
<b>Operating result</b>	<b>92.8</b>	<b>47.3</b>	<b>96.2 %</b>	<b>169.8</b>	<b>85.8</b>	<b>97.9 %</b>
Net financial result	(140.1)	(4.6)	2945.7 %	(153.2)	72.7	(310.8)%
<b>Income / (loss) before taxes</b>	<b>(47.3)</b>	<b>42.7</b>	<b>(210.9)%</b>	<b>16.6</b>	<b>158.5</b>	<b>(89.5)%</b>
Income tax benefit / (expense)	6.4	(11.8)	154.1 %	(0.8)	(36.3)	(97.7)%
<b>Net income / (loss)</b>	<b>(40.9)</b>	<b>30.8</b>	<b>(232.7)%</b>	<b>15.8</b>	<b>122.2</b>	<b>(87.1)%</b>
Basic EPS Class A (CHF)	(0.12)	0.10	(220.0)%	0.05	0.38	(86.8)%
Diluted EPS Class A (CHF)	(0.12)	0.09	(233.3)%	0.05	0.37	(86.5)%
<b>Other data<sup>(1)</sup></b>						
Adjusted EBITDA	136.1	90.8	50.0 %	256.1	168.2	52.2 %
Adjusted EBITDA margin	18.2 %	16.0 %		17.4 %	15.6 %	
Adjusted net income / (loss)	(29.7)	46.9	(163.2)%	40.9	153.4	(73.4)%
Adjusted basic EPS Class A (CHF)	(0.09)	0.15	(160.0)%	0.12	0.48	(75.0)%
Adjusted diluted EPS Class A (CHF)	(0.09)	0.14	(164.3)%	0.12	0.47	(74.5)%

<sup>(1)</sup> Adjusted EBITDA, adjusted EBITDA Margin, adjusted net income, adjusted basic EPS, and adjusted diluted EPS are non-IFRS measures. See section titled "Non-IFRS Measures" for a description of these measures and a reconciliation to the nearest IFRS measure.

## Net Sales

### Net sales by sales channel

The following tables present net sales by sales channel:

(CHF in millions)	Three-month period ended June 30,			
	2025	2024	% Change	Constant Currency % Change <sup>(1)</sup>
Wholesale	441.0	358.2	23.1 %	28.8 %
Direct-to-consumer	308.3	209.4	47.2 %	54.3 %
<b>Net sales</b>	<b>749.2</b>	<b>567.7</b>	<b>32.0 %</b>	<b>38.2 %</b>
Wholesale % of Net sales	58.9 %	63.1 %		
Direct-to-consumer % of Net sales	41.1 %	36.9 %		
<b>Net sales %</b>	<b>100.0 %</b>	<b>100.0 %</b>		

(CHF in millions)	Six-month period ended June 30,			
	2025	2024	% Change	Constant Currency % Change <sup>(1)</sup>
Wholesale	890.6	675.9	31.8 %	33.4 %
Direct-to-consumer	585.2	399.9	46.3 %	48.6 %
<b>Net sales</b>	<b>1,475.8</b>	<b>1,075.9</b>	<b>37.2 %</b>	<b>39.1 %</b>
Wholesale % of Net sales	60.3 %	62.8 %		
Direct-to-consumer % of Net sales	39.7 %	37.2 %		
<b>Net sales %</b>	<b>100.0 %</b>	<b>100.0 %</b>		

<sup>(1)</sup> The constant currency percent change represents changes to net sales on a constant currency basis, which is a non-IFRS financial measure. See section titled "Non-IFRS Measures" for a description of this measure. Reconciliation to the nearest IFRS measure is shown in table above.

### **Three-month period ended June 30, 2025 compared to the three-month period ended June 30, 2024**

Net sales for the three-month period ended June 30, 2025 increased by CHF 181.6 million, or 32.0%, compared to the three-month period ended June 30, 2024.

Net sales generated by the wholesale sales channel for the three-month period ended June 30, 2025 increased by CHF 82.7 million, or 23.1%, to CHF 441.0 million, compared to CHF 358.2 million for the three-month period ended June 30, 2024. The increase was attributable to the growth within our distributor network, sustained strong demand from our wholesale partners, and continued selective door expansion, particularly with global key accounts.

Net sales generated by the DTC sales channel for the three-month period ended June 30, 2025 increased by CHF 98.9 million, or 47.2%, to CHF 308.3 million, compared to CHF 209.4 million for the three-month period ended June 30, 2024. The increase was primarily driven by the continued increase in popularity and awareness of the On brand, resulting in increased traffic and transactions, both on our e-commerce platform and in our existing retail stores. Additionally, the expansion of our own retail store network across all regions further contributed to the growth.

As a result of the strength of our DTC channel and in line with the strategic ambition for our DTC sales channel to outgrow our wholesale sales channel, net sales generated from our DTC channel as a percentage of net sales increased to 41.1% for the three-month period ended June 30, 2025 compared to 36.9% for the three-month period ended June 30, 2024.

### ***Six-month period ended June 30, 2025 compared to the six-month period ended June 30, 2024***

Net sales for the six-month period ended June 30, 2025 increased by CHF 399.9 million, or 37.2%, compared to the six-month period ended June 30, 2024.

Net sales generated by the wholesale sales channel for the six-month period ended June 30, 2025 increased by CHF 214.7 million, or 31.8%, to CHF 890.6 million, compared to CHF 675.9 million for the six-month period ended June 30, 2024. The increase was attributable to sustained strong demand from our wholesale partners and our continued selective door expansion, particularly with global key accounts.

Net sales generated by the DTC sales channel for the six-month period ended June 30, 2025 increased by CHF 185.2 million, or 46.3%, to CHF 585.2 million, compared to CHF 399.9 million for the six-month period ended June 30, 2024. The increase was primarily driven by the continued increase in popularity and awareness of the On brand, resulting in increased traffic and transactions, both on our e-commerce platform and in our existing retail stores. Additionally, the expansion of our own retail store network across all regions further contributed to the growth.

As a result of the strength of our DTC channel and in line with the strategic ambition for our DTC sales channel to outgrow our wholesale sales channel, net sales generated from our DTC channel as a percentage of net sales increased to 39.7% for the six-month period ended June 30, 2025 compared to 37.2% for the six-month period ended June 30, 2024.

### ***Net sales by geography***

The following tables present net sales by geographic region (based on the location of the counterparty):

(CHF in millions)	Three-month period ended June 30,			
	2025	2024	% Change	Constant Currency % Change <sup>(1)</sup>
Americas	432.3	370.0	16.8 %	23.6 %
Europe, Middle East and Africa	197.8	138.4	42.9 %	46.1 %
Asia-Pacific	119.2	59.2	101.3 %	110.9 %
<b>Net Sales</b>	<b>749.2</b>	<b>567.7</b>	<b>32.0 %</b>	<b>38.2 %</b>
Americas % of Net sales	57.7 %	65.2 %		
Europe, Middle East and Africa % of Net sales	26.4 %	24.4 %		
Asia-Pacific % of Net sales	15.9 %	10.4 %		
<b>Net Sales %</b>	<b>100.0 %</b>	<b>100.0 %</b>		



Six-month period ended June 30,				
(CHF in millions)	2025	2024	% Change	Constant Currency % Change <sup>(1)</sup>
Americas	869.7	699.7	24.3 %	25.9 %
Europe, Middle East and Africa	366.4	264.6	38.5 %	39.8 %
Asia-Pacific	239.7	111.6	114.8 %	119.4 %
<b>Net Sales</b>	<b>1,475.8</b>	<b>1,075.9</b>	<b>37.2 %</b>	<b>39.1 %</b>
Americas % of Net sales	58.9 %	65.0 %		
Europe, Middle East and Africa % of Net sales	24.8 %	24.6 %		
Asia-Pacific % of Net sales	16.2 %	10.4 %		
<b>Net Sales %</b>	<b>100.0 %</b>	<b>100.0 %</b>		

<sup>(1)</sup> The constant currency percent change represents changes to net sales on a constant currency basis, which is a non-IFRS financial measure. See section titled "Non-IFRS Measures" for a description of this measure. Reconciliation to the nearest IFRS measure is shown in table above.

### ***Three-month period ended June 30, 2025 compared to the three-month period ended June 30, 2024***

Net sales increased across all geographic regions for the three-month period ended June 30, 2025, compared to the three-month period ended June 30, 2024, with Asia-Pacific showing particularly strong growth. The 16.8% increase in net sales in Americas was driven by the ongoing rise in popularity and awareness of the On brand in the region and continued strength in both channels. Net sales in EMEA for the three-month period ended June 30, 2025 increased by 42.9%. The increase in EMEA was driven by the growth within our distributor network, the continued strength in the United Kingdom, particularly in our DTC channel, along with notable acceleration from France, Italy and Spain. Net sales growth of 101.3% in Asia-Pacific was primarily driven by strong sales growth in Japan and China, alongside notable contribution from the growth within our distributor network.

### ***Six-month period ended June 30, 2025 compared to the six-month period ended June 30, 2024***

Net sales increased across all geographic regions for the six-month period ended June 30, 2025, compared to the six-month period ended June 30, 2024, with Asia-Pacific showing particularly strong growth. The 24.3% increase in net sales in Americas was driven by the ongoing rise in popularity and awareness of the On brand in the region and continued strength in both channels, particularly the collaboration with key account partners and the successful expansion of our retail stores. The 38.5% increase in net sales in EMEA was driven by the growth within our distributor network, the continued strength in the United Kingdom, particularly in our DTC channel, along with notable acceleration from France, Italy and Spain. Net sales growth of 114.8% in Asia-Pacific was primarily driven by strong sales growth in Japan and China across both channels.

### Net sales by product

The following tables present net sales by product group:

				Three-month period ended June 30,
(CHF in millions)	2025	2024	% Change	Constant Currency % Change <sup>(1)</sup>
Shoes	704.9	542.5	29.9 %	36.0 %
Apparel	36.7	21.9	67.5 %	75.5 %
Accessories	7.7	3.3	133.3 %	143.2 %
<b>Net Sales</b>	<b>749.2</b>	<b>567.7</b>	<b>32.0 %</b>	<b>38.2 %</b>
Shoes % of Net sales	94.1 %	95.6 %		
Apparel % of Net sales	4.9 %	3.9 %		
Accessories % of Net sales	1.0 %	0.6 %		
<b>Net sales %</b>	<b>100.0 %</b>	<b>100.0 %</b>		

				Six-month period ended June 30,
(CHF in millions)	2025	2024	% Change	Constant Currency % Change <sup>(1)</sup>
Shoes	1,385.8	1,027.1	34.9 %	36.7 %
Apparel	74.8	41.6	79.6 %	82.8 %
Accessories	15.2	7.1	114.1 %	118.5 %
<b>Net Sales</b>	<b>1,475.8</b>	<b>1,075.9</b>	<b>37.2 %</b>	<b>39.1 %</b>
Shoes % of Net sales	93.9 %	95.5 %		
Apparel % of Net sales	5.1 %	3.9 %		
Accessories % of Net sales	1.0 %	0.7 %		
<b>Net sales %</b>	<b>100.0 %</b>	<b>100.0 %</b>		

<sup>(1)</sup> The constant currency percent change represents changes to net sales on a constant currency basis, which is a non-IFRS financial measure. See section titled "Non-IFRS Measures" for a description of this measure. Reconciliation to the nearest IFRS measure is shown in table above.

### **Three-month period ended June 30, 2025 compared to the three-month period ended June 30, 2024**

Net sales increased across all product groups during the three-month period ended June 30, 2025 compared to the three-month period ended June 30, 2024. The 29.9% increase in net sales for shoes was driven by new model launches, updates to existing models and the continuity of successful products carrying over from previous seasons. Growth was primarily driven by our Performance All Day, in part due to the strong performance of the Cloud 6, with additional contribution from the Performance Running vertical, driven by the strong performance of the Cloudsurfer and Cloudmonster franchises. The 67.5% increase in apparel is driven by our Performance Running vertical, with additional contributions of Performance Training and Performance Tennis verticals. Net sales in accessories increased by 133.3% compared to the three-month period ended June 30, 2024.

**Six-month period ended June 30, 2025 compared to the six-month period ended June 30, 2024**

Net sales increased across all product groups during the six-month period ended June 30, 2025 compared to the six-month period ended June 30, 2024. The 34.9% increase in net sales for shoes was driven by new model launches, updates to existing models and the continuity of successful products carrying over from previous seasons. Growth was driven by our Performance All Day vertical, in part due to the strong performance of the Cloud franchise following the launch of Cloud 6, with additional contribution from the Performance Running vertical, driven by the strong performance of the Cloudsurfer and Cloudmonster franchises. The 79.6% increase in net sales for apparel was driven by our Performance Running vertical, with additional contributions of Performance Training and Performance Tennis verticals. Net sales in accessories increased by 114.1% compared to the six-month period ended June 30, 2024.

**Gross Profit**

(CHF in millions)	Three-month period ended June 30,			Six-month period ended June 30,		
	2025	2024	% Change	2025	2024	% Change
Gross profit	460.8	340.2	35.4 %	896.1	643.6	39.2 %
Gross profit margin	61.5 %	59.9 %		60.7 %	59.8 %	

**Three-month period ended June 30, 2025 compared to the three-month period ended June 30, 2024**

Cost of sales increased during the three-month period ended June 30, 2025 by CHF 61.0 million, or 26.8%, to CHF 288.4 million, compared to CHF 227.4 million during the three-month period ended June 30, 2024. Gross profit was CHF 460.8 million for the three-month period ended June 30, 2025, representing a gross profit margin of 61.5%, compared to CHF 340.2 million for the three-month period ended June 30, 2024, representing a gross profit margin of 59.9%. The increase in gross profit margin was mainly driven by a higher share of net sales through the DTC channel, ongoing benefits from our focus on operational efficiencies and improvements, particularly in freight, and a favorable foreign exchange impact during the three-month period ended June 30, 2025, compared to the three-month period ended June 30, 2024.

**Six-month period ended June 30, 2025 compared to the six-month period ended June 30, 2024**

Cost of sales increased during the six-month period ended June 30, 2025 by CHF 147.4 million, or 34.1%, to CHF 579.7 million, compared to CHF 432.3 million during the six-month period ended June 30, 2024. Gross profit was CHF 896.1 million for the six-month period ended June 30, 2025, representing a gross profit margin of 60.7%, compared to CHF 643.6 million for the six-month period ended June 30, 2024, representing a gross profit margin of 59.8%. The increase in gross profit margin was mainly driven by a higher share of net sales through the DTC channel, ongoing benefits from our focus on operational efficiencies and improvements, particularly in freight, and a favorable foreign exchange impact during the six-month period ended June 30, 2025, compared to the six-month period ended June 30, 2024.



## Selling, General and Administrative ("SG&A") Expenses

	Three-month period ended June 30,			Six-month period ended June 30,		
(CHF in millions)	2025	2024	% Change	2025	2024	% Change
Net sales	749.2	567.7	32.0 %	1,475.8	1,075.9	37.2 %
Distribution expenses	(85.3)	(71.1)	19.8 %	(164.9)	(142.0)	16.1 %
Selling expenses	(60.8)	(41.2)	47.5 %	(121.5)	(75.6)	60.8 %
Marketing expenses	(89.7)	(70.3)	27.7 %	(170.5)	(131.8)	29.4 %
Share-based compensation	(10.9)	(17.1)	(36.2)%	(25.5)	(33.9)	(24.8)%
General and administrative expenses	(121.3)	(93.1)	30.2 %	(243.9)	(174.4)	39.8 %
<b>SG&amp;A expenses</b>	<b>(368.0)</b>	<b>(292.9)</b>	<b>25.6 %</b>	<b>(726.3)</b>	<b>(557.7)</b>	<b>30.2 %</b>
<i>Less share-based compensation</i>	(10.9)	(17.1)	(36.2)%	(25.5)	(33.9)	(24.8)%
<b>SG&amp;A expenses (excluding share-based compensation)</b>	<b>(357.1)</b>	<b>(275.8)</b>	<b>29.5 %</b>	<b>(700.8)</b>	<b>(523.8)</b>	<b>33.8 %</b>
Distribution expenses % of Net sales	11.4 %	12.5 %		11.2 %	13.2 %	
Selling expenses % of Net sales	8.1 %	7.3 %		8.2 %	7.0 %	
Marketing expenses % of Net sales	12.0 %	12.4 %		11.6 %	12.3 %	
Share-based compensation % of Net sales	1.5 %	3.0 %		1.7 %	3.2 %	
General and administrative expenses % of Net sales	16.2 %	16.4 %		16.5 %	16.2 %	
<b>SG&amp;A expenses % of Net sales</b>	<b>49.1 %</b>	<b>51.6 %</b>		<b>49.2 %</b>	<b>51.8 %</b>	
<b>SG&amp;A expenses (excluding share-based compensation) % of Net sales</b>	<b>47.7 %</b>	<b>48.6 %</b>		<b>47.5 %</b>	<b>48.7 %</b>	

### Three-month period ended June 30, 2025 compared to the three-month period ended June 30, 2024

SG&A expenses for the three-month period ended June 30, 2025 increased by CHF 75.1 million, or 25.6%, to CHF 368.0 million, compared to CHF 292.9 million for the three-month period ended June 30, 2024. Excluding share-based compensation, SG&A expenses as a percentage of net sales decreased to 47.7% in the three-month period ended June 30, 2025 compared to 48.6% for the three-month period ended June 30, 2024.

The drivers for the fluctuations in SG&A expenses, mostly denominated as a percentage of net sales, can be summarized as follows:

- Distribution expenses as a percentage of net sales decreased to 11.4% during the three-month period ended June 30, 2025 compared to 12.5% during the three-month period ended June 30, 2024. This was primarily due to lower warehousing and delivery costs resulting from operational efficiency gains during the three-month period ended June 30, 2025.
- Selling expenses as a percentage of net sales increased to 8.1% during the three-month period ended June 30, 2025 compared to 7.3% during the three-month period ended June 30, 2024. The increase was primarily driven by additional expenses incurred as a result of our expanding retail footprint, primarily due to retail store-related personnel costs and depreciation.
- Marketing expenses as a percentage of net sales decreased to 12.0% during the three-month period ended June 30, 2025 compared to 12.4% during the three-month period ended June 30, 2024. The decrease was primarily driven by strong net sales growth as well as a slight shift in the timing of our marketing campaigns.

- Share-based compensation decreased to CHF 10.9 million during the three-month period ended June 30, 2025 compared to share-based compensation of CHF 17.1 million during the three-month period ended June 30, 2024.
- General and administrative expenses as a percentage of net sales decreased to 16.2% during the three-month period ended June 30, 2025 compared to 16.4% during the three-month period ended June 30, 2024. This decrease is primarily driven by strong net sales growth, partially offset by higher IT and technology related expenses and higher personnel related expenses.

***Six-month period ended June 30, 2025 compared to the six-month period ended June 30, 2024***

SG&A expenses for the six-month period ended June 30, 2025 increased by CHF 168.5 million, or 30.2%, to CHF 726.3 million, compared to CHF 557.7 million for the six-month period ended June 30, 2024. Excluding share-based compensation, SG&A expenses as a percentage of net sales decreased to 47.5% in the six-month period ended June 30, 2025 compared to 48.7% for the six-month period ended June 30, 2024.

The drivers for the fluctuations in SG&A expenses, mostly denominated as a percentage of net sales, can be summarized as follows:

- Distribution expenses as a percentage of net sales decreased to 11.2% during the six-month period ended June 30, 2025 compared to 13.2% during the six-month period ended June 30, 2024. This was primarily due to lower warehousing and delivery costs resulting from operational efficiency gains during the six-month period ended June 30, 2024.
- Selling expenses as a percentage of net sales increased to 8.2% during the six-month period ended June 30, 2025 compared to 7.0% during the six-month period ended June 30, 2024. The increase was primarily driven by additional expenses incurred as a result of our expanding retail footprint, primarily due to retail store-related personnel costs and depreciation.
- Marketing expenses as a percentage of net sales decreased to 11.6% during the six-month period ended June 30, 2025 compared to 12.3% during the six-month period ended June 30, 2024. The decrease was primarily driven by strong net sales growth as well as slight shift in the timing of our brand building marketing campaigns.
- Share-based compensation decreased to CHF 25.5 million during the six-month period ended June 30, 2025 compared to share-based compensation of CHF 33.9 million during the six-month period ended June 30, 2024.
- General and administrative expenses as a percentage of net sales increased to 16.5% during the six-month period ended June 30, 2025 compared to 16.2% during the six-month period ended June 30, 2024. The increase is primarily due to one-off employee-related expenses incurred in the first quarter, as well as higher IT and technology related expenses and higher personnel related expenses.

## Depreciation and Amortization

(CHF in millions)	Three-month period ended June 30,			Six-month period ended June 30,		
	2025	2024	% Change	2025	2024	% Change
Depreciation and amortization	(32.4)	(26.3)	23.1%	(60.7)	(48.5)	25.3%
Depreciation and amortization % of Net sales	4.3 %	4.6 %		4.1 %	4.5 %	

### Three-month period ended June 30, 2025 compared to the three-month period ended June 30, 2024

Depreciation and amortization expenses during the three-month period ended June 30, 2025 increased by CHF 6.1 million, or 23.1%, to CHF 32.4 million, compared to CHF 26.3 million during the three-month period ended June 30, 2024. Thereof, depreciation and amortization expenses attributable to right of use assets increased by CHF 4.8 million as a result of the expansion of our retail stores and our enhanced warehouse and distribution facilities. In addition, depreciation and amortization expenses attributable to owned assets increased by CHF 1.3 million.

### Six-month period ended June 30, 2025 compared to the six-month period ended June 30, 2024

Depreciation and amortization expenses during the six-month period ended June 30, 2025 increased by CHF 12.3 million, or 25.3%, to CHF 60.7 million, compared to CHF 48.5 million during the six-month period ended June 30, 2024. Thereof, depreciation and amortization expenses attributable to right of use assets increased by CHF 8.1 million as a result of the expansion of our retail stores, as well as our enhanced warehouse and distribution facilities. In addition, depreciation and amortization expenses attributable to owned assets increased by CHF 4.1 million as a result of warehouse and retail expansion, mainly related to leasehold improvements.

## Net Financial Result

(CHF in millions)	Three-month period ended June 30,			Six-month period ended June 30,		
	2025	2024	% Change	2025	2024	% Change
Financial income	7.5	5.8	29.3 %	14.8	11.2	32.1 %
Financial expenses	(7.7)	(5.9)	30.5 %	(13.6)	(10.8)	25.9 %
Foreign exchange gain / (loss)	(139.9)	(4.5)	3008.9 %	(154.4)	72.3	(313.6)%
<b>Net financial result</b>	<b>(140.1)</b>	<b>(4.6)</b>	<b>2945.7 %</b>	<b>(153.2)</b>	<b>72.7</b>	<b>(310.7)%</b>

### Three-month and six-month periods ended June 30, 2025 compared to the three-month and six-month periods ended June 30, 2024

Financial income for the three-month period ended June 30, 2025 increased by CHF 1.7 million to CHF 7.5 million, compared to the three-month period ended June 30, 2024. Financial income for the six-month period ended June 30, 2025 increased by CHF 3.6 million to CHF 14.8 million, when compared to the six-month period ended June 30, 2024. The increases in the three and six-month periods ended June 30, 2025 were primarily driven by an increase in the underlying amount of short-term investments.

Financial expenses for the three-month period ended June 30, 2025 increased by CHF 1.8 million to CHF 7.7 million, compared to CHF 5.9 million for the three-month period ended June 30, 2024. Financial expenses for the six-month period ended June 30, 2025 increased by CHF 2.9 million, to CHF 13.6 million, compared to CHF 10.8 million for the six-month period ended June 30, 2024. The increases in the three and six-month periods ended June 30, 2025 were primarily driven by higher interest expenses on lease contracts, resulting from new leases outstanding throughout the three and six-month periods ended June 30, 2025, compared to the three and six-month periods ended June 30, 2024.



Foreign exchange loss for the three-month period ended June 30, 2025 increased by CHF 135.4 million to CHF 139.9 million, compared to CHF 4.5 million for the three-month period ended June 30, 2024. Foreign exchange gain / loss for the six-month period ended June 30, 2025 resulted in a foreign exchange loss of CHF 154.4 million, compared to a foreign exchange gain of CHF 72.3 million for the six-month period ended June 30, 2024. The changes to foreign exchange gain / loss were primarily due to foreign exchange rate revaluation effects, primarily driven by the CHF/USD exchange rate. The total unrealized foreign exchange loss for the three and six-month periods ended June 30, 2025, was CHF 113.4 million and CHF 141.8 million, respectively.

## Income Taxes

(CHF in millions)	Three-month period ended June 30,			Six-month period ended June 30,		
	2025	2024	% Change	2025	2024	% Change
Income tax (expense) / benefit	6.4	(11.8)	154.1 %	(0.8)	(36.3)	(97.7)%
Effective income tax rate	13.5 %	27.7 %		5.1 %	22.9 %	

Income tax (expense) / benefit, based on an estimate of the annual effective income tax rate for the three and six-month periods ended June 30, 2025, was CHF 6.4 million and CHF (0.8) million, respectively. This compares to income tax expenses of CHF (11.8) million and CHF (36.3) million for the corresponding periods in 2024. The effective income tax rate was 13.5% and 5.1% for the three and six-month periods ended June 30, 2025, respectively, compared to 27.7% and 22.9% for the three and six-month periods ended June 30, 2024, respectively. The decreases to the effective income tax rates were mainly due to deferred income tax benefits during the three and six-month periods ended June 30, 2025 related to the elimination of intercompany profits in inventory as well as higher effectiveness of certain tax incentives and prior year adjustments.

## Liquidity and Capital Resources

Our primary need for liquidity is to fund working capital requirements, capital expenditures, lease obligations and for general corporate purposes. We finance our liquidity needs using a combination of cash and cash equivalents balances and cash provided from operating activities.

### Cash Flows

(CHF in millions)	Six-month period ended June 30,		
	2025	2024	Change
Cash inflow from operating activities	89.1	183.5	(94.3)
Cash (outflow) from investing activities	(29.4)	(26.0)	(3.4)
Cash (outflow) from financing activities	(37.0)	(25.8)	(11.2)
<b>Change in cash and cash equivalents</b>	<b>22.6</b>	<b>131.7</b>	<b>(109.1)</b>
Cash and cash equivalents at the beginning of the period	924.3	494.6	429.7
Net impact of foreign exchange rate differences	(100.3)	26.2	(126.5)
<b>Cash and cash equivalents at the end of the period<sup>(1)</sup></b>	<b>846.6</b>	<b>652.4</b>	<b>194.1</b>

<sup>(1)</sup> Cash and cash equivalents as of June 30, 2025 includes restricted cash in the amount of CHF 0.9 million provided for a bank guarantee associated with lease commitments. Restricted cash as of June 30, 2024 is equal to CHF 0.0 million.

### **Operating activities**

Cash inflow from operating activities for the six-month period ended June 30, 2025 decreased by CHF 94.3 million to 89.1 million, compared to CHF 183.5 million for the six-month period ended June 30, 2024. This decrease is driven mainly by a decrease in cash flows from changes in working capital of CHF 111.9 million, primarily due to changes in trade payables and trade receivables, offset by higher net income after adjustments of CHF 93.4 million and various other offsetting decreases and increases.

### **Investing activities**

Cash outflow from investing activities for the six-month period ended June 30, 2025 increased by CHF 3.4 million to CHF 29.4 million, compared to CHF 26.0 million for the six-month period ended June 30, 2024.

### **Financing activities**

Cash outflow from financing activities for the six-month period ended June 30, 2025 increased by CHF 11.2 million to CHF 37.0 million, compared to CHF 25.8 million for the six-month period ended June 30, 2024. This increase is driven by higher repayments of lease liabilities of CHF 11.1 million due to a higher lease liability balance resulting from new retail stores, offices, and warehouses.

### **Net Working Capital**

Net working capital is a financial measure that is not defined under IFRS. We use, and believe that certain investors and analysts use, this information to assess liquidity and management use of net working capital resources. We define net working capital as trade receivables, plus inventories, minus trade payables. This measure should not be considered in isolation or as a substitute for any standardized measure under IFRS.

Other companies in our industry may calculate this measure differently than we do, limiting its usefulness as a comparative measure.

(CHF in millions)	As of June 30,	As of December 31,	% Change
	2025	2024	
Trade receivables	333.8	246.1	35.6 %
Inventories	360.4	419.2	(14.0) %
Trade payables	(160.7)	(166.5)	(3.4) %
<b>Net working capital</b>	<b>533.4</b>	<b>498.9</b>	<b>6.9 %</b>

## Capital Management

(CHF in millions)	As of June 30, 2025	As of December 31, 2024	% Change
<b>As of June 30, 2025:</b> CHF 0.10 nominal value, 303,507,746 Class A Ordinary Shares issued of which 293,047,715 were outstanding <b>As of December 31, 2024:</b> CHF 0.10 nominal value, 302,455,664 Class A Ordinary Shares issued of which 289,296,343 were outstanding	30.4	30.2	0.7 %
<b>As of June 30, 2025:</b> CHF 0.01 nominal value, 334,916,680 Class B voting rights shares issued and outstanding <b>As of December 31, 2024:</b> CHF 0.01 nominal value, 345,437,500 Class B voting rights shares issued and outstanding	3.3	3.5	(5.7) %
<b>Share capital</b>	<b>33.7</b>	<b>33.7</b>	<b>— %</b>
<b>Treasury shares</b>	<b>(26.6)</b>	<b>(26.8)</b>	<b>(0.7) %</b>
Share premium	756.9	756.9	— %
Statutory reserves	61.5	53.9	14.1 %
Equity transaction costs	(8.7)	(8.7)	— %
Tax impact on equity transaction costs	1.3	1.3	— %
Share-based compensation	431.9	406.7	6.2 %
<b>Capital reserves</b>	<b>1,242.8</b>	<b>1,210.0</b>	<b>2.7 %</b>
<b>Other reserves</b>	<b>(47.6)</b>	<b>(4.0)</b>	<b>1090.0 %</b>
<b>Retained earnings</b>	<b>194.7</b>	<b>178.9</b>	<b>8.8 %</b>
<b>Equity</b>	<b>1,397.0</b>	<b>1,391.8</b>	<b>0.4 %</b>

	Class A Shares	Class B Shares
<b>Shares issued and outstanding as of January 1, 2025</b>	<b>289,296,343</b>	<b>345,437,500</b>
Sale of treasury shares related to share-based compensation	2,701,197	0
Purchase of treasury shares	(1,907)	0
Conversion of Class B shares to Class A shares <sup>(3)</sup>	1,052,082	(10,520,820)
<b>Shares issued and outstanding as of June 30, 2025<sup>(1)</sup></b>	<b>293,047,715</b>	<b>334,916,680</b>
<b>Awards granted under various incentive plans not yet exercised or distributed as of June 30, 2025<sup>(2)</sup></b>	<b>3,371,878</b>	<b>—</b>
<b>Awards granted under various incentive plans with dilutive effects as of June 30, 2025</b>	<b>2,931,537</b>	<b>10,731,061</b>

<sup>(1)</sup> As of June 30, 2025 there were 10,460,031 treasury shares held by On (December 31, 2024: 13,159,321).

<sup>(2)</sup> These awards require little or no further consideration to be exercised, and as such, have been included in the weighted average number of ordinary shares outstanding used to calculate Basic EPS at June 30, 2025.

<sup>(3)</sup> As announced on Form 6-K' filed with the SEC on May 23, 2025, 10,520,820 of Class B Shares were converted into 1,052,082 Class A Ordinary Shares.

### Share-based compensation

As of June 30, 2025, On has recognized an increase in shareholders' equity in the balance sheet of CHF 25.2 million for share-based compensation incurred during the six-month period ending June 30, 2025.

For the six-month period ending June 30, 2025, we have recognized a share-based compensation charge of CHF 25.5 million pursuant to the following share-based compensation plans and programs for select employees including our group executive team and senior management team:

- Long Term Incentive Plan 2021
- Compensation of non-executive members of our board of directors

Share-based payments are valued based on the grant date fair value of these awards and recorded over the corresponding vesting period.

## **Indebtedness**

On July 7, 2023, On entered into a CHF 700 million multicurrency credit facility agreement ("credit facility") which replaced our bank overdraft facilities previously reported. On has an option to increase the total availability of borrowings under the credit facility in an aggregate amount of up to CHF 200 million, subject to the satisfaction of certain customary conditions. We entered into the credit facility as part of our prudent financial planning strategy to create future financial flexibility to better align with the size and maturity of the Company. The proceeds of any borrowings under the credit facility may be used towards the financing of working capital requirements and for general corporate purposes, including the roll-in of certain existing bank guarantees and the issuance of new bank guarantees. The credit facility had an initial term of three years, which has subsequently been extended for a total period of two years. Subsequent to extensions, the credit facility will expire on July 7, 2028.

As of June 30, 2025 and December 31, 2024, no amounts had been drawn under the new credit facility, and we do not currently expect to do so in the near term. As of June 30, 2025, we are using the credit facility to provide guarantees and letters of credit, as further discussed in the section titled "Off-Balance Sheet Arrangements."

The credit facility also contains financial covenants that depend on our consolidated equity as well as our net debt to adjusted EBITDA ratio. As of and during the six-month period ending June 30, 2025, we were in compliance with all covenants under the credit facility.

Further, as of June 30, 2025, trade receivables and inventories with a carrying value of CHF 277.2 million and CHF 280.0 million, respectively, were pledged in relation to the credit facility.

## **Material Cash Requirements**

There were no material changes outside of the ordinary course of business as of June 30, 2025, to the material cash requirements reported in our Annual Report, with the exception of the items discussed below.

**Lease commitments:** As of June 30, 2025, total lease commitments are CHF 142.9 million, with CHF 3.3, CHF 60.0 million, and CHF 79.6 million due in less than one year, between one to five years, and more than five years, respectively. The decrease in total lease commitments as of June 30, 2025, compared to CHF 331.1 million as of December 31, 2024, relates to the automated warehouse in the United States ("Atlanta Warehouse"), as a result of the commencement of the remaining warehouse lease space, during the three-months ended June 30, 2025. As of December 31, 2024, the total commitments for the Atlanta Warehouse were equal to CHF 197.2 million.

**Lease liabilities:** As of June 30, 2025, total undiscounted lease liabilities are CHF 593.3 million, with CHF 90.4 million, CHF 285.0 million, and CHF 217.8 million due in less than one year, between one to five years, and more than five years, respectively. The total increase as of June 30, 2025 compared to December 31, 2024 relates primarily to the Atlanta Warehouse, and to various retail store leases across the APAC, EMEA, and Americas regions.

## **Off-Balance Sheet Arrangements**

As of June 30, 2025 and December 31, 2024, we provided guarantees and letters of credit in the amount of CHF 152.2 million and CHF 168.3 million in favor of third parties, respectively. Of the total guarantees and letters of credit outstanding as of June 30, 2025 and December 31, 2024, CHF 152.2 million and CHF 168.3 million, respectively, relate to our credit facility, as discussed in the section titled "Indebtedness." Other than those items disclosed here and elsewhere in this document, we do not have any material off-balance sheet arrangements or commitments as of June 30, 2025.

# Non-IFRS Measures

Adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted basic EPS, adjusted diluted EPS, net working capital, and net sales on a constant currency basis are financial measures that are not defined under IFRS.

We use these non-IFRS measures when evaluating our performance, including when making financial and operating decisions, and as a key component in the determination of variable incentive compensation for employees. We believe that, in addition to conventional measures prepared in accordance with IFRS, these non-IFRS measures enhance investor understanding of our financial and operating performance from period to period, because they enhance the comparability of results between each period, help identify trends in operating results and provide additional insight and transparency on how management evaluates the business. In particular, we believe adjusted EBITDA, adjusted EBITDA margin, adjusted net income and net working capital are measures commonly used by investors to evaluate companies in the sportswear industry.

However, adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted basic EPS, adjusted diluted EPS, net working capital, and net sales on a constant currency basis should not be considered in isolation or as a substitute for other financial measures calculated and presented in accordance with IFRS and may not be comparable to similarly titled non-IFRS measures used by other companies. The tables below reconcile adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted basic EPS, and adjusted diluted EPS to their most directly comparable IFRS measure. See sections titled "Liquidity and Capital Resource" and "Operating Results" for reconciliations of net working capital and net sales on a constant currency basis, respectively, to their most directly comparable IFRS measure.

## Adjusted EBITDA and Adjusted EBITDA Margin

The table below provides a reconciliation between net income and adjusted EBITDA for the periods presented. Adjusted EBITDA margin is equal to adjusted EBITDA for the period presented as a percentage of net sales for the same period.

(CHF in millions)	Three-month period ended June 30,			Six-month period ended June 30,		
	2025	2024	% Change	2025	2024	% Change
<b>Net income / (loss)</b>	<b>(40.9)</b>	<b>30.8</b>	<b>(232.7)%</b>	<b>15.8</b>	<b>122.2</b>	<b>(87.1)%</b>
<i>Exclude the impact of:</i>						
Income taxes	(6.4)	11.8	(154.1)%	0.8	36.3	(97.7)%
Financial income	(7.5)	(5.8)	29.3 %	(14.8)	(11.2)	32.1 %
Financial expenses	7.7	5.9	30.5 %	13.6	10.8	25.9 %
Foreign exchange result	139.9	4.5	3008.9 %	154.4	(72.3)	(313.6)%
Depreciation and amortization	32.4	26.3	23.1 %	60.7	48.5	25.3 %
Share-based compensation <sup>(1)</sup>	10.9	17.1	(36.2)%	25.5	33.9	(24.8)%
<b>Adjusted EBITDA</b>	<b>136.1</b>	<b>90.8</b>	<b>50.0 %</b>	<b>256.1</b>	<b>168.2</b>	<b>52.2 %</b>
Adjusted EBITDA Margin	18.2%	16.0%		17.4%	15.6%	

<sup>(1)</sup> Management excludes share-based compensation expenses as we do not consider these expenses reflective of our ongoing operations and performance.

## Adjusted Net Income, Adjusted Basic EPS and Adjusted Diluted EPS

We use adjusted net income, adjusted basic EPS and adjusted diluted EPS as measures of operating performance in conjunction with related IFRS measures.

For the purpose of operational performance measurement, we calculate adjusted net income, adjusted basic EPS and adjusted diluted EPS in a manner that fully excludes the impact of any costs related to share-based compensation and includes the tax effect on the tax-deductible portion of the non-IFRS adjustments, which we believe increases comparability of the metric from period to period, and makes it useful for management, our audit committee and investors to assess our financial performance over time.

Adjusted basic EPS is calculated by dividing adjusted net income by the weighted average number of ordinary shares outstanding during the period. Adjusted diluted EPS is calculated by dividing adjusted net income by the weighted average number of ordinary shares outstanding during the period on a fully diluted basis.

The table below provides a reconciliation between net income and adjusted net income, adjusted basic EPS and adjusted diluted EPS for the periods presented:

	Three-month period ended June 30,			
	2025	2025	2024	2024
(CHF in millions, except per share data)				
	Class A	Class B	Class A	Class B
<b>Net income / (loss)</b>	<b>(36.7)</b>	<b>(4.2)</b>	<b>27.5</b>	<b>3.3</b>
<i>Exclude the impact of:</i>				
Share-based compensation <sup>(1)</sup>	9.8	1.1	15.3	1.8
Tax effect of adjustments <sup>(2)</sup>	0.3	—	(0.9)	(0.1)
<b>Adjusted net income / (loss)</b>	<b>(26.6)</b>	<b>(3.1)</b>	<b>41.9</b>	<b>5.0</b>
<b>Weighted number of outstanding shares</b>	<b>295,531,210</b>	<b>341,044,191</b>	<b>288,082,955</b>	<b>345,437,500</b>
Weighted number of shares with dilutive effects	3,300,452	12,293,550	3,430,738	12,467,091
<b>Weighted number of outstanding shares (diluted and undiluted)<sup>(3)</sup></b>	<b>298,831,662</b>	<b>353,337,741</b>	<b>291,513,693</b>	<b>357,904,591</b>
<b>Adjusted basic EPS (CHF)</b>	<b>(0.09)</b>	<b>(0.01)</b>	<b>0.15</b>	<b>0.01</b>
<b>Adjusted diluted EPS (CHF)</b>	<b>(0.09)</b>	<b>(0.01)</b>	<b>0.14</b>	<b>0.01</b>

<sup>(1)</sup> Management excludes share-based compensation expenses as we do not consider these expenses reflective of our ongoing operations and performance.

<sup>(2)</sup> The tax effect has been calculated by applying the local tax rate on the tax deductible portion of the respective adjustments.

<sup>(3)</sup> Weighted number of outstanding shares (diluted and undiluted) are presented herein in order to calculate Adjusted EPS as Adjusted net income for such periods.

(CHF in millions, except per share data)	Six-month period ended June 30,			
	2025	2025	2024	2024
	Class A	Class B	Class A	Class B
<b>Net income / (loss)</b>	<b>14.1</b>	<b>1.6</b>	<b>109.1</b>	<b>13.1</b>
<i>Exclude the impact of:</i>				
Share-based compensation <sup>(1)</sup>	22.8	2.7	30.3	3.6
Tax effect of adjustments <sup>(2)</sup>	(0.4)	—	(2.5)	(0.3)
<b>Adjusted net income / (loss)</b>	<b>36.6</b>	<b>4.3</b>	<b>136.9</b>	<b>16.4</b>
<b>Weighted number of outstanding shares</b>	<b>294,458,484</b>	<b>343,228,709</b>	<b>287,985,587</b>	<b>345,437,500</b>
Weighted number of shares with dilutive effects	4,005,446	12,885,677	3,366,410	12,174,230
<b>Weighted number of outstanding shares (diluted and undiluted)<sup>(3)</sup></b>	<b>298,463,930</b>	<b>356,114,386</b>	<b>291,351,998</b>	<b>357,611,730</b>
<b>Adjusted basic EPS (CHF)</b>	<b>0.12</b>	<b>0.01</b>	<b>0.48</b>	<b>0.05</b>
<b>Adjusted diluted EPS (CHF)</b>	<b>0.12</b>	<b>0.01</b>	<b>0.47</b>	<b>0.05</b>

<sup>(1)</sup> Management excludes share-based compensation expenses as we do not consider these expenses reflective of our ongoing operations and performance.

<sup>(2)</sup> The tax effect has been calculated by applying the local tax rate on the tax-deductible portion of the respective adjustments.

<sup>(3)</sup> Weighted number of outstanding shares (diluted and undiluted) are presented herein in order to calculate Adjusted EPS as Adjusted net income for such periods.

### Net Sales on a Constant Currency Basis

Net sales on a constant currency basis is a non-IFRS measure which represents current period results that have been retranslated using exchange rates used in the prior year comparative period. We provide constant currency percent change in net sales within our "Key Financial and Operating Metrics" and "Operating Results" sections, to enhance the visibility of the underlying growth rate of net sales, excluding the impact of foreign currency exchange rate fluctuations.



# Factors Affecting Performance and Trend Information

We expect our growth, financial condition, cash flows, and results of operations will continue to be affected by a number of factors and trends. Refer to "Item 5. Operating and Financial Review and Prospects" within our Annual Report for further information on these factors. Below, we have included recent updates.

## ***Customs and duty expenses, cost inflation, consumer spending, ability to manage inventory, and foreign exchange***

Beginning in April 2025, the United States ("US") implemented new tariffs as part of its trade policy, including both baseline tariffs and higher country-specific reciprocal tariffs on imports from all countries. Additionally, on July 31, 2025, an executive order ("Executive Order") was signed confirming the tariff rates on various trading partner countries, including a fixed reciprocal import tariff of 20% on Vietnam (applied in addition to the existing 20% import tariff in Vietnam). The confirmed tariff rates under the Executive Order became effective on August 8th, 2025.

The tariffs in place as of the date of this report, increase the costs of products we source from outside the US and subsequently sell within the US. During the six months ended June 30, 2025, approximately 90% and 10% of our footwear products were produced in Vietnam and Indonesia, respectively. Approximately 65% of our apparel and accessories products were produced in Vietnam, 20% in Turkey, 5% in China, and 10% in the rest of Europe. Additionally, during the six months ended June 30, 2025 and the year ended December 31, 2024, the US market accounted for approximately 53% and 59%, respectively, of our total net sales.

Although we are closely monitoring the tariff and trade policy actions taken by the US and foreign governments, the rapidly changing global trade environment has introduced a significant amount of uncertainty and potential disruption. The tariffs imposed since April 2025, including those in the Executive Order, have increased the costs of products we source from outside the US and subsequently sell within the US, which could adversely affect our gross margin and results of operations. While these new tariff actions did not have a significant impact on our results of operations during the six months ended June 30, 2025, we have and expect to continue to experience increased foreign currency exchange rate volatility, which we attribute, in part, to the significant uncertainty surrounding the global trade environment.

In line with our ambition to be the most premium global sportswear brand, we continuously assess our global pricing strategy within the movements of the industry and take action where appropriate to maintain our premium brand positioning. However, pricing actions taken to maintain our brand positioning, including through raising prices, could result in reduced consumer demand and loss of market share, and could impact other factors discussed above.

These new US tariffs, retaliatory measures by other countries, and the broader uncertainty surrounding the global trade environment could also contribute to inflationary pressures, geopolitical tensions, supply chain disruptions, macroeconomic and market volatility, and uncertainty for our customers, which may increase the cost of our products and other operational costs, and negatively impact customer demand, consumer spending, and our ability to manage inventory. While the ultimate impact remains uncertain, the ongoing tariff situation could have a material adverse impact on our business, financial condition, results of operations and the price of our Class A ordinary shares.

Refer to "Item 5. Operating and Financial Review and Prospects" and "Item 3. Risk Factors" within our Annual Report for further information on these factors.

# New Accounting Pronouncements

There have been no material changes related to recently issued or adopted accounting standards from those disclosed in our consolidated financial statements for the year ended December 31, 2024, included in our Annual Report, available at [www.sec.gov](http://www.sec.gov).

## Critical Accounting Policies

There have been no material changes to the key estimates, assumptions and judgments from those disclosed in our consolidated financial statements for the year ended December 31, 2024, included in our Annual Report, available at [www.sec.gov](http://www.sec.gov).

## Risk Factors

There have been no material changes to the risk factors as set out in our Annual Report, available at [www.sec.gov](http://www.sec.gov).

## Special Note Regarding Forward-Looking Statements

This management's discussion and analysis contains statements that may constitute "forward-looking" statements pursuant to the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Many of the forward-looking statements contained in this management's discussion and analysis can be identified by the use of forward-looking words such as "anticipate," "believe," "continue," "could," "expect," "estimate," "forecast," "intend," "may," "plan," "potential," "predict," "project," "target," "will," "would," and "should," among others.

Among other things, On's quotations from management in the press releases and other written materials, as well as On's strategic and operational plans, contain forward-looking statements. On may also make written or oral forward-looking statements in its periodic reports to the SEC, in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Forward-looking statements appear in a number of places in this management's discussion and analysis and include, but are not limited to, statements regarding our intent, belief or current expectations. Forward-looking statements are based on our management's beliefs and assumptions and on information currently available to our management.

Such statements are subject to risks and uncertainties, and actual results may differ materially from those expressed or implied in the forward-looking statements due to various factors, including, but not limited to, those identified under the section titled "Risk Factors" in our Annual Report. These risks and uncertainties include factors relating to: the strength of our brand and our ability to maintain our reputation and brand image; our ability and the ability of our independent manufacturers and other suppliers to follow responsible business practices; our ability to implement our growth strategy; the concentration of our business in a single, discretionary product category, namely footwear, apparel and accessories; our ability to continue to innovate and meet consumer expectations; changes in consumer tastes and preferences including in products and sustainability, and our ability to connect with our consumer base; our ability to open new stores at locations that will attract customers to our premium products; our ability to compete and conduct our business in the future; health epidemics, pandemics and similar outbreaks; general economic, political, demographic and business conditions worldwide, including geopolitical uncertainty and instability, such as the on-going Russia-Ukraine or Israel-Hamas conflicts and on-going shipping disruptions in the Red Sea and surrounding waterways; the success of operating initiatives, including advertising and promotional efforts and new product and concept development by us and our competitors; our ability to successfully develop, implement, and scale our LightSpray™ technology and products developed using this technology; our ability to strengthen and grow our DTC channel; our ability to address climate related risks; our ability to execute and manage our sustainability strategy and achieve our sustainability-related goals and targets, including sustainable product offerings and investor and customer scrutiny; our third-party suppliers, manufacturers and other partners, including their financial stability and our ability to find suitable partners to implement our growth strategy; supply chain disruptions, inflation and increased costs in supplies, goods and transportation, customs and duty expenses, and foreign exchange rates; the availability of qualified personnel and the ability to retain such personnel, including our Executive Officers; our ability to accurately forecast demand for our products and manage product manufacturing decisions; our ability to distribute products through our wholesale channel; changes in commodity, material, labor, distribution and other operating costs; our international operations; our ability to protect our intellectual property and defend against allegations of violations of third-party intellectual property by us; cybersecurity incidents and other disruptions to our information technology ("IT") systems; increased hacking activity against the critical infrastructure of any nation or organization that retaliates against Russia for its invasion of Ukraine; our reliance on complex IT systems; our ability to adopt generative artificial intelligence ("AI") technologies in our operations; changes and contemplation of changes to trade policies, tariffs and import/export regulations in the United States and other jurisdictions; financial accounting and tax matters; our ability to maintain effective internal control over financial reporting; the potential impact of, and our compliance with, new and existing laws and regulations; other factors that may affect our financial condition, liquidity and results of operations; and other risks and

uncertainties set out in filings made from time to time with the SEC and available at [www.sec.gov](http://www.sec.gov), including, without limitation, our most recent reports on Form 20-F and Form 6-K. You are urged to consider these factors carefully in evaluating the forward-looking statements contained herein and are cautioned not to place undue reliance on such forward-looking statements, which are qualified in their entirety by these cautionary statements.

Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update them in light of new information or future developments or to release publicly any revisions to these statements in order to reflect later events or circumstances or to reflect the occurrence of unanticipated events.