

## Guess?, Inc. (GES)

**\$16.81** (Stock Price as of 12/17/2025)

Price Target (6-12 Months): **\$18.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

**Neutral**

(Since: 11/12/25)

Prior Recommendation: Outperform

Short Term: 1-3 Months

**Zacks Rank: (1-5)**

**2-Buy**

Zacks Style Scores:

VGM: D

Value: B

Growth: F

Momentum: C

## Summary

Guess? is positioned for long-term growth, supported by strategic acquisitions like rag & bone, strong Europe and Asia performance, and multi-channel expansion. The company continues to enhance efficiency, optimize store footprint and realign resources toward higher-performing segments. Its global brand elevation efforts including targeted marketing, influencer collaborations, and the integration of rag & bone — are strengthening its portfolio and positioning Guess? as a more premium, diversified, and resilient global retailer. However, softness in the Americas Retail segment stemming from low demand is a concerning factor. Apart from this, Guess? continues to face mounting pressure on profitability, with the gross margin contracting 120 basis points in the second quarter of fiscal 2026.

## Price, Consensus & Surprise<sup>(1)</sup>



## Data Overview

52 Week High-Low	\$17.15 - \$8.48
20 Day Average Volume (sh)	507,010
Market Cap	\$876.7 M
YTD Price Change	19.6%
Beta	1.03
Dividend / Div Yld	\$0.90 / 5.4%
Industry	<a href="#">Textile - Apparel</a>
Zacks Industry Rank	Top 17% (42 out of 243)

## Sales and EPS Growth Rates (Y/Y %)<sup>(1)</sup>



Last EPS Surprise	52.2%
Last Sales Surprise	2.3%
EPS F1 Est- 4 week change	6.0%
Expected Report Date	04/02/2026
Earnings ESP	0.0%

## Sales Estimates (millions of \$)<sup>(1)</sup>

	Q1	Q2	Q3	Q4	Annual*
2027					3,320 E
2026	648 A	773 A	791 A		3,200 E
2025	592 A	733 A	739 A	932 A	2,995 A

## EPS Estimates<sup>(1)</sup>

	Q1	Q2	Q3	Q4	Annual*
2027					1.76 E
2026	-0.44 A	0.26 A	0.35 A		1.59 E
2025	-0.27 A	0.42 A	0.34 A	1.48 A	1.96 A

\*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 12/17/2025.

(2) The report's text and the price target are as of 11/13/2025.

## Overview

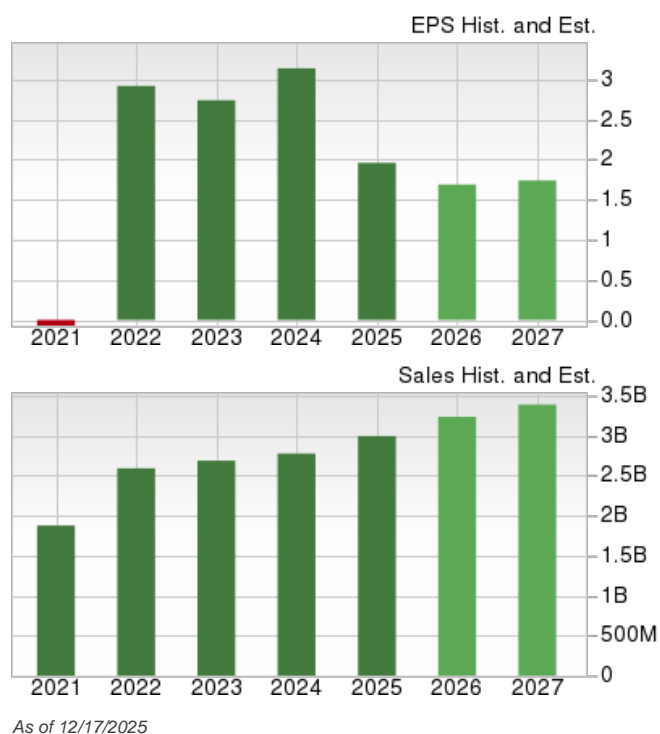
Founded in 1981 and based in L.A. Guess?, Inc. designs, markets, distributes and licenses casual apparel and accessories for men, women and children as per the American lifestyle and European fashion sensibilities. The company's collection includes contemporary apparel, denim, handbags, eyewear, watches, footwear, and other related consumer products. In the clothing category, the company's collections include jeans, pants, skirts, dresses, shorts, blouses, shirts, jackets, knitwear and intimate apparel. It also designs jewelry and other fashion accessories. Products of the company are sold through retail, wholesale, e-Commerce and licensing distribution channels.

Guess' and its network of licensee partners sell their products primarily through six different store concepts, namely the flagship Guess-Full-price retail stores, Guess-factory outlet stores, Guess by Marciano stores, G by Guess stores, Guess Accessories Stores and Guess Kids Stores. Further, the products are sold through wholesale, direct-to-consumer and licensing distribution networks. The company's business is classified into five reportable segments: Europe, Americas Retail, Asia, Americas Wholesale and Licensing.

The company sources products from numerous suppliers located both locally and globally. Further, the company promotes its products through advertising, public relations and marketing strategies. In fact, strong promotional skills have helped the company in creating a unique name for itself in the fashion space, as well as in driving consumer traffic. As of Aug. 2, 2025, Guess? directly operated 1,062 retail stores across Europe, the Americas and Asia. The company's partners and distributors operated 527 more stores in nearly 100 countries worldwide.

On Aug. 20, 2025, Guess? announced a deal with Authentic Brands, where the latter acquires 51% of the former's IP, Rolling Stockholders keep 49% and full assets, and the company will go private in the fourth quarter of fiscal 2026.

(Note: Zacks identifies fiscal years by the month in which the fiscal year ends, while Guess? identifies its fiscal year by the calendar year in which it begins. So, comparable figures for any given fiscal year, as published by Guess?, will refer to this same fiscal year as being the year before the same year, as identified by Zacks.)



---

## Reasons To Buy:

▲ **Solid Long-Term Positioning:** Guess? demonstrates strong potential as a resilient and forward-looking global retailer. Strategic acquisitions like rag & bone, robust performance in key international markets and aggressive brand elevation initiatives position it for sustained growth. With an expanding product portfolio, growing direct-to-consumer channels and disciplined cost management, Guess? is well-poised to deliver long-term shareholder value. In the second quarter of fiscal 2026, the company's quarterly net revenues grew 6% to \$772.9 million. On a constant-currency (cc) basis, net revenues rose 3%. Growth was driven primarily by better-than-expected comparable store sales in the European business and the Americas Retail segment. At the same time, the company is advancing initiatives to enhance operational efficiency and sharpen its focus on high-performing segments. The company is also working to optimize its store footprint and realign resources across select international markets to improve efficiency and focus on higher-performing segments.

▲ **Strengthening Brand Portfolio:** The company remains committed to elevating the Guess? brand globally. Targeted marketing campaigns and influencer collaborations aim to enhance brand awareness, particularly among younger audiences. In line with this strategy, Guess? is actively expanding and diversifying its brand portfolio to drive long-term, multi-label growth. A key element of Guess?'s brand portfolio strategy is the continued integration of rag & bone across its retail, wholesale and e-commerce channels. Leveraging operational synergies, it aims to enhance efficiency and margins while positioning rag & bone as a premium complement to the core Guess? portfolio.

▲ **Europe & Asia Fuel Regional Growth:** Europe continues to be a strong growth engine for Guess?, with the second quarter of fiscal 2026 revenues up 14% year over year and 9% constant currency. This growth was driven by newly acquired businesses, positive comparable store sales, higher wholesale revenues, net new store openings and strong e-commerce performance. Retail comparable sales, including e-commerce, increased 11% in U.S. dollars, while operating margin rose 0.8%, supported by higher revenues and favorable currency impact. Earnings from operations in Europe grew 24% year over year, reflecting higher revenues and favorable currency impact. Asia also showed encouraging results, with net revenues up 3% year over year and 2% constant currency, supported by net new store openings and higher rag & bone wholesale shipments. Collectively, Europe and Asia demonstrate Guess?'s ability to expand its international footprint, capitalize on market opportunities and strengthen its multi-channel operations across diverse markets.

Guess? is positioned for long-term growth, leveraging strategic acquisitions, strong Europe & Asia performance, and multi-channel expansion to boost global presence.

---

## Reasons To Sell:

- ▼ **Challenges in Americas Retail and Wholesale:** The Americas Retail segment faced a challenging second quarter in fiscal 2026, with net revenues declining 1% year over year and retail comparable store sales falling 5% in both U.S. dollars and constant currency. The decline was caused by lower retail demand and weaker e-commerce performance. Operating margin fell 5.2%, weighed down by higher store and advertising expenses, negative comparable store sales, higher markdowns and lower initial markups. As a result, the segment reported a loss from operations of \$7 million, compared with earnings of \$3 million in the same prior-year quarter. Americas Wholesale also experienced softness, with net revenues declining 11% year over year and 10% constant currency, primarily due to lower wholesale shipments in the United States. Earnings from operations fell 8% year over year, reflecting lower revenues.
- ▼ **Licensing Segment Pressures:** Licensing revenues declined 10% year over year to \$26.3 million in the second quarter of fiscal 2026, caused by weaker royalties in the footwear and fragrances categories. Earnings from operations in Licensing fell 8% during the quarter, reflecting the decline in royalty income.
- ▼ **Cost & Margin Issues:** Guess? continues to face mounting pressure on profitability, with signs of operational inefficiency persisting despite healthy top-line growth. In the fiscal second quarter, the gross margin contracted 120 basis points to 42.5%, adjusted SG&A expenses (as a percentage of sales) increased 40 bps to 38.9% and the adjusted operating margin declined to 3.7% from 5.2% in the same period last year, caused by elevated store costs and advertising, unfavorable business mix and higher markdowns.

Guess? faces margin pressures as Americas Retail & Wholesale soften and Licensing royalties decline, highlighting cost and operational challenges in the fiscal second quarter.

## Last Earnings Report

### Guess? Q2 Earnings Beat Estimates, Revenues Increase 6% Y/Y

Guess?, Inc. reported second-quarter fiscal 2026 results, wherein both top and bottom lines beat the Zacks Consensus Estimate. While net sales increased, earnings decreased from the year-ago period's actuals.

On Aug. 20, 2025, Guess? announced a deal with Authentic Brands Group and key shareholders to form a strategic partnership. Under the agreement, Authentic will acquire 51% of the company's intellectual property, while the Rolling Stockholders will hold the remaining 49% and assume full ownership of its operating assets. The transaction is expected to close in the fourth quarter of fiscal 2026.

**FY Quarter Ending** **1/31/2025**

Earnings Reporting Date	Nov 25, 2025
Sales Surprise	2.25%
EPS Surprise	52.17%
Quarterly EPS	0.35
Annual EPS (TTM)	1.65

### Guess? Quarterly Performance: Key Metrics & Insights

Guess? posted adjusted earnings of 26 cents per share, beating the Zacks Consensus Estimate of 14 cents. However, the bottom line deteriorated 38% from 42 cents reported in the year-ago quarter.

Net revenues amounted to \$772.9 million, up 6% year over year. On a constant-currency (cc) basis, net revenues rose 3%. The strong performance was driven by better-than-expected comparable store sales in the European business and the Americas Retail segment.

Adjusted earnings from operations were \$28.5 million, down 25% from \$37.9 million reported in the year-ago quarter. The adjusted operating margin was 3.7%, down from 5.2% reported in the same quarter last year. This decline was primarily due to increased expenses, including higher advertising and store-related costs, as well as the unfavorable impact of business mix and higher markdowns.

### Decoding Guess? Segmental Performance

The **Europe** segment's revenues increased 14% on a reported basis and 9% at cc. Retail comp sales (including e-commerce) increased 11% on a reported basis and 5% at cc. The segmental operating margin was 10.6%, up 0.8% year over year, reflecting the benefit of higher revenues and favorable currency effects, partially offset by increased expenses, including elevated advertising and store costs, and higher markdowns.

Revenues in the **Americas Retail** segment decreased 1% in U.S. dollars and at cc. Retail comparable sales, including e-commerce, declined 5% in U.S. dollars and at cc. The operating margin in the segment was negative 3.7%, down 5.2% year over year. This decline was caused by elevated expenses, including increased advertising and store costs, the adverse effects of negative retail comparable sales, increased markdowns and lower initial markups, partially offset by the impact of newly acquired businesses.

**Americas Wholesale** revenues decreased 11% on a reported basis and 10% at cc. The segment's operating margin improved to 19.6%, up 0.7% year over year, driven by elevated product margin, partially offset by the impact of lower revenues.

**Asia** revenues increased 3% on a reported basis and 2% at cc. Retail comp sales (including e-commerce) dropped 2% on both a reported basis and at cc. The operating margin in the segment was negative 6.8%, down 4.5% year over year. This downside was due to the impact of an unfavorable business mix.

**Licensing** revenues decreased 10% on a reported basis and at cc. Segmental operating margin was 95.4% compared with 93.3% in the year-ago quarter.

### Guess? Financial Health Snapshot & Shareholder-Friendly Moves

The company exited the quarter with cash and cash equivalents of \$189.6 million and long-term debt and finance lease obligations of nearly \$258.4 million. Stockholders' equity was around \$487.6 million.

Net cash provided by operating activities for the six months ended Aug. 2, 2025, was \$1.5 million. Free cash flow for the same period amounted to negative \$44.6 million.

Guess? announced a quarterly dividend of 22.5 cents per share, payable on Sept. 26, 2025, to its shareholders on record as of Sept. 10.

## Valuation

Shares of Guess? are up 20.6% in the year-to-date period and 0.1% over the trailing 12-month period. Stocks in the Zacks sub-industry are down 19.2%, whereas the Zacks Consumer Discretionary sector is up 3.8% in the year-to-date period. Over the past year, the Zacks sub-industry is down 21.7% while the sector is up 3.9%.

The S&P 500 index is up 18.4% in the year-to-date period and 17.6% in the past year.

The stock is currently trading at 0.27X forward 12-month sales, which compares to 2.1X for the Zacks sub-industry, 2.44 for the Zacks sector and 5.41X for the S&P 500 index.

Over the past five years, the stock has traded as high as 0.82X and as low as 0.15X, with a 5-year median of 0.41X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$18 price target reflects 0.28X forward 12-month sales.

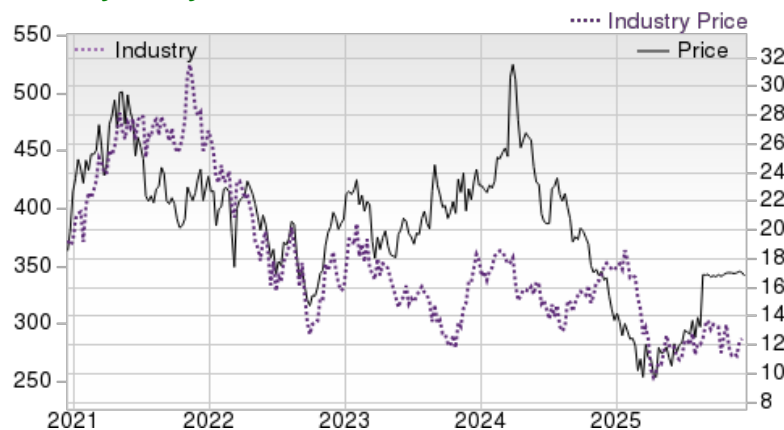
The table below shows summary valuation data for GES

Valuation Multiples - GES					
		Stock	Sub-Industry	Sector	S&P 500
P/S F12M	Current	0.27	2.1	2.44	5.41
	5-Year High	0.82	3.25	3.3	5.52
	5-Year Low	0.15	1.78	1.64	3.84
	5-Year Median	0.41	2.54	2.26	5.06
P/B TTM	Current	1.64	6.88	3.42	8.4
	5-Year High	3.46	10.99	5.09	9.19
	5-Year Low	0.81	6.37	2.39	6.62
	5-Year Median	2.15	8.44	3.46	8.04
EV/EBITDA F12M	Current	3.92	13.49	12.61	13.33
	5-Year High	17.13	24.49	17.1	18.62
	5-Year Low	1.57	11.8	8.69	11.47
	5-Year Median	3.21	15.93	11.37	14.64

As of 11/12/2025

Source: Zacks Investment Research

## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Top 17% (42 out of 243)



## Top Peers<sup>(1)</sup>

Company (Ticker)	Rec	Rank
Crocs, Inc. (CROX)	Outperform	1
Gildan Activewear, I... (GIL)	Outperform	3
Columbia Sportswear ... (COLM)	Neutral	3
G-III Apparel Group,... (GIII)	Neutral	2
Kontoor Brands, Inc. (KTB)	Neutral	2
lululemon athletica ... (LULU)	Neutral	3
PVH Corp. (PVH)	Neutral	3

## Industry Comparison<sup>(1)</sup> Industry: Textile - Apparel

	GES	X Industry	S&P 500	CROX	GIII	KTB
Zacks Recommendation (Long Term)	Neutral	-	-	Outperform	Neutral	Neutral
Zacks Rank (Short Term)	2	-	-	1	2	2
VGM Score	D	-	-	C	C	A
Market Cap	876.67 M	1.47 B	38.74 B	4.66 B	1.35 B	3.56 B
# of Analysts	1	3	22	5	1	1
Dividend Yield	5.35%	0.00%	1.42%	0.00%	1.25%	3.31%
Value Score	B	-	-	A	A	A
Cash/Price	0.18	0.06	0.04	0.03	0.14	0.02
EV/EBITDA	7.42	5.95	14.56	5.34	3.72	12.51
PEG Ratio	-1.19	2.85	2.18	NA	NA	NA
Price/Book (P/B)	1.55	1.16	3.30	3.42	0.76	6.72
Price/Cash Flow (P/CF)	4.87	8.06	15.17	6.10	6.09	11.08
P/E (F1)	6.25	17.93	19.74	7.40	11.14	11.63
Price/Sales (P/S)	0.28	0.72	3.08	1.14	0.45	1.26
Earnings Yield	10.05%	5.19%	5.04%	13.52%	8.98%	8.60%
Debt/Equity	1.14	0.32	0.57	0.97	0.00	2.53
Cash Flow (\$/share)	3.45	1.97	8.99	14.72	5.27	5.77
Growth Score	F	-	-	D	F	B
Hist. EPS Growth (3-5 yrs)	-7.61%	3.79%	8.16%	25.56%	18.20%	7.80%
Proj. EPS Growth (F1/F0)	37.24%	-8.33%	8.60%	-7.90%	-34.84%	12.47%
Curr. Cash Flow Growth	-25.04%	5.49%	6.75%	7.23%	6.33%	9.29%
Hist. Cash Flow Growth (3-5 yrs)	-0.82%	5.39%	7.43%	43.73%	3.46%	2.42%
Current Ratio	1.63	1.75	1.18	1.40	2.33	1.91
Debt/Capital	53.25%	24.12%	38.01%	49.17%	0.36%	71.71%
Net Margin	2.56%	4.09%	12.78%	4.48%	4.89%	7.68%
Return on Equity	16.11%	11.35%	17.00%	43.14%	9.37%	63.21%
Sales/Assets	1.08	1.14	0.53	0.87	1.17	1.27
Proj. Sales Growth (F1/F0)	-8.40%	0.00%	5.79%	-2.40%	-6.40%	19.30%
Momentum Score	C	-	-	F	C	B
Daily Price Chg	0.18%	-0.98%	-1.16%	-2.07%	1.39%	-2.71%
1 Week Price Chg	-1.35%	0.00%	-2.40%	0.23%	3.39%	-12.68%
4 Week Price Chg	-0.65%	0.48%	1.19%	13.36%	18.82%	-7.61%
12 Week Price Chg	0.42%	-6.33%	1.26%	15.82%	19.22%	-21.40%
52 Week Price Chg	19.30%	-15.14%	14.46%	-16.00%	-5.93%	-25.34%
20 Day Average Volume	507,010	221,525	2,751,030	1,270,995	506,676	707,198
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	5.96%	0.00%	0.00%	0.00%	6.27%	0.00%
(F1) EPS Est 12 week change	5.96%	0.35%	0.69%	4.95%	6.27%	0.82%
(Q1) EPS Est Mthly Chg	-3.61%	0.00%	0.00%	0.00%	-16.18%	0.00%



## Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

### Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

### Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

### Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	<b>B</b>
Growth Score	<b>F</b>
Momentum Score	<b>C</b>
VGM Score	<b>D</b>

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

## Disclosures

**This report contains independent commentary to be used for informational purposes only. The analysts contributing to this report do not hold any shares of this stock. The analysts contributing to this report do not serve on the board of the company that issued this stock. The EPS and revenue forecasts are the Zacks Consensus estimates, unless otherwise indicated in the report's first-page footnote.** Additionally, the analysts contributing to this report certify that the views expressed herein accurately reflect the analysts' personal views as to the subject securities and issuers. ZIR certifies that no part of the analysts' compensation was, is, or will be, directly or indirectly, related to the specific recommendation or views expressed by the analyst in the report.

Additional information on the securities mentioned in this report is available upon request. This report is based on data obtained from sources we believe to be reliable, but is not guaranteed as to accuracy and does not purport to be complete. Any opinions expressed herein are subject to change.

ZIR is not an investment advisor and the report should not be construed as advice designed to meet the particular investment needs of any investor. Prior to making any investment decision, you are advised to consult with your broker, investment advisor, or other appropriate tax or financial professional to determine the suitability of any investment. This report and others like it are published regularly and not in response to episodic market activity or events affecting the securities industry.

This report is not to be construed as an offer or the solicitation of an offer to buy or sell the securities herein mentioned. ZIR or its officers, employees or customers may have a position long or short in the securities mentioned and buy or sell the securities from time to time. ZIR is not a broker-dealer. ZIR may enter into arms-length agreements with broker-dealers to provide this research to their clients. Zacks and its staff are not involved in investment banking activities for the stock issuer covered in this report.

ZIR uses the following rating system for the securities it covers. **Outperform-** ZIR expects that the subject company will outperform the broader U.S. equities markets over the next six to twelve months. **Neutral-** ZIR expects that the company will perform in line with the broader U.S. equities markets over the next six to twelve months. **Underperform-** ZIR expects the company will underperform the broader U.S. equities markets over the next six to twelve months.

No part of this report can be reprinted, republished or transmitted electronically without the prior written authorization of ZIR.