



Caleres, Inc.

Second Quarter 2026 Earnings Call

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C O R P O R A T E P A R T I C I P A N T S

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P R E S E N T A T I O N

Operator

Greetings, welcome to the Caleres Incorporated Second Quarter 2026 Earnings Call.

At this time, all participants will be in listen-only mode. The question-and-answer session will follow the formal presentation. If anyone today should require Operator assistance during the conference, please press star, zero on your telephone keypad.

Please note that today's conference is being recorded.

I'll now turn the conference over to Liz Dunn, Senior Vice President Corporate Development and Strategic Communications. Thank you, Liz, you may begin.

Liz Dunn

Thanks, Rob. Good morning and thank you for joining our second quarter earnings call and webcast. A press release with detailed financial tables, as well as our quarterly slide presentation are available at caleres.com.

Please be aware today's discussion contains forward-looking statements, which are subject to several risks and uncertainties. Actual results may differ materially due to various risk factors, including those disclosed in the Company's Form 10-K and other filings with the U.S. Securities and Exchange Commission. Please refer to today's press release and our SEC filings for more information on risk factors and other factors which could impact forward-looking statements. Copies of these reports are available online.

In discussing our operational results, we will be providing and referring to adjusted operating and earnings results, and in some cases be discussing our results excluding the impact of Stuart Weitzman. Additional details on non-GAAP measures, as well as others featured in today's earnings release and presentation, are available in the reconciliation tables in our earnings release and on caleres.com. The Company undertakes no obligation to update any information discussed in this call at any time.

Joining me today are Jay Schmidt, President and CEO, and Dan Karpel, Senior Vice President and CFO. Our call will begin with prepared remarks, followed by a Q&A session to address any questions you have.

With that, I will now turn the call over to Jay. Jay?

Jay Schmidt

Good morning and thank you for joining us.

Earlier today, Caleres reported second quarter adjusted earnings results above our expectations. As we discussed over the past two quarters, 2026 is a build-back year for Caleres, a year focused on restoring earnings power, strengthening the foundation of the business, integrating Stuart Weitzman, and positioning the Company for more durable, profitable growth over time. Second quarter earnings validate our strategy as we delivered margins and earnings well ahead of our expectations.

In our Brand Portfolio, we experienced broad-based gains across brands with strength in Wholesale, Direct-to-Consumer, and International, and we once again gained market share in Women's Fashion Footwear, according to Circana. Importantly, both lead brands and the balance of the Brand Portfolio delivered sales and earnings growth during the quarter.

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Fashion Footwear is clearly seeing breakout momentum, and our brands are resonating with consumers. We saw strength in Ballet flats, Pumps, and Loafers, and yes, even Boots as the quarter progressed, particularly with fashion-relevant styling. International, which is our single greatest growth vector, delivered second quarter sales up over 50% and up high teens organically.

Our lead brands remain under-penetrated in International markets with significant runway to grow. We also continue to leverage Caleres capabilities across product, sourcing, marketing, digital, and logistics to support our brands and drive profitable growth.

The strength of our Brand Portfolio helped offset challenges we saw in Famous Footwear in the quarter, where sales were pressured by a Back-to-School season that came later than expected, as well as a shift away from Lifestyle Athletic. We are actively pivoting the assortment to reflect that shift, reducing exposure to softer Lifestyle Athletic products and increasing our emphasis on Performance Athletic, Fashion, and the higher-demand brands and products that are resonating with consumers. More on that in a moment, but let's first turn to key highlights from the quarter, starting with the Brand Portfolio.

Sam Edelman delivered another strong quarter with sales up mid-teens versus last year. Performance was broad-based across categories with continued strength in Closed Casuals, Dress, Flats, and other key franchises that reflect the Brand's ability to grow enduring icons along with trend-right newness. According to Circana, Sam Edelman is now the Number 9 dollar-volume brand in Women's Fashion Footwear. A strong achievement underscored by having the Number 1 Flat, the Number 1 Pump, and the Number 1 Loafer in that segment through Spring.

Growth was supported by strong double-digit increases at key department store accounts. Our own Retail business also grew in the quarter, fueled by higher average unit retails and improved gross margins. The successful Hamptons pop-up brought the full Sam Edelman Lifestyle Expression to a high-impact market, and sales exceeded our expectations. The Sam Edelman International business continued to be a bright spot, scaling through Premier Global Partners with market-right execution in key regions and particular momentum in China.

You may have also noticed the launch of our Men's line in the August market, which received positive reactions from all key accounts. This breadth of momentum across categories, channels, and geographies reinforces the power of the Sam Edelman platform and gives us confidence in the Brand's ability to keep growing profitably. And finally, we ended the quarter with 110 owned and franchised Sam Edelman stores, including four in North America.

Stuart Weitzman had a solid quarter, with improvement in both full-price sell-through and International during the quarter. Our goal remains to achieve break-even operating earnings in 2026, and we believe we have the foundation in place to get there. The brand is operating on Caleres platforms, the fleet has been rationalized, and the operating model has been simplified, and that discipline is showing up in the results. The Brand made meaningful progress in the quarter.

While Direct-to-Consumer sales were pressured by lower outlet and clearance activity, full-price sell-through improved, supporting our path to break-even. Wholesale exceeded expectations. Digital continues to improve following the re-platform, and brick-and-mortar comps strengthened as key flagships return to growth. From a product perspective, Stuart Weitzman is building on its icons, the 5050 and the Nudist, while establishing New Hero franchises like Stuart Power and the VINNIE. We are also expanding the Brand's Casual and Sneaker assortment to maximize new avenues of growth.

Internationally, we were particularly pleased with our business in China, which is ahead of plan under new leadership and is seeing a rapid resurgence in the Brand's popularity. At the beginning of September, Stuart Weitzman launched its 40th Anniversary Campaign, featuring Gigi Hadid, Misty Copeland, and Yang Mi. The campaign is particularly well-timed with strength in the Fashion Boot Stretch trend, particularly over-the-knee styles that have long been associated with the Stuart Weitzman brand.

We ended the quarter with 62 stores, including 21 in North America and 41 in Asia. Allen Edmonds delivered another strong quarter with net sales up low teens and cross-channel growth led by wholesale. Consumer demand was broad-based, with Dress Shoes and Loafers especially strong, and Sandals benefiting from expanded newness. The Reserve Collection, our most elevated product, more than doubled in the quarter and gained further distribution in Premium Wholesale accounts and expansion in our own stores. Beyond Footwear, our non-Shoe business grew at a healthy double-digit clip across Accessories and Apparel as cross-category shoppers continue to spend more, buy more often, and deliver better margin.

Allen Edmonds also continued to gain meaningful market share in Men's Footwear across every Footwear category, significantly outpacing the broader premium and non-athletic markets. E-commerce continued to grow, and customer acquisition also strengthened, with growth skewing to younger, higher-income households. Retail sales were strong again, led by our 18 Port Washington Studio stores, where sales grew 15%, outperforming the rest of our 58-store fleet by over 800 basis points. Our newest Port Washington Studio store opened on King Street in Charleston during the quarter, and early reads have been promising.

Naturalizer delivered strong growth in the quarter, with sales up high-single-digits and growth across Wholesale and Direct-to-Consumer. Profitability outpaced sales as the Brand benefited from product newness, more full-price selling, and disciplined expense management. By category, Dress was the standout, up double-digits, and led by modern takes on pumps, slingbacks, and flats. In Casual, Ballets and Mary Janes continued to drive demand, while Casual Sandals and Sneakers saw some pullback. We were also encouraged by the consumer response to textured materials, including snake, raffia, and woven details, which played an important role in creating an emotional connection with consumers, differentiating the assortment and driving demand.

The Brand's creative partnership with June Ambrose is delivering on its objectives, generating strong social interest that is converting into traffic and sales. It's also attracting younger, more diverse, and higher-income consumers. As Naturalizer approaches its 100th Anniversary next year, its brand relevance is stronger than ever.

Vionic sales were lower in the quarter, reflecting ongoing efforts to elevate distribution. However, earnings were up slightly year-over-year. We remain encouraged by the opportunity in the Walking category, where penetration increased sequentially to 13%, and sales grew over 50% versus last year. Our channel mix is shifting toward a more premium position, while we are simultaneously introducing new products with broader distribution opportunities. Consumer adoption of Vionic's newer technology platforms has been encouraging, reinforcing the strength of the Brand's wearable well-being positioning, and differentiated combination of science, comfort, and style. We are also encouraged by the early response to Vionic Beach, a newly launched, more casual, and accessible Vionic line.

Importantly, these positive signals leave us with optimism for the future. With Fall inventory in place, continued newness flowing into the assortment, and broader distribution opportunities developing, Vionic is building a stronger foundation to translate these positive signals into sales growth.

Taken together, these results reinforce what we have been saying for several quarters. Our Lead Brand strategy is working. We are building stronger brands, deepening consumer relationships, and creating a business that is positioned to deliver sustainable, profitable growth over time.

Turning to Famous Footwear, second quarter sales were below our expectations, as the business was pressured by a later start to Back-to-School and a shift away from Lifestyle Athletic.

First, on the shift in Back-to-School. Based on our business in the third quarter to date, it now appears that Back-to-School came later than expected due to the shift in Labor Day timing and several shifts in tax-free events. This resulted in a worse than expected second quarter trend and third quarter slightly better than our previous expectations. As such, quarter to date through Labor Day, our Famous Footwear comp sales are flat. During the quarter, Men's and Women's performed similarly and Kids were somewhat better. Sales

were similar across geography and center type. And while E-commerce outperformed stores in the quarter, both were down versus last year.

We saw weakness in Lifestyle Athletic products during the quarter, while Performance Athletic remained strong. We continued to execute our Elevate and Edit Strategy during the quarter, driving higher premium product penetration with a 22% sales increase compared to last year.

Our Fashion business strengthened in the quarter and was meaningfully better than Athletic, led by strength in Kids fashion and Dress. Growth brands in the quarter included Jordan, Birkenstock, Skechers, Brooks, and Steve Madden. Within Kids, we held share in the total measurable market and gained share in shoe chains with strength across several key brands, according to Circana.

We also remained focused on improving the in-store experience through FLAIR and strengthening digital engagement. FLAIR stores opened in the last year continued to outperform, albeit with margins more pressured compared to previous quarters. We believe the shifting Back-to-School timing may have obscured these results. Importantly, Premium products outperformed in FLAIR stores.

We began taking action during the quarter to improve inventory positioning, including reducing receipts and increasing clearance events to address excess and aged inventory, while also investing in the categories of the business that are trending. These actions pressured gross margin but meaningfully improved our inventory position exiting the quarter.

At Famous, our Back-to-School is heavily driven by Athletic. As we move into Fall, our Athletic penetration typically drops by over 10 points. This year, though, in August and quarter-to-date, our Fashion comp was positive and outperformed Athletic by over 10 points. With the stronger trend we are seeing in Fashion, we are expanding our Fashion assortment and increasing our inventory investment to support the demand. We also have two non-Athletic Brands planned for floor takeovers for the back half. Taken together, we believe these strategies will provide trend improvement for the back half relative to the second quarter.

In summary, we were pleased with our performance in the quarter and are encouraged by the improving trend in Fashion Footwear. We believe Caleres is uniquely positioned to capitalize on these trends in both segments of our business. Furthermore, we are well positioned to continue to generate earnings recovery through the balance of the year. Longer term, our priorities remain clear to build powerful Footwear brands around the world, to strengthen Famous Footwear's positioning as the best shoe store for the family and maintain operational discipline to support strong financial results and shareholder value.

With that, I will now turn it over to Dan Karpel for a more detailed view of our financial performance and our outlook. Dan?

Dan Karpel

Thank you, Jay, and good morning, everyone. During today's call, I'll provide additional details on second quarter results as well as our expectations for Q3 and the full year. Please note that my comments will be on an adjusted basis, and I will note when they exclude Stuart Weitzman.

Before reviewing the quarter, I want to address the tariff refunds reflected in our GAAP results. During the quarter, we received \$57.4 million in IEEPA tariff refunds, \$55.6 million of this refund was reflected as a reduction in cost of sales, and \$1.8 million of related interest income was reflected in other income. These amounts are included in our GAAP results and excluded from our adjusted results for better comparability.

For the second quarter, sales were \$695 million, up 5.6% to last year. Excluding Stuart Weitzman, sales decreased 0.8%. Brand Portfolio organic sales increased while Famous Footwear sales were down. Brand Portfolio sales were up 8.2% on an organic basis and up 23.6% when including Stuart Weitzman. Lead brands continued to drive growth across Wholesale, Direct-to-Consumer, and International channels.

Famous sales were down 6.3%, with comparable sales down 5.9%. We ended the quarter with 814 store locations as we opened three stores and closed three stores in quarter.

Consolidated gross margin, excluding the IEEPA tariff refund recovery, was 46.8%, up 340 basis points to last year, driven by the Brand Portfolio. Brand Portfolio gross margin was 49.1%, up 880 basis points to last year, driven by a combination of favorable channel and product mix and lower markdowns and allowances, as well as our tariff mitigation efforts and lower current tariff rates. Famous Footwear gross margin was 42.7%, down 100 basis points to last year. The decline was primarily driven by Lifestyle Athletic, reflecting increased promotional and clearance activity across the industry.

Consolidated SG&A expenses increased \$33.7 million to \$303.4 million. The increase was primarily driven by \$23.5 million in expenses related to Stuart Weitzman. As a percentage of sales, SG&A was 43.6%. Operating earnings in the quarter were \$22.1 million, and operating margin was 3.2%. Operating margin at Brand Portfolio was 10.5%, up 740 basis points to last year. When excluding Stuart Weitzman, operating margin was 13%, up 990 basis points to last year. Operating margin at Famous Footwear was 1.4%. Net interest expense was \$4.4 million, slightly below last year. The consolidated tax rate was 17.4% for the quarter. This rate reflects the impact of a lower estimated full-year effective tax rate and the release of certain valuation allowances during the quarter. Second quarter earnings per diluted share were \$0.47, as compared with \$0.35 last year.

Turning to the balance sheet, we ended the second quarter with \$50.9 million in cash, \$288 million in borrowings, and \$357.3 million in availability under our revolver. Inventory at quarter end was \$754.2 million, up \$61 million to last year, of which \$69 million was attributable to Stuart Weitzman. Excluding Stuart Weitzman, Brand Portfolio inventory was down 5.6%, and Famous Footwear inventory was up 2.8%.

Now turning to our outlook. Based upon our outperformance in the first half, we are raising the lower end of our adjusted EPS guidance while maintaining the high end of our guidance for the year. While our Brand Portfolio trends have been strong this year, our Famous business is softer than we anticipated at the beginning of the year. Further, we are now expecting slightly lower interest expense and some favorability on the tax rate relative to our initial guidance.

Our guidance anticipates continuing softness in certain categories of our Famous business and related promotional activity as we adjust our inventories through the balance of the year. Additionally, we continue to face an uncertain tariff environment. Our guidance is built on the assumption that new tariffs will be enacted during the third quarter that will largely replace the prior IEEPA tariffs. Given the uncertainty around potential additional tariffs, we believe this to be prudent. We remain flexible in our sourcing strategy and will continue seeking the best country matrix for our quality and price needs.

For the third quarter, we expect consolidated sales to increase low single digits compared to last year. For Brand Portfolio, sales up in the mid-to-high single digit percent range. For Famous, sales and comparable sales down low single digits. Consolidated gross margin to improve 150 basis points to 200 basis points compared to last year.

SG&A deleverage of 100 basis points to 150 basis points compared to last year, driven by incremental incentives compared to last year and lower sales at Famous. A tax rate of 23% to 25% for the quarter. GAAP earnings per diluted share of \$0.62 to \$0.70. For the full year 2026, we expect consolidated sales up low-to-mid single digits compared to last year. Brand portfolio sales up low double digits compared to last year and up mid single digits organically. Famous Footwear sales and comparable sales down low to mid single digits compared to last year.

We expect to open 13 stores and close 26 during the fiscal year. Consolidated gross margin up 180 basis points to 220 basis points compared to last year. SG&A rate flat to slightly deleveraged compared to last year with increases in incentive compensation and other investments largely offset with cost saving measures. Interest expense of approximately \$16 million to \$17 million and a full year tax rate of 24% to 26%. GAAP earnings per diluted share of \$2.80 to \$2.95 and adjusted earnings per diluted share of \$1.50

to \$1.65. CapEx of approximately \$50 million to \$55 million which we will continue to evaluate based upon macroeconomic conditions and performance.

With that, I'd now like to turn the call back over to the Operator for Q&A. Operator?

Operator

Thank you. At this time, we'll be conducting a question-and-answer session. To ask a question today, you may press star, one from your telephone keypad and a confirmation tone will indicate your line is in the question queue. You may press star, two if you'd like to withdraw your question from the queue. For participants that are using speaker equipment, it may be necessary to pick up your handset before pressing the star keys. Thank you.

And our first question comes from the line of Ashley Owens with KeyBanc Capital Markets. Please proceed with your questions.

Ashley Owens

Hi, great. Thanks. Good morning. So maybe just to start on the Brand Portfolio organic growth, I understand that accelerated to 8.2% (phon) in the quarter and then International was considerably stronger. Could you just help us isolate the North America performance and quantify the organic growth rate domestically? And then maybe just as a follow up there, as you look into the back half and for Spring '27, what are you seeing in the domestic wholesale order book? Are retailers leaning into that Fashion Footwear based on the current sell through that you guys are seeing or are some of the open to buy budgets still relatively cautious? And then I have a follow up. Thanks.

Jay Schmidt

Okay. Hi, Ashley. So first of all, our International business is currently less than 10% of our total. So it has a lot of runway for growth. So we did see growth throughout both wholesale, particularly in the vast majority of our brands. And then to—I think on your second question, order book, while we don't give a lot of color on the order book, because it hasn't been as reliable with the business being as so dynamic, we will say that the order book is consistent with our guidance for the third quarter. And we're not seeing any volatility in that. If anything, I think people are running their businesses on the Brand side pretty strongly and it does support our guidance.

Ashley Owens

Okay, great. And then maybe just a two parter on Famous really quickly. So with that Athletic Lifestyle softness, is there any way to put parameters around the magnitude of that decline? And is that continued—did that continue as the quarter progress or were there any signs of stabilization around Back-to-School? And then on the growth margin for Famous, understand the promotional activities work through some of that softer Athletic inventory, but could you just help us think about the cadence of that promotionality pressure between the third and fourth quarters? Thank you.

Jay Schmidt

Yeah. So I'll start with the breakout and then Dan can jump in on the promotionality piece. But for sure, everything got better and as we looked into August and quarter-to-date, so our Athletic totally improved. But needless to say, we're kind of looking at a right sizing of our business as we move into half two. And that 10% delta we saw between Athletic and Fashion, it continued from the first week of August through the most recent Labor Day results that we have. So we're seeing that as being a more significant portion of our business and a higher penetration. And that work is currently in play. But for sure, the spike goes way up in for half two Back-to-School, but we come down to a more normal balance of our business in Athletic and non-Athletic in the back half.

And we'll continue to update where we are in that. But I think the, you know, that current piece of that, just to give some idea of just like what Back-to-School is like, it's, you know, it does spike to over 60% of our business. So it has the most pain there. And then it right sizes to a more normal, what I would say is like mid-50s and non-Athletic being in mid-40s. So we're continuing to drive that piece up. And again, that work is being done as we speak, but we're making some nice progress on that.

So I'd like to just leave you with the idea that it's a right sizing. We still have a very big Athletic business. Performance Athletic is doing very, very well. And there's selected pockets, what brands and products that continue to trend. But just getting it right for that period, I think will create a more healthy balance for Famous for the future.

Dan Karpel

And Ashley related to the margin question. Just to note, the team has done a nice job going into the second quarter, watching trends in the Lifestyle Athletic and did a nice job of managing receipts, but taking decisive action, really to meet the market kind of in pricing. And you'll see in our results, we had your margins of down about 100 basis points. And while we're not guiding, we just guide consolidated, what we would suggest is that, you know, we'll continue to be promotional, as we did in that second quarter, as we think about that back half. So you would expect, you know, some margin pressure, kind of year-over-year, you know, relatively in line with kind of that second quarter.

Ashley Owens

Super helpful. Thank you. And I'll pass it along.

Jay Schmidt

Thanks, Ashley.

Operator

Our next question is in the line of Mitch Kummetz with Seaport Research Partners. Please proceed with your question.

Mitch Kummetz

Yes, thanks for taking my questions. Jay, I'm curious, correct me if I'm wrong, but I feel like over the last few years, in non-Athletic, really being driven by key items, for example, the consumer wasn't necessarily just looking for a Footbed Clog, they specifically wanted like a Birk Boston.

Jay Schmidt

Yeah

Mitch Kummetz

...even kind of what you're seeing from the fashion side of the business right now. Do you think you think the consumers now just shopping more for key silhouettes versus the items? And if that's the case, is that kind of beneficial to your Brand Portfolio business?

Jay Schmidt

Yeah, I think it's a little bit of both, Mitch. We're still seeing very strong demand on those big items. From what we can see here, and those are those big brands for the family, Birkenstock is a great example of

that. So that's still trending. But as you get into more of the other Fashion businesses, you will see the items are still there. They're just not as huge as before. And so it's a good question. It does become a little more bifurcated, but for sure, there's a lot of strength in those items as well, too. If you look at our Brand Portfolio for the second quarter, and we saw similar strength at Famous, where the whole flat business has been very, very strong, and those items get very, very large. But it is more about the silhouette and the classification, and then who does it best. So I think it's both.

Mitch Kummetz

Okay. And then on the Athletic piece, what are you finding most challenging in kind of Lifestyle Athletic? Is it Court? Is it Lifestyle Running? Is it some of these legacy silhouettes that some other retailers have referred to? Now, I know you don't, let's say, have Air Force 1s, but you've got Court Visions. Is it stuff like that? And are you seeing any positives in Lifestyle Athletic in terms of newness, whether it's stuff like the Barreda Mary Jane, or maybe the Replicates (phon) Ballet Sneaker? And are those things that you can kind of—if that's the case, can you lean more into that going forward? Do you have access to more of that product?

Jay Schmidt

Yeah, I think it's definitely what you talked about in the second portion is trending. And there are, as we said, pockets of that. We saw a real nice rebound of Adidas during the quarter, particularly in that Lifestyle piece that was much more fashionable. We also had good results with some access to the Samba there. But back over to what we're seeing is—there still is a lot of strength in performance, which I think speaks to innovation. We had some really great performance with Jordan and Brooks in the quarter specifically. And I would say on Lifestyle, they're still very, very big items. So I don't, again, want to mislead anyone. They're just right sizing. And it's just not all about that. It's about consumers choosing to buy other products in addition to that. So that's what's causing the pivot right now, which I think will ultimately be healthier. And we're continuing to register newness in the Athletic category to continue to find those next big items too.

Mitch Kummetz

And then maybe just one last one for me. You referenced boots in your prepared remarks. I know the weather hasn't necessarily been real conducive to selling boots yet, but what are you seeing trend-wise and what does that potentially mean as we get further into the Fall Holiday Season? How encouraged are you given maybe some early reads in September?

Jay Schmidt

Yeah. So we're experiencing some nice early business. It's very small, as you can imagine, so I don't think we're calling it audible yet. But we saw some nice interest on particularly Dress Boots in the Nordstrom Anniversary, which started us off in Q2. And then as we go into August, we're really having some nice pick up on that category in addition to some of the work festival type of boots we have. So I would say that would be it.

The other thing about, everyone has a different comp, I think, and a different thing to anniversary, but the Boot business, we're owed some business in Q3 because we really did not have flow of receipt based on everything that happened with tariffs and a lot of our partners in Famous Footwear and also ourselves being a little later on that category. So we're excited with what we see so far, but we're going to keep an eye on it all the way through.

Mitch Kummetz

Great. Thank you.

Jay Schmidt

Thank you.

Operator

The next questions are from the line of Dana Telsey with Telsey Advisory Group. Please proceed with your questions.

Dana Telsey

Hi, good morning. Can you talk a little bit about the progress of Stuart Weitzman and the back half of the year, how you see that integration progressing towards the break even? And then on the Athletic side versus the Fashion side of the business for Famous Footwear, is there a difference in performance from the FLAIR stores versus the non-FLAIR stores? And is it more Brand specific or Category specific? Mainly, is Nike the issue with the Athletic side of the business with some of the newness there? Thank you.

Jay Schmidt

Okay. So we'll start off with Stuart Weitzman, and the progress is going well. We are, I think currently now that we're fully integrated on all platforms, I think we've gotten that in very good order. We are, as you've seen, I mean, I think we're very happy with our Fall product as it's coming into the stores right now. And one of the things that we put into place when we first took ownership last year was to make sure we had a global brand assortment in Stuart Weitzman. And so you're not going to see something different in China that's different in our U.S. stores and on our key partners. And overall, I think that's having a definite help to our business where a much better balance. I'm very excited about seeing the strength in Dress shoes. I think it's certainly a time for that to come back and Stuart Weitzman is well positioned to address that trend as well as filling in some casual niches there, which are very good.

And then obviously the Boot piece really is all fashion, and it really picks up on this stretch piece that is very much on trend. So a lot of good things working, receipts are flowing well, and I think we're in a much better shape than, you know, as we walked into the year. So right now we're feeling good about everything there.

And then secondly, I think you asked about the FLAIR stores and trying to get a difference on the Athletic versus non-Athletic. And we haven't seen as much that, but we are seeing the more Premium brands and products outperform in those FLAIR stores, which I think makes a lot of sense. And as that consumer continues to prioritize that and that's what we've seen so far. We're going to—as you can imagine, we're now, you know, just ended our Back-to-School, coming through this Labor Day week. And this is where our receipts and our emphasis turns to Fashion and Famous Footwear. So we'll have a good measurement on that, I think, as we go through third quarter.

Dana Telsey

Thank you. And just lastly, as you think about the back half, full price versus promotion with the new items that are out there, do you sense any change or how do you see the pricing environment? Thank you.

Jay Schmidt

I think in general; we're still going to be aggressive on keeping our inventories clean on things, on products that are not working. So we'll probably continue to have, you know, some Lifestyle Athletic that will continue to keep flowing. And I mean, we'll have to keep the markdown pressure on that. And the flip side though, is that our Fashion assortments are really more focused on newness. And I think we'll probably see less on that. But we'll watch it carefully through that. But that's what I think is still going to happen. And again, we want to keep everything going at Famous well, so we can continue to flow newness. And that continues to drive our consumer in all categories.

Dana Telsey

Thank you.

Jay Schmidt

Thank you.

Operator

Thank you. This will conclude our question-and-answer session. I'll hand the floor back to management for closing remarks.

Jay Schmidt

Okay. Thank you, everyone. We appreciate your continued interest in our Company. In summary, Caleres remains laser focused on profitable growth, disciplined execution, improving performance at Famous Footwear, and building a stronger Caleres for the future.

Before we close, I'd like to thank our associates around the world for their dedication and execution this quarter. Their actions directly shape our performance. They strengthen our brands. They advance our strategic priorities and create value for our shareholders. Again, thank you for joining us and have a great day.

Operator

Thank you. This will conclude today's conference. You may disconnect your lines at this time. We thank you for your participation.