





CALERES

EST ✦ 1878

Third Quarter Earnings

NOVEMBER 22, 2022

Safe Harbor Statement

UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

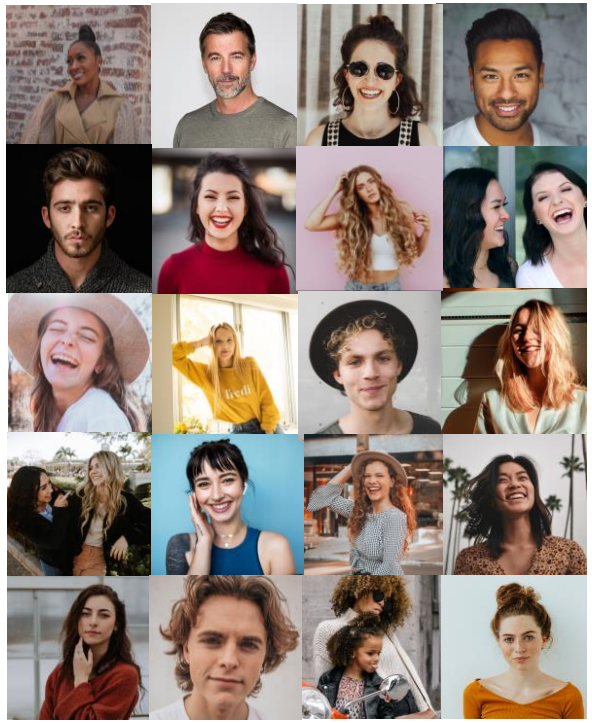
This presentation contains certain forward-looking statements and expectations regarding the company's future performance and the performance of its brands. Such statements are subject to various risks and uncertainties that could cause actual results to differ materially. These risks include (i) supply chain disruptions and inflationary pressures; (ii) the coronavirus pandemic and its adverse impact on our business operations and financial condition (iii) changing consumer demands, which may be influenced by general economic conditions and other factors; (iv) rapidly changing consumer preferences and purchasing patterns and fashion trends; (v) customer concentration and increased consolidation in the retail industry; (vi) intense competition within the footwear industry; (vii) foreign currency fluctuations; (viii) political and economic conditions or other threats to the continued and uninterrupted flow of inventory from China and other countries, where the company relies heavily on third-party manufacturing facilities for a significant amount of its inventory; (ix) cybersecurity threats or other major disruption to the company's information technology systems; (x) the ability to accurately forecast sales and manage inventory levels; (xi) a disruption in the company's distribution centers; (xii) the ability to recruit and retain senior management and other key associates; (xiii) the ability to secure/exit leases on favorable terms; (xiv) the ability to maintain relationships with current suppliers; (xv) transitional challenges with acquisitions and divestitures; (xvi) changes to tax laws, policies and treaties; (xvii) compliance with applicable laws and standards with respect to labor, trade and product safety issues; and (xviii) the ability to attract, retain, and maintain good relationships with licensors and protect our intellectual property rights.

The company's reports to the Securities and Exchange Commission contain detailed information relating to such factors, including, without limitation, the information under the caption Risk Factors in Item 1A of the company's Annual Report on Form 10-K for the year ended January 29, 2022, which information is incorporated by reference herein and updated by the company's Quarterly Reports on Form 10-Q. The company does not undertake any obligation or plan to update these forward-looking statements, even though its situation may change.

We are CALERES

We Are **Customer Focused**

We Put the Consumer at the Center of Everything We Do



We Are **Diversified & Relevant**

We Have a Portfolio of Footwear Brands that are Authentic and Differentiated

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FAMOUS footwear
NATURALIZER
ALLEN EDMONDS PORT WASHINGTON
Sam Edelman
VIONIC
ryka
Bzees
Circus by Sam Edelman
VINCE.
Zodiac
VERONICA BEARD
FrancoSarto
LifeStride
Dr. Scholl's SHOES
Blowfish MALIBU

We Are **Footwear Experts**

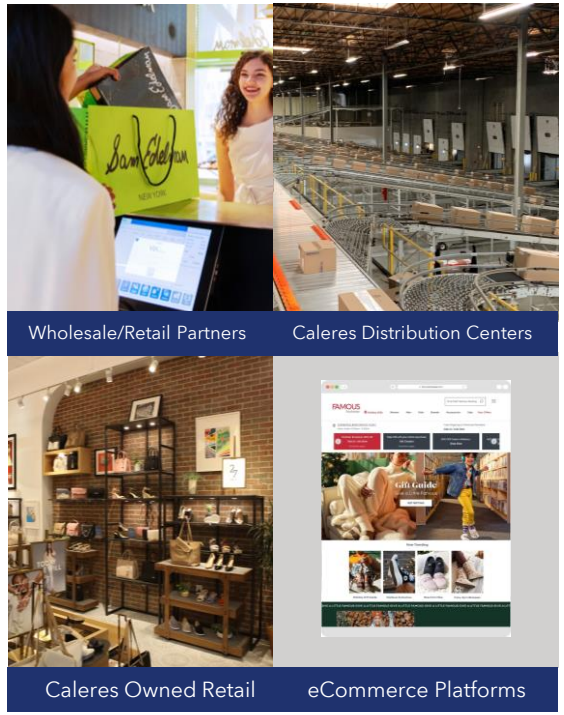
We Have Unmatched Commitment to Continued Innovation



Feel | Fit | Quality | Craftmanship

We Are **Fulfillment Leaders**

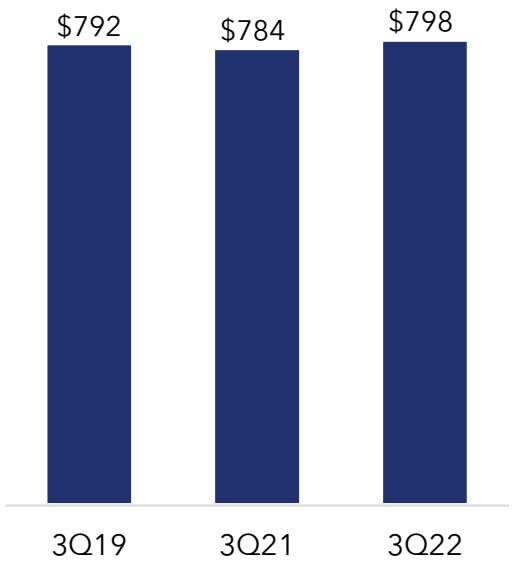
We Deliver Footwear Any Way You Want to Shop



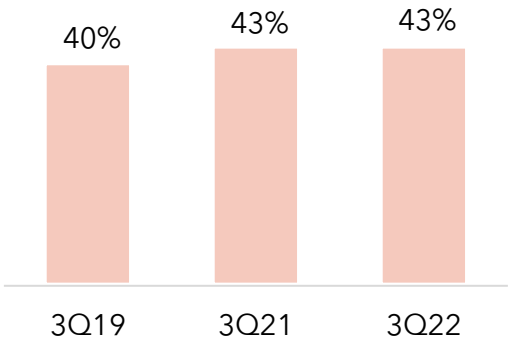
Wholesale/Retail Partners | Caleres Distribution Centers | Caleres Owned Retail | eCommerce Platforms

Caleres in Brief – Fiscal Third Quarter 2022

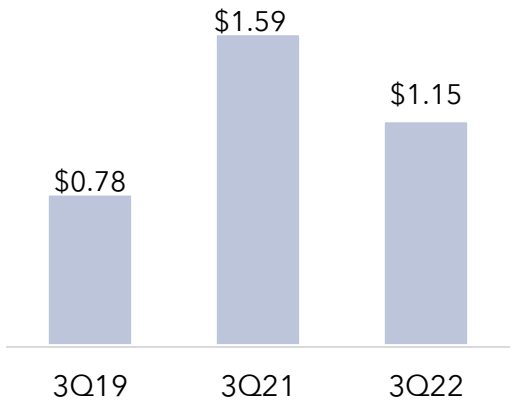
Revenue
in millions of dollars



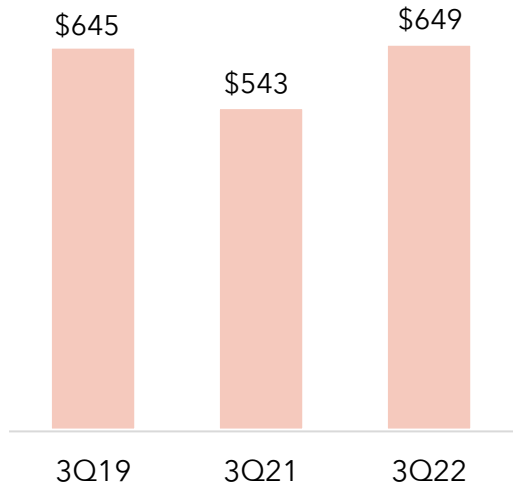
Gross Margin
% of net sales



Adjusted Earnings Per Share



Inventory
in millions of dollars

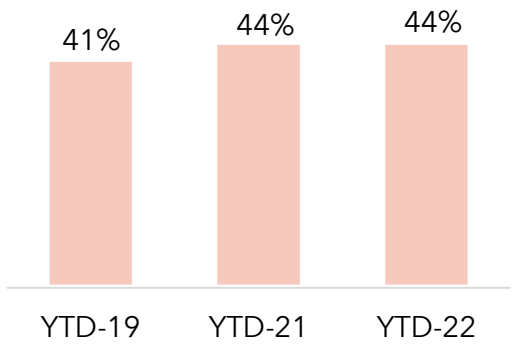


Caleres in Brief – Year-to-Date 2022

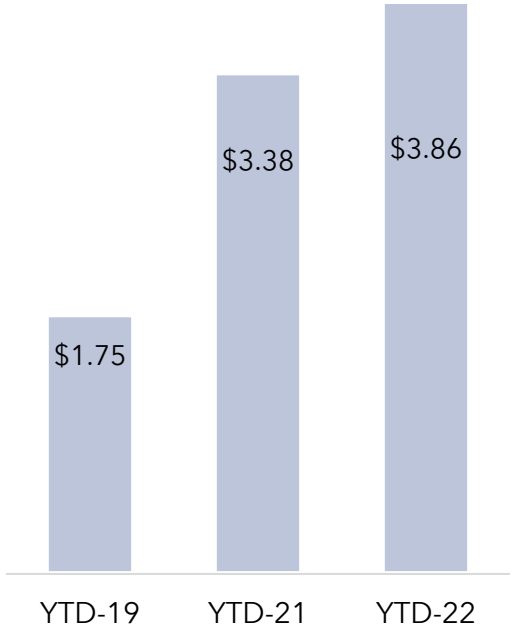
Revenue
in millions of dollars



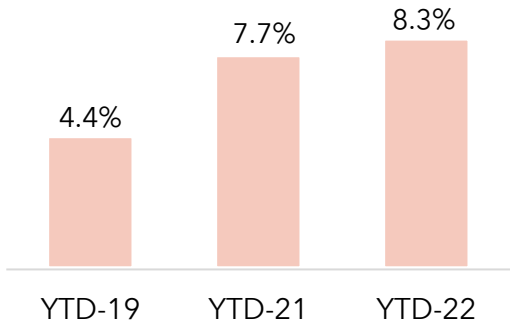
Gross Margin
% of net sales



Adjusted Earnings Per Share



Return on Sales
% of new sales



Third Quarter 2022 Accomplishments

$798
million
in total revenue – a record quarterly sales level

42.6%
consolidated gross margin

~ $42.0
million
in adjusted net earnings

$1.15
adjusted earnings per share

~74%
total direct -to-consumer business

$24
million
returned to shareholders via share repurchases and dividends

7.1%
adjusted return on sales

15.8%
sequential decline in inventory



Famous Footwear

Quarterly net sales of $482 million, representing a modest 2.6 percent decline over 3Q21

Comparable sales down 0.8 percent

Third quarter gross margin of 44.7 percent, reflecting more normalized pricing and increased promotional activity vs. 3Q21

Third quarter operating earnings of $59 million

Delivered a 12.3 percent return on sales – the seventh consecutive quarter of double-digit ROS

Inventory up 17.5 percent compared to 3Q21, but down 11.5 percent when compared to 3Q19

Continued to invest in marketing and consumer experience



Brand Portfolio

Quarterly net sales of $323 million, representing a 7.6 percent improvement over 3Q21 and reflecting robust demand for its fashion products

Third quarter gross margin of 37.9 percent driven by higher wholesale prices and higher-margin sales

Robust quarterly operating earnings of $22 million, representing a nearly $11 million increase over 3Q21

A ~22 percent increase in owned ecommerce sales with strong increases from Sam Edelman, Naturalizer and Franco Sarto

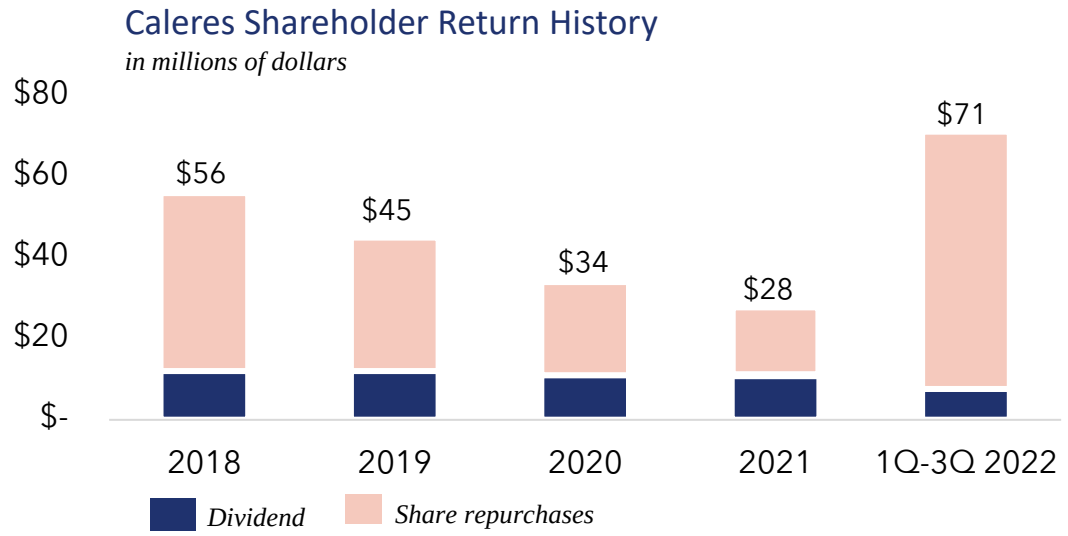
Inventory up 22.6 percent when compared to 3Q21 and up 14.1 percent compared to 3Q19

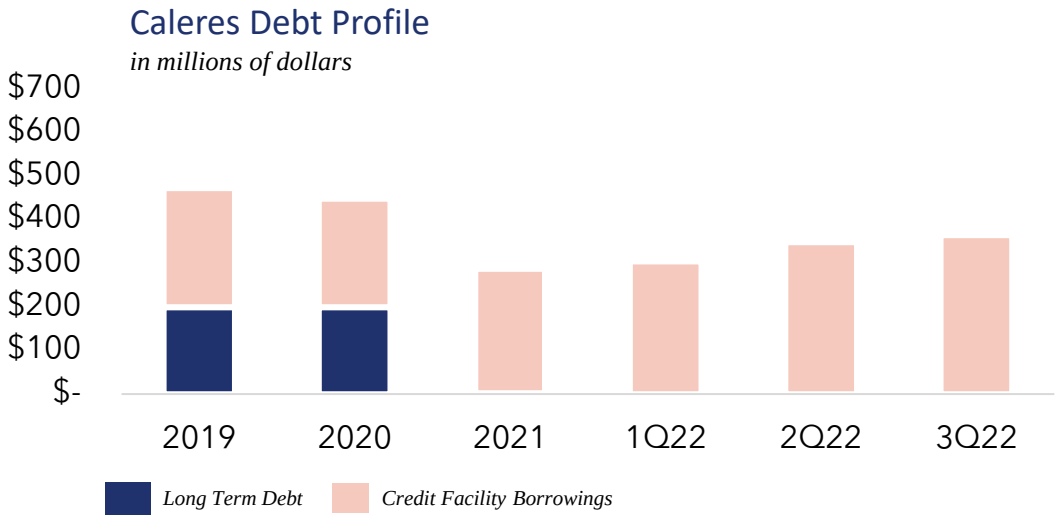


2022 Outlook

- Reiterating consolidated sales range of up four percent to six percent vs. fiscal 2021
- Tightening adjusted diluted earnings per share to the upper end of the range, to be between $4.30 and $4.40
- Expect continued improvement in inventory levels, and expect 4Q22 ending inventory to be up mid-single-digit percent vs. 2021;
- Expect interest expense to be about $14 million for the full year
- Expect full year capital expenditures of about $55 million

Caleres constantly evaluates the most value-enhancing avenue for its free cash flow





CAL is committed to a flexible approach to capital allocation including:

- Investing in organic growth
- Selective debt reduction
- Returning cash to shareholders
- Funding strategic bolt-on or add in opportunities

We believe currently the best use of free cash flow, after maintaining the dividend, is to reduce our overall debt level and increase liquidity

To-date, CAL has repurchased 2.6 million shares – or 7% of the company's total shares outstanding

6.4 million shares remain under the current authorization, and we will consider share repurchases based on market conditions

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Appendix









Caleres Value Proposition

We leverage our powerful portfolio of trusted brands to generate strong and durable margins – enterprise-wide

We operate a large and successful direct-to-consumer business

We generate significant amounts of free cash flow throughout the market cycle

We have knowledge of, expertise in and visibility across the entire footwear landscape

We are well-positioned to capitalize on market opportunities by utilizing our diversified portfolio of brands and robust capabilities in brand building, product creation, marketing and logistics

We are targeting another strong earnings year for Famous Footwear

Famous Footwear 2022 Priorities

Distort big brands and explore new and emerging brands	Continue to limit promotional activity below pre-pandemic levels	Continued growth of FamousFootwear.com
Maintain double-digit ROS	Leverage nationwide store network	Elevate consumer experience with new store prototype and store refreshes



The Brand Portfolio is poised for a strong earnings performance in 2022








The Brand Portfolio is well positioned to exceed pre-pandemic earnings levels in 2022

Strong brand performances up and down the portfolio with significant increase in its DTC business

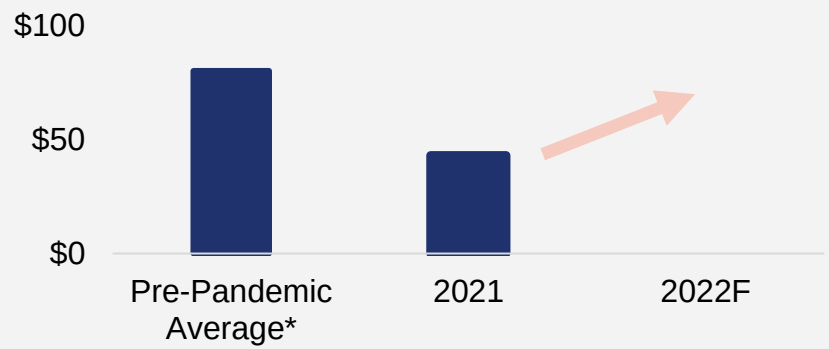
Diversified portfolio with category and price point versatility

Improved inventory position, behind the right brands and styles

Digital acceleration through branded websites driving increased web sales and conversion and higher AURs

Caleres Brand Portfolio Operating Earnings

(in millions of $)



**average of Brand Portfolio earnings for 2016-2019*

Environmental, Social, Governance (ESG) at Caleres

When inspiring people to feel great…feet first, how we do business is as important as how much business we do - an approach that arises from our five-star promise for delivering ESG excellence.

ENVIRONMENT



100%
of Caleres' products will use environmentally preferred materials by 2025. As of 2021, 100% of Caleres brands' shoeboxes and 51% of our products have met this achievement.

Industry Leader
in responsible manufacturing through our work with Footwear Distributors and Retailers of America (FDRA) to advance the use of environmentally preferred materials and reduce shoe waste.

95%
of waste was recycled at our U.S. distribution centers, averaging ~4,000 tons of recyclables per facility in 2021.

SOCIAL



Diverse Candidate Slate
ensured for every position, with leadership accountability for recruiting diverse talent.

Perfect Score
on the Human Rights Campaign Foundation's Corporate Equality Index for LGBTQ+ Equality.

Annual Review
of the Caleres Cares Charitable Trust and its support of causes related to ESG, which led to increased funding for organizations focused on DE&I in 2021.

GOVERNANCE



6 out of 10
of our Board of Directors members are women and two members self-identify as racially and/or ethnically diverse. Caleres is one of just a few U.S. companies with a majority female board.

Senior-Level ESG Steering Committee
oversees our approach to ESG and develops programs, goals and metrics to support our initiatives, ensuring that we meet our targets.

Biannual ESG Report
prepared in accordance with the Global Reporting Initiative and the Sustainability Accounting Standards Board standards.