



CALERES

EST ✦ 1878

FOURTH
QUARTER
2023

March 19, 2024

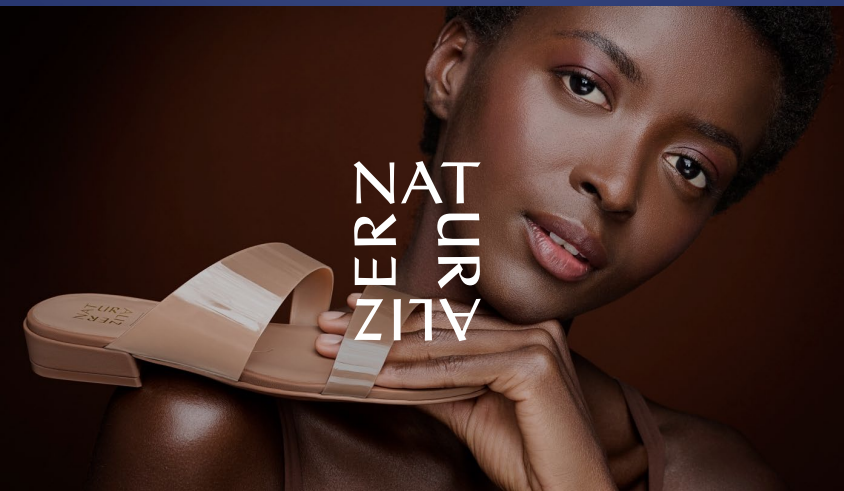
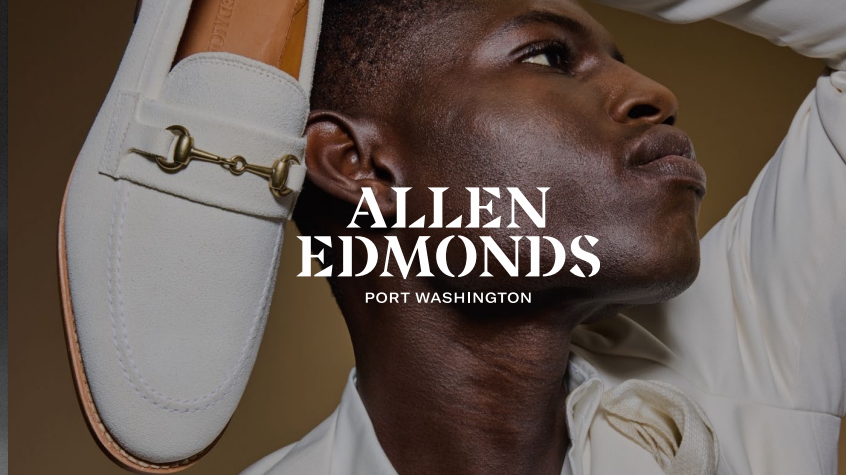


SAFE HARBOR

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) changing consumer demands, which may be influenced by general economic conditions and other factors; (ii) inflationary pressures and supply chain disruptions (iii) rapidly changing consumer preferences and purchasing patterns and fashion trends; (iv) supplier concentration, customer concentration and increased consolidation in the retail industry; (v) intense competition within the footwear industry; (vi) foreign currency fluctuations; (vii) 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; (viii) cybersecurity threats or other major disruption to the company's information technology systems; (ix) the ability to accurately forecast sales and manage inventory levels; (x) a disruption in the company's distribution centers; (xi) the ability to recruit and retain senior management and other key associates; (xii) the ability to secure/exit leases on favorable terms; (xiii) the ability to maintain relationships with current suppliers; (xiv) transitional challenges with acquisitions and divestitures; (xv) changes to tax laws, policies and treaties; (xvi) our commitments and shareholder expectations related to environmental, social and governance considerations; (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 28, 2023, 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.



CALERES IS UNIQUELY POSITIONED TO DRIVE LONG-TERM SHAREHOLDER VALUE

Merchant driven organization with powerful brand assets

Exceptional capabilities in sourcing & logistics, digital, marketing and analytics, and technology

Unique and synergistic structure

Passionate and ambitious team in a value-driving culture

Strong financial foundation with increased financial flexibility

Structural transformation has resulted in a higher annual baseline level of earnings of more than \$4.00 per share

Clear and actionable three-year growth plan

THREE-YEAR PLAN TARGETS*

3% - 5%

REVENUE GROWTH CAGR

11% - 13%

EPS GROWTH CAGR

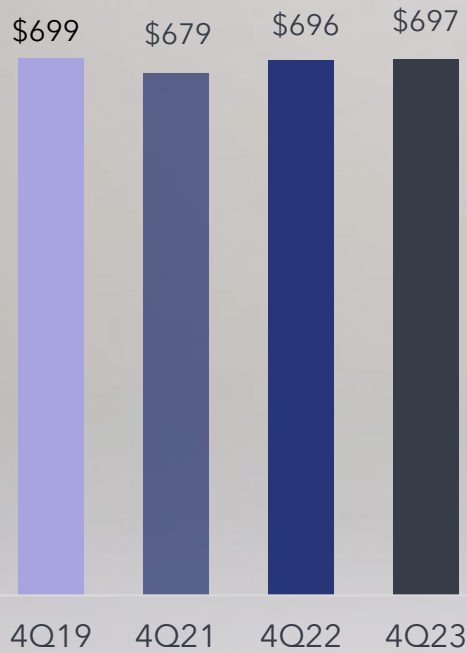
LOW-TO-MID
TEENS
ANNUAL TSR TARGET

*3-year plan targets as of 10/5/23

CALERES IN BRIEF-4Q23

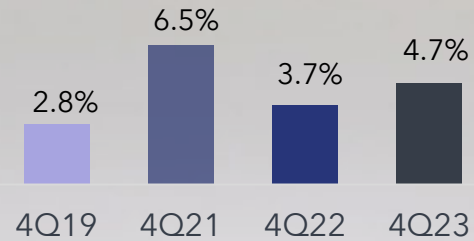
SALES

in Millions of \$

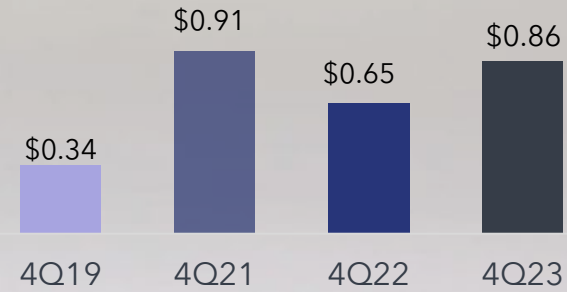


ADJUSTED OPERATING MARGIN

% of Net Sales

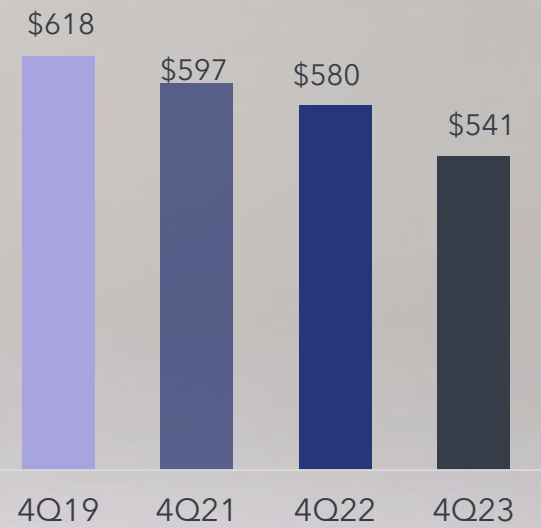


ADJUSTED EARNINGS PER SHARE



INVENTORY

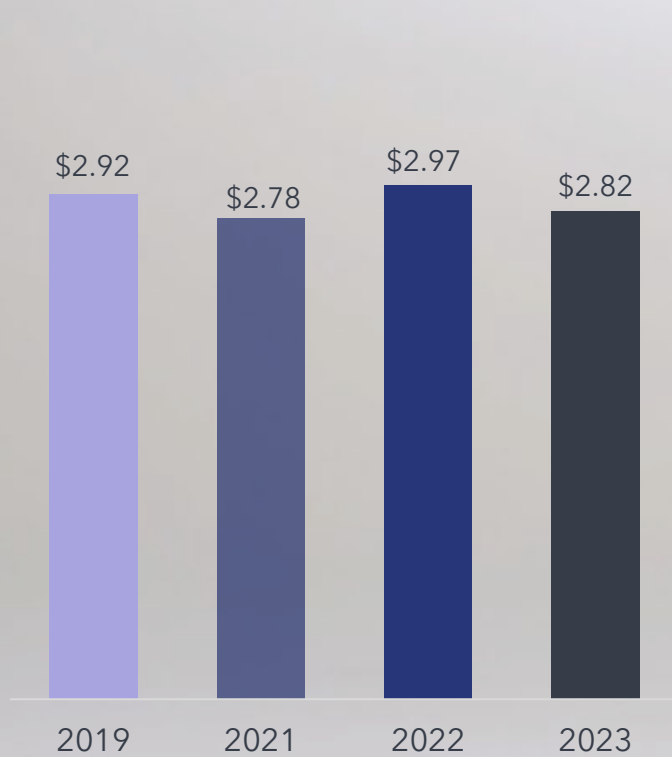
in Millions of \$



CALERES IN BRIEF-FY23

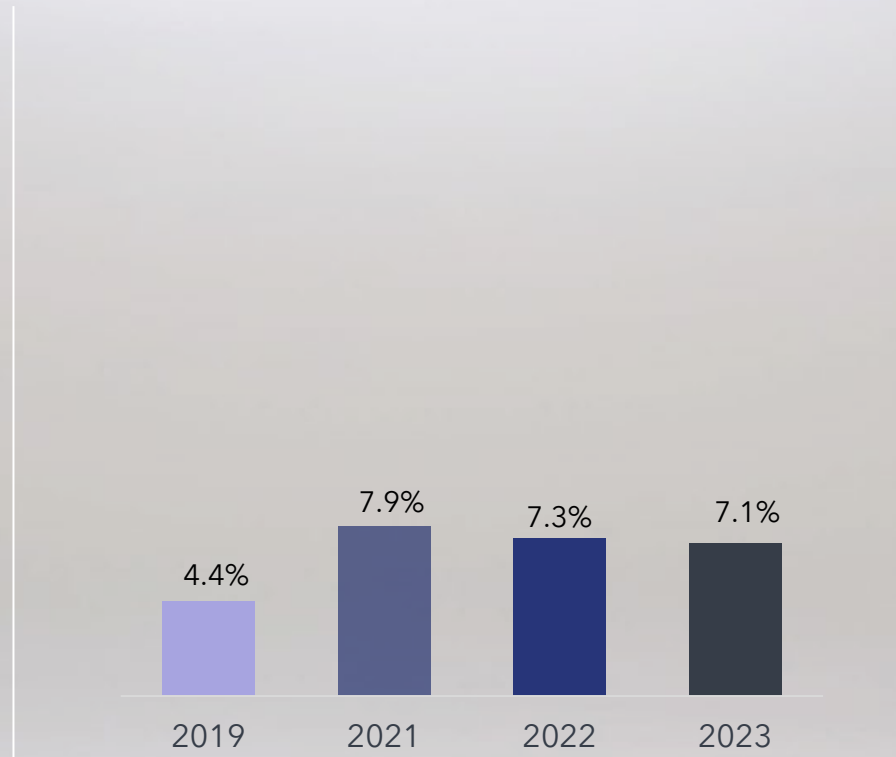
SALES

in Billions of \$



ADJUSTED OPERATING MARGIN

% of Net Sales



ADJUSTED EARNINGS PER SHARE



Third consecutive year of \$4.00+ adjusted EPS

CALERES 2023 STRATEGIC ACCOMPLISHMENTS



BRAND PORTFOLIO LEADS PERFORMANCE

over 50% of operating profit coming from the Brand Portfolio



FAMOUS DELIVERS IN KIDS/EXPERIENCE

3rd consecutive year of growth in Kids; Invested in FLAIR stores



SPEED CONTINUES AS AN ACCELERANT

quickly approaching 20% of our receipts and nearly double last year



MARKET SHARE GROWTH

Brand Portfolio gained share in Women's Fashion Footwear
Famous continues to gain share in Shoe Chains and Kids



EDIT TO WIN

fewer, bigger bets, lower inventory, and reduced expense



INVESTED IN TECHNOLOGY FOR THE FUTURE

invested in CDP, Common Platform, Data & Analytics and Loyalty Programs



INITIATED 3-YEAR STRATEGIC AND FINANCIAL PLAN

outlined clear plan to drive shareholder value



PEOPLE AND CULTURE

invested in people to align with strategy, leaned into engagement and action

FOURTH QUARTER 2023 ACCOMPLISHMENTS

GROSS MARGIN

43.9%

Includes record 4Q gross margin at Brand Portfolio

ADJUSTED EBITDA

\$50M

7.1% of net sales

ADJUSTED EPS

\$0.86

32% higher than 4Q22

DEBT REDUCTION

\$40M

Decline in borrowings under the revolving credit facility vs. 3Q23

INVENTORY

-6.8%

vs. 4Q22, including a 13.6% decline in Brand Portfolio and 2.5% increase in Famous.

CASH FLOW

\$43M

Generated from operations

FULL YEAR 2023 ACCOMPLISHMENTS

MARKET SHARE

6.0%

Caleres share of the footwear market

GROSS MARGIN

44.8%

Includes record FY gross margin at Brand Portfolio

ADJUSTED EBITDA

\$260M

9.2% of net sales

CASH FLOW

\$200M

Generated from operations

DEBT REDUCTION

>\$125M

Decline in borrowings under the revolving credit facility vs. FY22

RETURNED TO SHAREHOLDERS

\$27M

Including \$10 million in quarterly dividend payments and \$17 million of share repurchases

BRAND PORTFOLIO 4Q 23



SALES

~\$324M

Up 4.5%, Gained market share
in Women's Fashion Footwear
Lead Brands 50+% of sales

GROSS MARGIN

42.6%

Up 660-basis vs.
4Q 22

ADJUSTED OPERATING EARNINGS

\$39M

Record 4Q performance
Lead Brands 50+% of earnings

ADJUSTED OPERATING MARGIN

11.9%

Up 571-bps vs. 4Q 22
Record 4Q performance

FAMOUS FOOTWEAR 4Q 23



SALES

~\$396M

Down 1.5%, vs. 4 Q22,
gained market share
in shoe chains

GROSS MARGIN

42.9%

Up 54 bps vs.
4Q 22

ADJUSTED OPERATING MARGIN

4.9%

Down 113 bps

KIDS MARKET SHARE

29%

In Shoes Chains Channel

FULL YEAR 2024 OUTLOOK

CONSOLIDATED SALES FLAT TO UP 2%
(compared to 2023, which includes a 53rd week)

EXCLUDING THE 53RD WEEK, SALES UP
1% TO 3%

EARNINGS PER DILUTED SHARE OF \$4.30 TO \$4.60

CONSOLIDATED OPERATING MARGIN OF 7.3% TO 7.5%

EFFECTIVE TAX RATE OF ABOUT 24%

CAPITAL EXPENDITURES OF \$60 TO \$70 MILLION

FIRST QUARTER 2024 OUTLOOK

CONSOLIDATED SALES FLAT TO UP 1%

EARNINGS PER DILUTED INLINE WITH 4Q23 ON AN
ADJUSTED BASIS

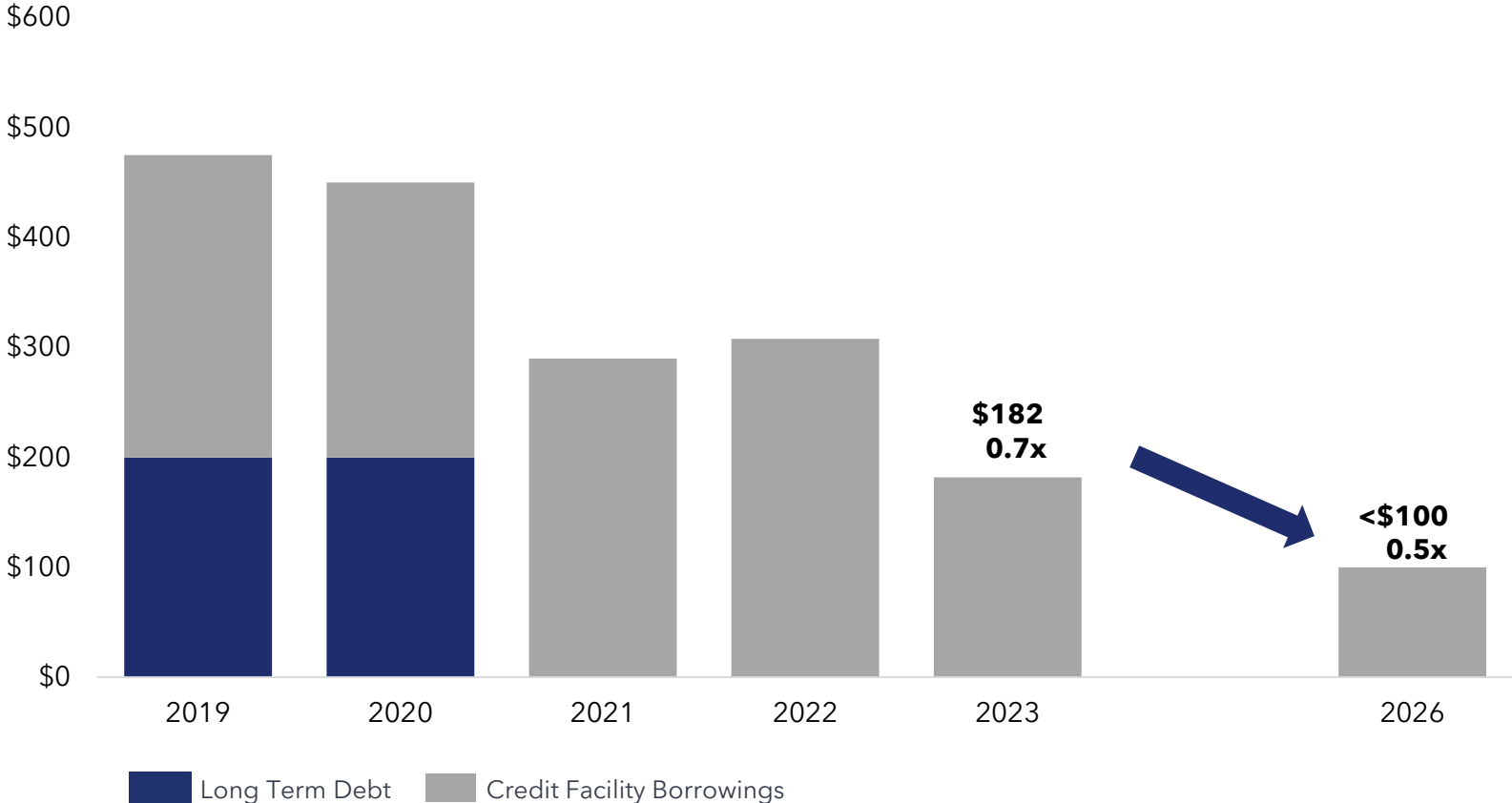
DEBT REDUCTION

CALERES HAS SIGNIFICANTLY REDUCED ITS OVERALL DEBT OVER THE LAST SEVERAL YEARS

Debt reduction remains a priority

Three-year plan targets:

- < \$100 m in total debt
- < 0.5x debt/EBITDA ratio



CAPITAL ALLOCATION PRIORITIES

CALERES
CONSTANTLY
EVALUATES THE
MOST VALUE
ENHANCING
AVENUE FOR
ITS FREE CASH
FLOW

↑
Priority Level

INVEST FOR ORGANIC GROWTH	Make targeted investments in brands and capabilities with the greatest opportunity for profitable growth
PAY DIVIDEND	Continue to fund our long-standing dividend
DEBT REDUCTION	Reduce debt to below \$100M
SHARE REPURCHASES	Opportunistically repurchase shares
M & A	Consider opportunistic M&A in white spaces (Men's, Gen Z and International)



KEY PRIORITIES

For 2024

DIRECT
CONSUMER
ENGAGEMENT

ENHANCED
SPEED AND
AGILITY

FAMOUS
FOOTWEAR
CUSTOMER
EXPERIENCE

INTERNATIONAL
GROWTH

INVESTING
TO POWER
GROWTH

APPENDIX



GAAP TO NON-GAAP RECONCILIATION

SCHEDULE 4

CALERES, INC.

RECONCILIATION OF NET EARNINGS AND DILUTED EARNINGS PER SHARE (GAAP BASIS) TO ADJUSTED NET EARNINGS AND ADJUSTED DILUTED EARNINGS PER SHARE (NON-GAAP BASIS)

(Unaudited)

	Fourteen Weeks Ended			Thirteen Weeks Ended		
	February 3, 2024			January 28, 2023		
	Pre-Tax Impact of Charges/Other Items	Net Earnings Attributable to Caleres, Inc.	Diluted Earnings Per Share	Pre-Tax Impact of Charges/Other Items	Net Earnings Attributable to Caleres, Inc.	Diluted Earnings Per Share
GAAP earnings		\$ 55,808	\$ 1.57		\$ 40,808	\$ 1.13
Charges/other items:						
Deferred tax valuation allowances adjustment	\$ —	(26,654)	(0.76)	\$ —	(17,374)	(0.48)
Expense reduction initiatives	2,151	1,597	0.05	—	—	—
Total charges/other items	\$ 2,151	\$ (25,057)	\$ (0.71)	\$ —	\$ (17,374)	\$ (0.48)
Adjusted earnings		\$ 30,751	\$ 0.86		\$ 23,434	\$ 0.65

(\$ thousands, except per share data)

(Unaudited)

	Fifty-three Weeks Ended			Fifty-two Weeks Ended		
	February 3, 2024			January 28, 2023		
	Pre-Tax Impact of Charges/Other Items	Net Earnings Attributable to Caleres, Inc.	Diluted Earnings Per Share	Pre-Tax Impact of Charges/Other Items	Net Earnings Attributable to Caleres, Inc.	Diluted Earnings Per Share
GAAP earnings		\$ 171,391	\$ 4.80		\$ 181,742	\$ 4.92
Charges/other items:						
Deferred tax valuation allowance adjustment	\$ —	(26,654)	(0.75)	\$ —	(17,374)	(0.47)
Expense reduction initiatives	6,103	4,532	0.13	—	—	—
Organizational changes	—	—	—	2,910	2,723	0.07
Total charges/other items	\$ 6,103	\$ (22,122)	\$ (0.62)	\$ 2,910	\$ (14,651)	\$ (0.40)
Adjusted earnings		\$ 149,269	\$ 4.18		\$ 167,091	\$ 4.52

(\$ thousands, except per share data)

GAAP TO NON-GAAP RECONCILIATION

SCHEDULE 5

CALERES, INC. SUMMARY FINANCIAL RESULTS BY SEGMENT

RECONCILIATION OF ADJUSTED RESULTS (NON-GAAP)

(Unaudited)

	Famous Footwear		Brand Portfolio		Eliminations and Other		Consolidated	
	14 weeks ended	13 weeks ended	14 weeks ended	13 weeks ended	14 weeks ended	13 weeks ended	14 weeks ended	13 weeks ended
	February 3, 2024	January 28, 2023	February 3, 2024	January 28, 2023	February 3, 2024	January 28, 2023	February 3, 2024	January 28, 2023
Operating earnings (loss)	\$ 19,551	\$ 24,386	\$ 37,751	\$ 19,281	\$ (26,555)	\$ (17,802)	\$ 30,747	\$ 25,865
Charges/Other Items:								
Expense reduction initiatives	—	—	883	—	1,268	—	2,151	—
Total charges/other items	—	—	883	—	1,268	—	2,151	—
Adjusted operating earnings (loss)	\$ 19,551	\$ 24,386	\$ 38,634	\$ 19,281	\$ (25,287)	\$ (17,802)	\$ 32,898	\$ 25,865

RECONCILIATION OF ADJUSTED RESULTS (NON-GAAP)

(Unaudited)

	Famous Footwear		Brand Portfolio		Eliminations and Other		Consolidated	
	53 weeks ended	52 weeks ended	53 weeks ended	52 weeks ended	53 weeks ended	52 weeks ended	53 weeks ended	52 weeks ended
	February 3, 2024	January 28, 2023	February 3, 2024	January 28, 2023	February 3, 2024	January 28, 2023	February 3, 2024	January 28, 2023
Operating earnings (loss)	\$ 123,838	\$ 195,837	\$ 145,459	\$ 112,345	\$ (74,842)	\$ (93,855)	\$ 194,455	\$ 214,327
Charges/Other Items:								
Expense reduction initiatives	1,366	—	2,608	—	2,129	—	6,103	—
Organizational changes	—	—	—	—	—	2,910	—	2,910
Total charges/other items	1,366	—	2,608	—	2,129	2,910	6,103	2,910
Adjusted operating earnings (loss)	\$ 125,204	\$ 195,837	\$ 148,067	\$ 112,345	\$ (72,713)	\$ (90,945)	\$ 200,558	\$ 217,237

GAAP TO NON-GAAP RECONCILIATION

SCHEDULE 7

CALERES, INC.

BASIC AND DILUTED ADJUSTED EARNINGS PER SHARE RECONCILIATION

	(Unaudited)			
	Fourteen Weeks Ended February 3, 2024	Thirteen Weeks Ended January 28, 2023	Fifty-three Weeks Ended February 3, 2024	Fifty-two Weeks Ended January 28, 2023
<i>(\$ thousands, except per share data)</i>				
Adjusted net earnings attributable to Caleres, Inc.:				
Adjusted net earnings	\$ 30,603	\$ 21,791	\$ 149,710	\$ 165,044
Net loss (earnings) attributable to noncontrolling interests	148	1,643	(441)	2,047
Adjusted net earnings attributable to Caleres, Inc.	30,751	23,434	149,269	167,091
Net earnings allocated to participating securities	(1,324)	(1,012)	(6,537)	(7,092)
Adjusted net earnings attributable to Caleres, Inc. after allocation of earnings to participating securities	<u>\$ 29,427</u>	<u>\$ 22,422</u>	<u>\$ 142,732</u>	<u>\$ 159,999</u>
Basic and diluted common shares attributable to Caleres, Inc.:				
Basic common shares	33,965	34,102	34,142	34,930
Dilutive effect of share-based awards	115	548	10	475
Diluted common shares attributable to Caleres, Inc.	<u>34,080</u>	<u>34,650</u>	<u>34,152</u>	<u>35,405</u>
Basic adjusted earnings per common share attributable to Caleres, Inc. shareholders				
	<u>\$ 0.87</u>	<u>\$ 0.66</u>	<u>\$ 4.18</u>	<u>\$ 4.58</u>
Diluted adjusted earnings per common share attributable to Caleres, Inc. shareholders				
	<u>\$ 0.86</u>	<u>\$ 0.65</u>	<u>\$ 4.18</u>	<u>\$ 4.52</u>

GAAP TO NON-GAAP RECONCILIATION

SCHEDULE 8

CALERES, INC.

CALCULATION OF EBITDA AND DEBT/EBITDA LEVERAGE RATIO (NON-GAAP METRICS)

(\$ thousands)	(Unaudited)	
	Fourteen Weeks Ended	Thirteen Weeks Ended
	February 3, 2024	January 28, 2023
EBITDA:		
Net earnings attributable to Caleres, Inc.	\$ 55,808	\$ 40,808
Income tax benefit	(27,466)	(15,343)
Interest expense, net	4,103	5,378
Depreciation and amortization ⁽¹⁾	14,875	12,317
EBITDA	\$ 47,320	\$ 43,160
EBITDA margin	6.8 %	6.2 %
Adjusted EBITDA:		
Adjusted net earnings attributable to Caleres, Inc. ⁽²⁾	\$ 30,751	\$ 23,434
Income tax (benefit) provision ⁽³⁾	(258)	2,031
Interest expense, net	4,103	5,378
Depreciation and amortization ⁽¹⁾	14,875	12,317
Adjusted EBITDA	\$ 49,471	\$ 43,160
Adjusted EBITDA margin	7.1 %	6.2 %

(\$ thousands)	(Unaudited)	
	Trailing Twelve Months Ended	
	February 3, 2024	January 28, 2023
EBITDA:		
Net earnings attributable to Caleres, Inc.	\$ 171,391	\$ 181,742
Income tax provision	9,490	33,339
Interest expense, net	19,343	14,264
Depreciation and amortization ⁽¹⁾	53,280	49,011
EBITDA	\$ 253,504	\$ 278,356
EBITDA margin	9.0 %	9.4 %
Adjusted EBITDA:		
Adjusted net earnings attributable to Caleres, Inc. ⁽²⁾	\$ 149,269	\$ 167,091
Income tax provision ⁽³⁾	37,715	50,900
Interest expense, net	19,343	14,264
Depreciation and amortization ⁽¹⁾	53,280	49,011
Adjusted EBITDA	\$ 259,607	\$ 281,266
Adjusted EBITDA margin	9.2 %	9.5 %

(\$ thousands)	(Unaudited)	
	February 3, 2024	January 28, 2023
	Debt/EBITDA leverage ratio:	
Borrowings under revolving credit agreement ⁽⁴⁾	\$ 182,000	\$ 307,500
EBITDA (trailing twelve months)	253,504	278,356
Debt/EBITDA	0.7	1.1

- Includes depreciation and amortization of capitalized software and intangible assets.
- Refer to Schedule 4 for the consolidated reconciliation of net earnings attributable to Caleres, Inc. to adjusted net earnings attributable to Caleres, Inc.
- Excludes the income tax impacts of the adjustments on Schedule 4.
- Total availability under the revolving credit agreement was \$308.5 million and \$181.9 million as of February 3, 2024 and January 28, 2023, respectively. Total liquidity, which includes cash and cash equivalents and availability under the revolving credit agreement, was \$329.9 million and \$215.6 million for the respective periods.