



NEWS RELEASE

Caleres Reports Third Quarter 2019 Results

11/25/2019

ST. LOUIS--(BUSINESS WIRE)-- Caleres (NYSE: CAL) (caleres.com), a diverse portfolio of global footwear brands, today reported third quarter 2019 financial results.

- Record third quarter sales of \$792.4 million, up 2.1%
- Positive same-store-sales growth of 2.5% at Famous Footwear, the eighth consecutive year of positive back-to-school same-store-sales growth
- Earnings per diluted share of \$0.69, up 3.0%, including \$0.03 net impact from tariffs
- Full-year adjusted EPS guidance top-end narrowed by \$0.05 to \$2.35-\$2.40 to reflect tariff impacts

“Our third quarter results demonstrate continued execution against our strategy to broaden the reach of our powerful portfolio and strengthen consumer connections,” said Diane Sullivan, CEO, president and chairman of Caleres. “We delivered our eighth consecutive year of positive back-to-school same-store-sales growth at Famous Footwear and our top brands continued to gain share within the Brand Portfolio. While the demand environment remains dynamic, we are focused on executing on our plan with fresh and compelling inventory and a continued emphasis on cost discipline across the organization.”

Third Quarter 2019 Results Versus Third Quarter 2018

- Consolidated sales of \$792.4 million, up 2.1%.
 - Famous Footwear total sales of \$446.6 million, with same-store-sales up 2.5%.
 - Brand Portfolio sales of \$359.9 million, up 4.9%.
- Gross profit of \$319.8 million, up 2.9%, representing gross margin of 40.4%.
- SG&A expense of \$275.3 million, up 3.7%, representing 34.7% of sales.
- Operating earnings of \$43.5 million, representing operating margin of 5.5%.
- Adjusted operating earnings of \$44.4 million, down 5.3%, representing adjusted operating margin of 5.6%

excluding Vionic integration expense.

- Net earnings of \$28.0 million, resulting in earnings per diluted share of \$0.69, up 3.0%, including \$0.07 of fair value adjustment associated with the mandatory purchase obligation of Blowfish Malibu and \$0.02 of Vionic integration expense.
- Adjusted net earnings of \$31.6 million, resulting in adjusted earnings per diluted share of \$0.78, down 3.7%, including a \$0.03 net impact from increased tariffs in the quarter.

First Nine Months 2019 Results Versus First Nine Months 2018

- Consolidated sales of \$2,222.6 million, up 5.1%.
 - Famous Footwear total sales of \$1,218.6 million, with same-store-sales up 1.1%.
 - Brand Portfolio sales of \$1,060.5 million, up 13.8%.
- Gross profit of \$905.6 million, up 3.1%, representing gross margin of 40.7%.
- Adjusted gross margin of 41.1%, excluding \$7.2 million related to Vionic inventory adjustment amortization and Brand Portfolio business exit expense.
- SG&A expense of \$805.0 million, up 3.9%, representing 36.2% of sales.
- Operating earnings of \$98.1 million, up 3.5%, representing operating margin of 4.4%.
- Adjusted operating earnings of \$107.7 million, up 1.2%, representing adjusted operating margin of 4.8%.
- Net earnings of \$62.4 million, resulting in earnings per diluted share of \$1.51, down 6.8%.
- Adjusted net earnings of \$72.4 million, resulting in adjusted earnings per diluted share of \$1.75, down 4.4%.

Balance Sheet and Cash Flow

- Cash and equivalents of \$52.5 million and cash from operations of \$145.7 million year-to-date.
- Inventory of \$644.6 million, down 7.7% year-over-year.
- Year-to-date capital expenditures of \$41.6 million, up 7.4% year-over-year.
- There were \$295.0 million of outstanding borrowings under the revolving credit facility, following the October 18, 2018 acquisition of Vionic.
- Returned \$39.8 million to shareholders in the first nine months of 2019, via share repurchases and dividends.

Investor Conference Call

Caleres will host an investor conference call at 4:30 p.m. ET today, Monday, November 25. The webcast and slides will be available at investor.caleres.com/news/events. The live conference call will be available at (877) 217-9089 for analysts in North America or (706) 679-1723 for international analysts by using the conference ID **5169032**. A replay will be available at investor.caleres.com/news/events/archive for a limited period. Investors may also access a replay of the call through December 2 by dialing (855) 859-2056 in North America or (404) 537-3406 internationally and using the conference ID **5169032**.

Definitions

All references in this press release, outside of the condensed consolidated financial statements that follow, unless otherwise noted, related to net earnings attributable to Caleres, Inc. and diluted earnings per common share attributable to Caleres, Inc. shareholders, are presented as net earnings and earnings per diluted share, respectively.

Non-GAAP Financial Measures

In this press release, the company's financial results are provided both in accordance with generally accepted accounting principles (GAAP) and using certain non-GAAP financial measures. In particular, the company provides historic and estimated future gross profit, operating earnings, net earnings and earnings per diluted share adjusted to exclude certain gains, charges and recoveries, which are non-GAAP financial measures. These results are included as a complement to results provided in accordance with GAAP because management believes these non-GAAP financial measures help identify underlying trends in the company's business and provide useful information to both management and investors by excluding certain items that may not be indicative of the company's core operating results. These measures should not be considered a substitute for or superior to GAAP results.

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995

This press release 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 consumers' disposable income, which in turn can be influenced by general economic conditions and other factors; (ii) rapidly changing fashion trends and consumer preferences and purchasing patterns; (iii) intense competition within the footwear industry; (iv) 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; (v) imposition of tariffs; (vi) the ability to accurately forecast sales and manage inventory levels; (vii) cybersecurity threats or other major disruption to the Company's information technology systems; (viii) customer concentration and increased consolidation in the retail industry; (ix) transitional challenges with acquisitions; (x) a disruption in the Company's distribution centers; (xi) foreign currency fluctuations; (xii) changes to tax laws, policies and treaties; (xiii) the ability to recruit and retain senior management and other key associates; (xiv) compliance with applicable laws and standards with respect to labor, trade and product safety issues; (xv) the ability to secure/exit leases on favorable terms; (xvi) the ability to maintain relationships with current suppliers; and (xvii) 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 February 2, 2019, 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.

About Caleres

Caleres is the home of today's most coveted footwear brands and represents a diverse portfolio spanning all of life's styles and experiences. Every shoe tells a story and Caleres has the perfect fit for every one of them. Our collections have been developed and acquired to meet the evolving needs of today's assorted and growing global audiences, with consumer insights driving every aspect of the innovation, design, and craft that go into our distinctly positioned brands, including Famous Footwear, Sam Edelman, Naturalizer, Allen Edmonds, Vionic, Dr. Scholl's Shoes, Franco Sarto, and more. The Caleres story is most simply defined by the company's mission: Inspire people to feel great...feet first.

SCHEDULE 1

CALERES, INC. CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

| | (Unaudited) | | | |
|--|----------------------|---------------------|-------------------------|---------------------|
| | Thirteen Weeks Ended | | Thirty-Nine Weeks Ended | |
| | November 2, 2019 | November 3, 2018 | November 2, 2019 | November 3, 2018 |
| (Thousands, except per share data) | | | | |
| Net sales | \$ 792,375 | \$ 775,829 | \$ 2,222,614 | \$ 2,114,583 |
| Cost of goods sold | 472,605 | 465,219 | 1,317,064 | 1,235,950 |
| Gross profit | 319,770 | 310,610 | 905,550 | 878,633 |
| Selling and administrative expenses | 275,330 | 265,522 | 804,972 | 774,555 |
| Restructuring and other special charges, net | 969 | 5,340 | 2,434 | 9,240 |
| Operating earnings | 43,471 | 39,748 | 98,144 | 94,838 |
| Interest expense, net | (10,559) | (4,210) | (25,288) | (11,495) |
| Other income, net | 2,633 | 3,085 | 7,902 | 9,254 |
| Earnings before income taxes | 35,545 | 38,623 | 80,758 | 92,597 |
| Income tax provision | (7,784) | (9,468) | (18,685) | (22,651) |
| Net earnings | 27,761 | 29,155 | 62,073 | 69,946 |
| Net (loss) earnings attributable to noncontrolling interests | (226) | 2 | (338) | (65) |
| Net earnings attributable to Caleres, Inc. | \$ 27,987 | \$ 29,153 | \$ 62,411 | \$ 70,011 |
| Basic earnings per common share attributable to Caleres, Inc. shareholders | \$ 0.69 | \$ 0.68 | \$ 1.51 | \$ 1.62 |
| Diluted earnings per common share attributable to Caleres, Inc. shareholders | \$ 0.69 | \$ 0.67 | \$ 1.51 | \$ 1.62 |

SCHEDULE 2

CALERES, INC. CONDENSED CONSOLIDATED BALANCE SHEETS

| | (Unaudited) | | |
|---|---------------------|---------------------|---------------------|
| | November 2, 2019 | November 3, 2018 | February 2, 2019 |
| (Thousands) | | | |
| ASSETS | | | |
| Cash and cash equivalents | \$ 52,502 | \$ 90,491 | \$ 30,200 |
| Receivables, net | 156,253 | 192,246 | 191,722 |
| Inventories, net | 644,646 | 698,265 | 683,171 |
| Prepaid expenses and other current assets | 48,245 | 63,166 | 71,354 |
| Total current assets | <u>901,646</u> | <u>1,044,168</u> | <u>976,447</u> |
| Lease right-of-use assets | 704,244 | — | — |
| Property and equipment, net | 230,261 | 218,103 | 230,784 |
| Goodwill and intangible assets, net | 542,845 | 653,852 | 549,897 |
| Other assets | 92,214 | 92,279 | 81,440 |
| Total assets | <u>\$ 2,471,210</u> | <u>\$ 2,008,402</u> | <u>\$ 1,838,568</u> |
| LIABILITIES AND EQUITY | | | |
| Borrowings under revolving credit agreement | \$ 295,000 | \$ 350,000 | \$ 335,000 |
| Trade accounts payable | 275,699 | 317,499 | 316,298 |
| Lease obligations | 144,501 | — | — |
| Other accrued expenses | 179,030 | 209,479 | 202,038 |
| Total current liabilities | <u>894,230</u> | <u>876,978</u> | <u>853,336</u> |
| Noncurrent lease obligations | 629,731 | — | — |
| Long-term debt | 198,276 | 197,817 | 197,932 |
| Deferred rent | — | 51,930 | 54,850 |
| Other liabilities | 95,623 | 114,592 | 97,015 |
| Total other liabilities | <u>923,630</u> | <u>364,339</u> | <u>349,797</u> |
| Total Caleres, Inc. shareholders' equity | 650,840 | 765,753 | 634,053 |
| Noncontrolling interests | 2,510 | 1,332 | 1,382 |
| Total equity | <u>653,350</u> | <u>767,085</u> | <u>635,435</u> |
| Total liabilities and equity | <u>\$ 2,471,210</u> | <u>\$ 2,008,402</u> | <u>\$ 1,838,568</u> |

SCHEDULE 3

CALERES, INC. CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

| | (Unaudited) | |
|--|-------------------------|------------------|
| | Thirty-Nine Weeks Ended | |
| | November 2, 2019 | November 3, 2018 |
| (Thousands) | | |
| OPERATING ACTIVITIES: | | |
| Net cash provided by operating activities | <u>\$ 145,737</u> | <u>\$ 94,410</u> |
| INVESTING ACTIVITIES: | | |
| Purchases of property and equipment | (37,354) | (35,244) |
| Disposals of property and equipment | 636 | — |
| Capitalized software | (4,893) | (3,505) |
| Acquisition of Blowfish Malibu, net of cash received | — | (17,284) |
| Acquisition of Vionic, net of cash received | — | (344,942) |
| Net cash used for investing activities | <u>(41,611)</u> | <u>(400,975)</u> |
| FINANCING ACTIVITIES: | | |
| Borrowings under revolving credit agreement | 237,000 | 360,000 |
| Repayments under revolving credit agreement | (277,000) | (10,000) |
| Dividends paid | (8,631) | (9,059) |
| Acquisition of treasury stock | (31,168) | (3,288) |
| Issuance of common stock under share-based plans, net | (2,605) | (4,318) |
| Contributions by noncontrolling interests | 1,500 | — |
| Other | (1,022) | (114) |
| Net cash (used for) provided by financing activities | <u>(81,926)</u> | <u>333,221</u> |
| Effect of exchange rate changes on cash and cash equivalents | 102 | (212) |
| Increase in cash and cash equivalents | 22,302 | 26,444 |
| Cash and cash equivalents at beginning of period | 30,200 | 64,047 |
| Cash and cash equivalents at end of period | <u>\$ 52,502</u> | <u>\$ 90,491</u> |

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)

| (Thousands, except per share data) | (Unaudited) | | | | | |
|--|---|----------------------------------|--|---|----------------------------------|---------|
| | Thirteen Weeks Ended | | | | | |
| | November 2, 2019 | | | November 3, 2018 | | |
| 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 | | \$ 27,987 | \$ 0.69 | | \$ 29,153 | \$ 0.67 |
| <u>Charges/other items:</u> | | | | | | |
| Vionic acquisition and integration- related costs | \$ 969 | 719 | 0.02 | \$ 5,022 | 4,170 | 0.10 |
| Fair value adjustment to Blowfish purchase obligation | 3,883 | 2,884 | 0.07 | — | — | — |
| Blowfish Malibu acquisition and integration- related costs | — | — | — | 1,000 | 743 | 0.02 |
| Acquisition, integration and reorganization of men's brands | — | — | — | 1,164 | 864 | 0.02 |
| Total charges/other items | \$ 4,852 | \$ 3,603 | \$ 0.09 | \$ 7,186 | \$ 5,777 | \$ 0.14 |
| Adjusted earnings | | \$ 31,590 | \$ 0.78 | | \$ 34,930 | \$ 0.81 |

| (Thousands, except per share data) | (Unaudited) | | | | | |
|--|---|----------------------------------|--|---|----------------------------------|---------|
| | Thirty-Nine Weeks Ended | | | | | |
| | November 2, 2019 | | | November 3, 2018 | | |
| 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 | | \$ 62,411 | \$ 1.51 | | \$ 70,011 | \$ 1.62 |
| <u>Charges/other items:</u> | | | | | | |
| Vionic acquisition and integration- related costs | \$ 7,696 | 5,714 | 0.14 | \$ 5,022 | 4,170 | 0.10 |
| Fair value adjustment to Blowfish purchase obligation | 3,883 | 2,884 | 0.07 | — | — | — |
| Brand Portfolio - business exits | 1,905 | 1,415 | 0.03 | — | — | — |
| Blowfish Malibu acquisition-related costs | — | — | — | 1,778 | 1,319 | 0.03 |
| Acquisition, integration and reorganization of men's brands | — | — | — | 4,826 | 3,573 | 0.08 |
| Total charges/other items | \$ 13,484 | \$ 10,013 | \$ 0.24 | \$ 11,626 | \$ 9,062 | \$ 0.21 |
| Adjusted earnings | | \$ 72,424 | \$ 1.75 | | \$ 79,073 | \$ 1.83 |

SCHEDULE 5

CALERES, INC.
 SUMMARY FINANCIAL RESULTS BY SEGMENT

SUMMARY
 FINANCIAL RESULTS

| (Unaudited) | | | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------------|------------------|------------------|------------------|
| Thirteen Weeks Ended | | | | | | | | |
| | Famous Footwear | | Brand Portfolio | | Eliminations and Other | | Consolidated | |
| | November 2, 2019 | November 3, 2018 | November 2, 2019 | November 3, 2018 | November 2, 2019 | November 3, 2018 | November 2, 2019 | November 3, 2018 |
| (Thousands) | | | | | | | | |
| Net sales | \$ 446,583 | \$ 448,765 | \$ 359,863 | \$ 343,032 | \$ (14,071) | \$ (15,968) | \$ 792,375 | \$ 775,829 |
| Gross profit | 183,267 | 182,487 | 133,761 | 126,558 | 2,742 | 1,565 | 319,770 | 310,610 |
| Adjusted gross profit | 183,267 | 182,487 | 133,761 | 128,404 | 2,742 | 1,565 | 319,770 | 312,456 |
| Gross profit rate | 41.0% | 40.7% | 37.2% | 36.9% | (19.5)% | (9.8)% | 40.4% | 40.0% |
| Adjusted gross profit rate | 41.0% | 40.7% | 37.2% | 37.4% | (19.5)% | (9.8)% | 40.4% | 40.3% |
| Operating earnings (loss) | 27,681 | 24,414 | 19,398 | 25,114 | (3,608) | (9,780) | 43,471 | 39,748 |
| Adjusted operating earnings (loss) | 27,681 | 24,414 | 19,398 | 28,015 | (2,639) | (5,495) | 44,440 | 46,934 |
| Operating earnings % | 6.2% | 5.4% | 5.4% | 7.3% | 25.6% | 61.2% | 5.5% | 5.1% |
| Adjusted operating earnings % | 6.2% | 5.4% | 5.4% | 8.2% | 18.8% | 34.4% | 5.6% | 6.0% |
| Same-store sales % (on a 13-week basis) | 2.5% | 2.8% | (5.1)% | 1.7% | —% | —% | —% | —% |
| Number of stores | 960 | 1,007 | 232 | 232 | — | — | 1,192 | 1,239 |

RECONCILIATION OF ADJUSTED RESULTS (NON-GAAP)

| (Unaudited) | | | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------------|------------------|------------------|------------------|
| Thirteen Weeks Ended | | | | | | | | |
| | Famous Footwear | | Brand Portfolio | | Eliminations and Other | | Consolidated | |
| | November 2, 2019 | November 3, 2018 | November 2, 2019 | November 3, 2018 | November 2, 2019 | November 3, 2018 | November 2, 2019 | November 3, 2018 |
| (Thousands) | | | | | | | | |
| Gross profit | \$ 183,267 | \$ 182,487 | \$ 133,761 | \$ 126,558 | \$ 2,742 | \$ 1,565 | \$ 319,770 | \$ 310,610 |
| Charges/Other Items: | | | | | | | | |
| Blowfish Malibu acquisition-related costs | — | — | — | 932 | — | — | — | 932 |
| Vionic acquisition-related costs | — | — | — | 914 | — | — | — | 914 |
| Total charges/other items | — | — | — | 1,846 | — | — | — | 1,846 |
| Adjusted gross profit | \$ 183,267 | \$ 182,487 | \$ 133,761 | \$ 128,404 | \$ 2,742 | \$ 1,565 | \$ 319,770 | \$ 312,456 |
| Operating earnings (loss) | \$ 27,681 | \$ 24,414 | \$ 19,398 | \$ 25,114 | \$ (3,608) | \$ (9,780) | \$ 43,471 | \$ 39,748 |
| Charges/Other Items: | | | | | | | | |
| Blowfish Malibu acquisition-related costs | — | — | — | 932 | — | 68 | — | 1,000 |
| Vionic acquisition and integration-related costs | — | — | — | 914 | 969 | 4,108 | 969 | 5,022 |
| Acquisition, integration and reorganization of men's brands | — | — | — | 1,055 | — | 109 | — | 1,164 |
| Total charges/other items | — | — | — | 2,901 | 969 | 4,285 | 969 | 7,186 |
| Adjusted operating earnings (loss) | \$ 27,681 | \$ 24,414 | \$ 19,398 | \$ 28,015 | \$ (2,639) | \$ (5,495) | \$ 44,440 | \$ 46,934 |

SCHEDULE 5 CALERES, INC. SUMMARY FINANCIAL RESULTS BY SEGMENT

SUMMARY FINANCIAL RESULTS

| (Unaudited) | | | | | | | | |
|----------------------------|------------------|------------------|------------------|------------------|------------------------|------------------|------------------|------------------|
| Thirty-Nine Weeks Ended | | | | | | | | |
| | Famous Footwear | | Brand Portfolio | | Eliminations and Other | | Consolidated | |
| | November 2, 2019 | November 3, 2018 | November 2, 2019 | November 3, 2018 | November 2, 2019 | November 3, 2018 | November 2, 2019 | November 3, 2018 |
| (Thousands) | | | | | | | | |
| Net sales | \$ 1,218,589 | \$ 1,241,648 | \$ 1,060,488 | \$ 931,550 | \$ (56,463) | \$ (58,615) | \$ 2,222,614 | \$ 2,114,583 |
| Gross profit | 518,261 | 534,802 | 385,461 | 343,707 | 1,828 | 124 | 905,550 | 878,633 |
| Adjusted gross profit | 518,261 | 534,802 | 392,628 | 346,094 | 1,828 | 124 | 912,717 | 881,020 |
| Gross profit rate | 42.5% | 43.1% | 36.3% | 36.9% | (3.2)% | (0.2)% | 40.7% | 41.6% |
| Adjusted gross profit rate | 42.5% | 43.1% | 37.0% | 37.2% | (3.2)% | (0.2)% | 41.1% | 41.7% |

| | | | | | | | | |
|---|--------|--------|--------|--------|----------|----------|---------|---------|
| Operating earnings (loss) | 70,036 | 79,511 | 46,225 | 52,650 | (18,117) | (37,324) | 98,144 | 94,837 |
| Adjusted operating earnings (loss) | 70,036 | 79,511 | 54,019 | 59,473 | (16,310) | (32,521) | 107,745 | 106,463 |
| Operating earnings % | 5.7% | 6.4% | 4.4% | 5.7% | 32.1% | 63.7% | 4.4% | 4.5% |
| Adjusted operating earnings % | 5.7% | 6.4% | 5.1% | 6.4% | 28.9% | 55.5% | 4.8% | 5.0% |
| Same-store sales % (on a 39-week basis) | 1.1% | 1.7% | (7.6)% | (0.2)% | —% | —% | —% | —% |
| Number of stores | 960 | 1,007 | 232 | 232 | — | — | 1,192 | 1,239 |

RECONCILIATION OF ADJUSTED RESULTS (NON-GAAP)

| (Thousands) | (Unaudited) | | | | | | | |
|---|-------------------------|------------------|------------------|------------------|------------------------|------------------|------------------|------------|
| | Thirty-Nine Weeks Ended | | | | | | | |
| | Famous Footwear | | Brand Portfolio | | Eliminations and Other | | Consolidated | |
| November 2, 2019 | November 3, 2018 | November 2, 2019 | November 3, 2018 | November 2, 2019 | November 3, 2018 | November 2, 2019 | November 3, 2018 | |
| Gross profit | \$ 518,261 | \$ 534,802 | \$ 385,461 | \$ 343,707 | \$ 1,828 | \$ 124 | \$ 905,550 | \$ 878,633 |
| Charges/Other Items: | | | | | | | | |
| Vionic acquisition and integration-related costs | — | — | 5,812 | 914 | — | — | 5,812 | 914 |
| Brand Portfolio - business exits | — | — | 1,355 | — | — | — | 1,355 | — |
| Blowfish Malibu acquisition-related costs | — | — | — | 1,473 | — | — | — | 1,473 |
| Total charges/other items | — | — | 7,167 | 2,387 | — | — | 7,167 | 2,387 |
| Adjusted gross profit | \$ 518,261 | \$ 534,802 | \$ 392,628 | \$ 346,094 | \$ 1,828 | \$ 124 | \$ 912,717 | \$ 881,020 |
| Operating earnings (loss) | \$ 70,036 | \$ 79,511 | \$ 46,225 | \$ 52,650 | \$ (18,117) | \$ (37,324) | \$ 98,144 | \$ 94,837 |
| Charges/Other Items: | | | | | | | | |
| Vionic acquisition and integration-related costs | — | — | 5,889 | 914 | 1,807 | 4,108 | 7,696 | 5,022 |
| Brand Portfolio - business exits | — | — | 1,905 | — | — | — | 1,905 | — |
| Blowfish Malibu acquisition-related costs | — | — | — | 1,473 | — | 305 | — | 1,778 |
| Acquisition, integration and reorganization of men's brands | — | — | — | 4,436 | — | 390 | — | 4,826 |
| Total charges/other items | — | — | 7,794 | 6,823 | 1,807 | 4,803 | 9,601 | 11,626 |
| Adjusted operating earnings (loss) | \$ 70,036 | \$ 79,511 | \$ 54,019 | \$ 59,473 | \$ (16,310) | \$ (32,521) | \$ 107,745 | \$ 106,463 |

SCHEDULE 6 CALERES, INC. BASIC AND DILUTED EARNINGS PER SHARE RECONCILIATION

| (Thousands, except per share data) | (Unaudited) | | | |
|---|----------------------|------------------|-------------------------|------------------|
| | Thirteen Weeks Ended | | Thirty-Nine Weeks Ended | |
| | November 2, 2019 | November 3, 2018 | November 2, 2019 | November 3, 2018 |
| Net earnings attributable to Caleres, Inc.: | | | | |
| Net earnings | \$ 27,761 | \$ 29,155 | \$ 62,073 | \$ 69,946 |
| Net loss (earnings) attributable to noncontrolling interests | 226 | (2) | 338 | 65 |
| Net earnings attributable to Caleres, Inc. | 27,987 | 29,153 | 62,411 | 70,011 |
| Net earnings allocated to participating securities | (946) | (800) | (2,042) | (1,950) |
| Net earnings attributable to Caleres, Inc. after allocation of earnings to participating securities | 27,041 | 28,353 | \$ 60,369 | \$ 68,061 |
| Basic and diluted common shares attributable to Caleres, Inc.: | | | | |
| Basic common shares | 39,258 | 41,999 | 39,983 | 41,958 |
| Dilutive effect of share-based awards | 55 | 107 | 57 | 116 |
| Diluted common shares attributable to Caleres, Inc. | 39,313 | 42,106 | 40,040 | 42,074 |
| Basic earnings per common share attributable to Caleres, Inc. shareholders | \$ 0.69 | \$ 0.68 | \$ 1.51 | \$ 1.62 |

Diluted earnings per common share attributable to Caleres, Inc. shareholders \$ 0.69 \$ 0.67 \$ 1.51 \$ 1.62

SCHEDULE 7
CALERES, INC.
BASIC AND DILUTED ADJUSTED EARNINGS PER SHARE RECONCILIATION

| (Thousands, except per share data) | (Unaudited) | | | |
|--|----------------------|------------------|-------------------------|------------------|
| | Thirteen Weeks Ended | | Thirty-Nine Weeks Ended | |
| | November 2, 2019 | November 3, 2018 | November 2, 2019 | November 3, 2018 |
| Adjusted net earnings attributable to Caleres, Inc.: | | | | |
| Adjusted net earnings | \$ 31,364 | \$ 34,932 | \$ 72,086 | \$ 79,008 |
| Net loss (earnings) attributable to noncontrolling interests | 226 | (2) | 338 | 65 |
| Adjusted net earnings attributable to Caleres, Inc. | 31,590 | 34,930 | 72,424 | 79,073 |
| Net earnings allocated to participating securities | (1,070) | (961) | (2,376) | (2,204) |
| Adjusted net earnings attributable to Caleres, Inc. after allocation of earnings to participating securities | <u>30,520</u> | <u>33,969</u> | <u>\$ 70,048</u> | <u>\$ 76,869</u> |
| Basic and diluted common shares attributable to Caleres, Inc.: | | | | |
| Basic common shares | 39,258 | 41,999 | 39,983 | 41,958 |
| Dilutive effect of share-based awards | 55 | 107 | 57 | 116 |
| Diluted common shares attributable to Caleres, Inc. | <u>39,313</u> | <u>42,106</u> | <u>40,040</u> | <u>42,074</u> |
| Basic adjusted earnings per common share attributable to Caleres, Inc. shareholders | <u>\$ 0.78</u> | <u>\$ 0.81</u> | <u>\$ 1.75</u> | <u>\$ 1.83</u> |
| Diluted adjusted earnings per common share attributable to Caleres, Inc. shareholders | <u>\$ 0.78</u> | <u>\$ 0.81</u> | <u>\$ 1.75</u> | <u>\$ 1.83</u> |

SCHEDULE 8

CALERES, INC.
CALCULATION OF EBITDA AND ADJUSTED EBITDA (NON-GAAP METRICS)

| (in 000's) | (Unaudited) | | | |
|---|----------------------|------------------|-------------------------|-------------------|
| | Thirteen Weeks Ended | | Thirty-Nine Weeks Ended | |
| | November 2, 2019 | November 3, 2018 | November 2, 2019 | November 3, 2018 |
| EBITDA | | | | |
| Net earnings attributable to Caleres, Inc. | \$ 27,987 | \$ 29,153 | \$ 62,411 | \$ 70,011 |
| Income tax provision | 7,784 | 9,468 | 18,685 | 22,651 |
| Interest expense, net | 10,559 | 4,210 | 25,288 | 11,495 |
| Depreciation and amortization (1) | 16,238 | 15,831 | 49,012 | 45,351 |
| EBITDA | <u>\$ 62,568</u> | <u>\$ 58,662</u> | <u>\$ 155,396</u> | <u>\$ 149,508</u> |
| EBITDA margin | 7.9% | 7.6% | 7.0% | 7.1% |
| Adjusted EBITDA | | | | |
| Adjusted net earnings attributable to Caleres, Inc. | \$ 31,590 | \$ 34,930 | \$ 72,424 | \$ 79,073 |
| Income tax provision | 9,033 | 10,877 | 22,156 | 25,215 |
| Interest expense, net | 6,676 | 4,210 | 21,405 | 11,495 |
| Depreciation and amortization (1) | 16,238 | 15,831 | 49,012 | 45,351 |
| Adjusted EBITDA | <u>\$ 63,537</u> | <u>\$ 65,848</u> | <u>\$ 164,997</u> | <u>\$ 161,134</u> |
| Adjusted EBITDA margin | 8.0% | 8.5% | 7.4% | 7.6% |

(1) Includes depreciation and amortization of capitalized software and intangible assets

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