

Caleres Announces Acquisition of Majority Stake in Blowfish Malibu

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ST. LOUIS--(BUSINESS WIRE)--Caleres (NYSE: CAL) (caleres.com), a diverse portfolio of global footwear brands, today announced it has acquired a controlling interest in Blowfish Malibu, which has trailing 12-month revenue of approximately \$27 million. The Blowfish Malibu footwear collection is curated to reflect the fresh, laid-back aesthetic that defines the California lifestyle and honors the spirit of youth.

"The decision to partner with Blowfish Malibu was an easy one, as it allows for continued expansion of our overall business and gives us additional exposure to the growing sneaker and casual lifestyle segment of the market," said Diane Sullivan, CEO, president and chairman of Caleres. "Since they were formed in 2005, Blowfish Malibu has focused on interpreting current global trends to create the newest and hottest original styles in women's footwear, with a great value proposition, and we can't wait to welcome the team to Caleres."

"The opportunity to partner with Caleres, and to grow our brand even further, has inspired the entire team at Blowfish Malibu," said Don Weiss, co-founder and president of Blowfish Malibu. "The support of a strong partner - in terms of sourcing and back-office - is something we've been searching for, and we're glad we found it with Caleres."

"We're looking forward to working with the entire Caleres team," said Stephen Hoyt, co-founder and lead designer of Blowfish Malibu. "This partnership, with an industry leader in leveraging sourcing infrastructure, will open up even more potential for our brand as we continue to make footwear that is comfortable on your feet and good for your soul."

The majority stake in Blowfish Malibu is being funded using the company's existing cash flow, and the acquisition is expected to be accretive within one year.

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) foreign currency fluctuations; (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) changes to tax laws, policies and treaties; (xii) the ability to recruit and retain senior management and other key associates; (xiii) compliance with applicable laws and standards with respect to labor, trade and product safety issues; (xiv) the ability to secure/exit leases on favorable terms; (xv) the ability to maintain relationships with current suppliers; and (xvi) 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 3, 2018, 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 a diverse portfolio of global footwear brands. Our products are available virtually everywhere - in the over 1,200 retail stores we operate, in hundreds of major department and specialty stores, on our branded e-commerce sites, and on many additional third-party retail websites. Famous Footwear and Famous.com serve as our Family brands. Our Contemporary Fashion brands include Sam Edelman, Allen Edmonds, Franco Sarto, Vince, Via Spiga, George Brown Bilt, Diane von Furstenberg, Fergie Footwear and Carlos Santana. Naturalizer, Dr. Scholl's Shoes, LifeStride, Bzees and Ryka represent our Healthy Living brands. Combined, these brands help make Caleres a company with both a legacy and a mission. Our legacy is our more than 130-years of craftsmanship, our passion for fit and our business savvy, while our mission is to continue to inspire people to feel good...feet first. Visit caleres.com to learn more about us.

About Blowfish

Thirteen years ago, two famed footwear executives decided to combine their business and creative talents to create a unique brand of shoes. Their goal was simple: make quality fashionable shoes and sell them at affordable prices. For every season since, Blowfish Malibu has delighted shoe lovers with on-trend styles that embody emerging fashion trends from Europe and Asia and capture the fresh youthful spirit and casual living that is distinctively Southern California. Visit blowfishshoes.com to learn more.

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