

CALERES

First Quarter 2020 Earnings

June 4, 2020

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) the recent coronavirus outbreak and its adverse impact on our business operations, store traffic and financial condition (ii) changing consumer demands, which may be influenced by consumers' disposable income, which in turn can be influenced by general economic conditions and other factors; (iii) impairment charges resulting from a long-term decline in our stock price; (iv) rapidly changing fashion trends and consumer preferences and purchasing patterns; (v) intense competition within the footwear industry; (vi) 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; (vii) imposition of tariffs; (viii) the ability to accurately forecast sales and manage inventory levels; (ix) cybersecurity threats or other major disruption to the company's information technology systems; (x) customer concentration and increased consolidation in the retail industry; (xi) transitional challenges with acquisitions; (xii) a disruption in the company's distribution centers; (xiii) foreign currency fluctuations; (xiv) changes to tax laws, policies and treaties; (xv) the ability to recruit and retain senior management and other key associates; (xvi) compliance with applicable laws and standards with respect to labor, trade and product safety issues; (xvii) the ability to maintain relationships with current suppliers; (xviii) the ability to attract, retain, and maintain good relationships with licensors and protect our intellectual property rights; and (xix) the ability to secure/exit leases on favorable terms. 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 1, 2020, 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.

Liquidity Update and Capital Allocation

- Ended the quarter with $187.7 million in cash – a level slightly above when stores closed in mid-March
- Have approximately $440 million of borrowings under the revolving credit facility
- Increased the available borrowing capacity of the revolving credit facility from $500 million to $600 million, in April, through the exercise of the accordion feature
- No significant debt maturities until 2023
- Returned $15.7 million to shareholders during the quarter through its long-standing quarterly dividend and share buybacks

COVID-19 Mitigation Efforts

- Established leadership response team
- Shuttered entire fleet of brick and mortar operations by March 19
- Implemented a virtual workplace and empowered Associates to work from home
- Aligned workforce and related expenses
- Managed inventory levels – continuously balancing supply and demand
- Reduced product receipts and extended payment terms
- Began negotiations to modify leases, including the deferral and abatement of certain lease payments
- Eliminated or deferred all non-essential capital projects
- Expanded ecommerce sales by capitalizing on the significant enhancements in its omni-channel capabilities
- Utilized expansive network of temporarily closed brick and mortar stores as distribution centers to support increased ecommerce business
- Adapted buy online, pick-up-in-store capability to include a curbside pickup option
- Implemented health and safety measures to ensure a comfortable work environment and shopping experience for returning Associates and customers

Famous Footwear – *1Q'20*



- Same-store-sales up 12.6 percent
- Improved ecommerce sales
  - Up ~70 percent for the first quarter
  - Increased triple digits during the period of stores closures
  - Outpacing expectations even as stores have reopened
- Strong performance in top brands, kids and premium brands – buoyed by heightened demand for casual and sport styles
- Managed inventory carefully and exited the quarter with inventory down 3.8 percent year-over-year

Current

- To date, 555 retail stores have reopened with 375 offering a curbside pickup option
- Sales in newly reopened stores running ahead of last year's sales levels

Brand Portfolio – *1Q'20*

- Sales of $217.2 million, down ~36 percent year-over-year, reflecting wholesale cancellations and branded store closures during the back half of the quarter
- Aggressively managed inventory carefully and exited the quarter down ~18 percent year-over-year

Current

- To date, 33 Allen Edmonds and 36 Naturalizer retail stores have reopened
- Sales in newly reopened stores running ahead of internal expectations
- Ecommerce sales for internal branded sites up 40 percent compared to last year
- Will exit Fergie, several private brands and other lower margin business



Other financial metrics

US$M except per share	1Q'20	1Q'19	YOY Chg
Gross profit	$121.9	$279.8	(56.4%)
Margin	30.7%	41.3%	(1,060 bps)
Adj. gross profit	$156.9	$287.0	(45.3%)
Adjusted margin	39.5%	42.3%	(284 bps)
SG&A	$225.2	$262.1	(-14.1%)
Percent of sales	56.7%	38.7%	1,082 bps
Op earnings	($426.2)	$16.9	N/A
Margin	(107.3%)	2.5%	(10,980 bps)
Adj. op earnings	($68.3)	$24.9	N/A
Adjusted margin	(17.2%)	3.7%	(2,086 bps)
Net earnings	($345.8)	$9.1	N/A
Per share, diluted	($8.95)	$0.22	N/A
Adj. net earnings	($50.4)	$15.0	N/A
Per share, diluted	($1.30)	$0.36	N/A
Diluted shares	38.7	40.8	N/A



Reconciliation of Non-GAAP net earnings

First Quarter 2020

	Pretax Earnings	Net Earnings	EPS
Adjusted Results		$(50,406)	$(1.30)
Special Charges:			
Goodwill and intangible asset impairment charges	(262,719)	(218, 506)	(5.66)
Covid-19 related expenses [1]	(93,612)	(73,388)	(1.90)
Fair value adjustment to Blowfish purchase obligation	(3,223)	(2,401)	(0.06)
Brand Portfolio - business exits	(1,598)	(1,187)	(0.03)
Vionic acquisition and integration-related costs	-	-	-
GAAP Results		$(345,838)	$(8.95)

(1) Represents costs associated with the economic impact of the COVID-19 pandemic, primarily consisting of impairment charges associated with property and equipment and lease right-of-use assets, inventory markdowns, expenses associated with factory order cancellations and provision for expected credit losses.

Guidance and Capital Allocation Plan



Due to the ongoing business disruption and substantial uncertainty surrounding the impact of COVID-19, Caleres is not providing formal financial guidance for fiscal year 2020

Capital Allocation Plan:

- Resume debt reduction initiatives
- Maintain long-standing quarterly dividend
- Supplement with opportunistic share repurchases

Compelling Value Proposition



We have the capabilities to meet consumers increasing preference to transact digitally having made critical investments in our digital and fulfillment capabilities platform;

We are known for Iconic brands that consumers trust. Consumers now more than ever before are searching for brands that they know and trust to give them the style, fit and value they desire and we are capitalizing on this across our portfolio and at Famous Footwear;

We possess a diversified offering of lifestyle brands deeply rooted in comfort, casual and athletic – This is very much aligned with the categories desired most by our customers provides strategic and comprehensive access to a large and growing component of the footwear market

We have a strong capital structure that gives us the ability to invest in innovation and drive our long term strategy while returning value to shareholders through dividends and share repurchase