








CALERES

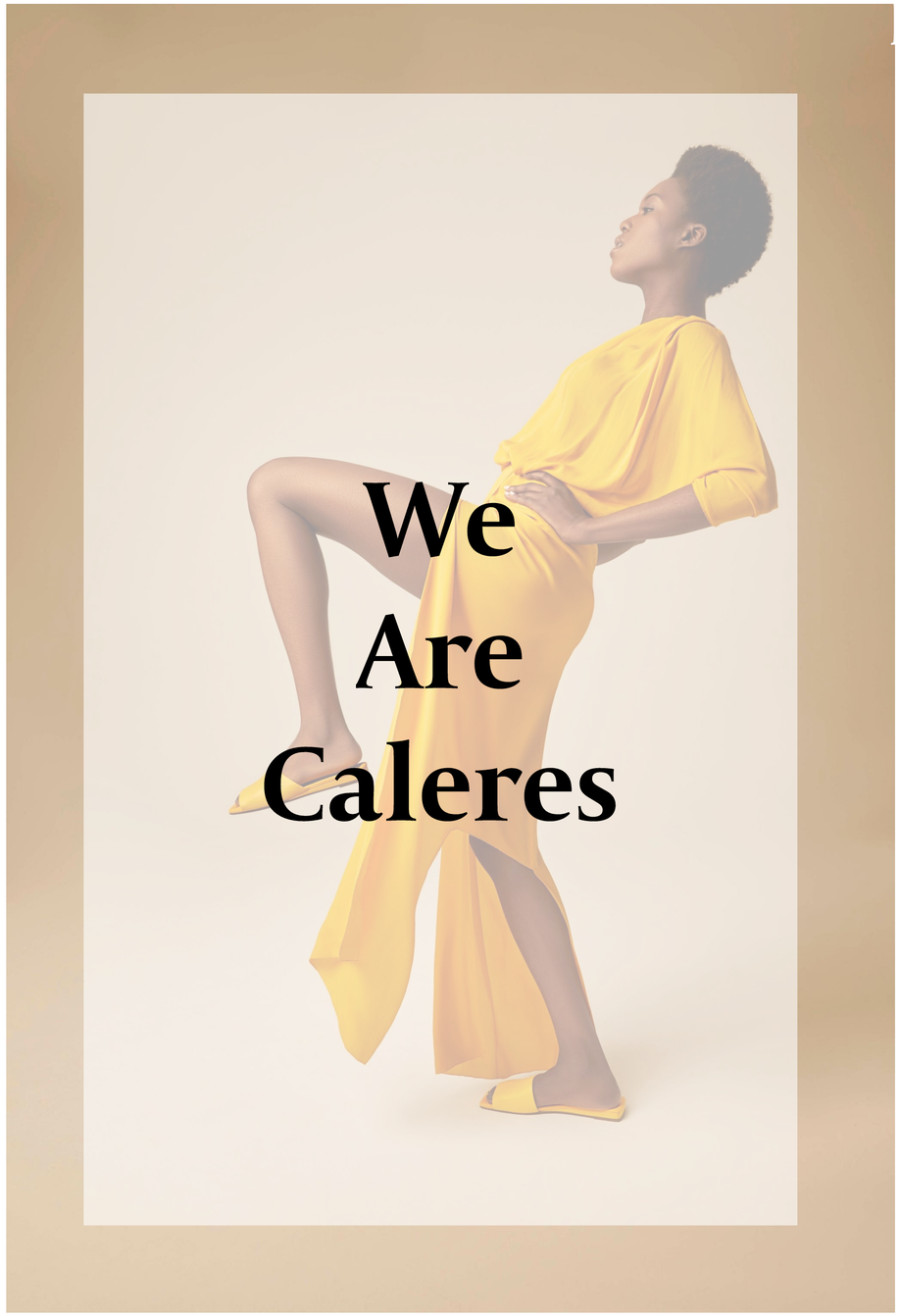
Investor Presentation

April 2021

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 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 January 30, 2021, 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.



Strong business model with a unique set of advantages:

Powerful portfolio of diverse lifestyle brands – rooted in casual, athletic and sport-inspired styles

A comprehensive set of distribution channels with a large and growing percentage being direct-to-consumer

A robust understanding of the consumer, their evolving mindset, changing preferences and dynamic behaviors

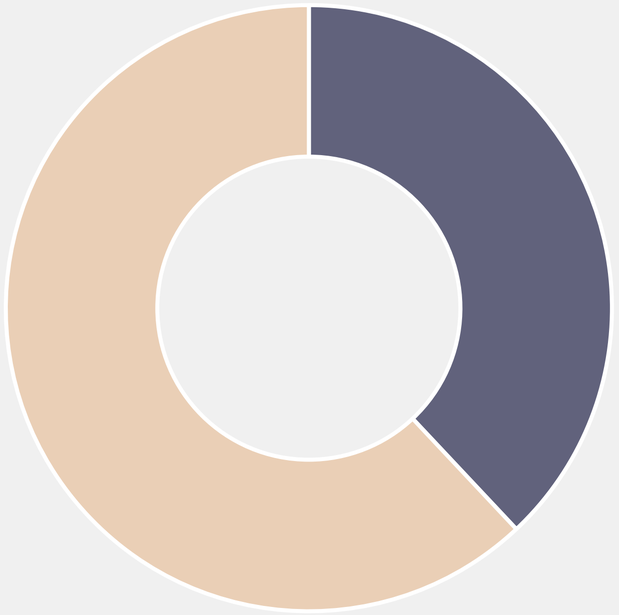
Carefully cultivated and actively managed diversified portfolio…well aligned with consumer trends

Well-capitalized digital platform, robust logistics and supply chain and strong consumer insights

Experienced, dedicated management team with an intense focus on executing its long-term strategic objectives, driving profitable growth and creating shareholder value

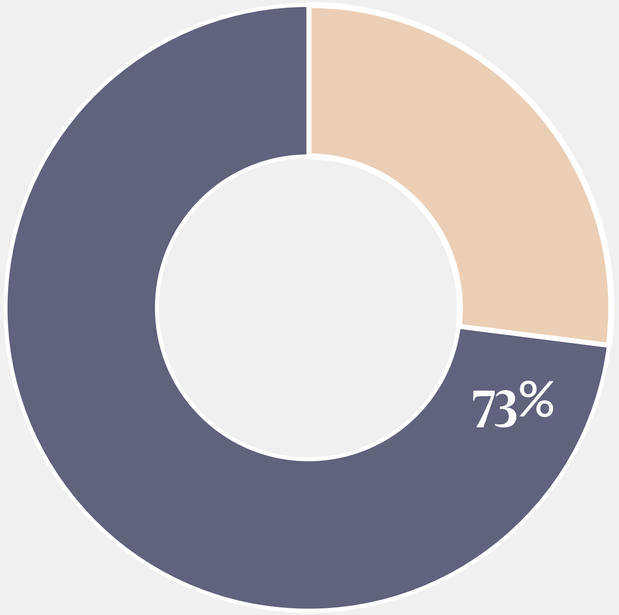
Caleres in brief

$2.1 Billion
2020 Revenue



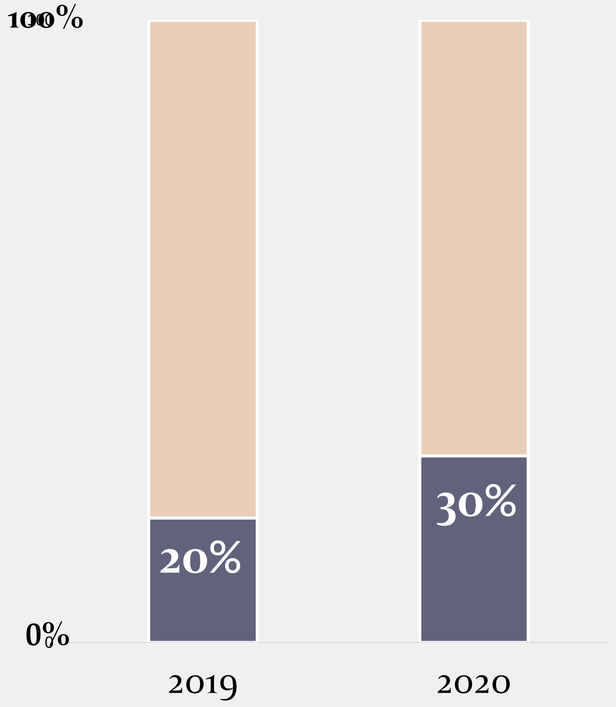
Caleres has a diversified portfolio and business, robust consumer insights and enhanced capabilities

~73% Direct-to-Consumer
TTM, % of total sales



Caleres has a strong and growing DTC business a majority of which is owned by Caleres

30% Ecommerce Penetration
TTM, % of total net sales



Previous investments in our ecommerce platform and capabilities supported ecommerce growth and increased ecommerce penetration

**DTC sales included: Brick-and-mortar retail and owned websites*

Fiscal-Year 2020 Accomplishments



$2.1
billion
in total revenue

+40%
growth in direct ecommerce sales

~$126
million
in cash generated from operating activities

~$190
million
of debt reduction since end of 1Q20

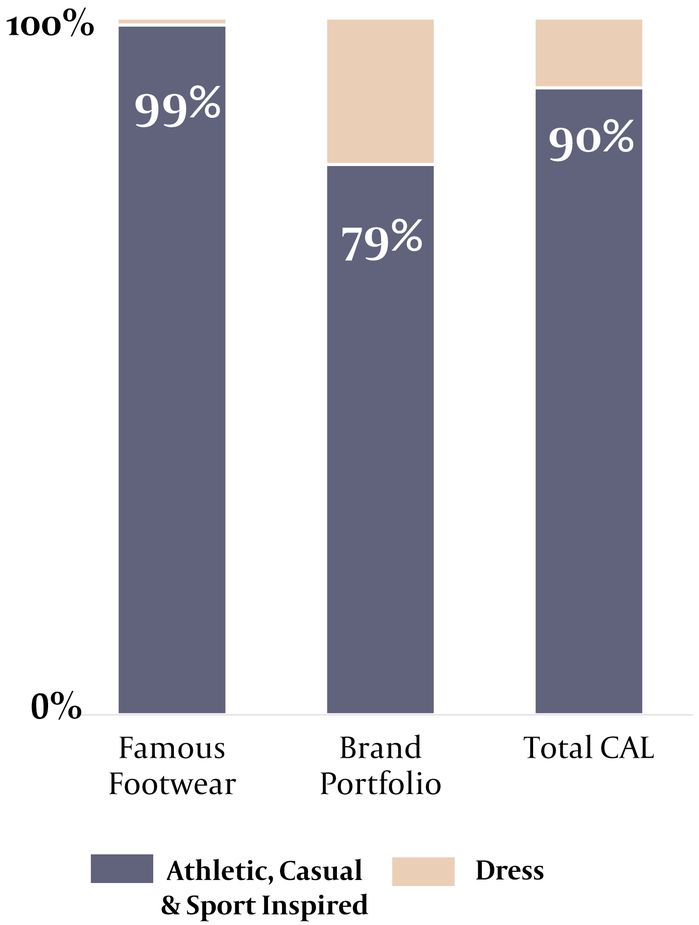
~21%
decline in inventory

~$34
million
returned to shareholders via dividends and share repurchases



CAL Segment by Style

TTM, as a percentage of total net sales



90% ***Casual, Athletic and Sport Sales in 2021***

U.S. footwear market sales have increased 3 to 4 percent annually over the last decade

After the COVID-related decline in 2020, NPD is projecting the U.S. footwear market to stabilize and bounce back from 2020 levels

In particular, the women's fashion category – which took the brunt of the decline in 2020 – is expected to see improved year-over-year demand as consumers head back to work and resume a more social lifestyle

Consumers will still gravitate toward wellness, comfort and sport-oriented styles in 2021 as structural shifts in how consumers work and commune continue

Caleres is well positioned in casual, athletic and sport-inspired products and is poised to capitalize on ongoing growth opportunities in this market segment and will also benefit from its penetration in dress styles when the market ultimately recovers

FAMOUS footwear™

NIKE · Dr. Scholl's SHOES · SKECHERS

adidas · VANS · BIRKENSTOCK

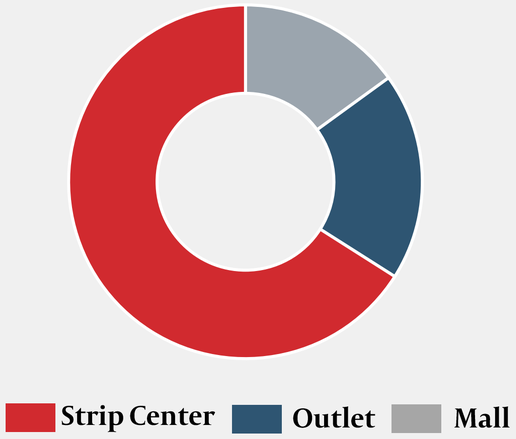
new balance · Dr. AirWair Martens with Bouncing Soles · CONVERSE

PUMA · crocs™ · Blowfish MALIBU

~22 million *Famously You* rewards members

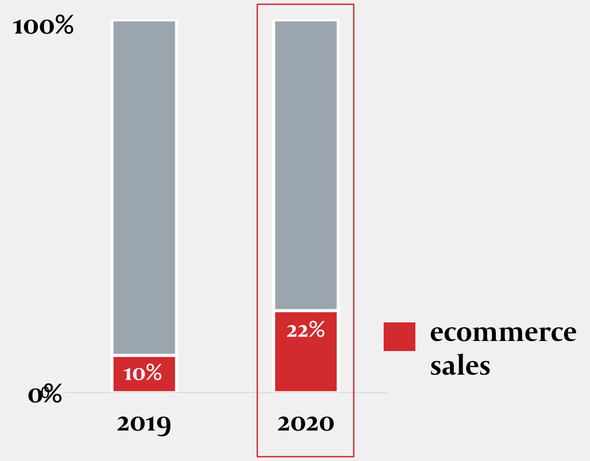
Retail Store Mix

as a % of total stores



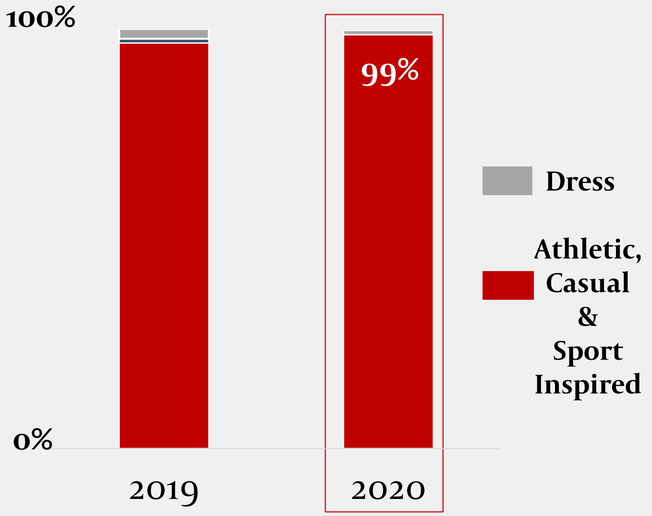
Total eCommerce Penetration

TTM, as a % of total net sales



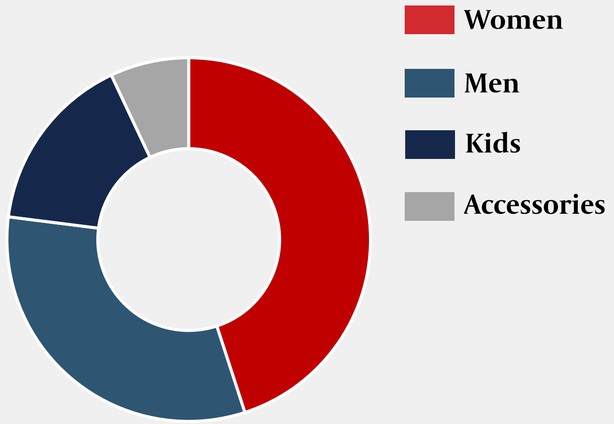
Sales by Style

as a % of total net sales



Sales by Gender

as a % of total net sales



Caleres benefits from a diverse portfolio of brands and shared center of knowledge

WELLNESS + COMFORT

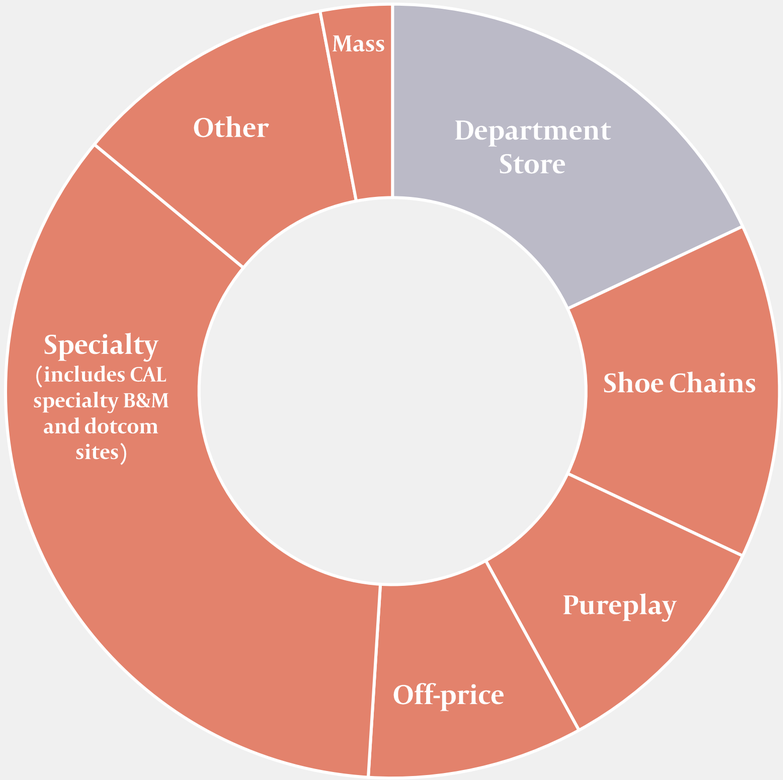
NATURALIZER · VIONIC · rykä · Dr Scholl's SHOES · LifeStride · Blowfish MALIBU · Bzees

MODERN LIFESTYLE

Sam Edelman · FrancoSarto · VINCE. · ALLEN EDMONDS PORT WASHINGTON · VERONICA BEARD · Zodiac

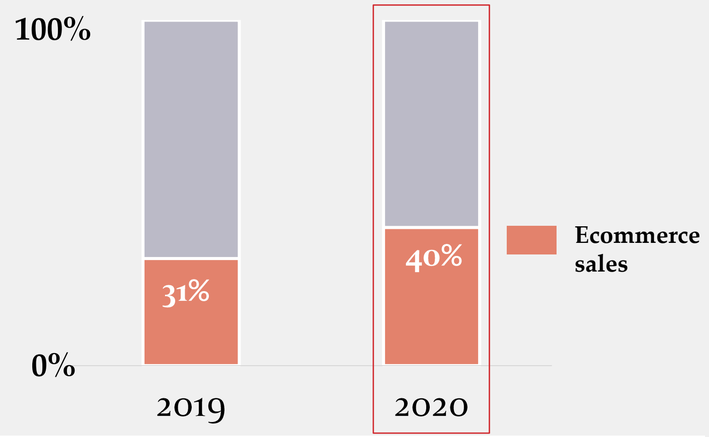
Sales by Channel

as a percentage of total sales



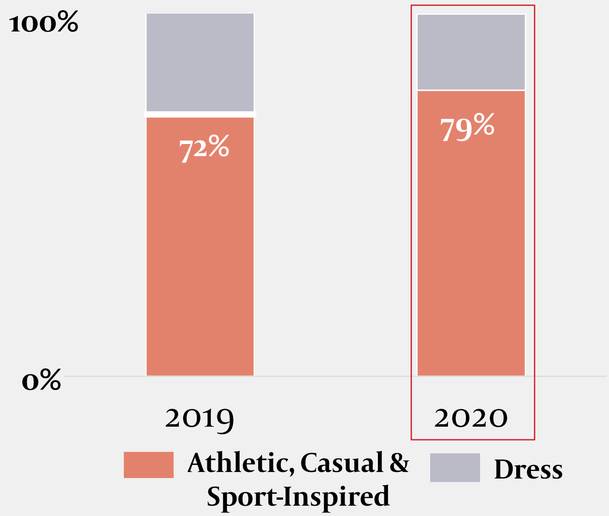
Total Ecommerce Penetration

TTM, as a % of total net sales



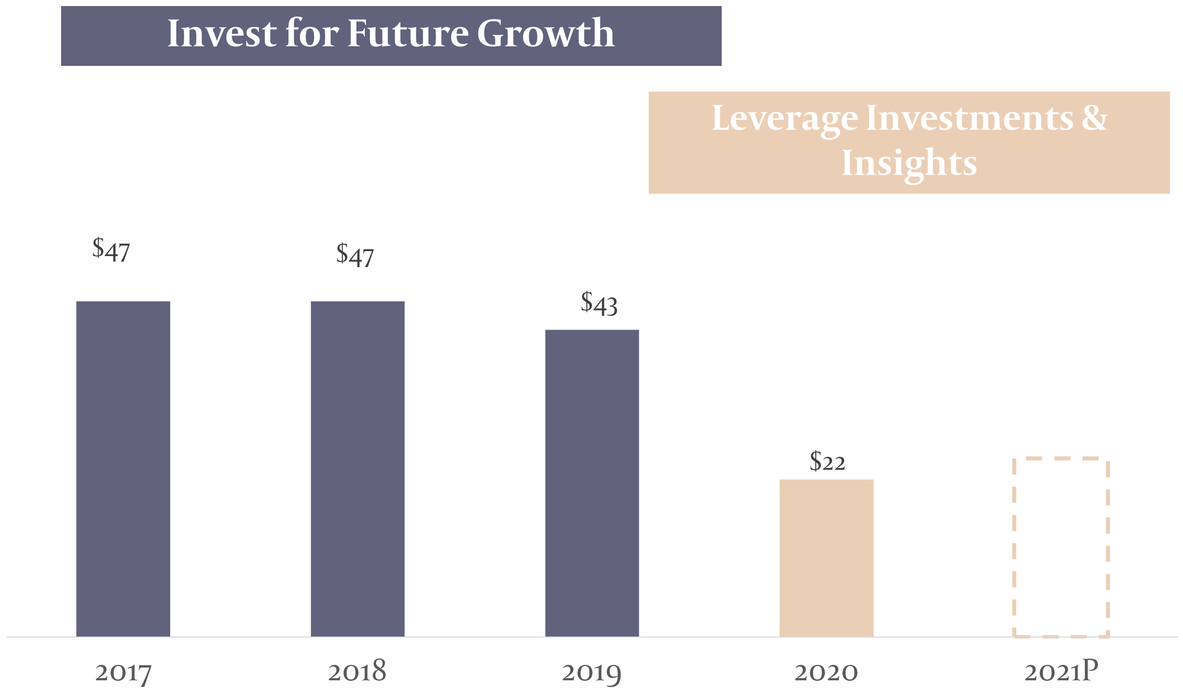
Sales by Style

TTM, as a percentage of total net sales



Caleres has invested significantly for future growth

Capital Investments
in millions of $



Caleres has the capabilities to meet consumer's increasing preference to transact digitally

In anticipation of this evolution, in recent years, we made critical investments in our digital capabilities and ecommerce platform

Similarly, the organization enhanced its fulfillment capabilities and consumer insight tools

Since 2017, we have invested more than $130 million to:

enhance the digital platform and expand its ecommerce business

optimize our distribution centers – implement automation, increase efficiencies and lower costs

leverage consumer insight tools to evolve the consumer brand experience, drive product innovation and drive brand creation and awareness

With the capital outlays largely behind us, CAL will leverage these investments and insights to further unlock the value of the integrated structure to drive sales growth

Caleres has an experienced and dedicated leadership team

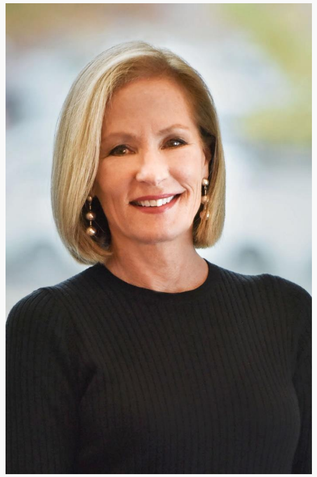
empowered to drive results



Willis Hill
Chief Technology Officer



Ken Hannah
Chief Financial Officer



Diane Sullivan
Chairman & CEO



Jay Schmidt
President



Angela Bass
Chief Human Resources Officer



Mark Schmitt
Chief Logistics Officer

Caleres Division Presidents



Keith Duplain
STL Brands



Sam Edelman
Founder, Sam Edelman



Lydia Park Luis
NYC Brands



Mike Edwards
Famous Footwear



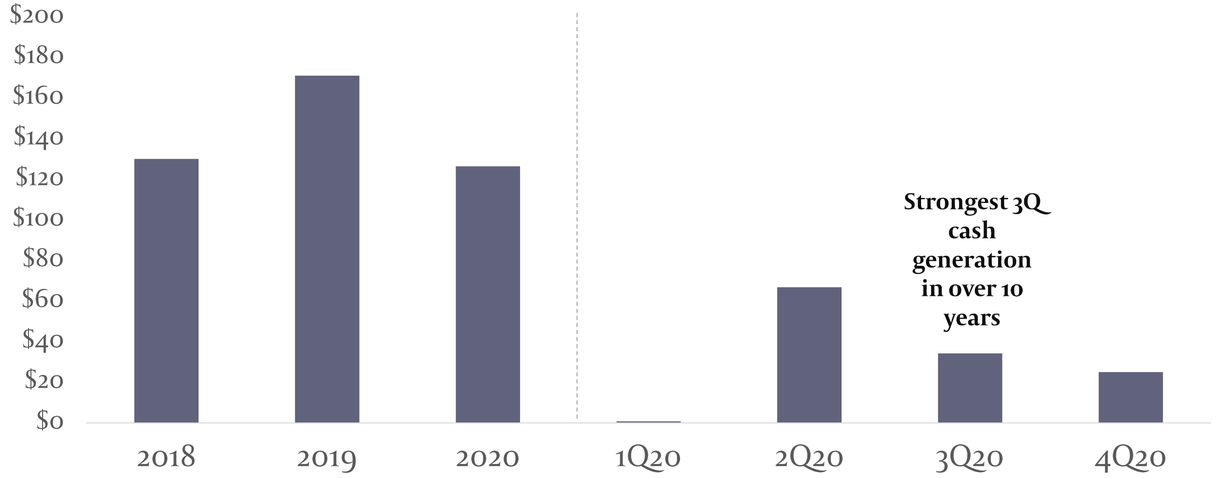
Chris Gallagher
Founder, Vionic



Dan Friedman
Global Supply Chain

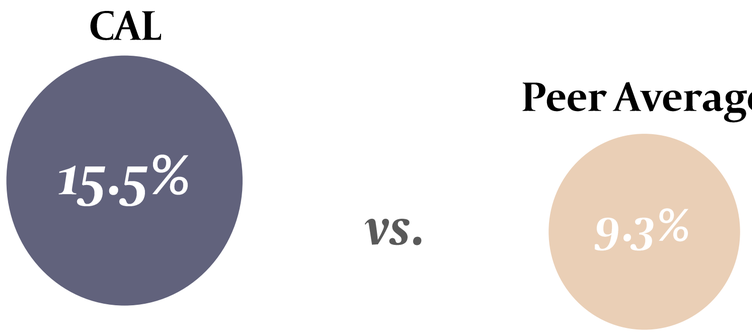
Historical Operating Cash Flow

in millions of dollars



Free Cash Flow Yield

TTM as of 4Q20



Caleres has generated solid operating cash flow in recent years

The company continued to generate cash from operations consistent with historical periods despite the challenging market conditions that prevailed during 2020

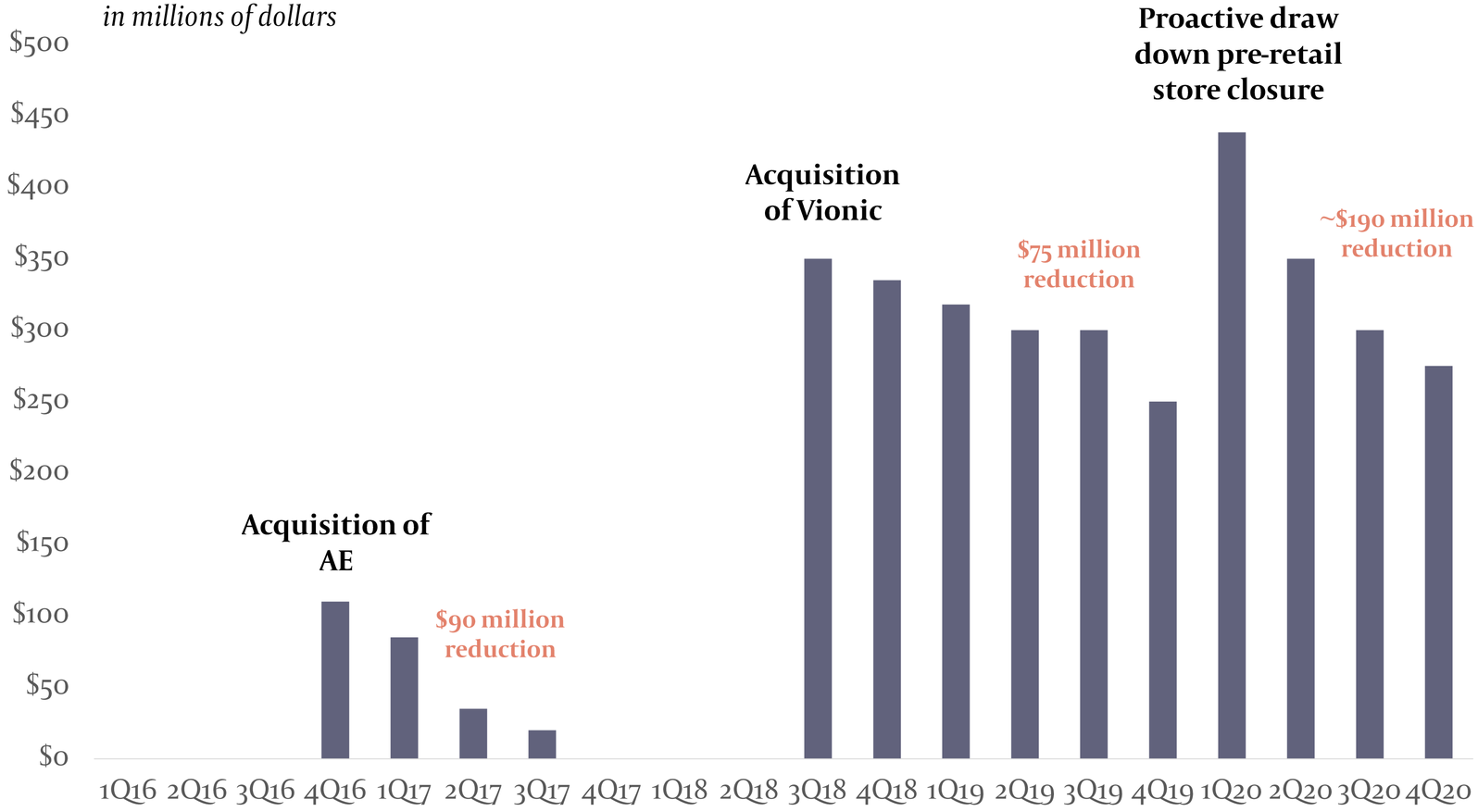
The company boasts a Free Cash Flow Yield six points higher than the industry peer average

FCF Yield is on a trailing 12 month basis and peer average includes: CROX, DBI, DECK,FL,GCO,NKE,SCVL,SHOO, SKX and WWW

Caleres paid down significant levels of debt and returned cash to shareholders in 2020

Historical Credit Facility Borrowings

in millions of dollars



Caleres has no significant debt maturities until 2023

Caleres put its operating cash to good use in 2020, paying down borrowings under its revolving credit facility, continuing its long-standing dividend and opportunistically buying back shares during a time of significant pressure on the share price

In 2020, the organization bought back seven percent of share outstanding at an average price of $8.05

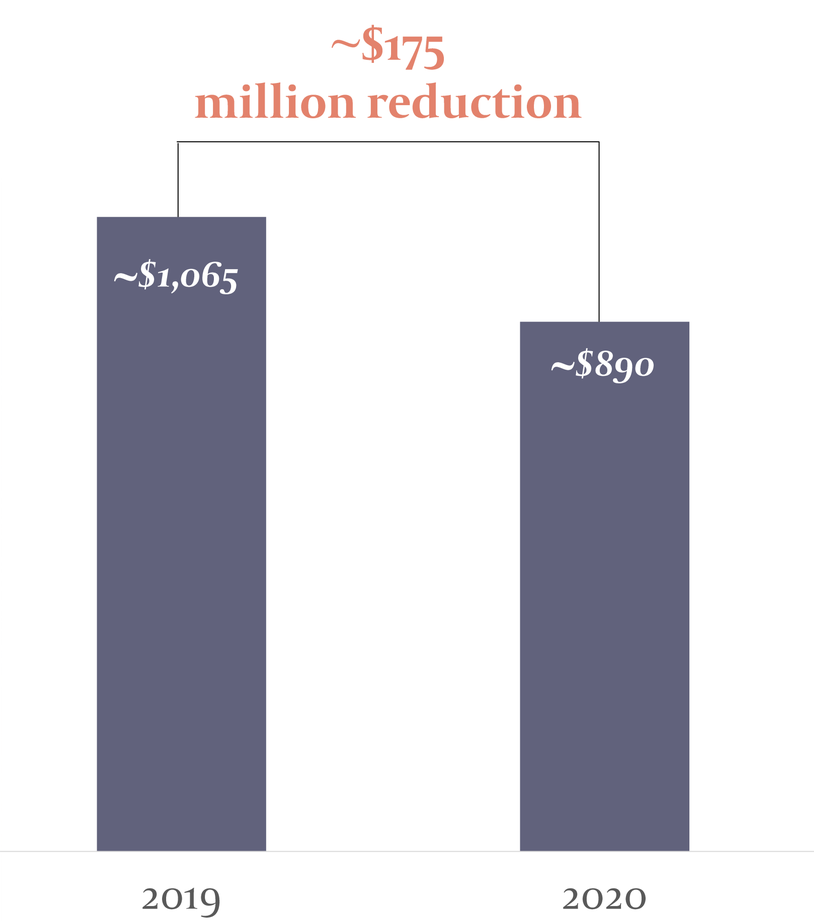
Looking ahead, the company is committed to a balanced capital allocation approach:

1. **Continuing to strengthen the balance sheet through further debt reduction;**
2. **Returning cash to its shareholders;**
3. **Investing in organic growth opportunities; and**
4. **Funding strategic bolt-on or add-in opportunities**



SG&A Expense

in millions of $



During 2020, Caleres took several proactive measures to shore up its financial position and protect its business through the economic shutdown

In the short term, the company limited its cash outflows by working with partners to reduce inventory receipts, extend payment terms and scaled back all non-essential operating expenses

At the same time, Caleres boosted its liquidity position by exercising a portion of the accordion feature on its revolving credit facility thus increasing the borrowing capacity under this facility

Further, Caleres reduced its planned capital expenditures to $22 million in 2020, well below its historical base level spend

As a result of these actions, Caleres has a strong cash and liquidity profile, which provides the necessary financial flexibility









CALERES
★5★

Appendix

April 2021











Famous Footwear 4Q20

Net sales of $346.7 million, down 6 percent versus 4Q19

- **Comparable store sales were down 1.8%**
- **Ecommerce sales up 50% year-over-year**
- **Ecommerce penetration rising to nearly 22%**

Strong operating earnings of $14.8 million, representing an approximately 43 percent increase over last year on an adjusted basis

Lower sequential year-over-year sales decline – underscoring ongoing momentum

Famously You Rewards earns national recognition, from Newsweek, for leading rewards program



Brand Portfolio 4Q20

Net sales of $234 million, down ~32 percent year-over-year

Recorded positive adjusted operating earnings of $1.2 million

Improvements in wellness, comfort and sport brands offset by significant declines in Allen Edmonds and Naturalizer brands

Ecommerce penetration increased to 40% of net sales

Inventory levels down 29 percent at end of fourth quarter

Naturalizer retail exit well underway and expected to be complete by end of 1Q21