

CALERES

First Quarter 2021 Earnings

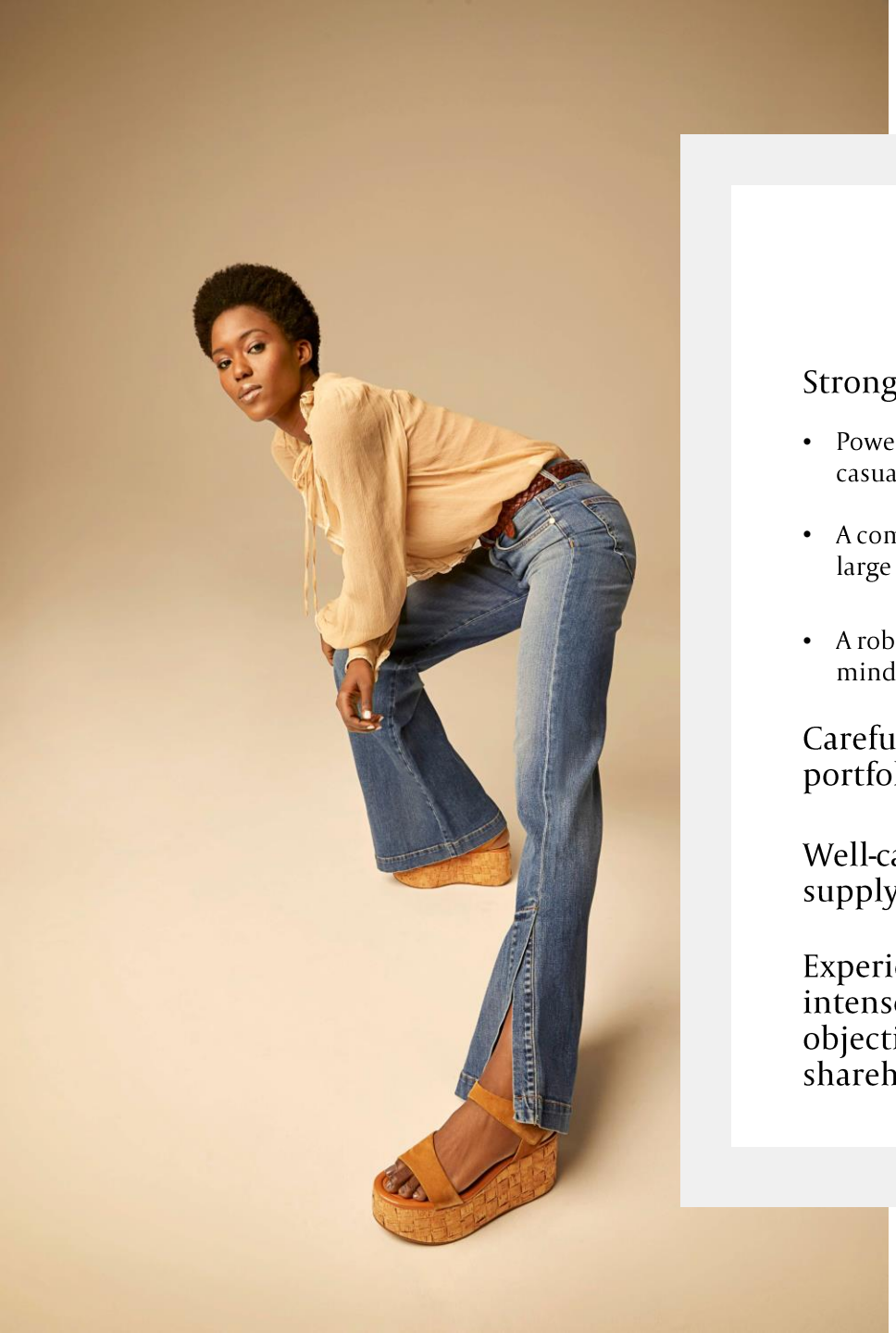
5.28.2021

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 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.

In this presentation, 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. Reconciliations to the applicable GAAP financial measures have been included in the schedules attached to the May 28, 2021, earnings release. All references in this document, 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.



We are Caleres

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

First Quarter 2021 Accomplishments



$638.6
MILLION
in total revenue

~57%
growth in owned ecommerce sales vs. 1Q19

+70
basis point improvement in consolidated adjusted gross margins vs. 1Q19

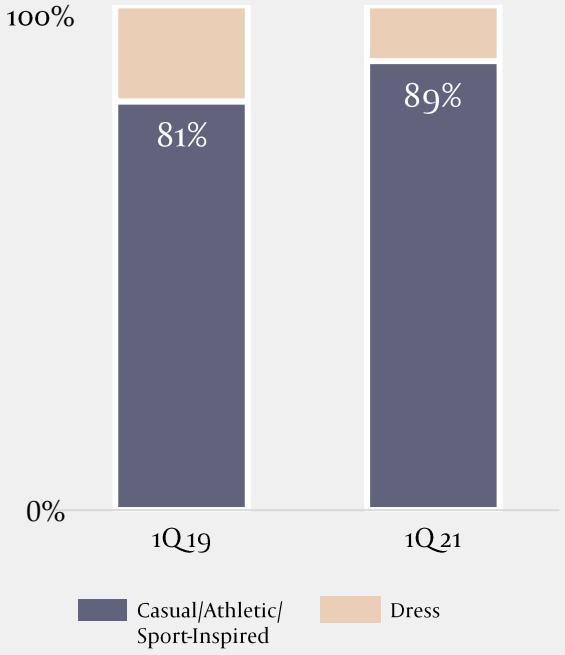
~$70
MILLION
in cash generated from operating activities

$50
MILLION
of additional debt reduction

$0.60
adjusted earnings per share, up sequentially and up vs. 1Q19

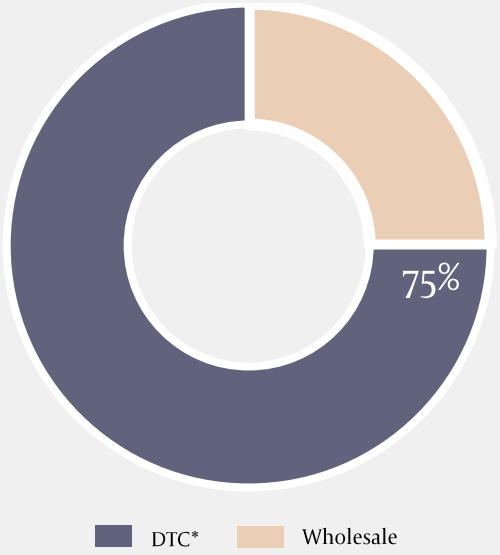
Caleres in brief – first quarter 2021 vs. first quarter 2019

89%
Casual, Athletic and Sport Sales
% of total sales



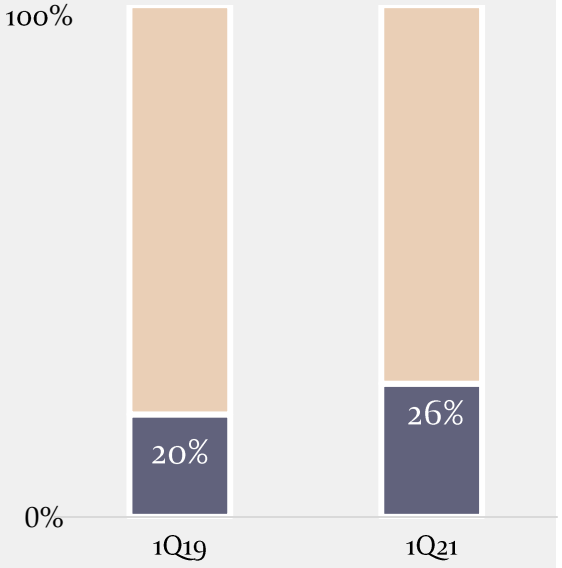
Casual, athletic and sport-inspired styles represented 89% of total CAL sales during first quarter

~75%
Direct-to-Consumer
% of total sales



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

~26%
Ecommerce Penetration
% 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*



Famous Footwear 1Q21

Record first quarter net sales of $398.1 million

- Representing a 13 percent improvement over 1Q19
- Including a ~98percent increase in ecommerce compared to 1Q19

Record quarterly operating earnings of $47.9 million

- Representing a $37.4 million increase over 1Q19

Drove return on sales of 12.0 percent

Inventory down 25 percent when compared to 1Q19

New members increasing 13.2 percent compared to 1Q19



Brand Portfolio 1Q21

Sequential improvement in sales trends

Generated $10.7 million in adjusted operating earnings

Strong performances from:

- Vionic, where ecommerce sales improved 122 percent over 1Q19
- Sam Edelman, which saw strong digital improvement, with ecommerce sales up 66 percent from 1Q19
- Blowfish Malibu, with sales up 50 percent from 1Q19
- Ryka furthered its growth trajectory with sales improving ~51 percent over 1Q19

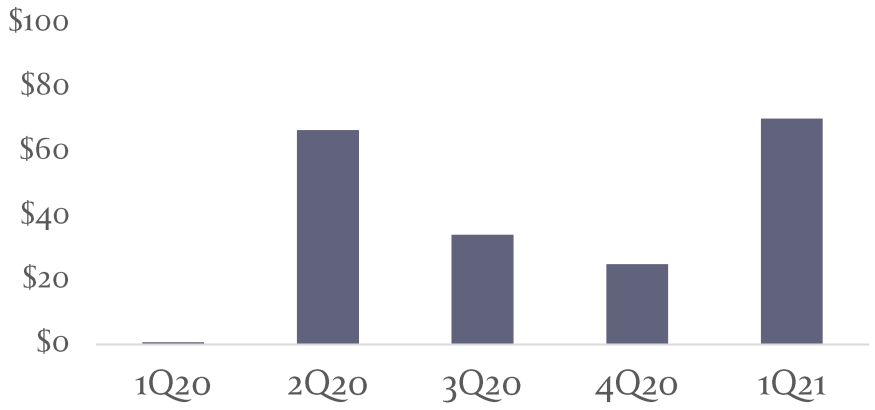
Ecommerce sales from owned websites increased nearly 20 percent over 1Q19

Inventory levels down 41 percent at end of the first quarter

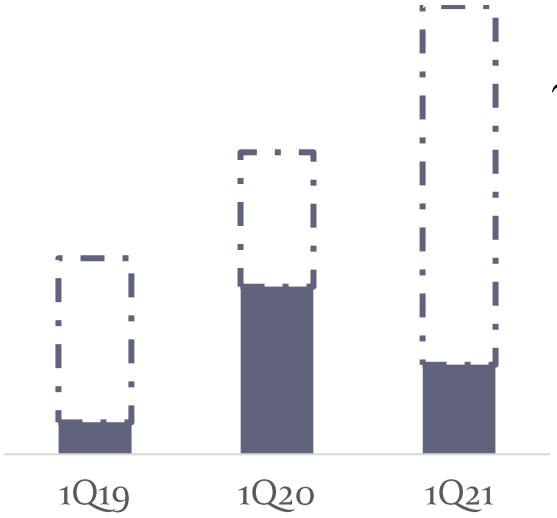
Ongoing brand sales and inventory down ~22 percent and ~32 percent, respectively, when compared to 1Q19

Caleres Cash Generation and Liquidity Profile

Historical Operating Cash Flow
in millions of $



Cash and Liquidity Position
in millions of $



~$400 million
of capacity
at end of 1Q21

~$100 million
available cash
at end of 1Q21

Caleres generated $70.4 million in cash from operations

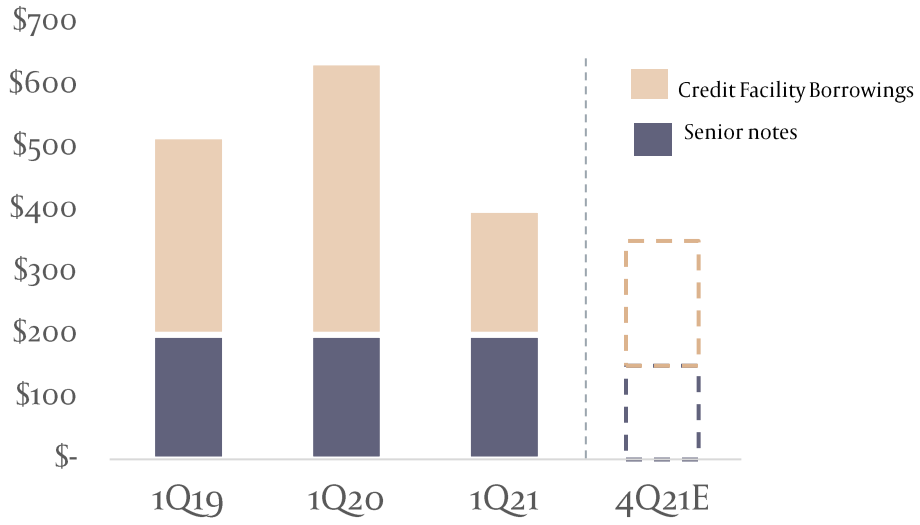
Ended the first quarter with a solid liquidity position consisting of nearly $100 million in cash on hand and $400 million of capacity under its revolving credit facility

Put the cash to use – strengthening its balance sheet still further

Debt Repayment and Capital Allocations Priorities

Caleres Debt Profile

in millions of dollars, at end of quarter



During 1Q21, CAL paid down an additional $50 million in debt bring total debt reduction since March 2020 to $240 million

Targeting further reduction in debt during 2021

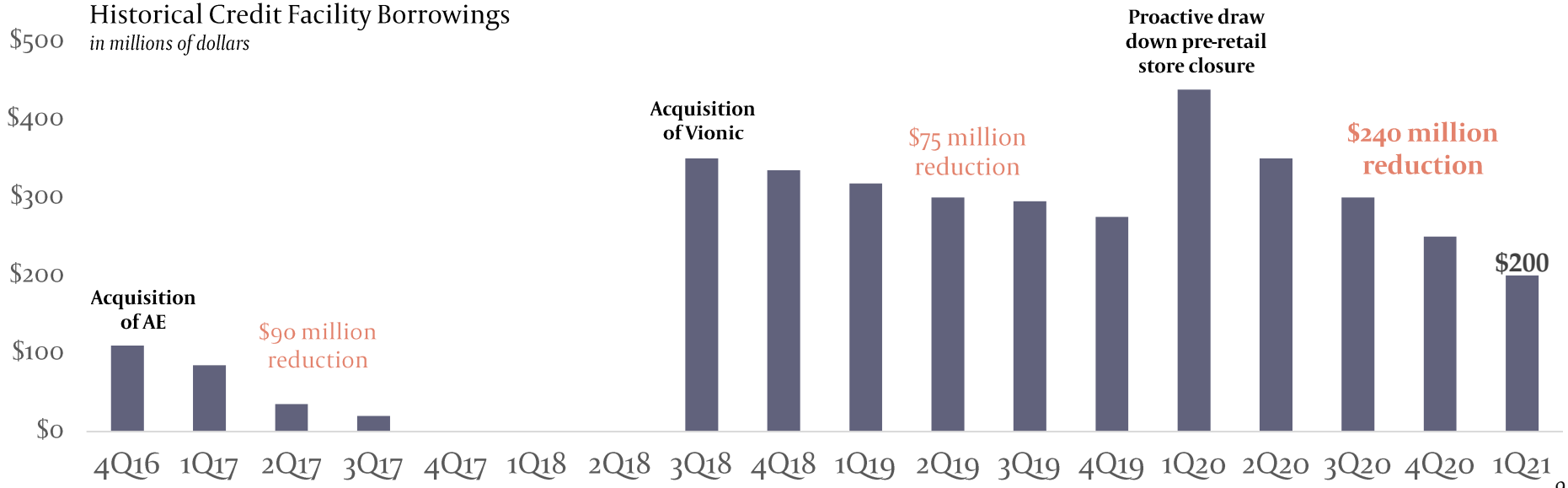
CAL is committed to a balanced approach to capital allocation including:

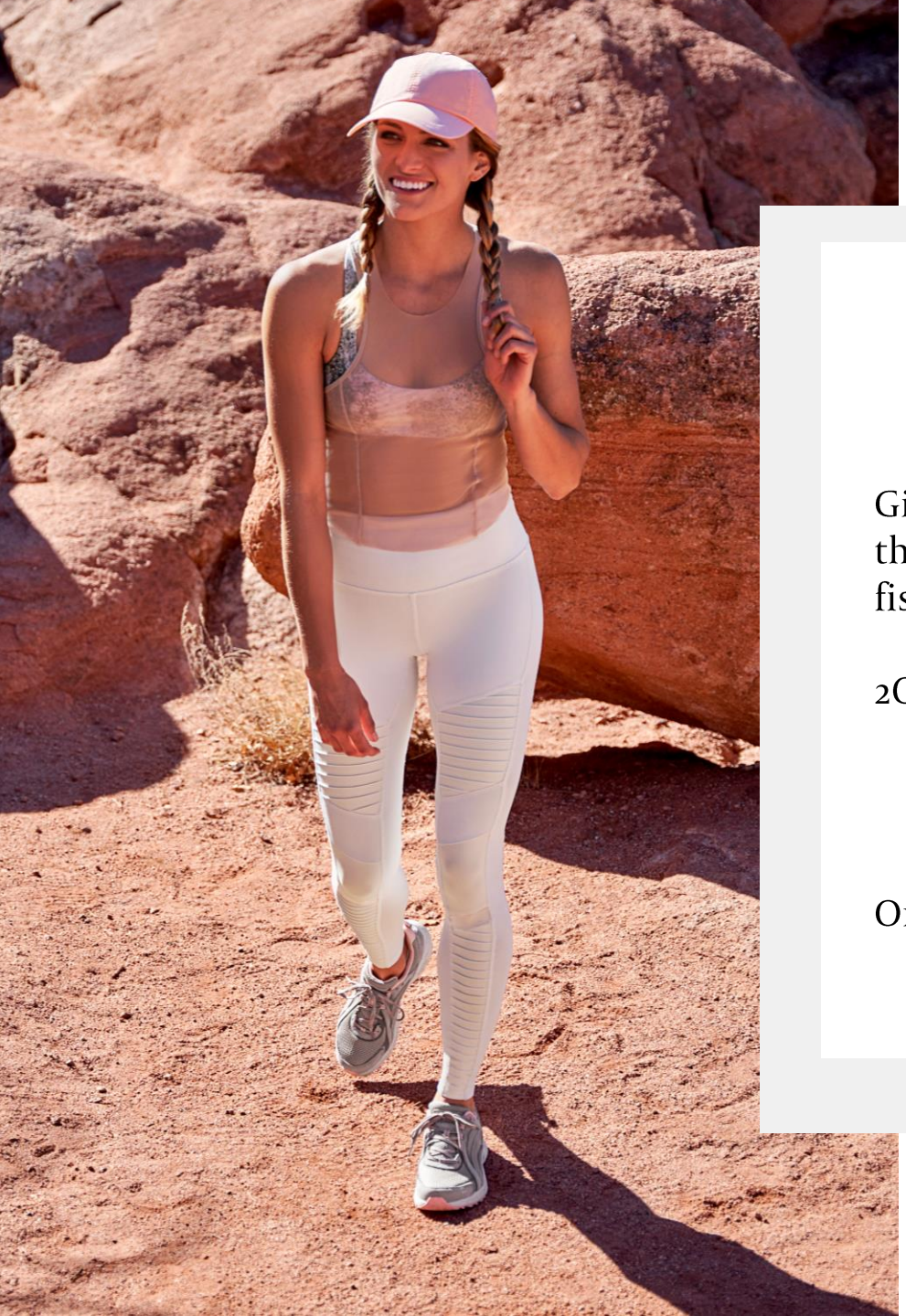
1. Debt reduction
2. Returning cash to shareholders
3. Investing in organic growth
4. Funding strategic or bolt-on or add in opportunities

Senior notes callable — August 2021

Historical Credit Facility Borrowings

in millions of dollars





Second Quarter 2021 Outlook

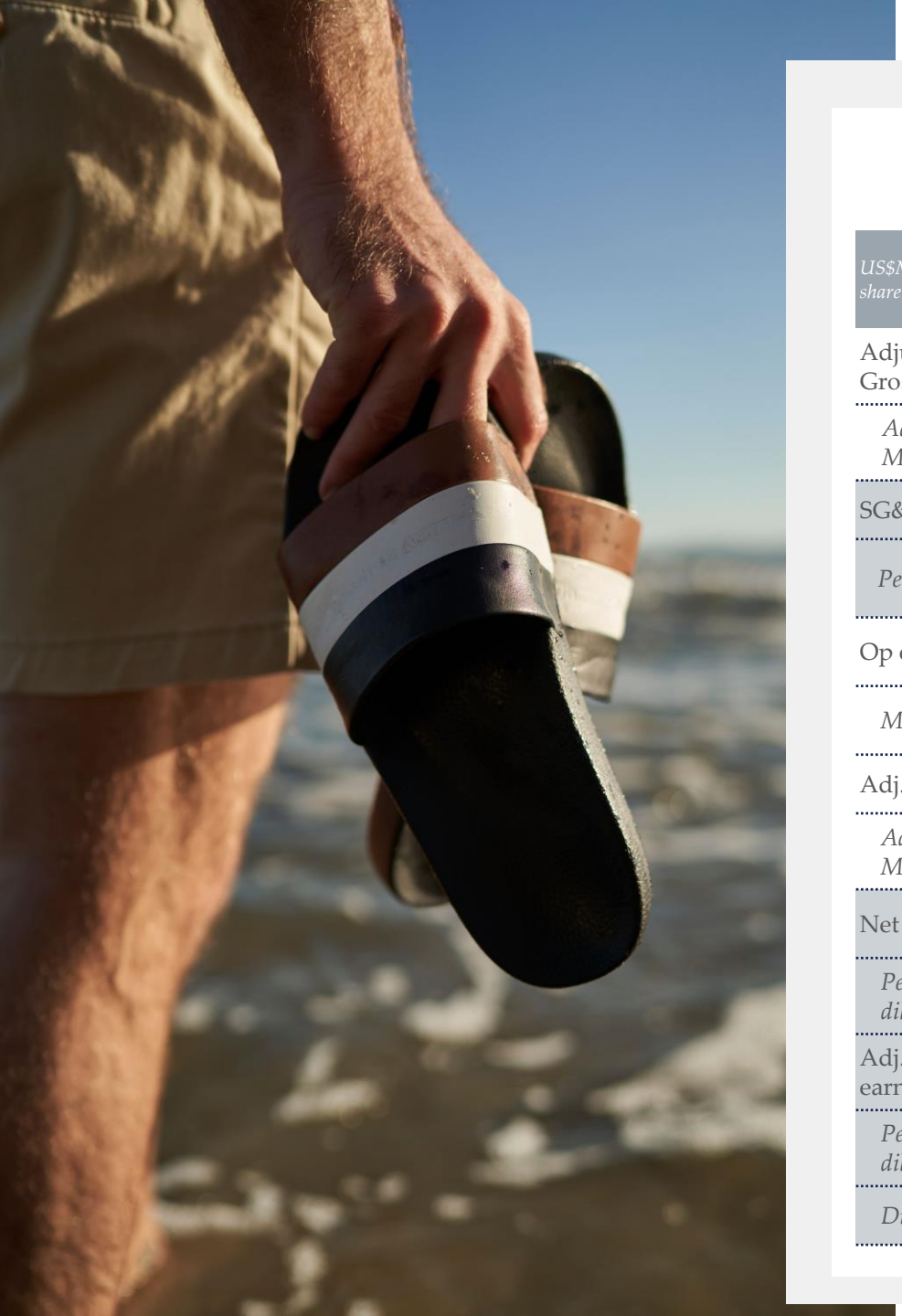
Given ongoing near-term uncertainty in the marketplace, Caleres is not providing fiscal year 2021 guidance

2Q21 expectations:

- Total CAL sales between $625 million and $650 million, or effectively flat to 1Q21
- SG&A expense consistent with 1Q21 ; and
- Adjusted earnings per share of between $0.50 and $0.55

Ongoing 2021 assumptions:

- Quarterly sales decline of $35 million to $40 million, from 2019 levels, related to brand exits and Naturalizer retail exit



Other Financial Metrics

US$M except per share	1Q'21	1Q'20	1Q'19	Chg vs. '20	Chg vs. '19
Adjusted Gross profit	$274.9	$156.9	$287.0	75.2%	(4.2%)
Adjusted Margin	43.0%	39.5%	42.3%	354 bps	70 bps
SG&A	$243.5	$225.2	$262.1	8.1%	(7.1%)
Percent of sales	38.1%	56.7%	38.7%	(1,856 bps)	(54 bps)
Op earnings	$17.9	($426.2)	$16.9	N/A	5.9%
Margin	2.8%	(107.3%)	2.5%	N/A	31 bps
Adj. op earnings	$31.4	($68.3)	$24.9	N/A	26.0%
Adjusted Margin	4.9%	(17.2%)	3.7%	2,210 bps	124 bps
Net earnings	$6.1	($345.8)	$9.1	N/A	(32.3%)
Per share, diluted	$0.16	($8.95)	$0.22	N/A	(27.3%)
Adj. net earnings	$22.8	($50.4)	$15.0	N/A	51.7%
Per share, diluted	$0.60	($1.30)	$0.36	N/A	66.7%
Diluted shares	36.9	38.6	40.8	(4.6%)	(9.6%)



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Appendix

5.28.2021

Reconciliation of Non-GAAP net earnings

First Quarter 2021

	Pretax Earnings	Net Earnings/(loss)	EPS
Adjusted Results	$29,777	$22,819	$0.60
Charges and Other Items			
Brand Portfolio- business exits	(13,482)	(11,927)	(0.31)
Fair value adjustment to Blowfish purchase obligation	(6,389)	(4,745)	(0.13)
GAAP Results	$9,906	$6,147	$0.16