CALERES

Second Quarter 2021 Earnings

8.31.2021



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.

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 August 31, 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

Second Quarter 2021 Accomplishments



$675.5
MILLION
in total revenue

~58%
growth in owned ecommerce sales vs. 2Q19

+705
basis point improvement in consolidated gross margins vs. 2Q19

~$65
MILLION
in cash generated from operating activities

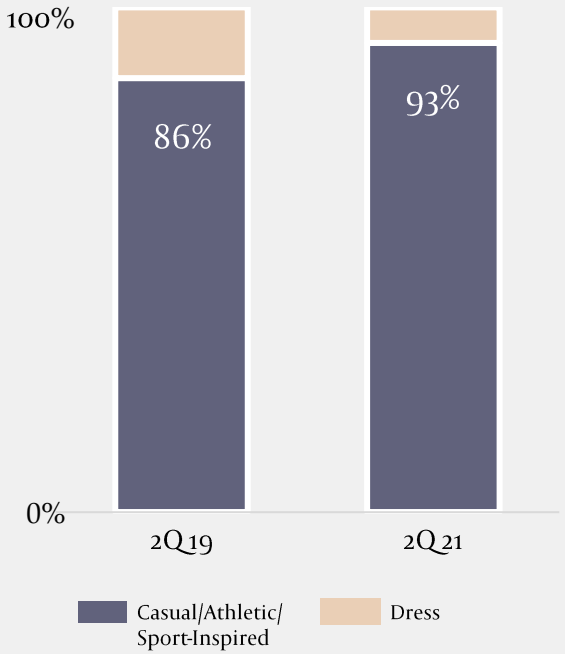
$100
MILLION
of additional revolver debt reduction

$1.19
adjusted earnings per share – highest adjusted earnings per share ever

4

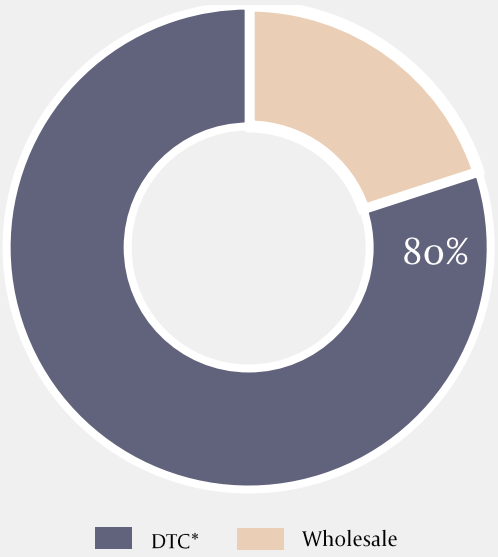
Caleres in brief – second quarter 2021 vs. second quarter 2019

~93%
Casual, Athletic and Sport Sales
% of total sales



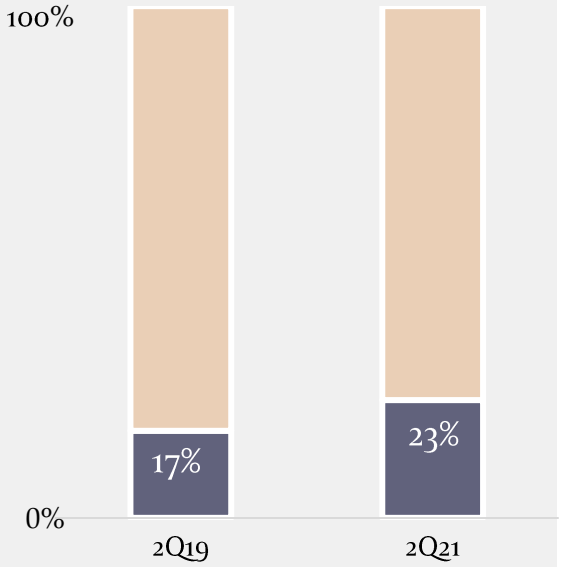
Casual, athletic and sport-inspired styles represented 93% of total CAL sales during second quarter

~80%
Direct-to-Consumer
% of total sales



Caleres has a strong and growing DTC business

~23%
Ecommerce Penetration
% of total net sales



Previous investments in our ecommerce platform and capabilities supported ecommerce growth and increased ecommerce penetration over the two-year period

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



Famous Footwear 2Q21

Record second quarter net sales of $453.6 million
- Representing an 8 percent improvement over 2Q19
- Including a ~52 percent increase in ecommerce compared to 2Q19

Record gross margin of 50.1 percent
- 671 basis points higher than 2Q19

Record quarterly operating earnings of $85.5 million
- Representing a $54.0 million increase over 2Q19

Achieved a return on sales of 18.8 percent

Inventory down ~28 percent when compared to 2Q19

New rewards members increased ~16 percent compared to 2Q19



Brand Portfolio 2Q21

Sales of $239.0 million, which reflects ongoing disruptions in the supply chain causing a shift of firm sales orders from 2Q21 to 3Q21

Gross margin of 39.7 percent, representing a 498-basis point improvement over 2Q19

Generated $16.6 million in operating earnings – 306 basis points higher than 2Q19

Ecommerce sales from owned websites increased 64 percent over 2Q19

Strong performances versus 2Q19 across key brands:

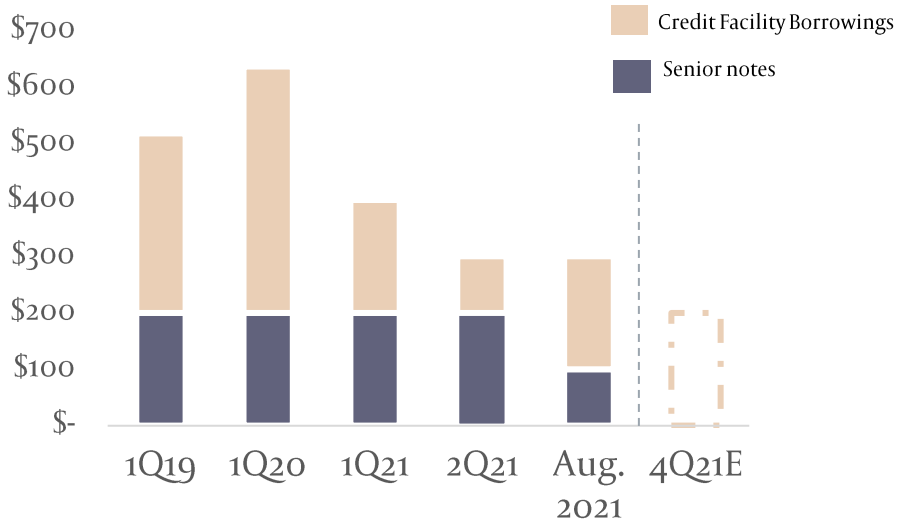
- Vionic ecommerce sales improved 163 percent
- Sam Edelman ecommerce sales up 75 percent
- Blowfish Malibu sales and earnings up
- Allen Edmonds, higher AURs and ecommerce sales in-line with 2Q19

Inventory levels down ~30 percent compared to 2Q19

Debt Repayment and Capital Allocations Priorities

Caleres Debt Profile

in millions of dollars,



During 2Q21, CAL paid down an additional $100 million in debt bringing total debt reduction since early 2020 to $340 million

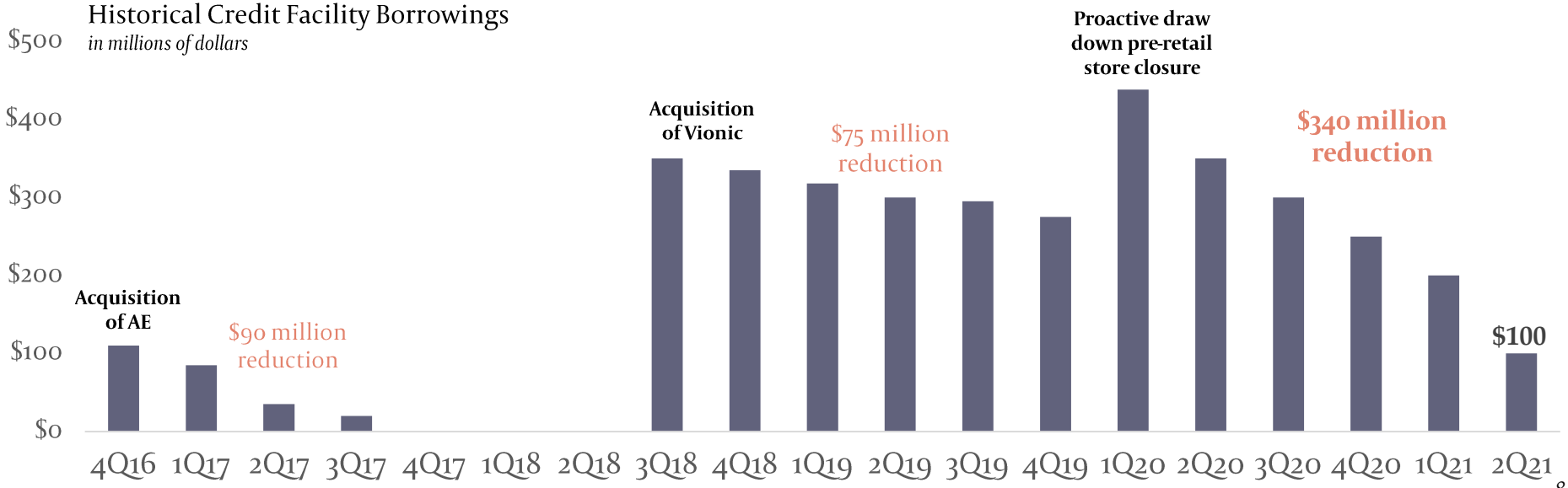
Targeting further reduction in debt during 2021 – driving toward zero net debt

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

Historical Credit Facility Borrowings

in millions of dollars





Third Quarter and Full Year 2021 Outlook

3Q21 expectations:

- Adjusted earnings per share of between $1.10 and $1.25

FY21 expectations

- Adjusted earnings per share of between $3.25 and $3.50

Back half 2021 assumptions:

- Famous Footwear sales expected to be at or slightly above 2019 sales levels
- Brand Portfolio sales expected to be down approximately 20 percent versus 2019



Other Financial Metrics

US$M except per share	2Q'21	2Q'20	2Q'19	Chg vs. '20	Chg vs. '19
Gross profit	$322.3	$182.6	$305.9	76.5%	5.3%
Margin	47.7%	36.4%	40.7%	1,129 bps	705 bps
SG&A	$259.5	$201.3	$267.5	28.9%	(3.0%)
Percent of sales	38.4%	40.1%	35.6%	(174 bps)	286 bps
Op earnings	$62.8	($24.1)	$37.8	N/A	66.1%
Margin	9.3%	(4.8%)	5.0%	1,411 bps	427 bps
Adj. op earnings*	$62.8	($18.7)	$38.4	N/A	63.5%
Adjusted Margin	9.3%	(3.7%)	5.1%	1,303 bps	420 bps
Net earnings	$37.4	($30.7)	$25.3	N/A	47.6%
Per share, diluted	$0.97	($0.83)	$0.61	N/A	59.0%
Adj. net earnings*	$46.0	($21.1)	$25.8	N/A	78.2%
Per share, diluted	$1.19	($0.57)	$0.62	N/A	91.9%
Diluted shares	37.1	37.1	40.0	0.0%	(7.1%)

** Refer to schedules 4 and 5 in the earnings release for non-GAAP adjustments*

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Strategic Priorities – 2021

Leverage Investments and Insights

1.	**Strengthen the Power and Broaden the Reach of Brands and Products**	• Consumer and Insights at our Center • Ferocious about Fit★5★ • More Innovation and Product Creation • Sustainability – a Key Focus • Brand Awareness and Customer Acquisition Essential
2.	**Accelerate Digital Commerce Growth with Stronger Consumer Connections**	• Digital First Mindset to Proactively Drive Growth • Ongoing, Value Added Consumer Engagement with our Brands • Enhanced Experiences throughout the Customer Journey • Data Driven Decision Making
3.	**Leverage Capabilities and Operations**	• Fixation on Speed and Simplicity • Edit for Focus, Turn, and Cash Generation • Operational Excellence – Control the Controllables • Continuous Increase in Efficiencies
4.	**Elevate Talent and Culture**	• ONE Company and ONE Team • Diversity, Equity, and Inclusion • Leadership Development and Learning • Hybrid, Flexible Model