

Third Quarter 2021 Earnings

11.18.2021

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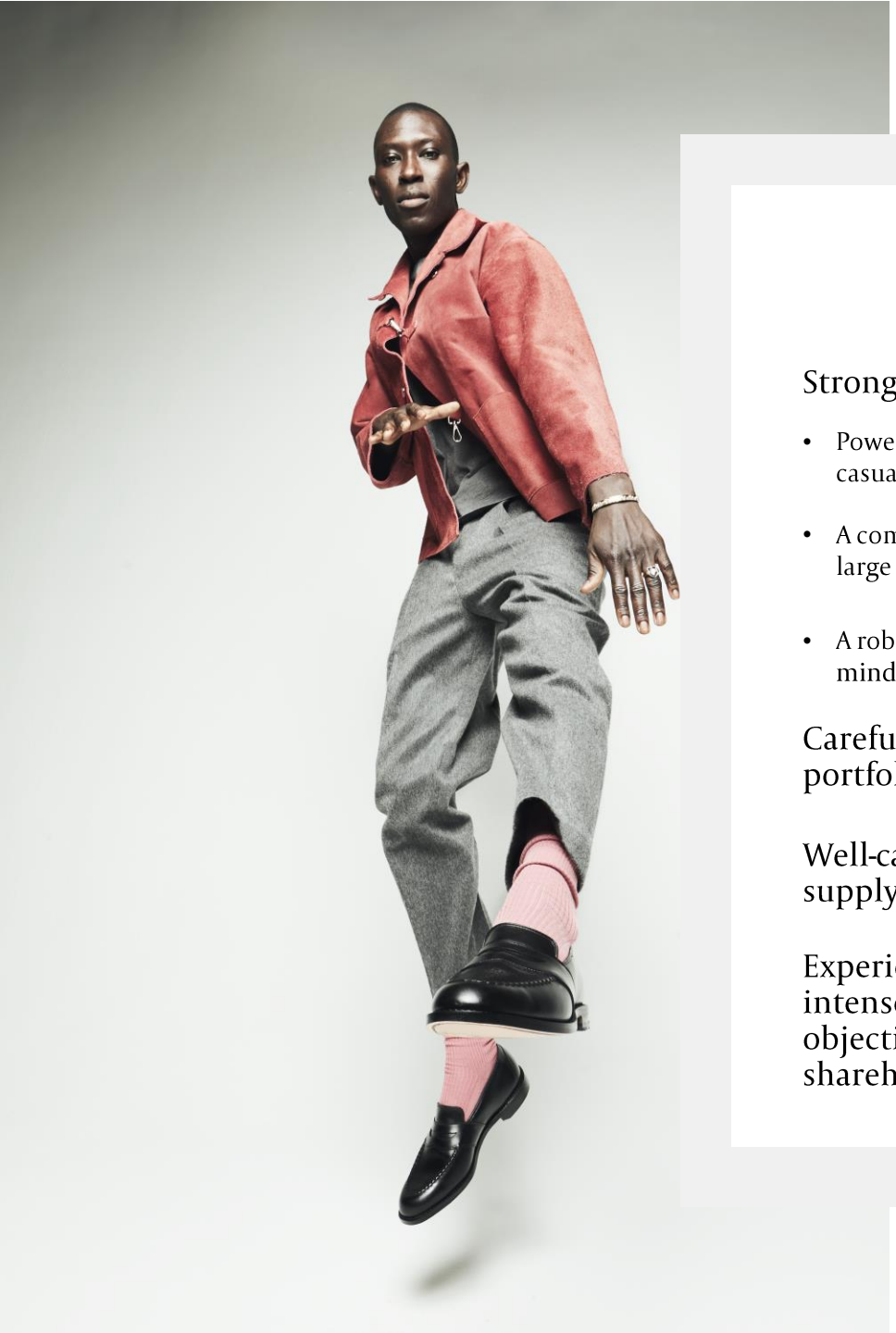
Safe Harbor Statement

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 November 18, 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

Third Quarter 2021 Accomplishments



$784.2
MILLION
in total revenue

~33%
growth in owned ecommerce sales vs. 3Q19

+241
basis point improvement in consolidated gross margins vs. 3Q19

~$54
MILLION
in cash generated from operating activities

~$81
MILLION
in operating earnings

$1.59
adjusted earnings per share – highest quarterly adjusted earnings per share ever

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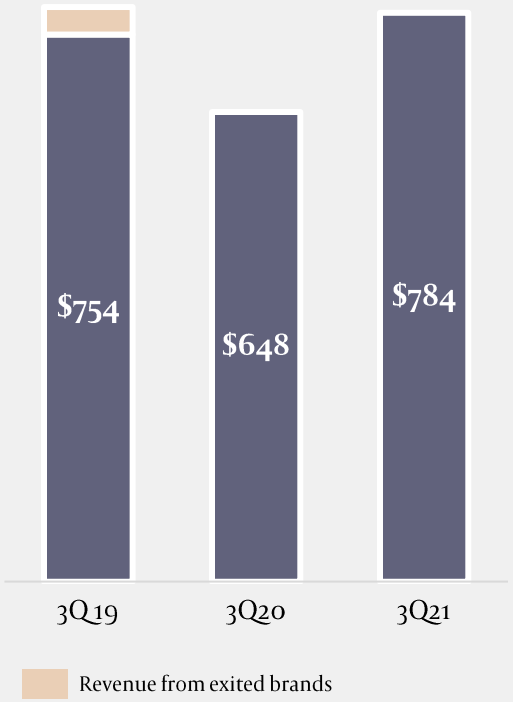
Caleres historical third quarter performance

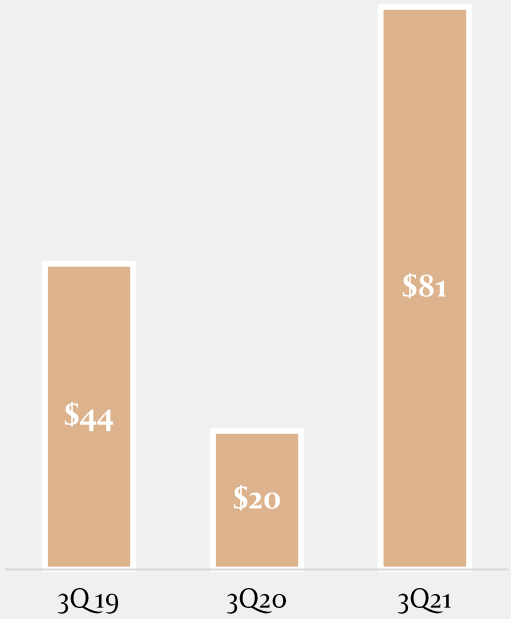
Revenue

in millions of dollars



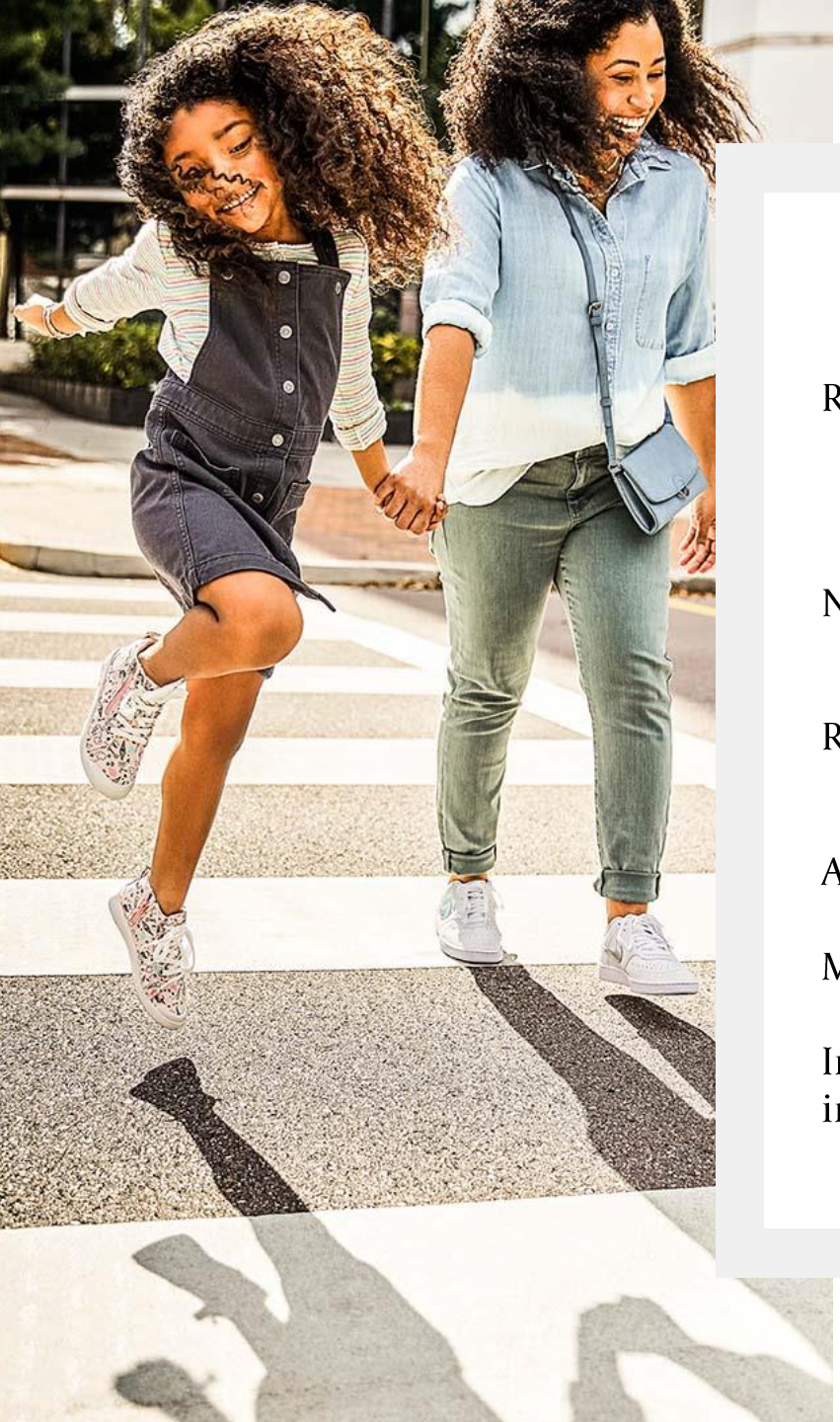
Operating Earnings

in millions of dollars



Adjusted Earnings per share





Famous Footwear 3Q21

Record quarterly net sales of $494.7 million
- Representing a 10.8 percent improvement over 3Q19
- Including a ~44 percent increase in ecommerce compared to 3Q19

Near record gross margin of 47.6 percent
- 657 basis points higher than 3Q19

Record quarterly operating earnings of $87.4 million
- Representing a $59.7 million increase over 3Q19

Achieved a return on sales of ~18 percent

Most profitable back-to-school period in brand history

Inventory down ~24 percent when compared to 3Q19, inventory in top 10 brands down only 9 percent



Brand Portfolio 3Q21

Sales of $300.5 million, a ~26 percent sequential increase from 2Q21

Gross margin of 32.9 percent, representing a 426-basis point decline from 3Q19, with 400 basis points attributed to higher cost of ocean freight

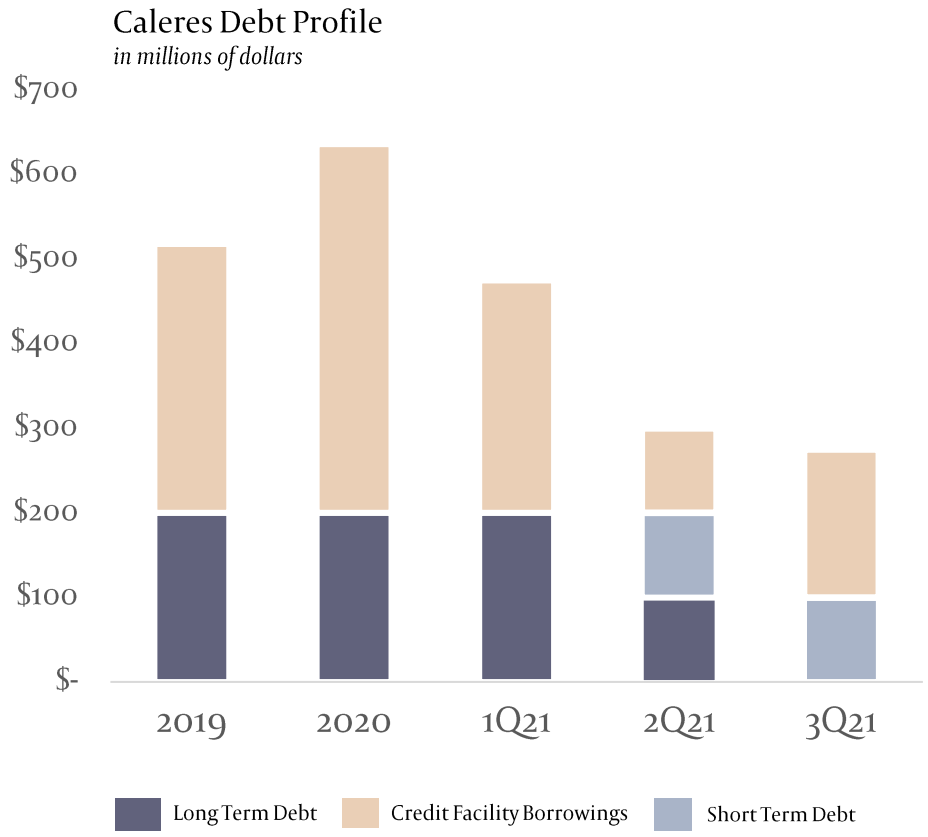
Generated $11.4 million in operating earnings

Ecommerce sales from owned websites increased 20 percent over 3Q19

Strong performances versus 3Q19 across key brands including: Vionic, Sam Edelman and Allen Edmonds

Inventory levels down 6.7 percent compared to 3Q19, with in-transit inventory up more than $100 million or 3X higher than historical levels

Debt Profile and Capital Allocations Priorities



Caleres has taken action over the last several quarters to reduce and reposition its debt

The company has called all of its senior notes – effectively extinguishing our long-term debt

Renegotiated and finalized more advantageous terms on our credit facility

These actions will reduce annual interest by $12 million

Driving toward ultimate goal of zero net debt

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

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



2021 Outlook

Fourth Quarter 2021

- Famous Footwear sales expected to be slightly above 4Q19 levels, and another quarter of record earnings
- Brand Portfolio sales are expected to be in line with the 3Q21

FY21 expectations

- Adjusted earnings per share of between $3.80 and $3.90



Other Financial Metrics

US$M except per share	3Q'21	3Q'20	3Q'19	Chg vs. '20	Chg vs. '19
Gross profit	$335.4	$257.0	$319.8	30.5%	4.9%
Margin	42.8%	39.7%	40.4%	308 bps	241 bps
SG&A	$254.0	$236.9	$275.3	7.2%	(7.7%)
Percent of sales	32.4%	36.6%	34.7%	(419 bps)	(235 bps)
Op earnings	$81.3	$20.1	$43.5	305.1%	87.1%
Margin	10.4%	3.1%	5.5%	727 bps	488 bps
Adj. op earnings*	$81.3	$20.1	$44.4	305.1%	83.0%
Adjusted Margin	10.4%	3.1%	5.6%	727 bps	476 bps
Net earnings	$59.6	$14.4	$28.0	313.6%	113.0%
Per share, diluted	$1.54	$0.38	$0.69	305.3%	123.2%
Adj. net earnings*	$61.5	$18.2	$31.6	237.7%	94.8%
Per share, diluted	$1.59	$0.48	$0.78	231.3%	103.8%
Diluted shares	37.3	36.7	39.3	1.7%	(5.0%)

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



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