CALERES

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23rd Annual ICR Conference

Diane Sullivan
Chairman and CEO

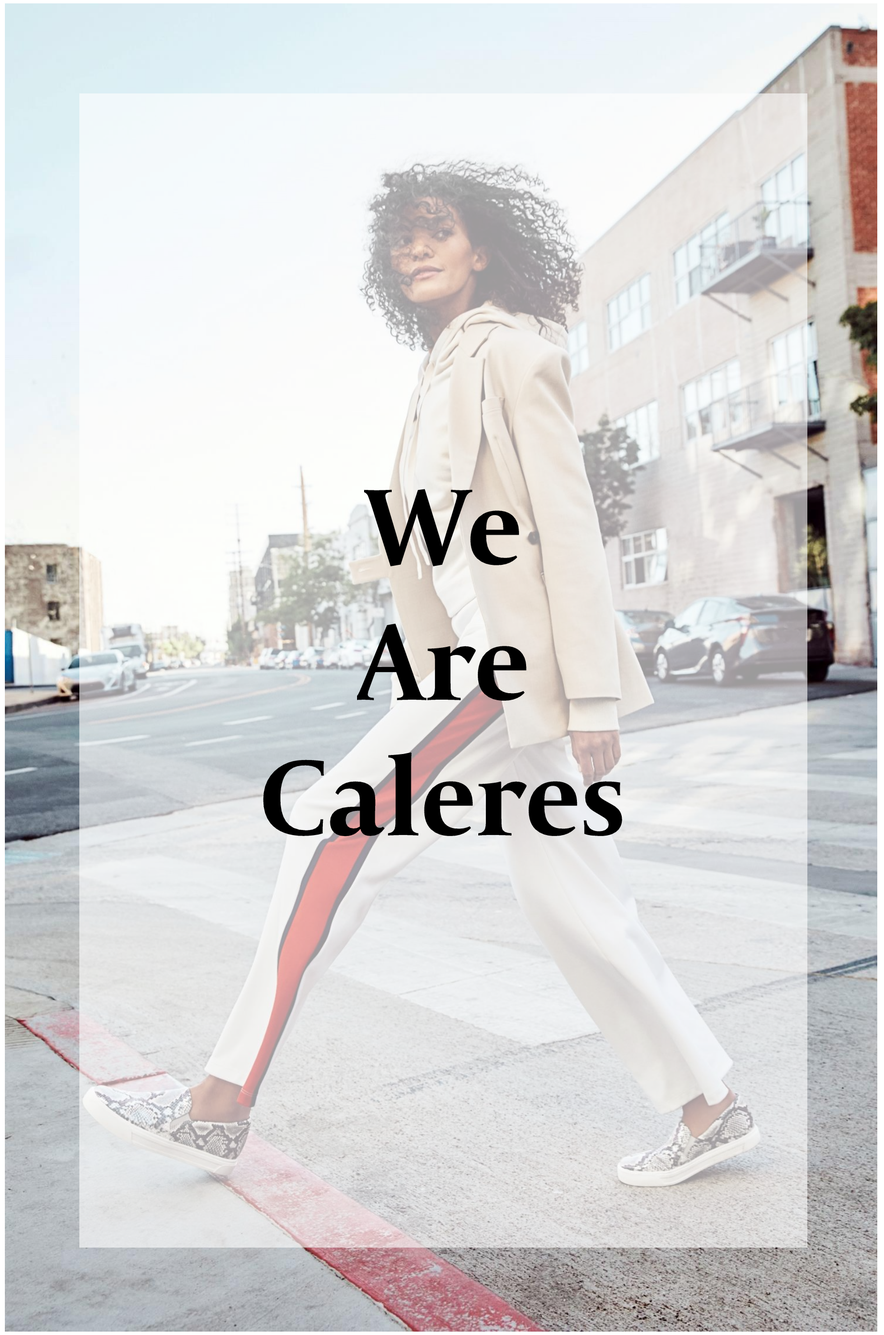
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Safe Harbor Statement

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 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.



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

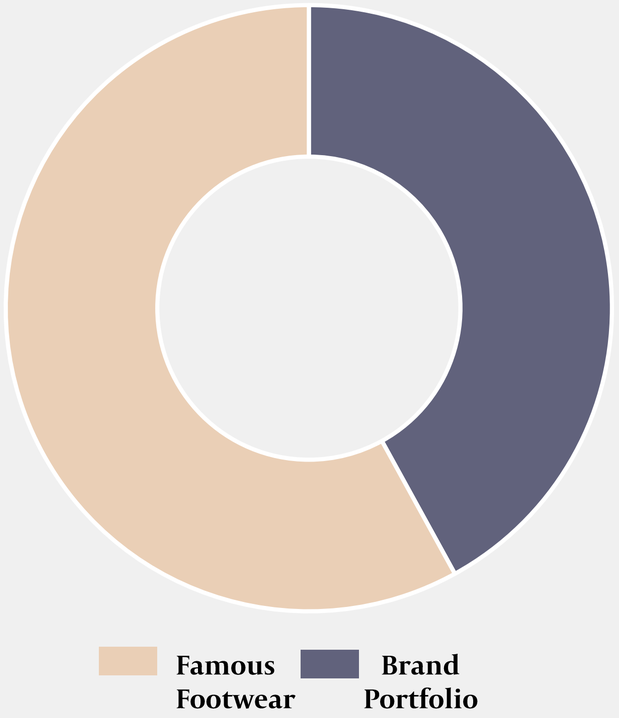
Carefully cultivated and actively managed diversified portfolio…well aligned with consumer trends

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

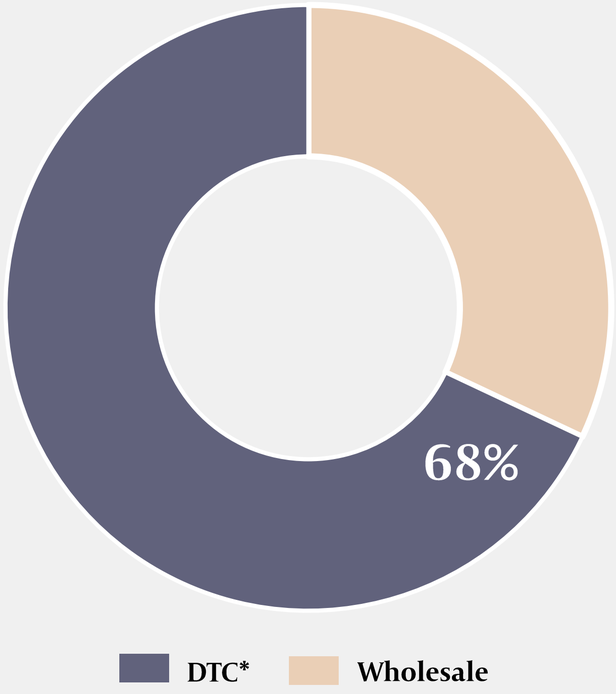
Caleres in brief

$2.9 Billion
2019 Revenue



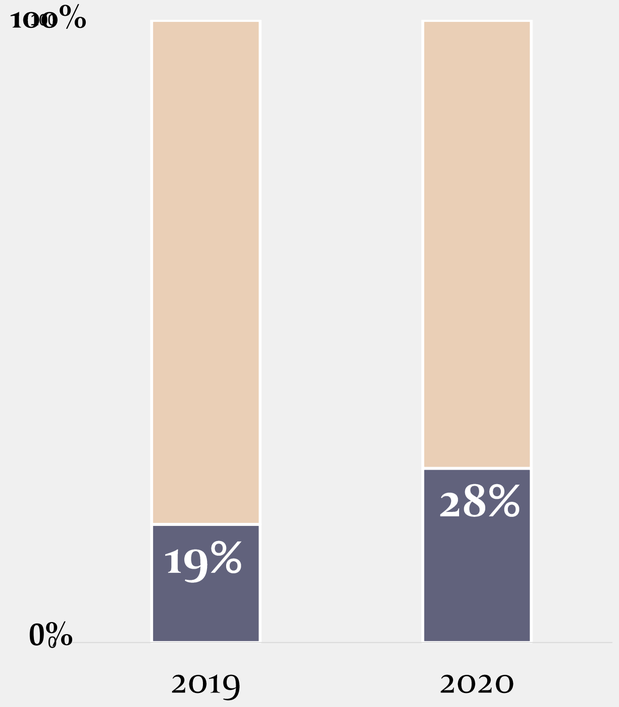
Caleres has a diversified portfolio and business, robust consumer insights and enhanced capabilities

~70% Direct-to-Consumer
TTM, % of total sales



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

28% Ecommerce Penetration
TTM, % of total net sales



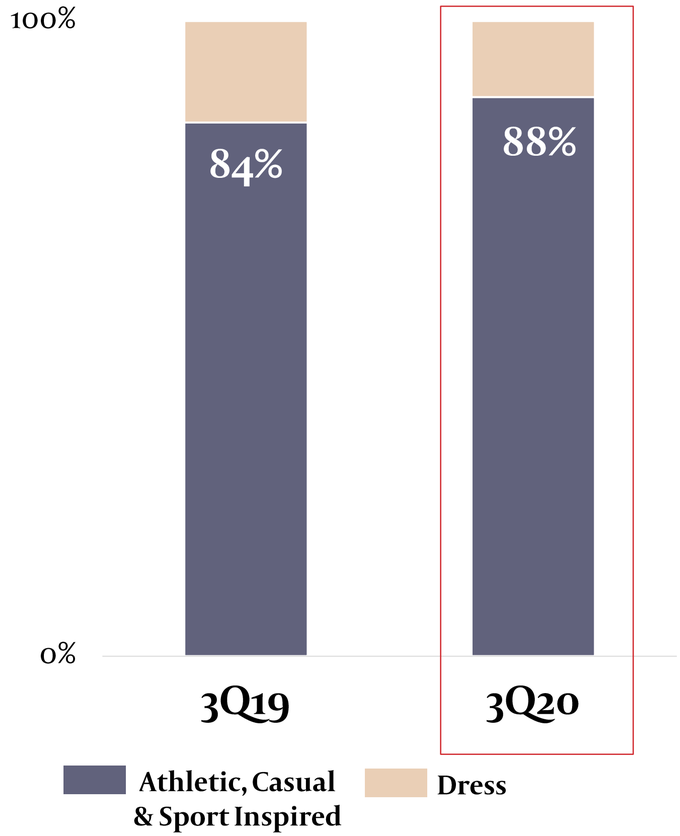
Previous investments in our ecommerce platform and capabilities supported ecommerce growth and increased ecommerce penetration

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



CAL Segment by Style

TTM, as a percentage of total net sales



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 casual and performance-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 turns

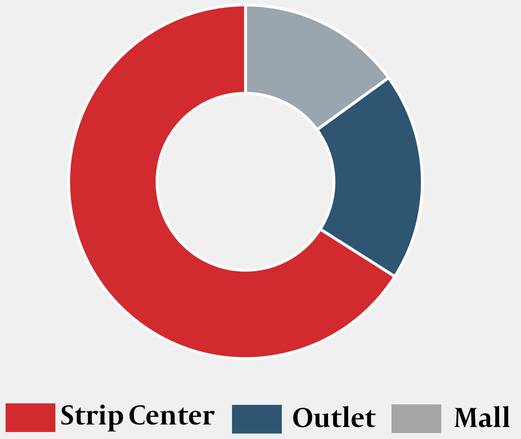
FAMOUS footwear™

NIKE · CONVERSE · SKECHERS · adidas · VANS · PUMA · new balance · Dr. AirWair Martens with Bouncing Soles · asics · BIRKENSTOCK · crocs™ · Blowfish MALIBU

~22 million *Famously You* rewards members

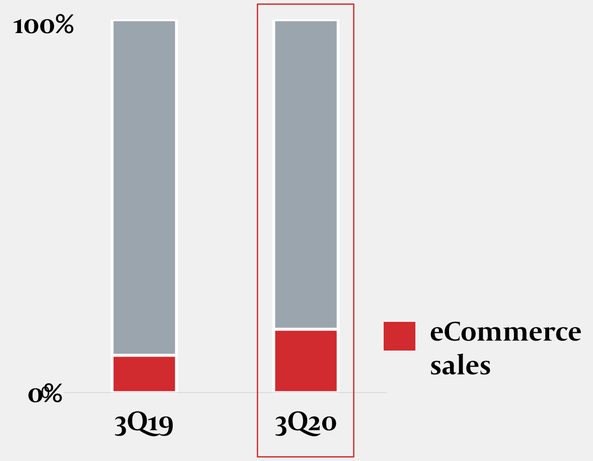
Retail Store Mix

as a % of total stores



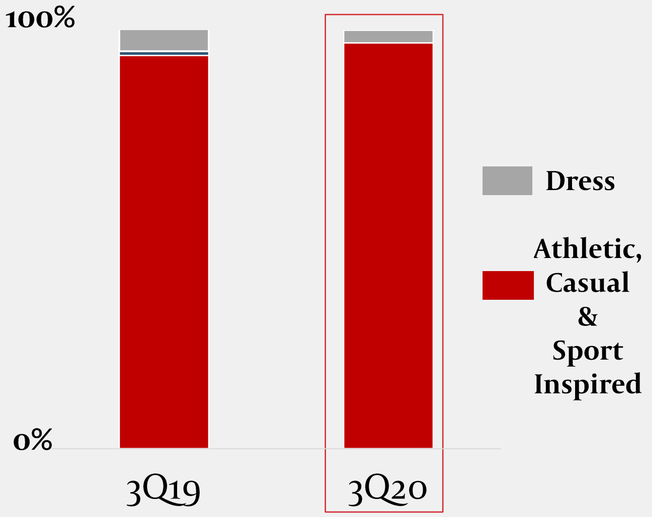
Total eCommerce Penetration

TTM, as a % of total net sales



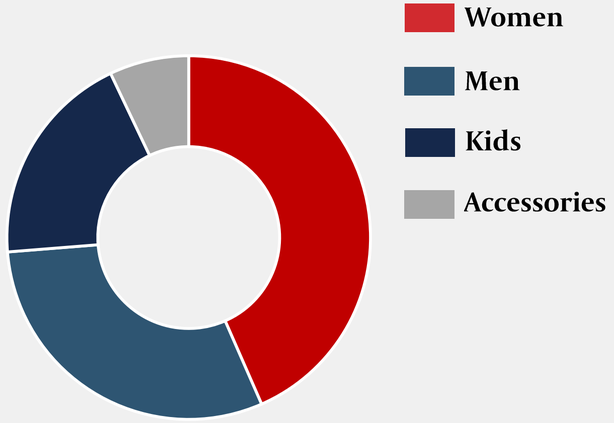
Sales by Style

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

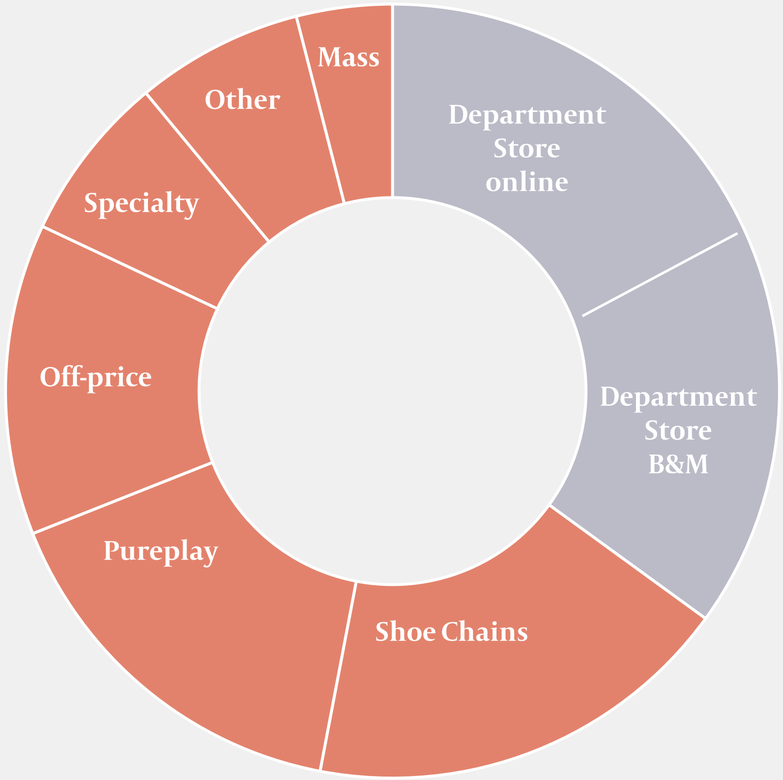
NATURALIZER · VIONIC · ryka · Dr Scholl's SHOES · LifeStride · Blowfish MALIBU · Bzees

MODERN LIFESTYLE

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

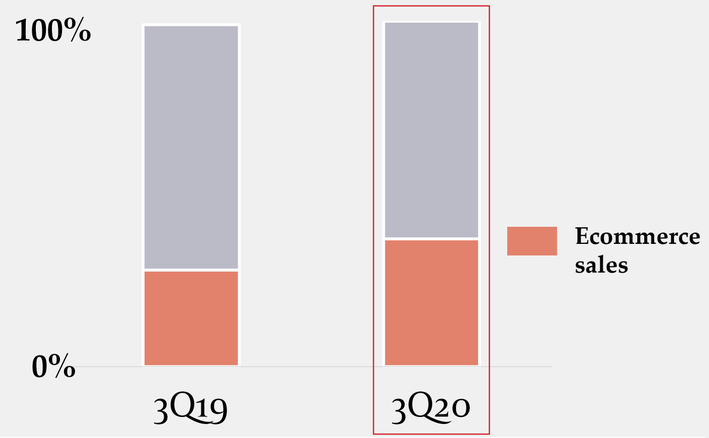
Sales by Channel

as a percentage of total sales



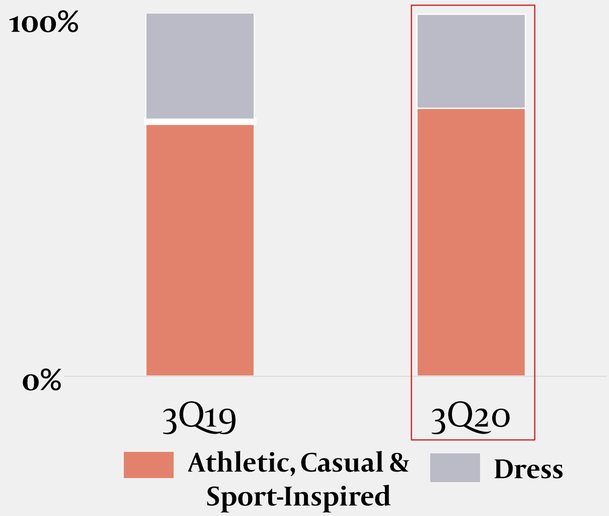
Total Ecommerce Penetration

TTM, as a % of total net sales



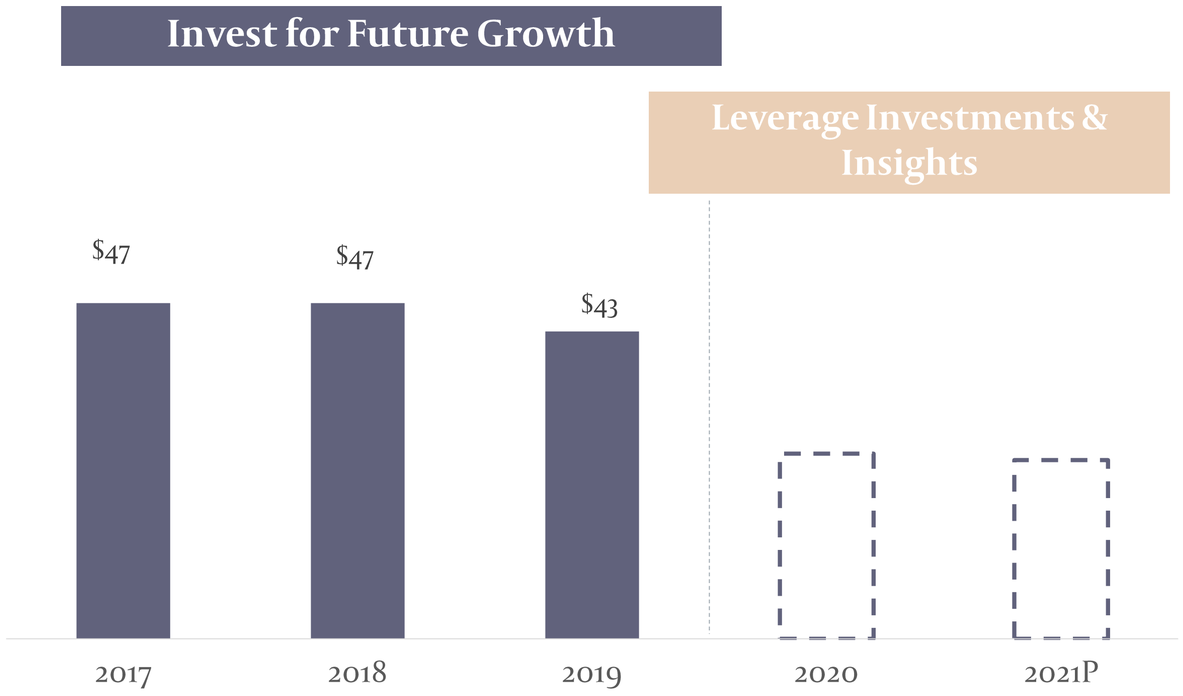
Sales by Style

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

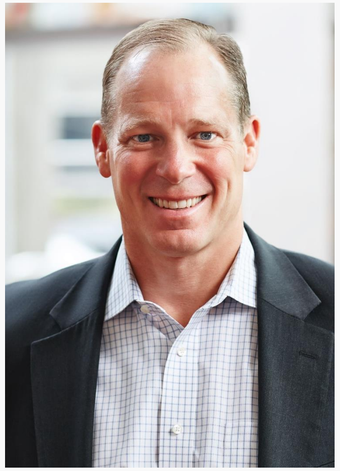
With the capital outlays largely behind us, CAL will leverage these investments and insights to further unlock the value of the integrated structure to drive sales growth

Experienced and Dedicated Leadership Team

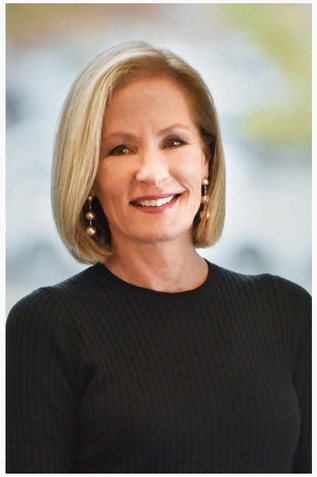
empowered to drive results



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

CALERES

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Appendix









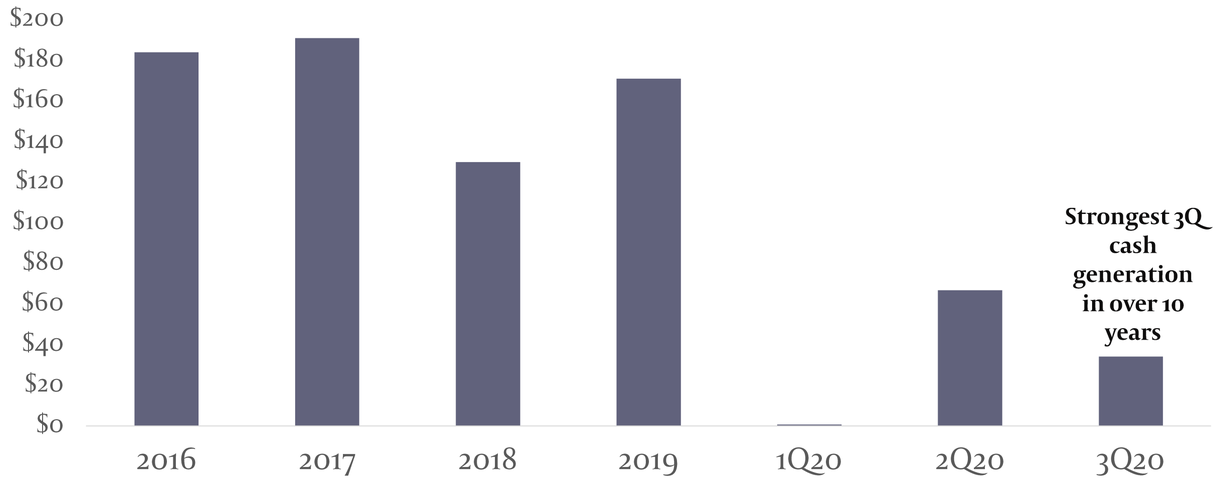






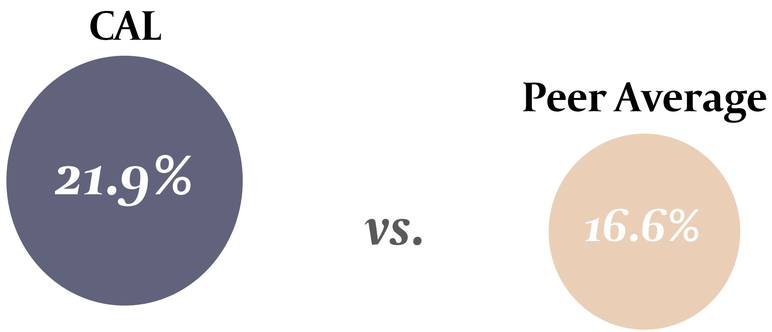
Historical Operating Cash Flow

in millions of dollars



Free Cash Flow Yield

TTM as of 3Q20



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

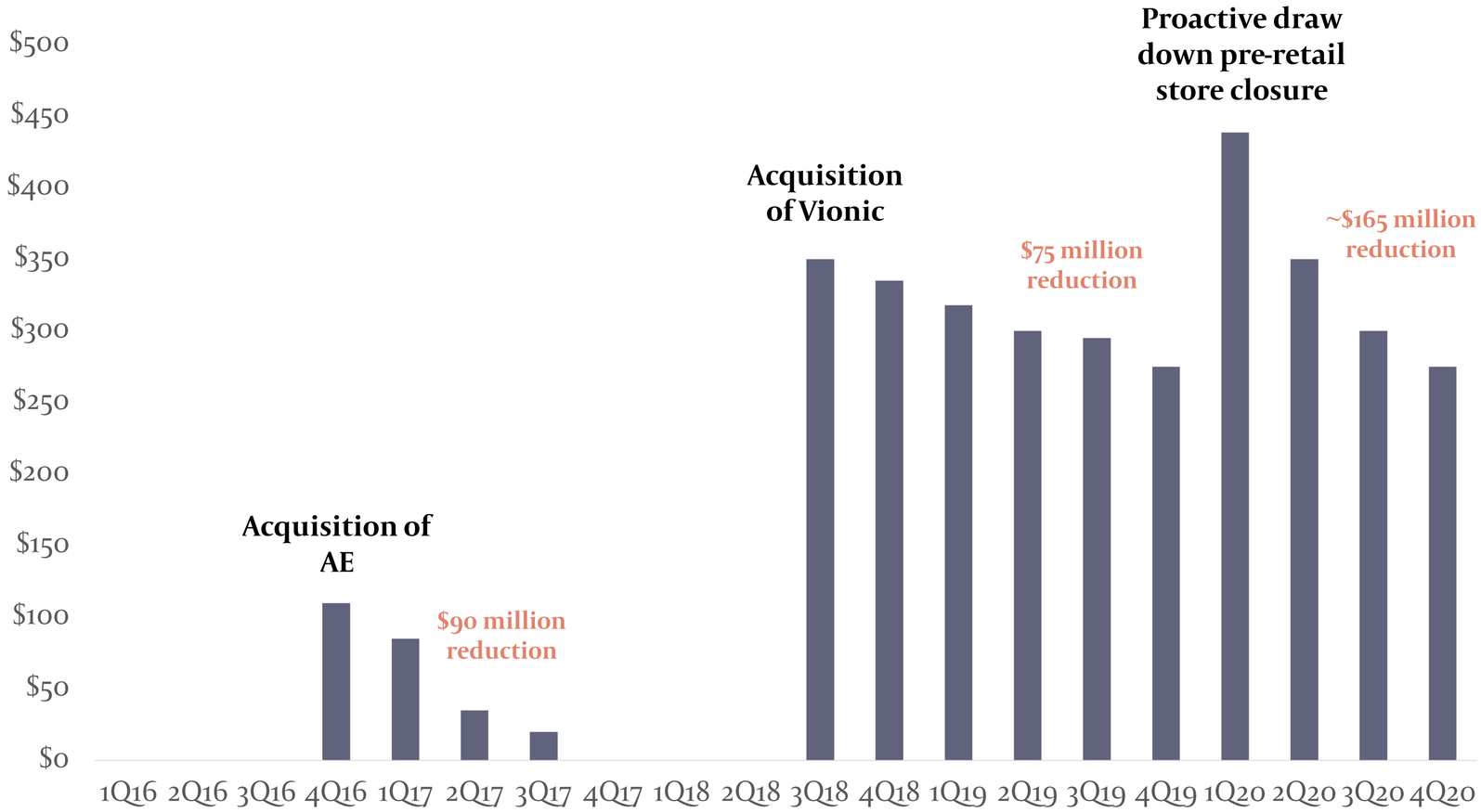
During the third quarter of 2020, Caleres achieved its strongest level of 3Q cash from operating activities since 2010

The company boasts a Free Cash Flow Yield five 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

Historical Credit Facility Borrowings

in millions of dollars



Caleres put that cash to good use in 2020, paying down its borrowing under its revolving credit facility, continuing its long-standing dividend and opportunistically buying back shares

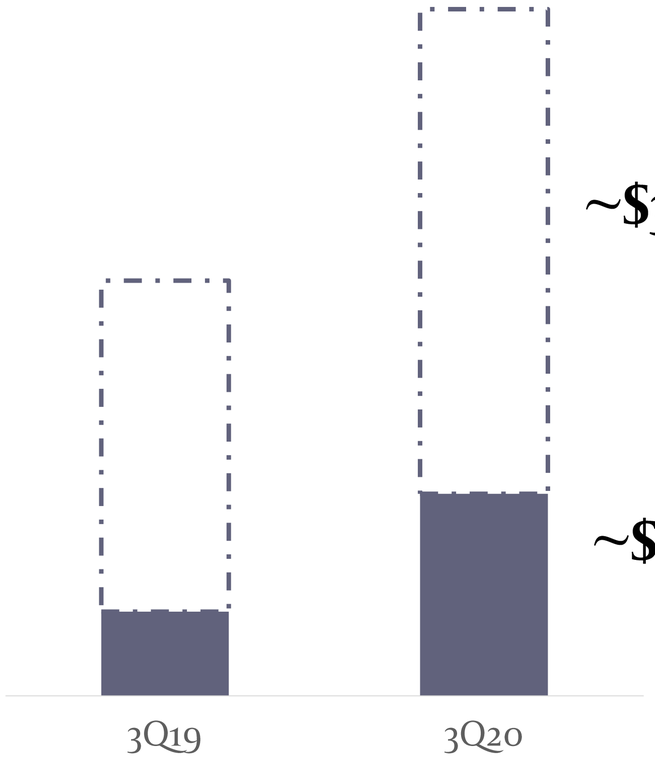
In 2020, the organization bought back ~$23 million worth of Caleres stock through 3Q20 and have 2.6million shares remaining under its current share repurchase authorization

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**

Cash and Liquidity Position

in millions of $



~$300 million
available liquidity
at end of 3Q20

~$125 million
cash on hand
at end of 3Q20

During 2020, Caleres took a number of 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 below its historical base level spend

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

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