
CALERES
EST ✦ 1878
25th Annual ICR Conference
January 9, 2023

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) supply chain disruptions and inflationary pressures; (ii) the coronavirus pandemic and its adverse impact on our business operations and financial condition (iii) changing consumer demands, which may be influenced by general economic conditions and other factors; (iv) rapidly changing consumer preferences and purchasing patterns and fashion trends; (v) customer concentration and increased consolidation in the retail industry; (vi) intense competition within the footwear industry; (vii) foreign currency fluctuations; (viii) 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; (ix) cybersecurity threats or other major disruption to the company's information technology systems; (x) the ability to accurately forecast sales and manage inventory levels; (xi) a disruption in the company's distribution centers; (xii) the ability to recruit and retain senior management and other key associates; (xiii) the ability to secure/exit leases on favorable terms; (xiv) the ability to maintain relationships with current suppliers; (xv) transitional challenges with acquisitions and divestitures; (xvi) changes to tax laws, policies and treaties; (xvii) compliance with applicable laws and standards with respect to labor, trade and product safety issues; and (xviii) the ability to attract, retain, and maintain good relationships with licensors and protect our intellectual property rights.

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 29, 2022, 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.

What Unites Us

OUR PURPOSE

To inspire people to feel great...feet first.

OUR VALUES

Passion

Curiosity

Creativity

Caring

Accountability

OUR VISION

A dynamic and growing portfolio of authentic footwear brands built on deep consumer insights, generating unwavering loyalty and trust.

ALLEN EDMONDS · FAMOUS footwear · Sam Edelman · VINCE. · NATURALIZER · FrancoSarto · Zodiac · VIONIC

Circus·ny · Blowfish MALIBU · Dr Scholl's SHOES · LifeStride · ryka · Bzees · VERONICA BEARD





Caleres is uniquely positioned to win

- Portfolio of diversified brands curated to generate value, serve distinct consumer segments and perform in any market environment
- On track to deliver another year of record annual earnings per share for fiscal year 2022
- Brand portfolio delivering year-over-year increases across all key metrics with lead brands generating strong sales and earnings increases
- Famous Footwear delivering double digit operating margins and gross margins ahead of pre-pandemic levels
- Well-managed and improving inventory position
- Superior capabilities: design, planning, digital, retail, sourcing and logistics – accelerating growth
- Strong balance sheet with plans to reduce debt and enhance liquidity
- Structural changes have resulted in a higher baseline level of earnings

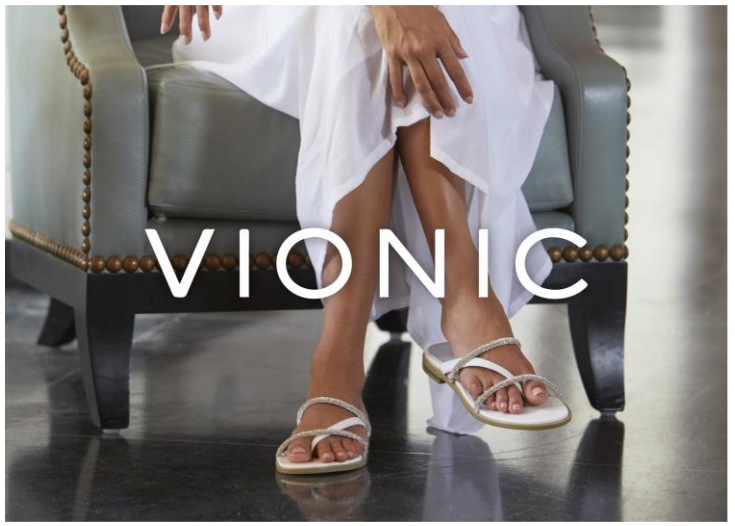
Powerful portfolio of diverse and relevant brands











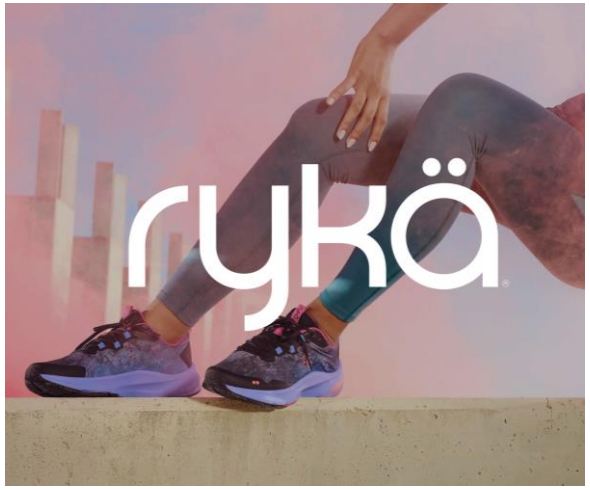
LEAD BRANDS

- Product + advocacy brand = high value brand
- Higher sales and earnings potential
- Expansion opportunity in additional consumer segments (M/W/K), International, sub-brand and/or licensing
- Distinct consumer target; collaboration potential

Powerful portfolio of diverse and relevant brands















PORTFOLIO BRANDS

- Healthy wholesale business with sustainable growth
- No significant investment required to maintain/grow share
- Consumer not being served by lead brands
- Clear market opportunity and/or alignment with trends
- Leverages resources of other in the portfolio
- Opportunity for Famous Footwear integration

Famous Footwear

ON-TREND FASHION FOOTWEAR FOR THE MILLENNIAL FAMILY



BRAND & MARKETING

Family-focused communication
Kids as differentiator
50/50 athletic/non-athletic

PRODUCT

More on-trend fashion for “Her”
Distort Big Brands
Vertical Integration

EXPERIENCE

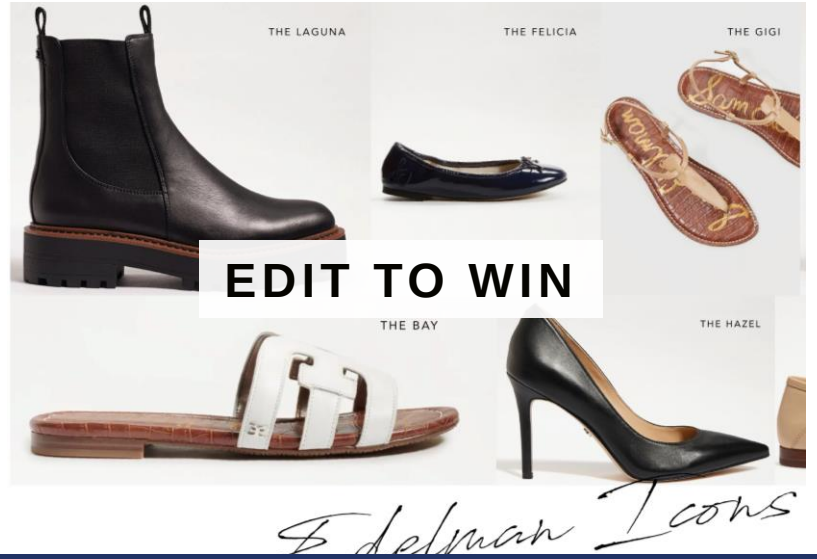
Store remodels and new stores
Omni initiatives
More personalized customer journeys



Famous Footwear









Caleres Capabilities







The Strength of the Caleres Portfolio (1Q-3Q)

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MARKET SHARE

6%

2022 Brand Portfolio + Famous Footwear Percentage of Total Footwear Market Sales

Source: NPD

OWNED.COM SALES

+52%

vs. 2019

AUR GAINS

+25%

Increase in average AUR

NEW CUSTOMERS

+22%

Increase in new customers to Caleres brands' owned websites

D2C BUSINESS

71%

% of Caleres sales from owned retail stores and websites and dropship

OWNED.COM TRAFFIC

+18%

vs. 2019

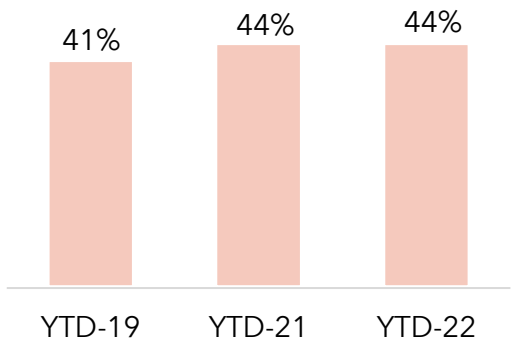
Caleres in Brief – Year-to-Date 3Q22

REVENUE
in billions of dollars



Represents 3Q YTD record

GROSS MARGIN
% of net sales

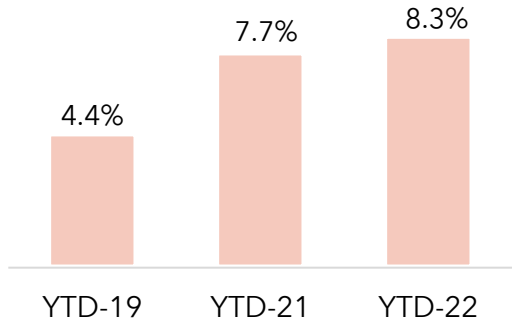


ADJUSTED EARNINGS PER SHARE



Represents 3Q YTD record

RETURN ON SALES
% of net sales



Represents 3Q YTD record



Reaffirmed Fiscal 2022* Outlook

- Consolidated sales range of up four percent to six percent vs. fiscal 2021
- Adjusted diluted earnings per share to be between $4.30 and $4.40
- 4Q22 ending inventory to be up mid-single-digit percent vs. 2021
- Full year interest expense to be ~$14 million
- Full year capital expenditures of ~$55 million

** Reaffirmed guidance as of January 9, 2023. Reconciliation of non-GAAP metrics can be found in the appendix of this presentation*

Caleres expects inventory to end fiscal year 2022 up mid-single digit percent vs. 2021

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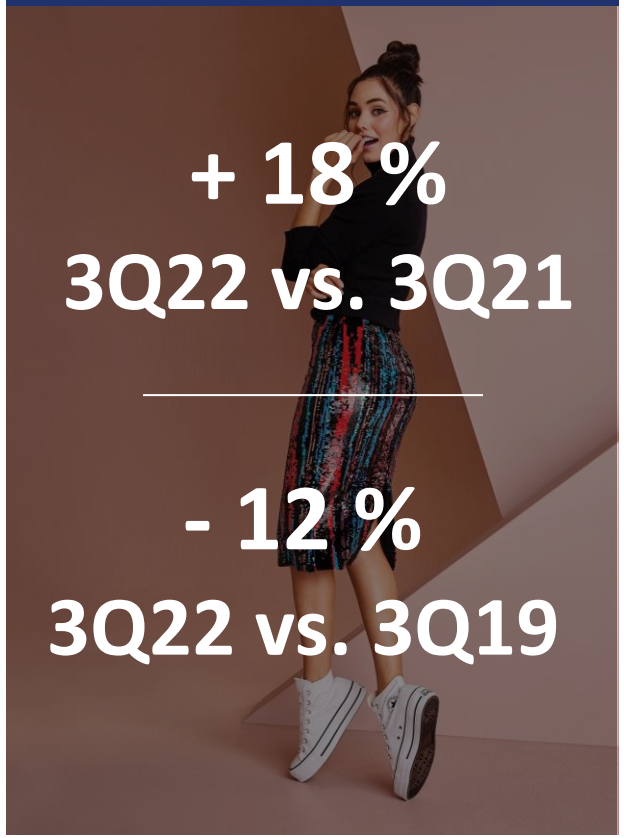
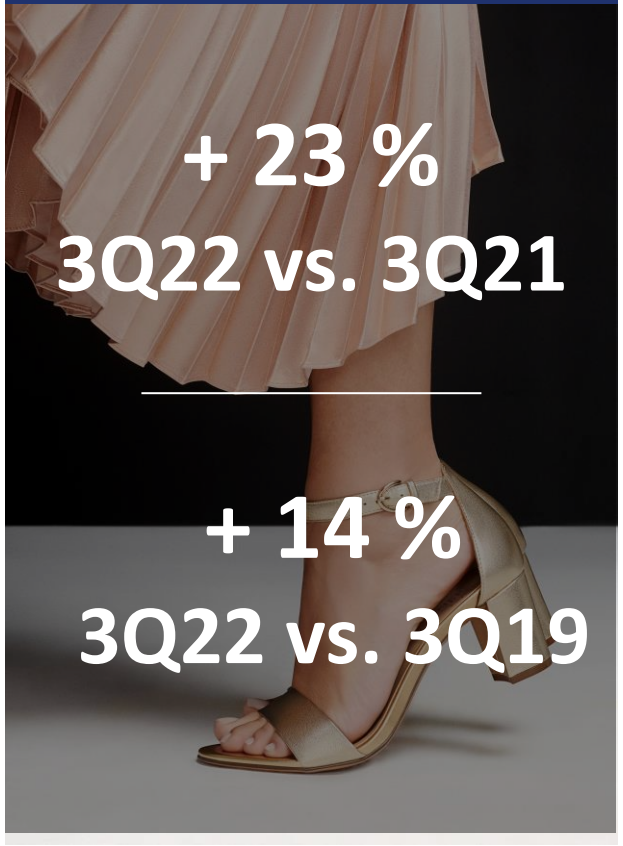
FAMOUS FOOTWEAR



BRAND PORTFOLIO



Caleres constantly evaluates the most value-enhancing avenue for its free cash flow

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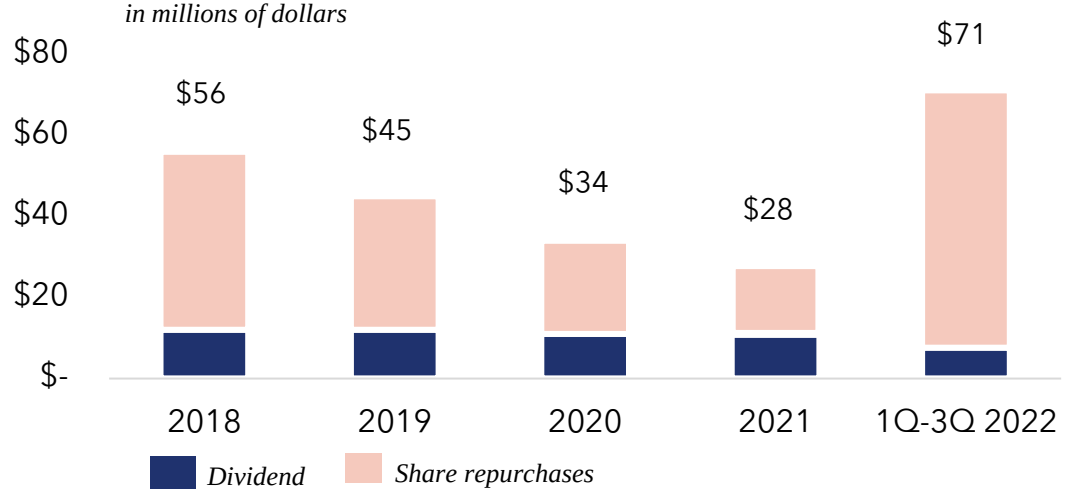
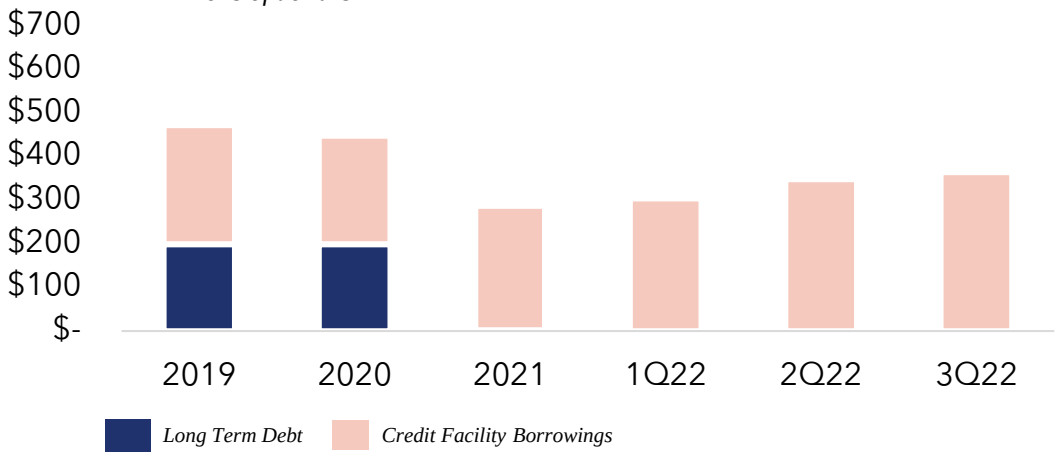
CALERES SHAREHOLDER RETURN HISTORY

in millions of dollars



CALERES DEBT PROFILE

in millions of dollars



CAL IS COMMITTED TO A FLEXIBLE APPROACH TO CAPITAL ALLOCATION INCLUDING:

- Investing in organic growth
- Selective debt reduction
- Returning cash to shareholders
- Funding strategic bolt-on or add in opportunities

CAL currently believes the best use of free cash flow, after maintaining the dividend, is to reduce our overall debt level and increase liquidity

Year-to-date, CAL has repurchased 2.6 million shares – or 7% of the company's total shares outstanding

6.4 million shares remain under the current authorization, and future share repurchases will be based on market conditions

Key Priorities 2023

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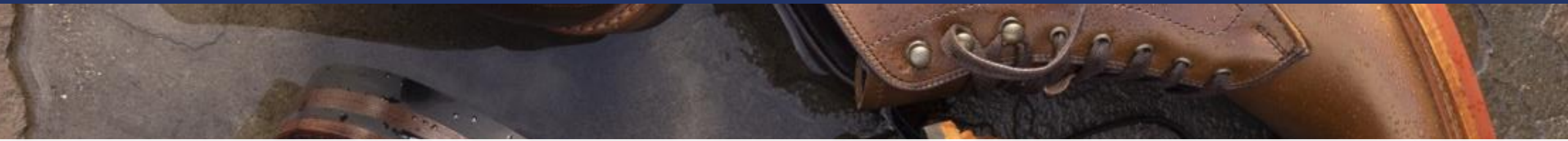

- **Sharpen focus on Millennial family across Famous Footwear via product, stores, digital investment**
- **Migrate Famous Footwear to 50/50 athletic/non-athletic mix and build vertical integration**
- **Capitalize on Lead Brand strength to expand/explore new growth vectors**
- **Continue to deliver exceptional sales and earnings results, leveraging expenses across the company**
- **Build best in class company, team, and culture**





Appendix

Caleres in Brief – Fiscal Third Quarter 2022

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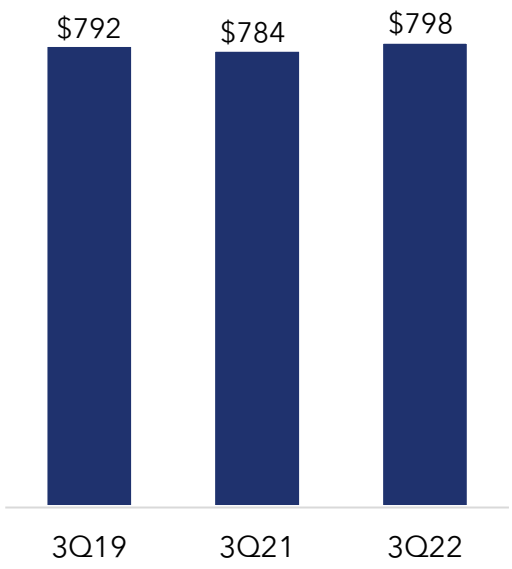
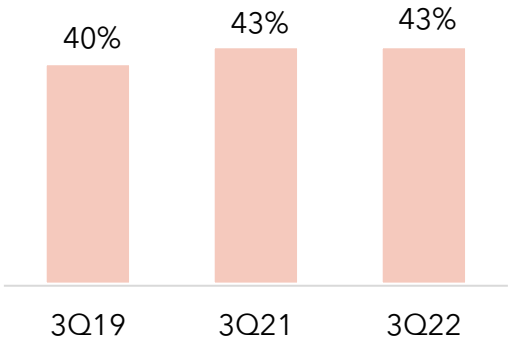
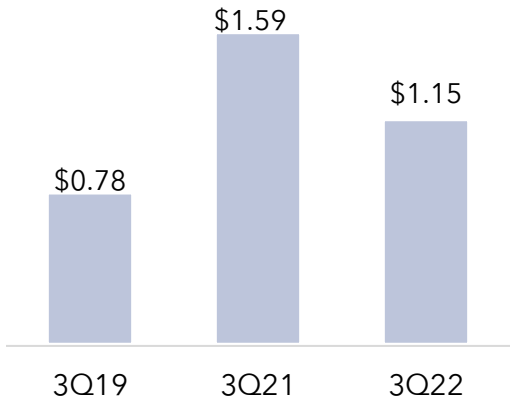
REVENUE
in millions of dollars



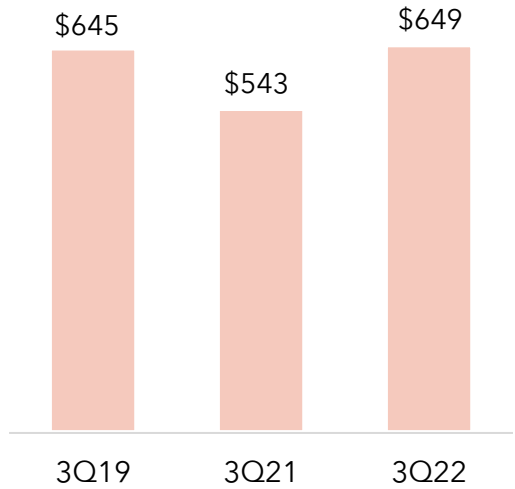
GROSS MARGIN
% of net sales



ADJUSTED EARNINGS PER SHARE



INVENTORY
in millions of dollars



3Q22 represented best ever quarterly revenue



Famous Footwear

3Q22 RESULTS

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Quarterly net sales of $482 million, representing a modest 2.6 percent decline over 3Q21

Comparable sales down 0.8 percent

Third quarter gross margin of 44.7 percent, reflecting more normalized pricing and increased promotional activity vs. 3Q21

Third quarter operating earnings of $59 million

Delivered a 12.3 percent return on sales – the seventh consecutive quarter of double-digit ROS

Inventory up 17.5 percent compared to 3Q21, but down 11.5 percent when compared to 3Q19

Continued to invest in marketing and consumer experience



Brand Portfolio

3Q22 RESULTS

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Quarterly net sales of $323 million, representing a 7.6 percent improvement over 3Q21 and reflecting robust demand for its fashion products

Third quarter gross margin of 37.9 percent driven by higher wholesale prices and higher-margin sales

Robust quarterly operating earnings of $22 million, representing a nearly $11 million increase over 3Q21

A ~22 percent increase in owned ecommerce sales with strong increases from Sam Edelman, Naturalizer and Franco Sarto

Inventory up 22.6 percent when compared to 3Q21 and up 14.1 percent compared to 3Q19

Environmental, Social, Governance (ESG)

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When inspiring people to feel great…feet first, how we do business is as important as how much business we do - an approach that arises from our five-star promise for delivering ESG excellence.

ENVIRONMENT



100%
of Caleres' products will use environmentally preferred materials by 2025. As of 2021, 100% of Caleres brands' shoeboxes and 51% of our products have met this achievement.

Industry Leader
in responsible manufacturing through our work with Footwear Distributors and Retailers of America (FDRA) to advance the use of environmentally preferred materials and reduce shoe waste.

95%
of waste was recycled at our U.S. distribution centers, averaging ~4,000 tons of recyclables per facility in 2021.

SOCIAL



Diverse Candidate Slate
ensured for every position, with leadership accountability for recruiting diverse talent.

Perfect Score
on the Human Rights Campaign Foundation's Corporate Equality Index for LGBTQ+ Equality.

Annual Review
of the Caleres Cares Charitable Trust and its support of causes related to ESG, which led to increased funding for organizations focused on DE&I in 2021.

GOVERNANCE



6 out of 10
of our Board of Directors members are women and two members self-identify as racially and/or ethnically diverse. Caleres is one of just a few U.S. companies with a majority female board.

Senior-Level ESG Steering Committee
oversees our approach to ESG and develops programs, goals and metrics to support our initiatives, ensuring that we meet our targets.

Biannual ESG Report
prepared in accordance with the Global Reporting Initiative and the Sustainability Accounting Standards Board standards.

GAAP to Non-GAAP Reconciliation

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SCHEDULE 1

CALERES, INC.
RECONCILIATION OF NET EARNINGS AND DILUTED EARNINGS PER SHARE (GAAP BASIS) TO ADJUSTED NET EARNINGS AND ADJUSTED DILUTED EARNINGS PER SHARE (NON-GAAP BASIS)

	(Unaudited) Thirteen Weeks Ended								
	October 29, 2022			October 30, 2021			November 2, 2019		
($ thousands, except per share data)	Pre-Tax Impact of Charges/Other Items	Net Earnings Attributable to Caleres, Inc.	Diluted Earnings Per Share	Pre-Tax Impact of Charges/Other Items	Net Earnings Attributable to Caleres, Inc.	Diluted Earnings Per Share	Pre-Tax Impact of Charges/Other Items	Net Earnings Attributable to Caleres, Inc.	Diluted Earnings Per Share
GAAP earnings		$ 39,246	$ 1.08		$ 59,622	$ 1.54		$ 27,987	$ 0.69
Charges/other items:									
Organizational changes	$ 2,910	2,723	0.07	$ —	—	$ —	$ —	—	$ —
Fair value adjustment to Blowfish purchase obligation	—	—	—	1,918	1,424	0.04	3,883	2,884	0.07
Loss on early extinguishment of debt	—	—	—	649	482	0.01	—	—	—
Vionic integration-related costs	—	—	—	—	—	—	969	719	0.02
Total charges/other items	$ 2,910	$ 2,723	$ 0.07	$ 2,567	$ 1,906	$ 0.05	4,852	$ 3,603	$ 0.09
Adjusted earnings		$ 41,969	$ 1.15		$ 61,528	$ 1.59		$ 31,590	$ 0.78

	(Unaudited) Thirty-Nine Weeks Ended								
	October 29, 2022			October 30, 2021			November 2, 2019		
($ thousands, except per share data)	Pre-Tax Impact of Charges/Other Items	Net Earnings Attributable to Caleres, Inc.	Diluted Earnings Per Share	Pre-Tax Impact of Charges/Other Items	Net Earnings Attributable to Caleres, Inc.	Diluted Earnings Per Share	Pre-Tax Impact of Charges/Other Items	Net Earnings Attributable to Caleres, Inc.	Diluted Earnings Per Share
GAAP earnings		$ 140,933	$ 3.79		$ 103,165	$ 2.68		$ 62,411	$ 1.51
Charges/other items:									
Organizational changes	$ 2,910	2,723	0.07	$ —	—	$ —	$ —	—	$ —
Fair value adjustment to Blowfish purchase obligation	—	—	—	15,423	11,454	0.30	3,883	2,884	0.07
Brand Portfolio - business exits	—	—	—	13,482	11,927	0.31	1,905	1,415	0.03
Loss on early extinguishment of debt	—	—	—	649	482	0.01	—	—	—
Deferred tax valuation allowances	—	—	—	—	3,294	0.08	—	—	—
Vionic integration-related costs	—	—	—	—	—	—	7,696	5,714	0.14
Total charges/other items	$ 2,910	$ 2,723	$ 0.07	$ 29,554	$ 27,157	$ 0.70	13,484	$ 10,013	$ 0.24
Adjusted earnings		$ 143,656	$ 3.86		$ 130,322	$ 3.38		$ 72,424	$ 1.75

GAAP to Non-GAAP Reconciliation

SCHEDULE 2

CALERES, INC.

RECONCILIATION OF DILUTED EARNINGS PER SHARE (GAAP BASIS) TO ADJUSTED DILUTED EARNINGS PER SHARE (NON-GAAP BASIS) – FISCAL 2022 OUTLOOK

	(Unaudited)	
	Fiscal 2022 Outlook	
	Low	High
GAAP diluted earnings per share	$ 4.23	$ 4.33
Charges/other items:		
Organizational changes (Q3 2022)	0.07	0.07
Adjusted diluted earnings per share	$ 4.30	$ 4.40