

CALERES

First Quarter 2018 Earnings

May 31, 2018



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) changing consumer demands, which may be influenced by consumers' disposable income, which in turn can be influenced by general economic conditions and other factors; (ii) rapidly changing fashion trends and consumer preferences and purchasing patterns; (iii) intense competition within the footwear industry; (iv) 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; (v) foreign currency fluctuations; (vi) the ability to accurately forecast sales and manage inventory levels; (vii) cybersecurity threats or other major disruption to the Company's information technology systems; (viii) customer concentration and increased consolidation in the retail industry; (ix) transitional challenges with acquisitions; (x) a disruption in the Company's distribution centers; (xi) changes to tax laws, policies and treaties; (xii) the ability to recruit and retain senior management and other key associates; (xiii) compliance with applicable laws and standards with respect to labor, trade and product safety issues; (xiv) the ability to secure/exit leases on favorable terms; (xv) the ability to maintain relationships with current suppliers; and (xvi) 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 February 3, 2018, 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 31, 2018, 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.

Overview : 1Q'18 vs. 1Q'17

Consolidated

- Sales of \$632.1M
 - Essentially flat YoY
- Gross profit of \$274.9M
 - Margin improved 59 bps
- SG&A up 1.5% YoY
 - Expected increase in DC expense, due to transition to in-house fulfillment
- Effective tax rate of 23.1% vs. 28.8%
 - Adjusted tax rate of 23.4% vs. 30.5%
- Adjusted EPS of \$0.43, up 7.5%
 - Maintaining FY'18 guidance



Operating highlights : 1Q'18 vs. 1Q'17

Famous Footwear

Sales of \$363.4M, down 0.8%

- Comp sales down 0.8%
 - YTD comps now trending up 1%
- Ecomm-related sales represented 10% of total
- Op margin up 48 bps to 6.0%
- Operated 39 fewer doors YoY

Brand Portfolio

Sales of \$268.7M, up 1.4%

- Ecomm-related 29% of total sales
- Adjusted gross margin up 74 bps
- Opened four doors and closed five



Other metrics : 1Q'18 vs. 1Q'17

<i>US\$M, except per share (unaudited)</i>	1Q'18	1Q'17	1Q Chg
Gross profit	\$274.9	\$270.9	1.5%
<i>Margin</i>	43.5%	42.9%	59
Adj. gross profit	\$274.9	\$273.9	0.4%
<i>Adjusted margin</i>	43.5%	43.4%	11
SG&A	\$250.2	\$246.5	1.5%
<i>Percent of sales</i>	39.6%	39.0%	54
Op earnings	\$22.9	\$23.3	-1.5%
<i>Margin</i>	3.6%	3.7%	-6
Adj. op earnings	\$24.7	\$27.4	-9.9%
<i>Adjusted margin</i>	3.9%	4.3%	-43
Net earnings	\$17.2	\$14.9	15.5%
<i>Per share, diluted</i>	\$0.40	\$0.35	14.3%
Adj. net earnings	\$18.5	\$17.4	6.3%
<i>Per share, diluted</i>	\$0.43	\$0.40	7.5%



FY'18 : guidance

FY'18 Metric

Consolidated net sales of ~\$2.8B

Famous Footwear same-store-sales up
low-single digits

Brand Portfolio sales up low-single digits

Gross margin up ~5 to 10 bps

SG&A down ~5 to 10 bps, as a percent of
revenue

Interest expense of ~\$16M

Effective tax rate of 25% to 26%

Adjusted EPS of \$2.40 to \$2.50

Closing 70 Famous Footwear stores and
opening 25 new doors

Closing 13 Naturalizer stores and opening
four new locations

Closing three stores for Allen Edmonds and
opening one new door

Depreciation and amortization of ~\$60M

CAPEX of ~\$50M





For more information about CAL, contact ptharp@caleres.com