

— 2025 —

Investor Presentation

WILLIAMS-SONOMA, INC.

POTTERY BARN pottery barn kids POTTERY BARN | **teen** west elm
WILLIAMS SONOMA WILLIAMS SONOMA HOME MARK & GRAHAM REJUVENATION GreenRow



FORWARD-LOOKING

Certain statements included in this presentation may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally are identified by the words “believe,” “project,” “expect,” “anticipate,” “estimate,” “intend,” “strategy,” “future,” “opportunity,” “plan,” “may,” “should,” “will,” “would,” “will be,” “will continue,” “will likely result,” and similar expressions. These statements address the financial condition, results of operations, business and strategic initiatives, and prospects of the Company, as well as any other statement that is not of historical facts. The forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially. Undue reliance should not be placed on forward-looking statements, which speak only as of March 19, 2025. Please refer to the Company's current press releases and SEC filings, including, but not limited to, reports on forms 10-K, 8-K, and 10-Q, for more information on the risks and uncertainties that could cause actual results to differ materially from these forward-looking statements. Additionally, there may be other factors of which the Company is not currently aware of that may affect matters discussed in the forward-looking statements and may also cause actual results to differ materially from those discussed. The Company undertakes no obligation to update or revise any forward-looking statements to reflect events or circumstances that may arise after November 19, 2025.



Vision

To own the home. And the places where
our customers work, stay, and play.

Mission

Enhance the quality of life at home and beyond.

WSM Highlights

OUR REVENUES

\$7.7B
2024 REVENUE

REVENUE BY BRAND

Pottery Barn	\$3.040B
West Elm	1.841B
Williams Sonoma	1.303B
Pottery Barn Kids & Teen	1.107B
Other [†]	0.421B
Total	\$7.712B

[†] Includes revenue from global franchise operations, Rejuvenation, Mark & Graham, and GreenRow.



KEY FINANCIAL MEASURES

54.0%
NON-GAAP ROIC

14%
EPS GROWTH*
since 2021

17.9%
NON-GAAP
OPERATING MARGIN*

\$4.1B
RETURNED TO
SHAREHOLDERS
through dividends and share
buybacks in the last 5 years

TOTAL RETURN TO SHAREHOLDERS**

122%
1 YEAR

181%
3 YEAR

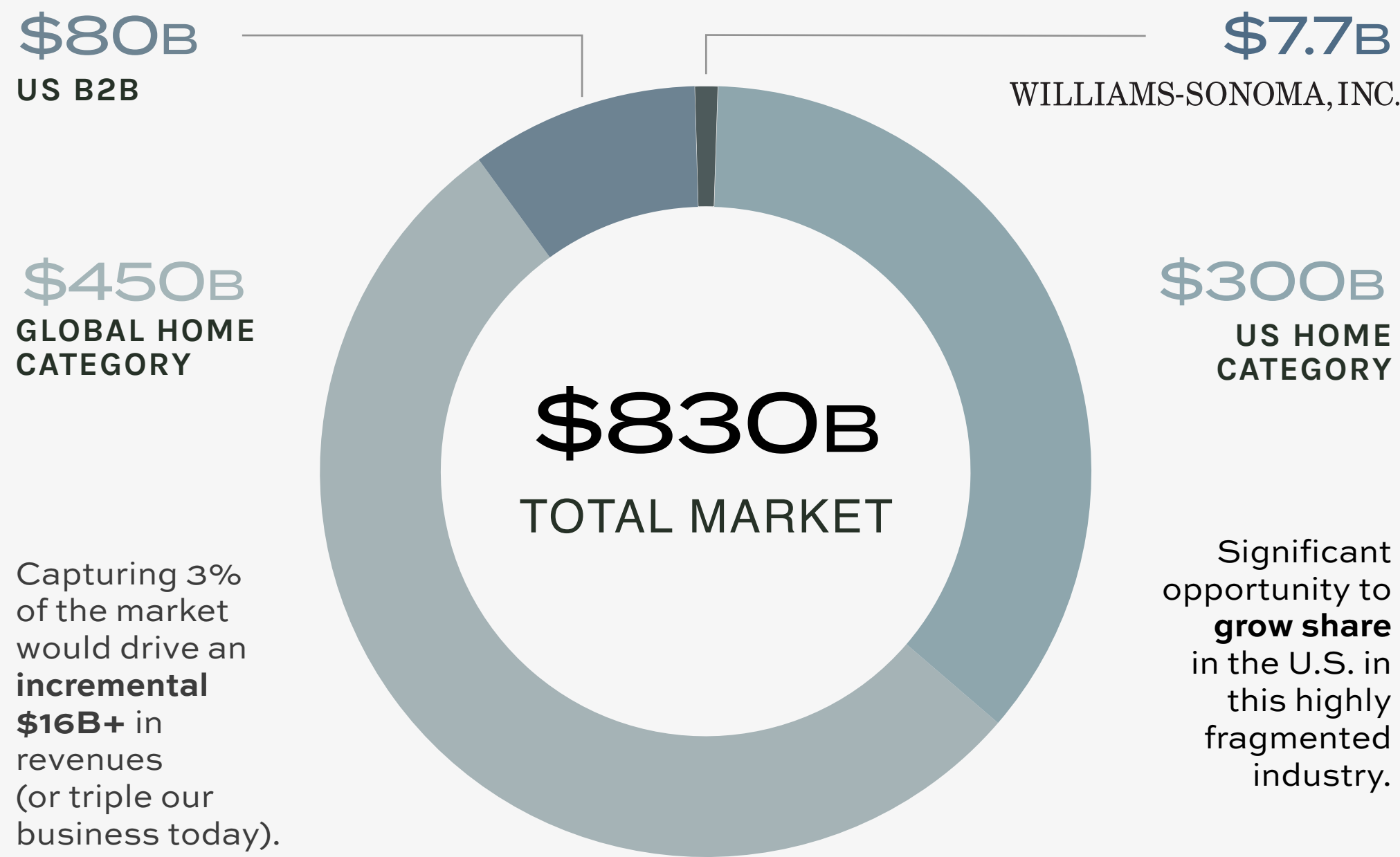
569%
5 YEAR

*Operating margin and EPS excludes a \$49M out-of-period freight adjustment in Q1 FY24 worth 70bps in operating margin and \$0.29 in EPS.

**As of February 2, 2025.

Expansive Market Opportunity

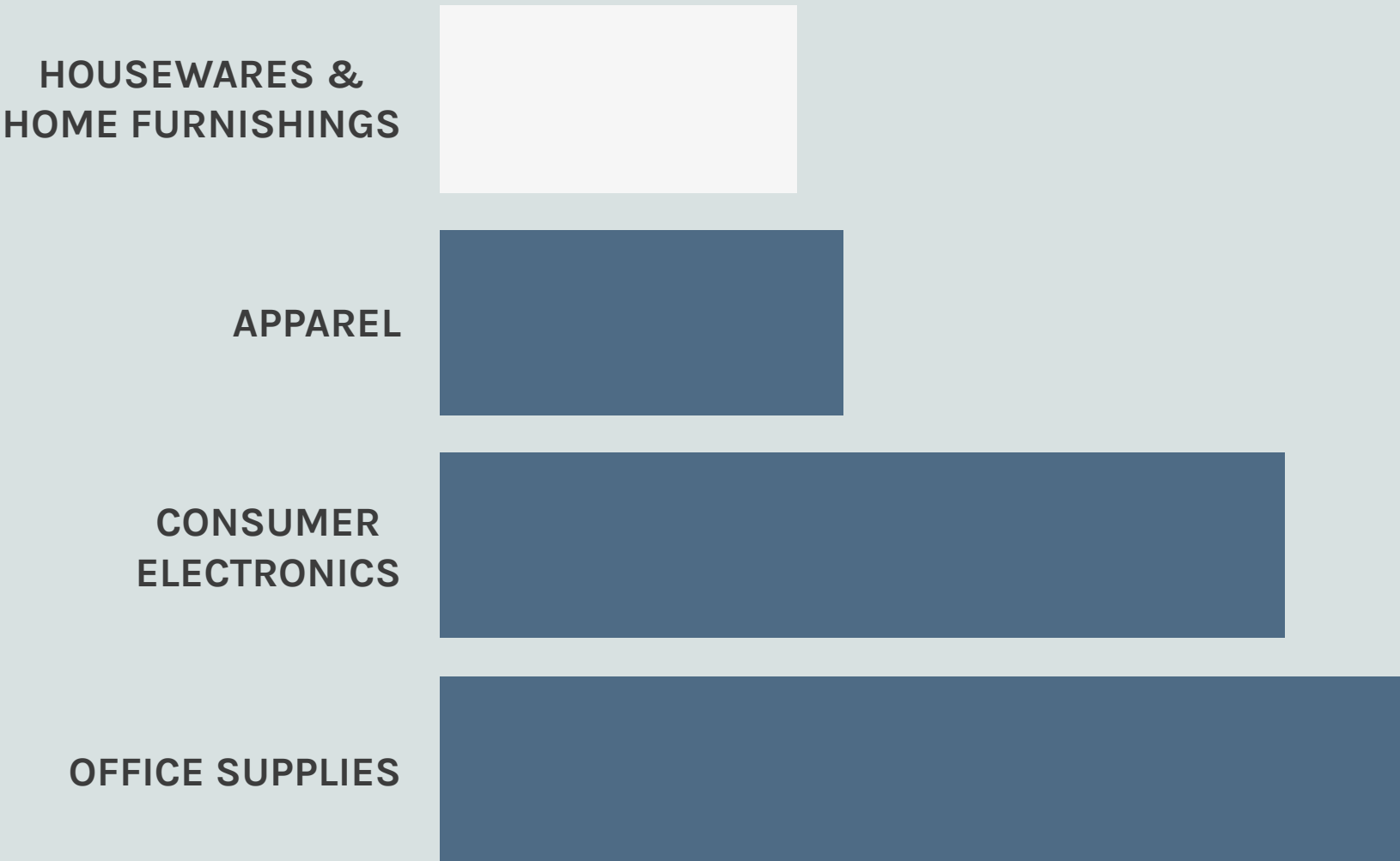
We operate in a highly fragmented market
where no one owns more than 5%.*



*Source: Euromonitor, ThinkLab, & company estimates

Shift to Ecommerce

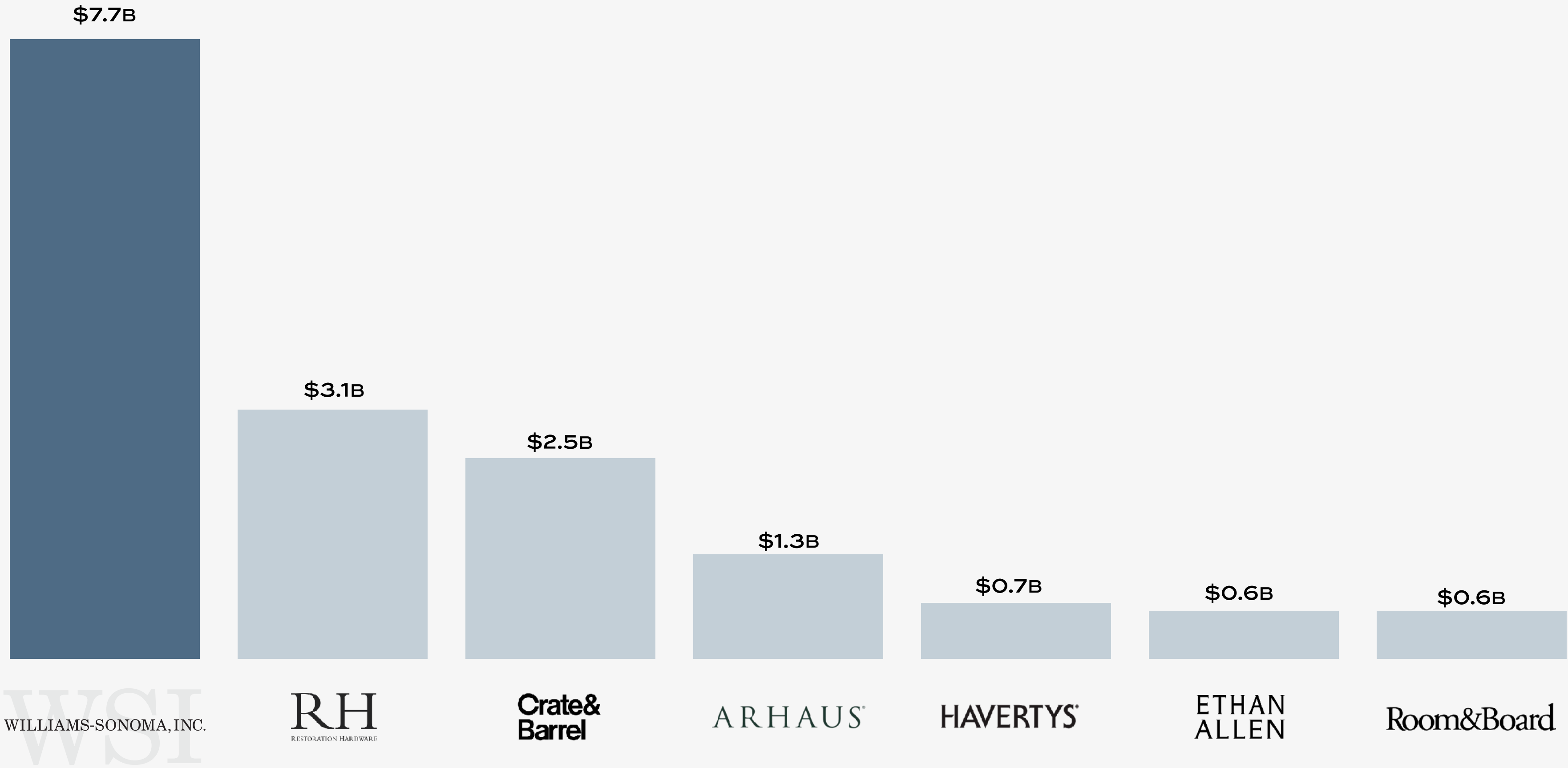
The home furnishings industry trails other industries
in ecommerce penetration.*



*Source: Digital Commerce 360, Top 1000 Report (2024)

Leading Specialty Home Furnishings

We are the largest omni-channel player in the specialty home furnishings category. We generate more revenue than any of our competitors. Our size and scale are a competitive advantage in a fragmented industry.



Our Competitive Advantage

KEY DIFFERENTIATORS

In-house Design • Digital First, Not Digital Only • Our Values

GROWTH INITIATIVES

Core Brand Growth • Category Growth • Emerging Brands
Business-to-Business

PROFITABILITY

Our unique model, coupled with our key differentiators and growth initiatives, gives us the ability to continue taking market share **profitably**.



Why We’re Confident

LARGE & FRAGMENTED INDUSTRY

Approximately 70% of home goods sales still come from brick-and-mortar and 50% from small regional players.

+

MACRO SHIFTS

Lower interest rates could spur housing market and increase furniture sales.

+

A FOCUS ON HOME

Customer share of wallet could shift back to the home.

+

OUR KEY DIFFERENTIATORS

We stand out in the market for our in-house design, digital first (not digital only) strategy, and our values.

+

OUR GROWTH DRIVERS

We have substantial opportunities in our core brands, emerging brands (Rejuvenation, Mark & Graham, and GreenRow), and the B2B space.

=

ABILITY TO TAKE SHARE & GROW

We’re well-positioned to increase market share and spend per customer.

KEY DIFFERENTIATORS

1

IN-HOUSE
DESIGN

2

DIGITAL
FIRST,
NOT DIGITAL
ONLY

3

OUR
VALUES

In-House Design

We design, create, and distribute our own products. We work closely with our trusted vendors to bring high-quality, sustainable products to market. Given our strong value equation and proprietary products that cannot be found elsewhere, we have pricing power that others do not.



150

IN-HOUSE DESIGNERS & ARTISTS

innovating and creating differentiated and market-leading product assortments.



>90%

PROPRIETARY PRODUCT

designed and sold exclusively through our brands.



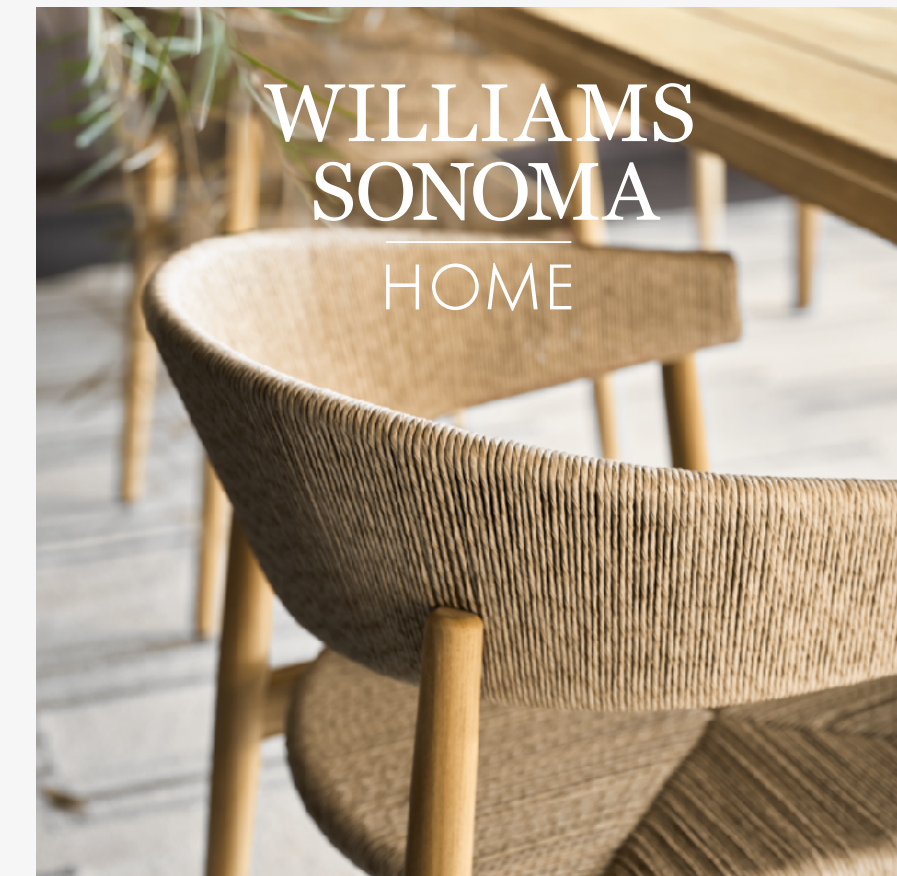
14

SOURCING OFFICES

overseeing manufacturing across 53 countries to ensure transparency, quality and safety.

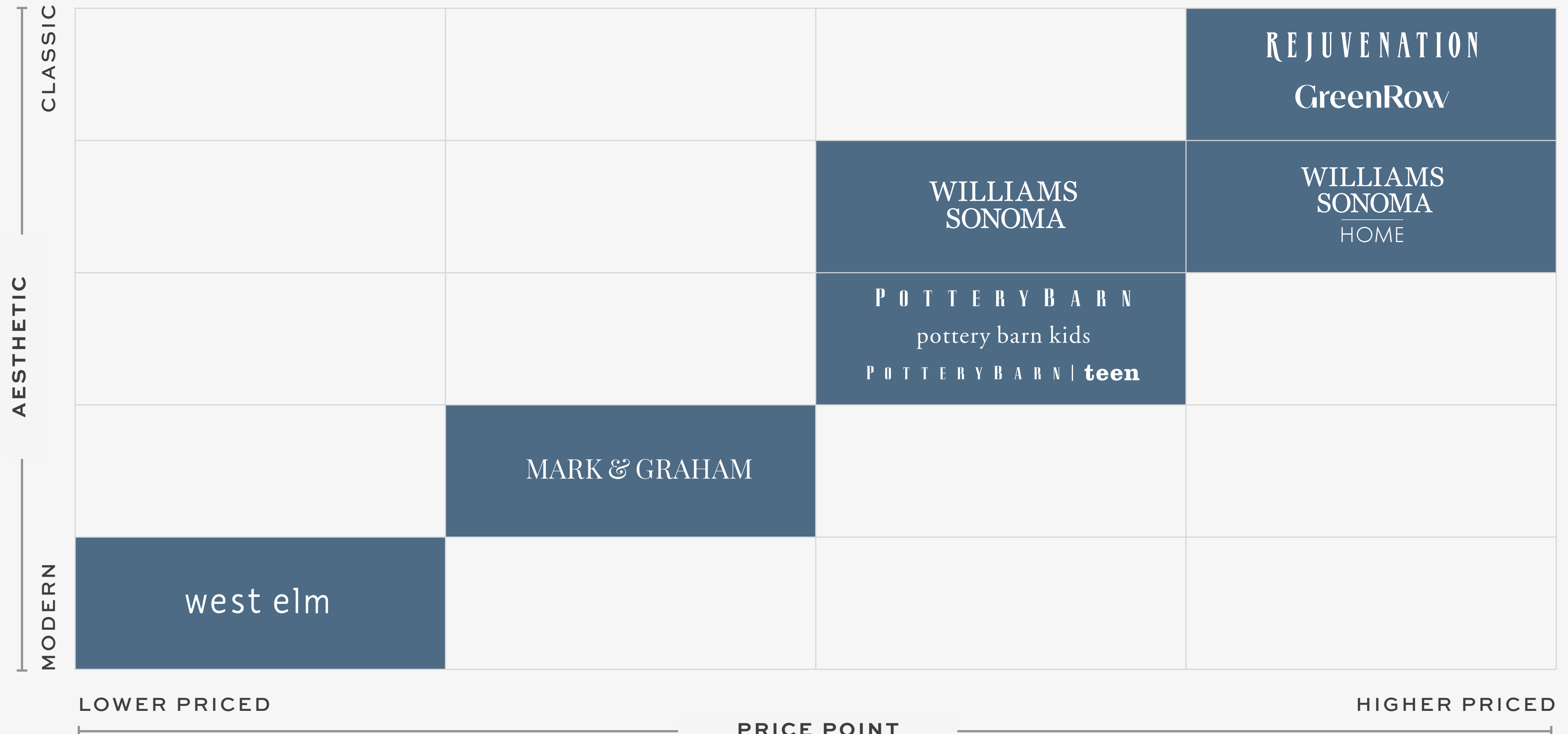
Portfolio of 9 Distinct Brands

We bring the latest home furnishing trends to life for customers through the individual lenses of our nine distinct brands, each serving different life stages and rooms of the home and beyond.



Our Aesthetics & Price Points

Our in-house design capability has enabled us to grow our brand portfolio across a wide range of aesthetics and price points that span life stages.



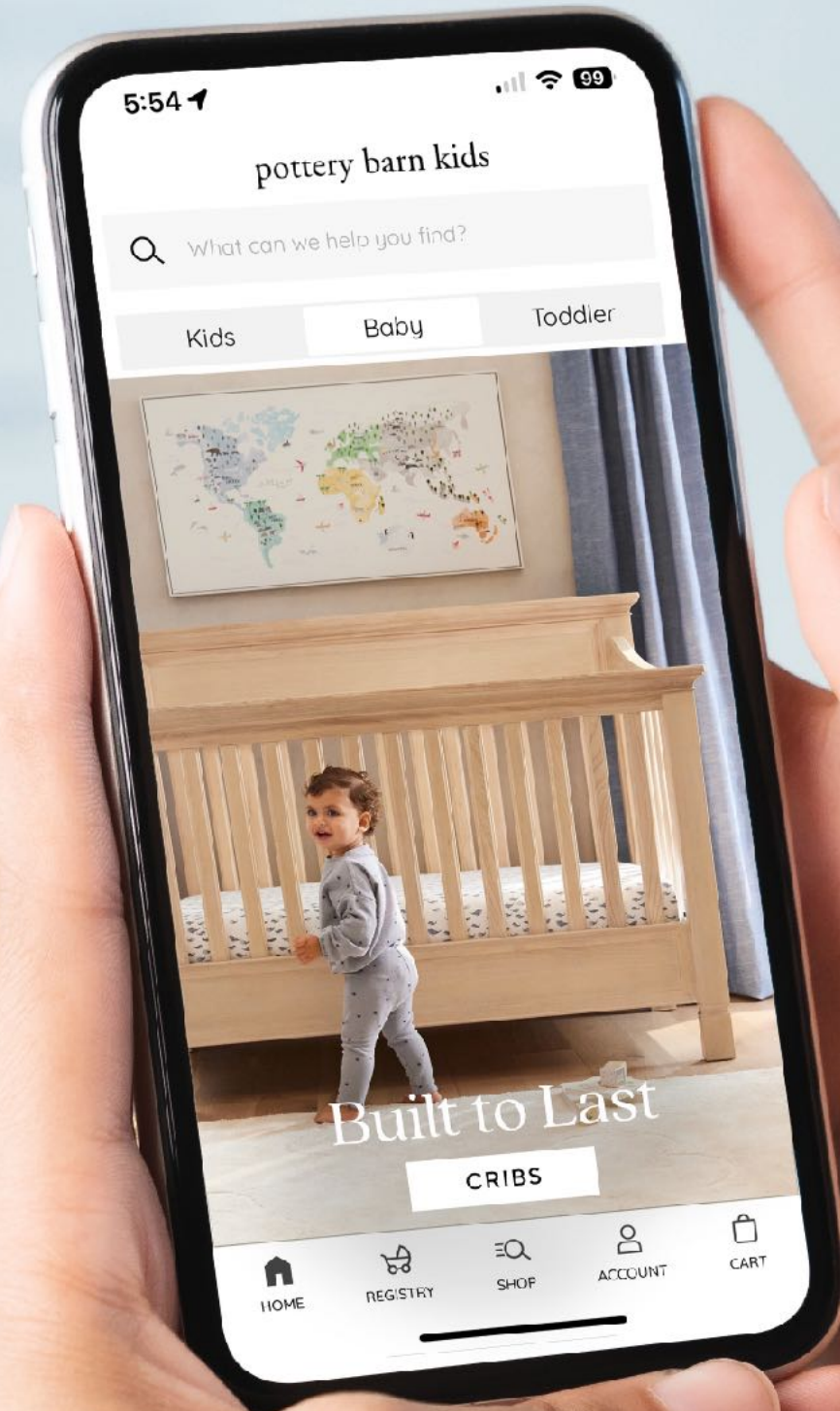
Digital First, Not Digital Only

#19
ECOMMERCE RETAILER
in the United States*

RANK	COMPANY
1	Amazon.com Inc.
2	Walmart Inc.
3	Apple Inc.
4	The Home Depot, Inc.
5	Target Corp.
▶ 19	Williams-Sonoma, Inc.
20	The Gap, Inc.
25	Lululemon Athletica Inc.
28	Urban Outfitters, Inc.
31	Dick’s Sporting Goods, Inc.
39	Ulta Beauty, Inc.

*Source: Digital Commerce 360, Top 1000 Report (2024)





Our Ecommerce Business

The home furnishings industry is shifting online. Our digital-first platform is well-positioned to take advantage of this shift in consumer behavior to gain market share.

66%

of our business is
ecommerce

#1

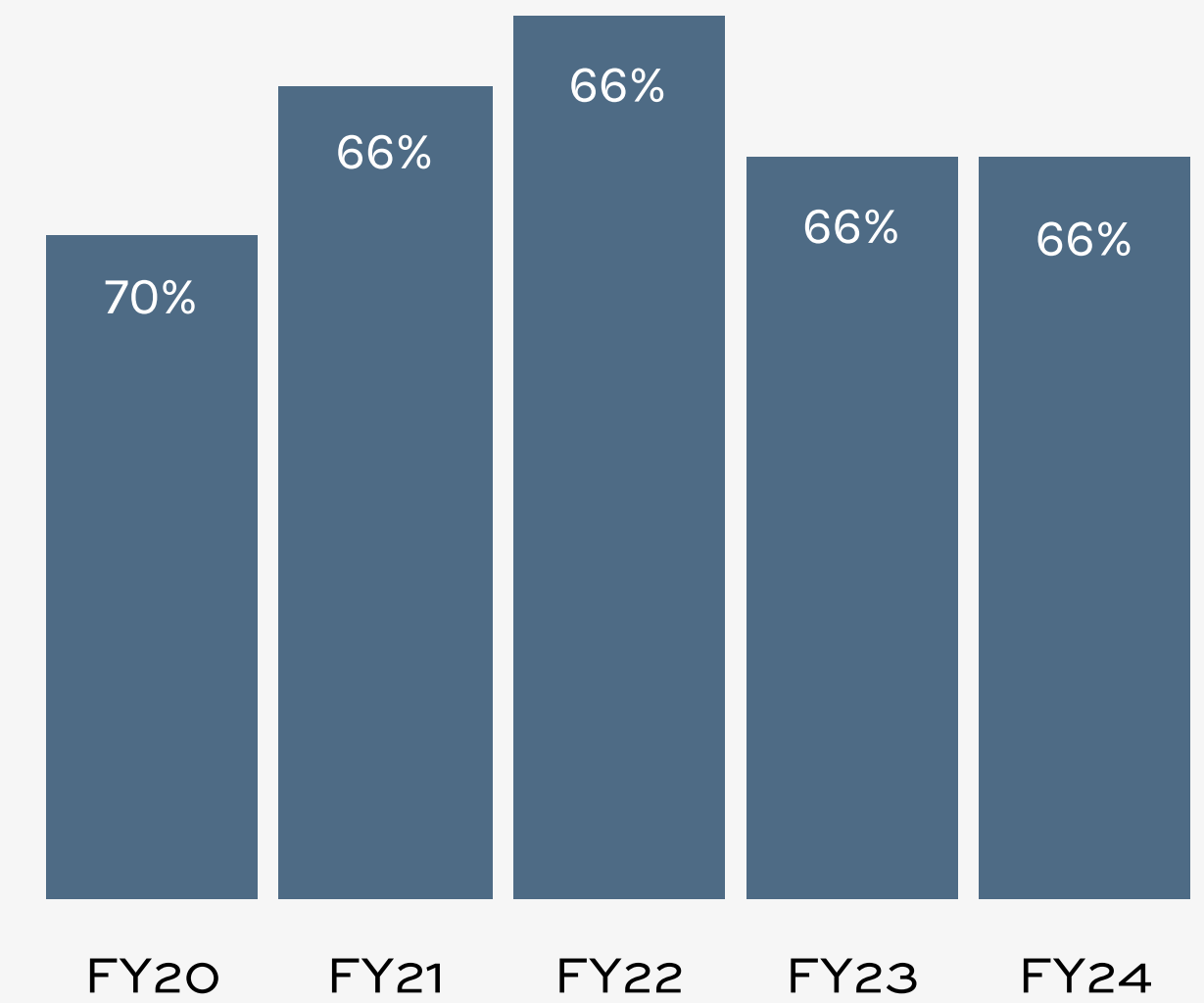
non-pure play ecommerce
home furnishings retailer*

738M

ecommerce shopping
visits annually

ECOMMERCE

(\$ and % Ecommerce Penetration)



*Source: Digital Commerce 360, Top 1000 Report (2024)



Data-Driven Marketing

Our in-house digital marketing team leverages industry-leading customer analytics and exclusive first-party data as a competitive advantage.

FIRST-PARTY DATA

Unified view of first-party data for all customers across all channels and brands.

IN-HOUSE DIGITAL MARKETING

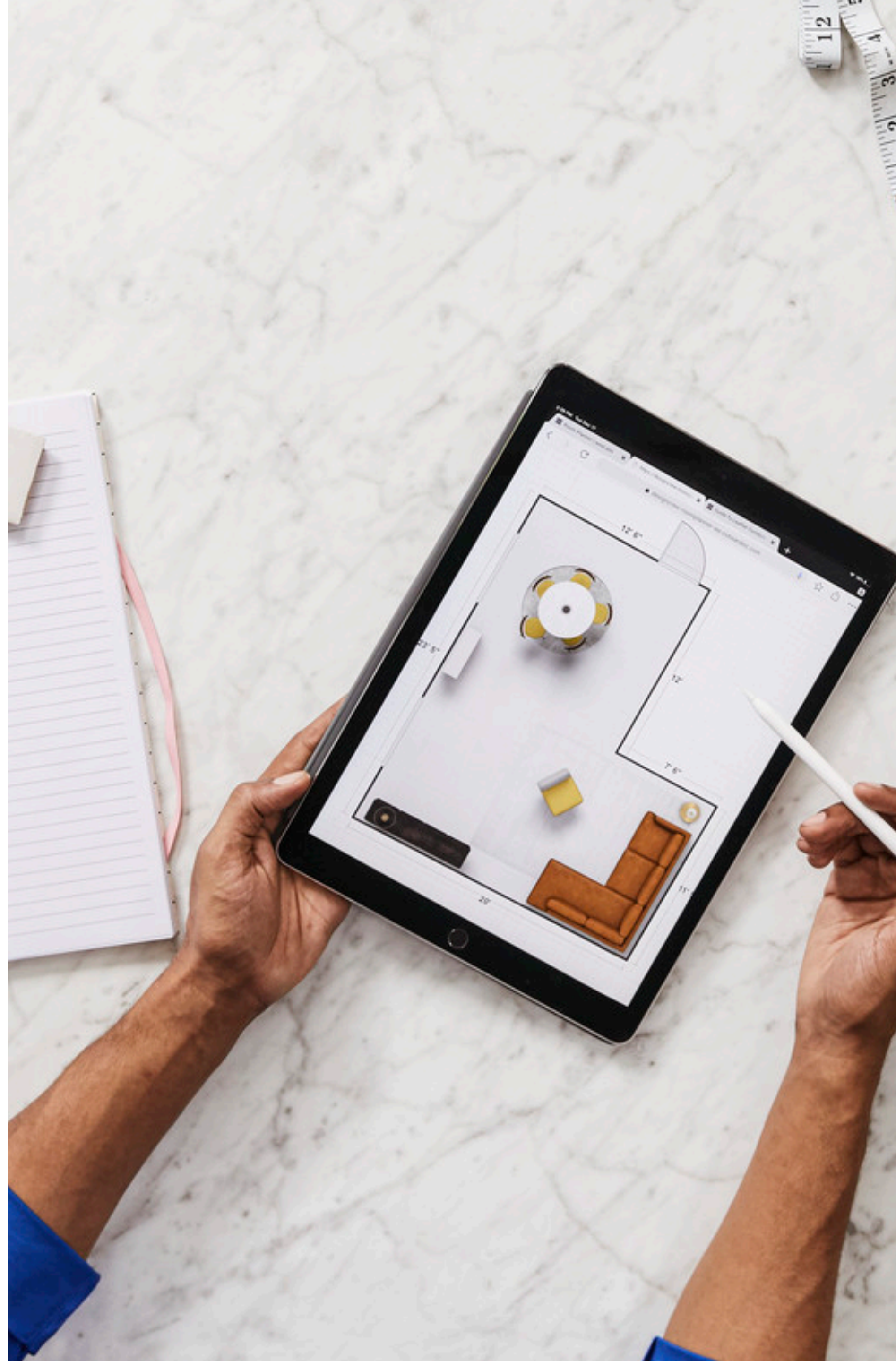
Centralized marketing organization keeps insights in-house.

360° CUSTOMER VIEW

360° view of customer journey enhanced by data science and learnings.

TEST & LEARN CROSS-BRAND PLATFORM

ROI-focused, proprietary test-and-learn platform capable of running hundreds of simultaneous tests across our brands.



Artificial Intelligence

We see many opportunities to integrate AI into our business.

DIGITAL DESIGN

Transform customer experiences with generative AI-guided interior design, delivering personalized inspiration, interactive 3D room planning, and photorealistic project visualization.

CUSTOMER SERVICE

Elevate and streamline customer service through intelligent virtual agents, personalized service recommendations, and predictive order insights.

PRODUCT DISCOVERY

Guide customers through complex shopping journeys with AI shopping assistants and hyper-personalized recommendations.

CONTENT AUTOMATION

Streamline creation of product descriptions, attribution data, lifestyle imagery, and brand content through advanced generative AI tools.

INVENTORY MANAGEMENT

Ensure product availability at the right time and place through AI algorithms that analyze purchasing patterns, seasonal trends, and regional preferences to predict demand with greater accuracy.



Our Retail Advantage

Our stores deliver best-in-class customer experiences with beautifully curated assortments, personalized services, and an integrated shopping experience across channels.

SERVICE

Our free design services offer one-on-one expert consultations in-store, at home, and online, along with personalized registry concierge services, and engaging classes and events.

OMNI-CHANNEL SHOPPING EXPERIENCE

Omni-channel customers spend four times more and shop three times as often compared to single-channel customers.

OMNI-FULFILLMENT

Our stores serve as fulfillment hubs, catering to customers however they shop, including “Buy Online, Pick Up in Store,” “Ship from Store,” and “Buy Online, Ship to Any Store.”

RETAIL OPTIMIZATION

Our continued retail optimization efforts have transformed our fleet into the most profitable, inspiring, and strategic locations.



Our Values

PEOPLE FIRST

We are committed to an environment that attracts, motivates, and recognizes high performance.

INTEGRITY

We operate with integrity and ethics as we enhance the lives of our stakeholders, communities, and the environment.

CUSTOMERS

We are here to serve our customers—without them, nothing else matters.

QUALITY

We take pride in everything we do. From our product to the experience and service we provide—quality is our signature.

PROFIT

We are committed to providing a superior return to our shareholders. It's everyone's job.



Sustainability

One of our goals of running a profitable and strong company has always been to make the world a better place. Our customers have always wanted things like durable products, organic textiles, furniture with less toxic off-gassing, and supported concepts like Fair Trade.

— BUILT-TO-LAST, SUSTAINABLY SOURCED —

We offer the largest assortment of sustainably made products in the home furnishings industry.*

WOOD
57% sustainably sourced

COTTON
98% sustainably sourced

FAIR TRADE
Over \$10M in premiums paid since 2021

CARBON GOALS
Established science-based targets for CO₂ reductions

— PEOPLE —

Our people are the heart of our business. From our associates to our supplier partners, we are dedicated to creating a culture focused on high performance, ethical production and worker wellbeing.

PAY FOR PERFORMANCE
We foster an engaging environment where people are rewarded for excellence. Everything we do is designed to drive performance.

ETHICAL PRODUCTION
We source products from suppliers that provide safe, fair, and healthy working conditions. We audit for social compliance and implement continuous improvement actions.

WORKER WELLBEING
We develop and implement industry-leading worker wellbeing initiatives in factories to build and strengthen communities around the globe such as VisionSpring, Fair Trade Certified™, and Nest Ethical Handcraft Program.

*Source: Barron’s 100 Most Sustainable U.S. Companies (2018-2025)

Accolades

By managing resources sustainably, caring for our people, and uniting around our values, we lead our industry and are proud to be recognized for continuous action and progress.

BARRON'S

100 MOST SUSTAINABLE
U.S. COMPANIES
2024

Only home retailer for
eight consecutive years



Dow Jones
Sustainability Indexes

NORTH AMERICA INDEX
2022-2024

Newsweek

AMERICA'S MOST
RESPONSIBLE COMPANIES
2024-2025

TIME

AMERICA'S BEST
MIDSIZE COMPANIES
2024

Forbes

BEST EMPLOYER
FOR DIVERSITY
2018-2024



CUSTOMER SERVICE
CHAMPIONS
2024

2025 PRIORITIES

1

RETURNING
TO GROWTH

2

ELEVATING
WORLD-CLASS
CUSTOMER
SERVICE

3

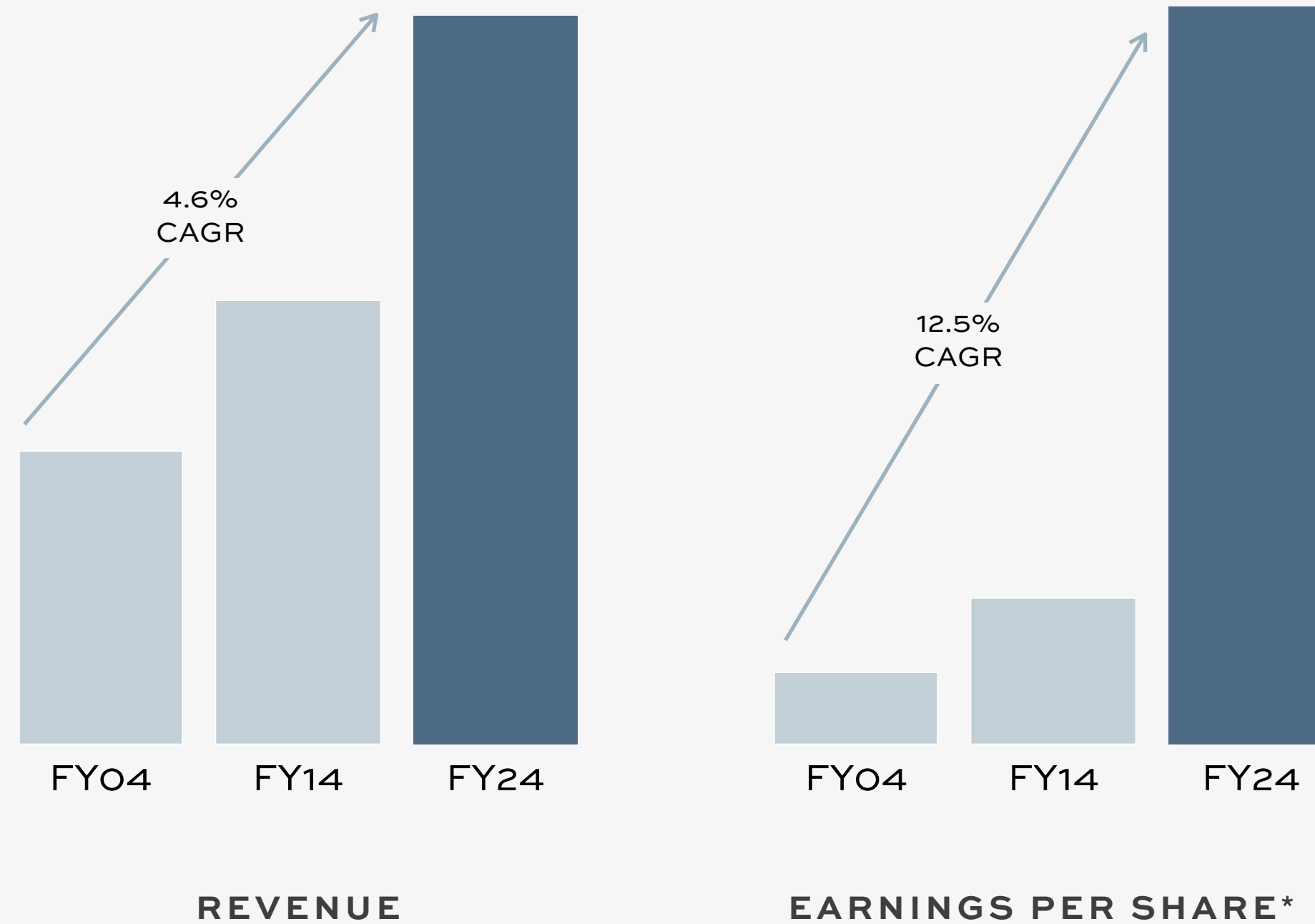
DRIVING
EARNINGS



Historical Growth

Our long-term growth algorithm is rooted in our proven track record of strong, consistent, and profitable growth over the past 20 years, with the capacity for upside driven from our growth initiatives.

20 YEAR GROWTH



* On July 9, 2024, the Company effected a 2-for-1 stock split of its common stock through a stock dividend. Earnings Per Share (EPS) has been retroactively adjusted to reflect the stock split. EPS excluded an out-of-period freight adjustment of \$49M in Q1 FY24, worth \$0.29.

LONG TERM OUTLOOK

We have confidence in our long-term algorithm of **mid-to-high, single-digit revenue growth** with **operating margins in the mid-to-high teens.**

1

Growth Drivers

— CORE BRAND GROWTH —

— CATEGORY GROWTH —

— EMERGING BRANDS —

— BUSINESS-TO-BUSINESS —



Core Brand Growth

Newness and innovation will drive organic growth in our brands.



Comfortable, casual, timeless, and innovative home furnishings.



High-quality, innovatively designed, safe and healthy furnishings for kids.



The only fully-integrated life-stage teen brand in the world.



Premium housewares and entertainment destination for chefs everywhere.



Modern, urban and exciting design.

Category Growth

We are leveraging our in-house design capabilities to expand into white space opportunities within our largest brands and beyond.



Strategic brand-enhancing collaborations.



Quality nursery furnishings, decor and gifts for baby.



Accessories and solutions for dorm life and beyond.



Casual luxury spaces in the kitchen and home.



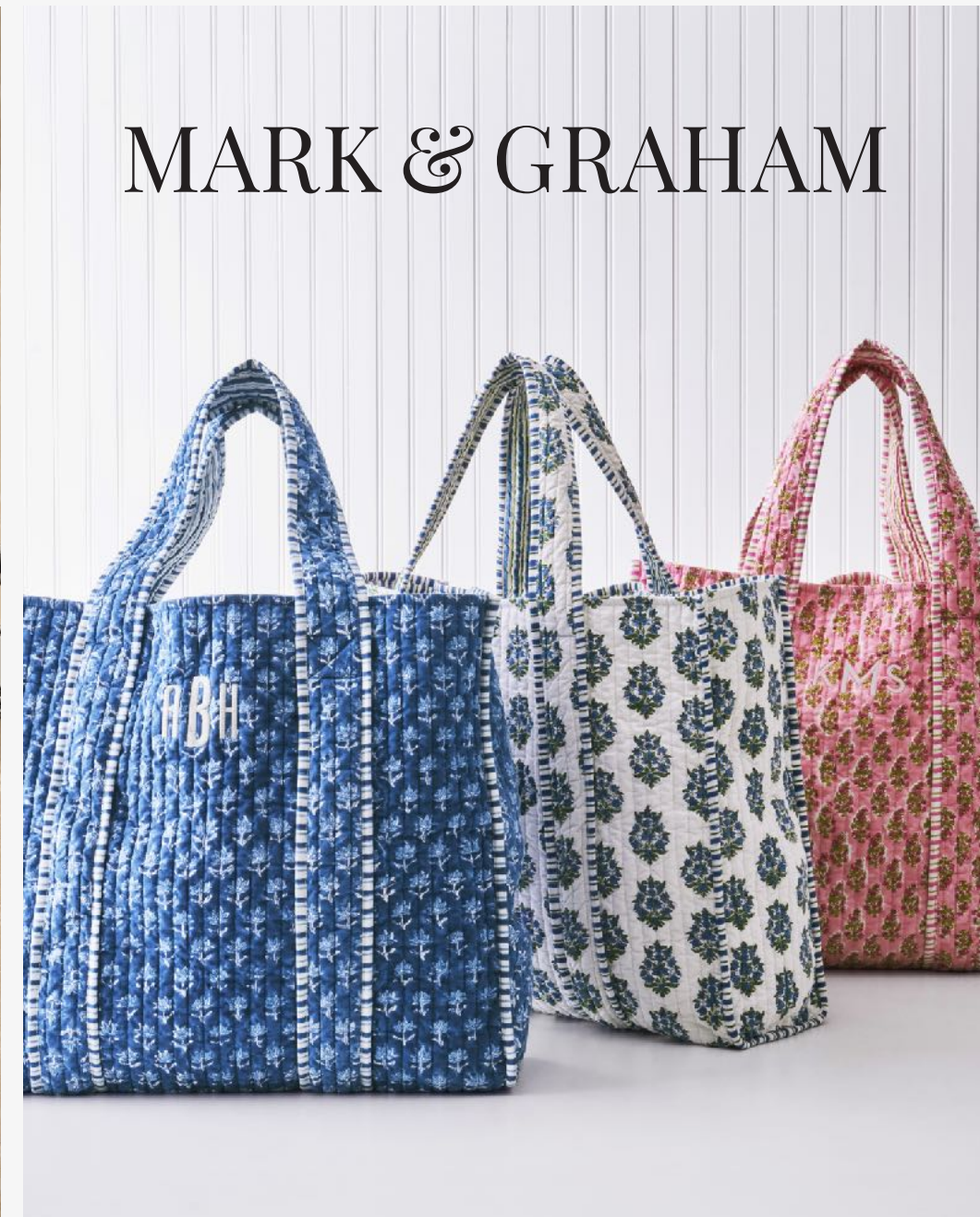
Made-to-last styles for kids, from modern nurseries to big-kid bedrooms.

Emerging Brands

Rejuvenation, Mark & Graham, and GreenRow are gaining traction with runway for substantial growth.



Heirloom lighting, hardware, and home furnishings.



Timeless personalized gifts and more.



Elevated, ethical home furnishings.

Rejuvenation: Our Next \$1B Brand

Based out of Portland, Oregon, our Rejuvenation brand is a trusted partner for every home project, offering expert guidance and high-quality designs for renovation and home refresh. With a focus on American craftsmanship, we help customers create thoughtful, lasting spaces.

ELEVATING SPACES WITH PREMIUM HARDWARE

High-quality, design-driven hardware sets the brand apart, offering a broad assortment of timeless, functional pieces that complete any project.

CUSTOM LIGHTING EXPERTISE

Expert craftsmanship and made-to-order capabilities allow customers to personalize lighting, including length, finish, and shade—driving growth in the expanding lighting market.

LEADERSHIP IN BATH DESIGN

A growing bath assortment is capturing more market share with premium, design-driven solutions.

EXPANDING RETAIL FOOTPRINT

With 11 showrooms, these retail spaces provide an experiential way to explore thoughtfully designed collections in person.

B2B GROWTH

The B2B channel serves trade professionals with premium, project-ready solutions.



\$80B
TOTAL ADDRESSABLE

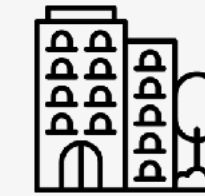
Business-to-Business: A \$2B Opportunity

We are no longer just a *home* furnishings company. Leveraging our in-house design, vertical sourcing, and brand portfolio, we are disrupting the growing and underserved business-to-business market.



HOSPITALITY

Hotels, Resorts,
Restaurants,
Country Clubs



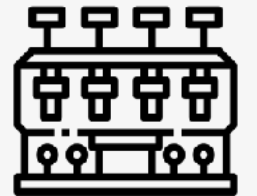
RESIDENTIAL

Single and
Multi-Family Designers
and Developers



EDUCATION

Educational
Establishments and
University Housing



COMMERCIAL

Office Spaces,
Sports/Entertainment
Arenas



GOVERNMENT

GSA certification,
Government and
Military



HEALTHCARE + WELLNESS

Senior Living,
Hospitals, Health
and Fitness



RETAIL

Retail Store
Builds and Malls



CRUISE

Ship Furnishings,
Departure Lounges,
and Yacht Clubs

*Source: Euromonitor, ThinkLab & company estimates

Global

Our brands resonate with consumers around the world, and we serve them across company-owned and franchise stores, shop-in-shops, and websites.



TORONTO, CANADA
WEST ELM



MUMBAI, INDIA
POTTERY BARN KIDS



QUERÉTARO, MEXICO
POTTERY BARN

2

Leading World-Class Customer Service

— DELIVERY NETWORK —

13
REGIONAL
DISTRIBUTION
CENTERS

37
FURNITURE
HUBS

2.4M
2024 IN-HOME
FURNITURE
DELIVERIES

— CUSTOMER SERVICE SCORES —

88
IN-STORE
NET PROMOTER
SCORE

4.8/5
STARS
COMPANY AVERAGE
STELLA SCORE

87
IN-HOME DELIVERY
NET PROMOTER
SCORE

— IMPROVED DELIVERY SERVICE —

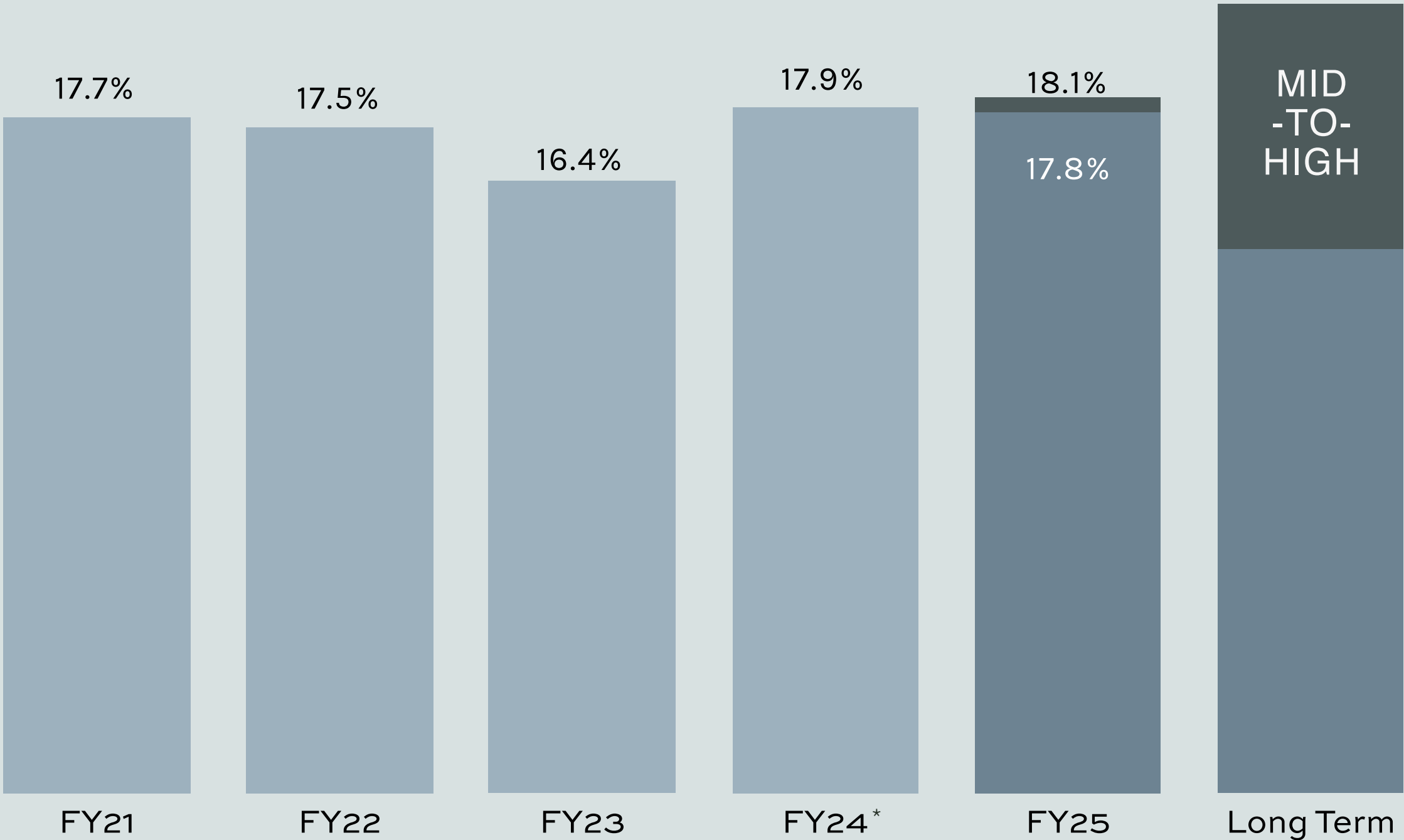
Returns • Damages • Replacements • On-time Deliveries
Accommodations • Multiple Shipments



3

Driving Earnings

We expect operating margin to be in the range of 17.8% – 18.1% in FY25 and in the mid-to-high teens in the long term.



— OUR SIX DRIVERS —

- 1 SUPPLY CHAIN EFFICIENCIES**
maintaining the improvements in supply chain that we achieved LY
- 2 PRICING POWER**
of our in-house designed, proprietary products
- 3 ECOMMERCE SALES MIX**
generating marginal revenue dollars in a higher contribution channel
- 4 RETAIL OPTIMIZATION**
targeting having fewer and more profitable stores
- 5 AD COST INVESTMENT**
of our in-house, first-party-data, hands-on-keyboard model
- 6 COST CONTROL**
resulting from our financial discipline

* Operating margin excludes an out-of-period freight adjustment of \$49M in Q1 FY24 worth 70bps.

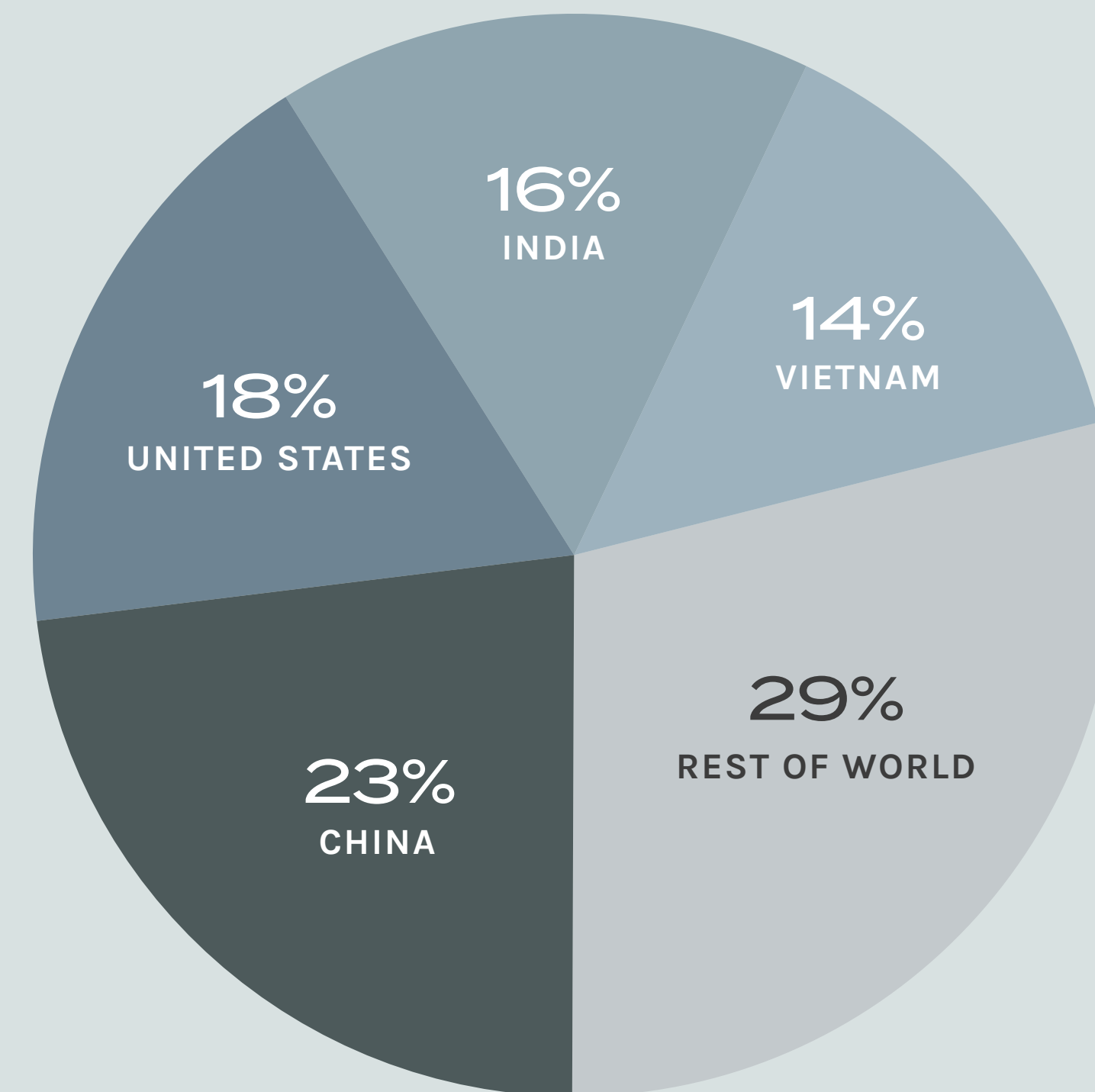
Tariffs

We have a 6-point plan for tariff mitigation.

- 1 Obtaining **cost concessions** from our strong vendor partnership.
- 2 **Re-sourcing goods** to lower tariff countries, including further reductions out of China.
- 3 Passing on **select price increases**.
- 4 Identifying further **supply chain efficiencies** in our network.
- 5 **Reducing SG&A** expense.
- 6 Expanding our **Made in the USA** assortment, production, and partnerships.

FY24 Sourcing Footprint

We have a diverse sourcing base around the world, including the United States.

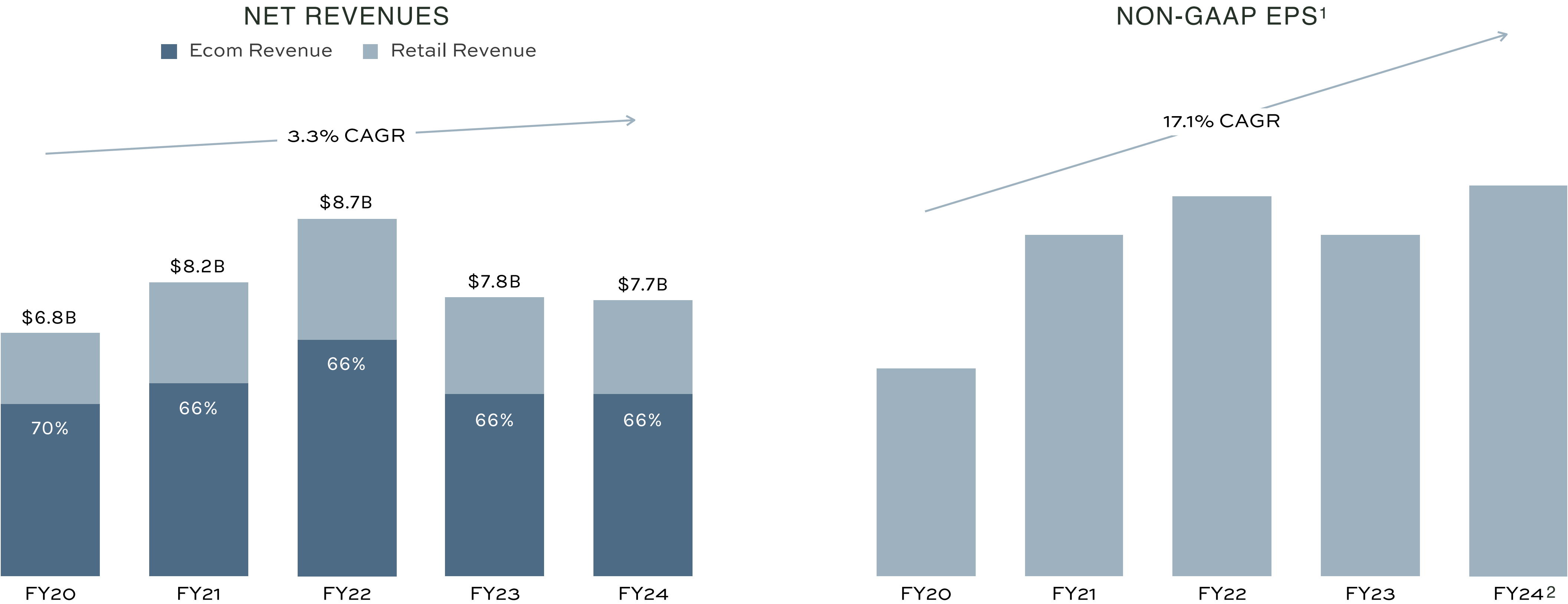


Financial Outlook



Financial Performance

We have a track record of strong revenue and EPS growth.



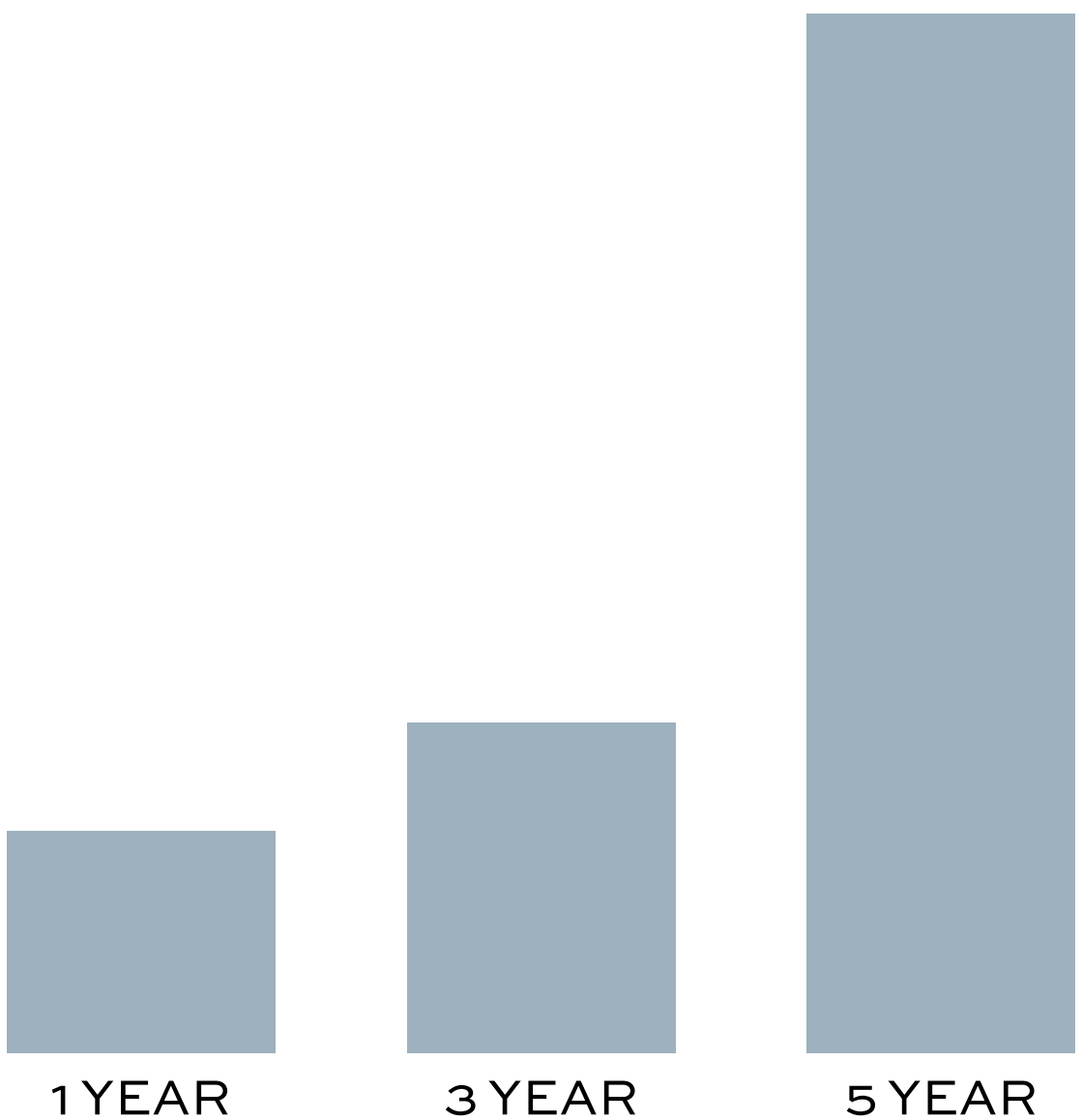
1. On July 9, 2024, the Company effected a 2-for-1 stock split of its common stock through a stock dividend. Non-GAAP EPS has been retroactively adjusted to reflect the stock split.

2. Excludes the impact of the out-of-period freight adjustment in Q1 FY24, worth \$0.29 in EPS.

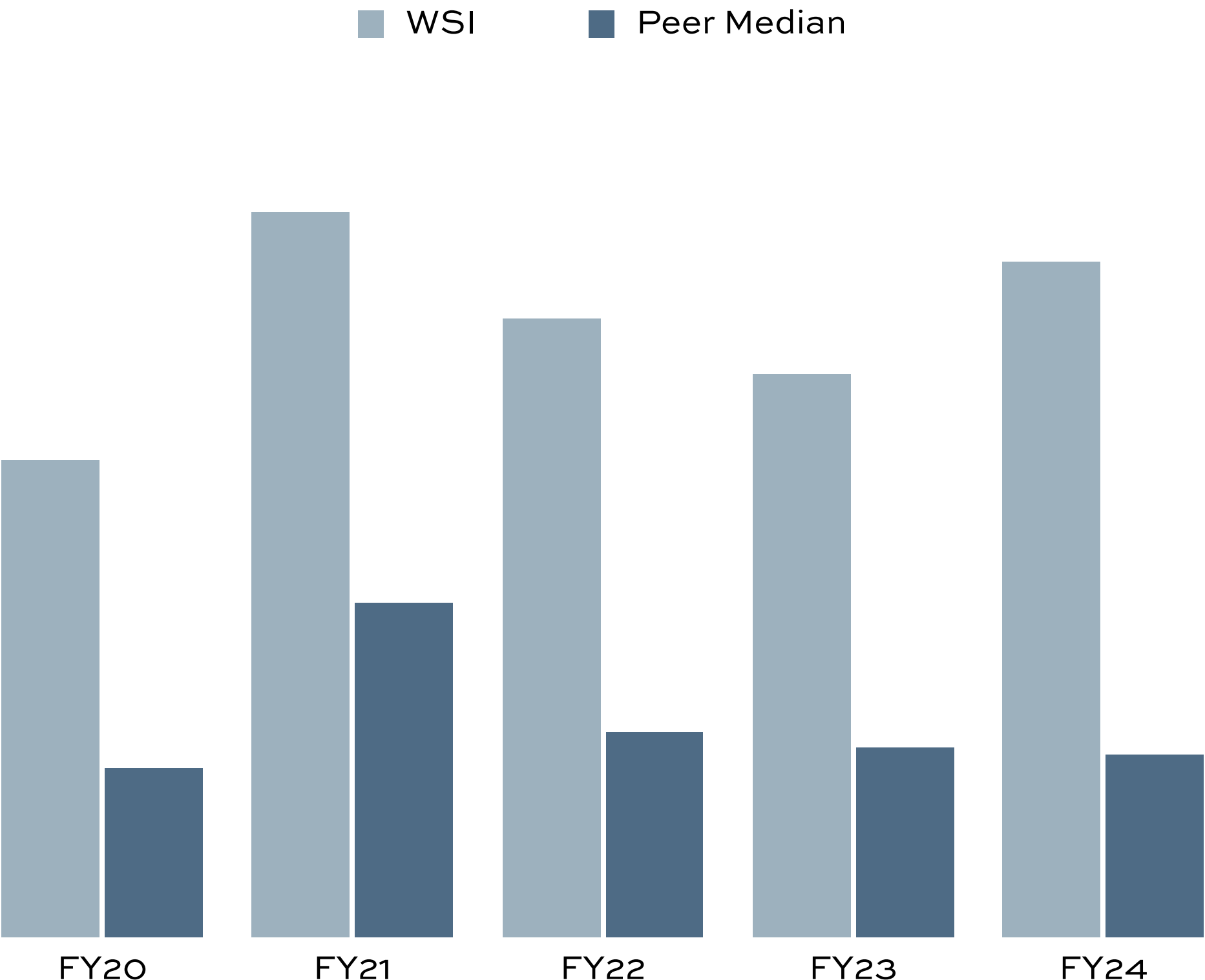
Returns on Investment

Our investments in our business are generating industry-leading returns.

TOTAL SHAREHOLDER RETURNS¹



RETURNS ON INVESTED CAPITAL (ROIC)²



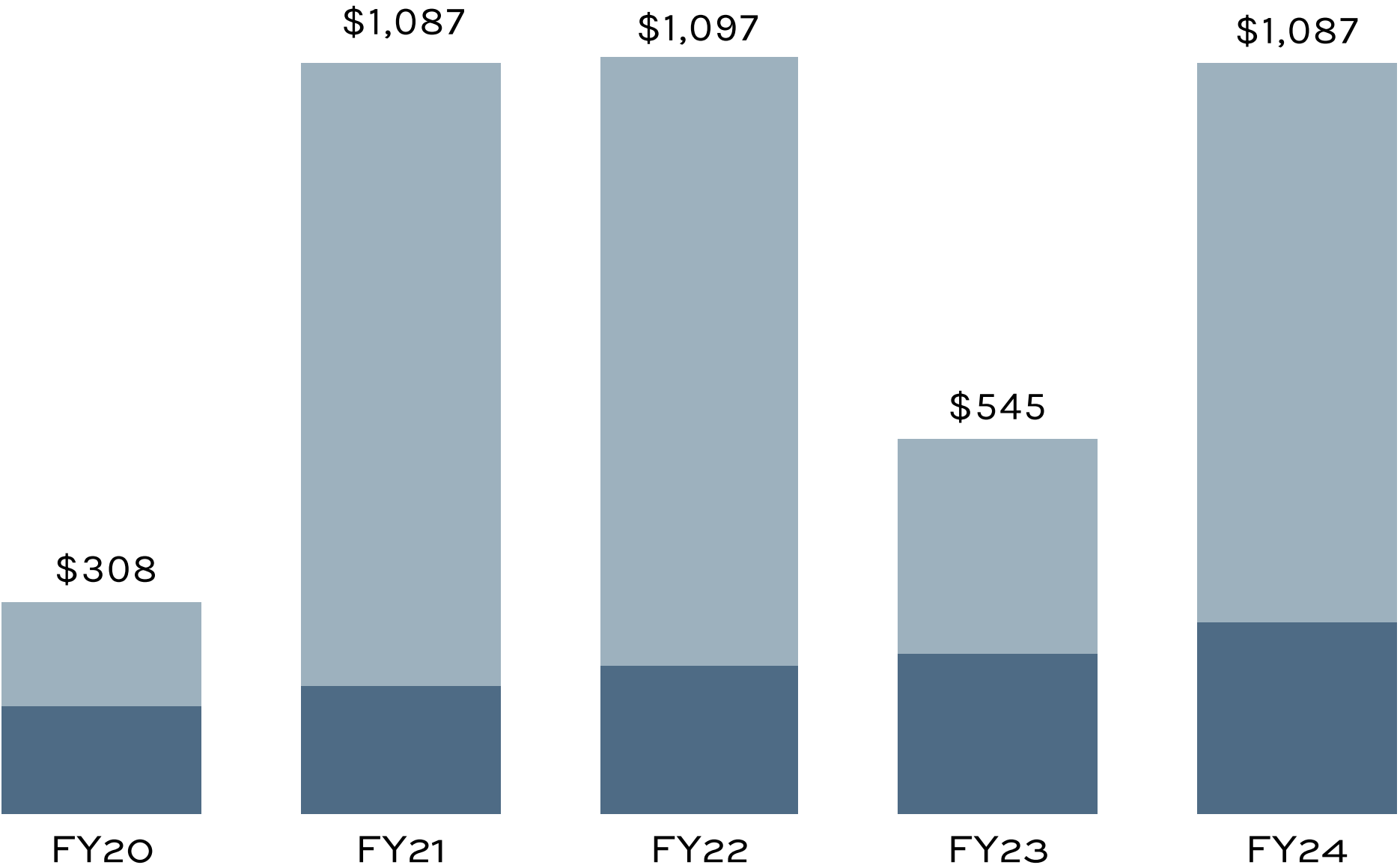
1. Assumes re-investment of dividends and reflects share repurchases.
2. See page 41 for the calculation of ROIC, together with a reconciliation of net earnings to non-GAAP net operating profit after tax ("NOPAT").

Returns to Shareholders

We are committed to consistent shareholder returns with
\$4.1B returned to shareholders over the last 5 years.

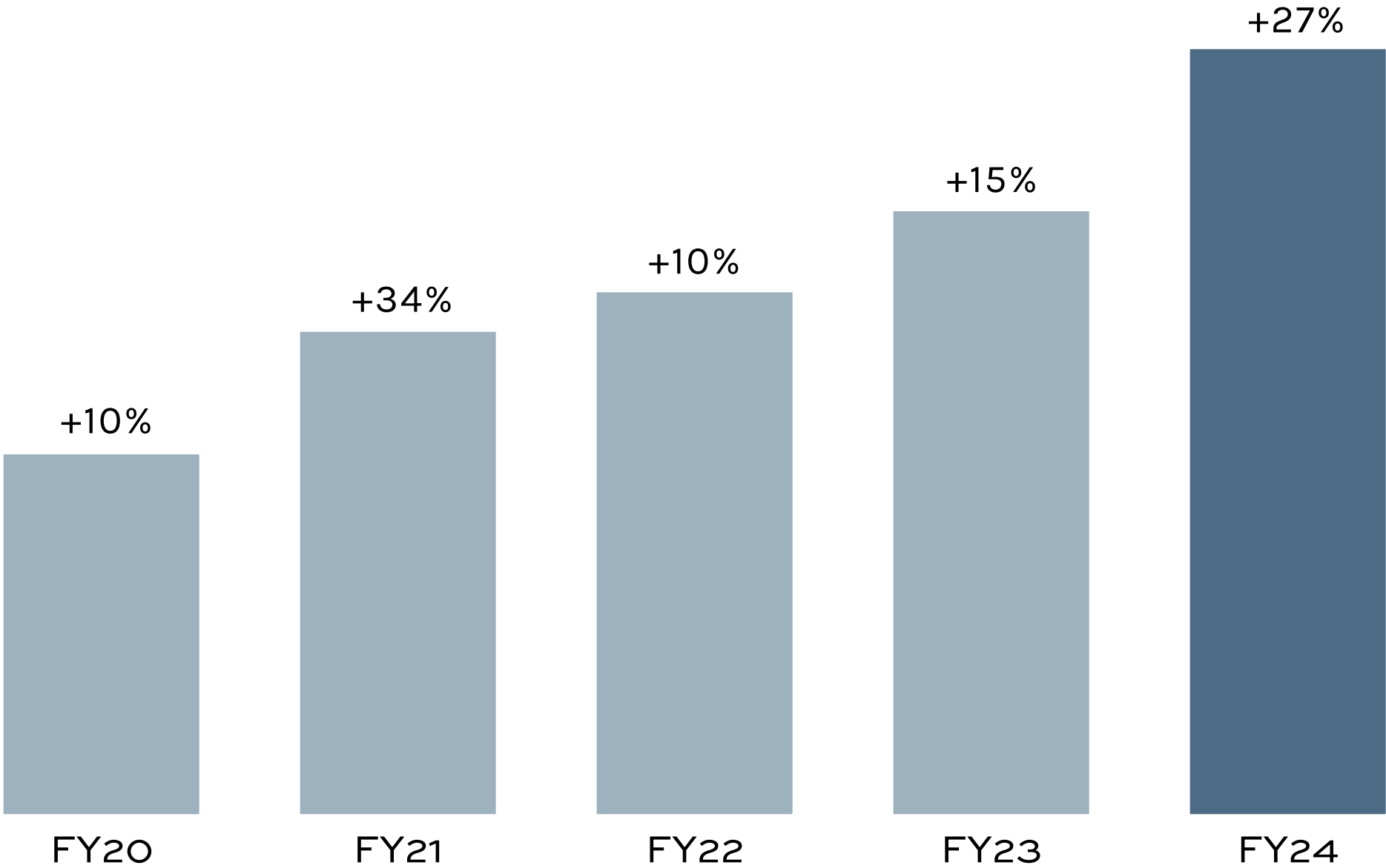
RETURNS TO SHAREHOLDERS

■ Dividends (\$M) ■ Share Repurchases (\$M)



QUARTERLY DIVIDEND PER SHARE*

2024 was the **15th consecutive year** of dividend increases since we initiated a dividend in 2006.



*On July 9, 2024, the Company effected a 2-for-1 stock split of its common stock through a stock dividend. Dividend per share has been retroactively adjusted to reflect the stock split.



GAAP TO NON-GAAP RECONCILIATIONS

This presentation includes non-GAAP financial measures. The following slides provide reconciliations of these non-GAAP financial measures to the most comparable financial measures calculated and presented in accordance with accounting principles generally accepted in the U.S. (“GAAP”). We have not provided a reconciliation of non-GAAP guidance measures to the corresponding GAAP measures on a forward-looking basis due to the potential variability and limited visibility of excluded items; these excluded items may include exit costs, reduction-in-force initiatives, impairment and early termination charges, among others.

We believe that these non-GAAP financial measures, when reviewed in conjunction with GAAP financial measures, can provide meaningful supplemental information for investors regarding the performance of our business and facilitate a meaningful evaluation of current period performance on a comparable basis with prior periods. Our management uses these non-GAAP financial measures in order to have comparable financial results to analyze changes in our underlying business from quarter to quarter, and year over year. In addition, certain other items may be excluded from non-GAAP financial measures when we believe this provides greater clarity to management and investors. These non-GAAP financial measures should be considered as a supplement to, and not as a substitute for or superior to the GAAP financial measures presented in this presentation and our financial statements and other publicly filed reports. Non-GAAP measures as presented herein may not be comparable to similarly titled measures used by other companies.

GAAP TO NON-GAAP
RECONCILIATIONS

Fiscal Year
2024 & 2023

(Dollars in thousands except per share data)

- Footnotes:
- During FY2023, we incurred exit costs of \$17.9 million, including \$9.3 million associated with the closure of our West Coast manufacturing facility and \$8.6 million associated with the exiting of Aperture, a division of our Outward, Inc. subsidiary.
 - During FY2023, we incurred costs related to reduction-in-force initiatives of \$8.3 million, primarily in our corporate functions.
 - On July 9, 2024, the Company effected a 2-for-1 stock split of its common stock through a stock dividend. All historical share and per share amounts have been retroactively adjusted to reflect the stock split.

FOR THE FISCAL YEAR ENDED						
	February 2, 2025			January 28, 2024		
		\$	% of Revenues		\$	% of Revenues
Occupancy Expenses	\$	793,141	10.3%	\$	814,290	10.5%
Exit Costs ¹		-			(239)	
Non-GAAP Occupancy Expenses	\$	793,141	10.3%	\$	814,051	10.5%
Gross profit	\$	3,582,299	46.5%	\$	3,303,601	42.6%
Exit Costs ¹		-			2,141	
Non-GAAP gross profit	\$	3,582,299	46.5%	\$	3,305,742	42.7%
Selling, general and administrative expenses	\$	2,152,115	27.9%	\$	2,059,408	26.6%
Exit Costs ¹		-			(15,790)	
Reduction-in-force Initiatives ²		-			(8,316)	
Non-GAAP selling, general and administrative expenses	\$	2,152,115	27.9%	\$	2,035,302	26.3%
Operating income	\$	1,430,184	18.6%	\$	1,244,193	16.1%
Exit Costs ¹		-			17,931	
Reduction-in-force Initiatives ²		-			8,316	
Non-GAAP operating income	\$	1,430,184	18.6%	\$	1,270,440	16.4%
		\$	Tax rate		\$	Tax rate
Income taxes	\$	360,481	24.3%	\$	323,593	25.4%
Exit Costs ¹		-			4,690	
Reduction-in-force Initiatives ²		-			2,174	
Non-GAAP income taxes	\$	360,481	24.3%	\$	330,457	25.4%
Diluted EPS ³	\$	8.79		\$	7.28	
Exit Costs ¹		-			0.10	
Reduction-in-force Initiatives ²		-			0.05	
Non-GAAP Diluted EPS	\$	8.79		\$	7.43	

GAAP TO NON-GAAP RECONCILIATIONS Fiscal Year 2022 & 2021

(Dollars in thousands except per share data)

Footnotes:

- During FY2022, we incurred an impairment charge of approximately \$17.7 million, including \$9.7 million related to the impairment of software and hardware and \$8.0 million related to the impairment of goodwill, associated with Aperture, a division of our Outward, Inc. subsidiary.
- During FY2021, we incurred approximately \$9.2 million associated with acquisition-related compensation expense and the amortization of acquired intangibles for Outward, Inc.
- On July 9, 2024, the Company effected a 2-for-1 stock split of its common stock through a stock dividend. All historical share and per share amounts have been retroactively adjusted to reflect the stock split.

FOR THE FISCAL YEAR ENDED						
	January 29, 2023			January 30, 2022		
		\$	% of Revenues		\$	% of Revenues
Selling, general and administrative expenses	\$	2,179,311	25.1%	\$	2,178,847	26.4%
Impairment of Aperture ¹		(17,687)			-	
Outward-related ²		-			(9,160)	
Non-GAAP selling, general and administrative expenses	\$	2,161,624	24.9%	\$	2,169,687	26.3%
Operating income	\$	1,498,422	17.3%	\$	1,453,116	17.6%
Impairment of Aperture ¹		17,687			-	
Outward-related ²		-			9,160	
Non-GAAP operating income	\$	1,516,109	17.5%	\$	1,462,276	17.7%
			Tax Rate			Tax Rate
Income taxes	\$	372,778	24.8%	\$	324,914	22.4%
Impairment of Aperture ¹		2,840			-	
Outward-related ²		-			1,397	
Non-GAAP income taxes	\$	375,618	24.7%	\$	326,311	22.3%
Diluted EPS ³	\$	8.16		\$	7.38	
Impairment of Aperture ¹		0.11			-	
Outward-related ²		-			0.05	
Non-GAAP Diluted EPS	\$	8.27		\$	7.43	

GAAP TO NON-GAAP
RECONCILIATIONS

Fiscal Year
2020

(Dollars in thousands except per share data)

Footnotes:

- During FY2020, we incurred approximately \$11.4 million of inventory write-offs for inventory with minor damage that we could not liquidate through our outlets due to store closures resulting from COVID-19.
- During FY2020, we incurred approximately \$12.1 million associated with acquisition-related compensation expense and the amortization of acquired intangibles for Outward, Inc.
- During FY2020, we incurred approximately \$27.1 million of expense associated with store asset impairments due to the impact that COVID-19 had on our retail stores.
- During FY2020, we recorded approximately \$5.0 million of tax benefit resulting from a nonrecurring adjustment to certain deferred tax assets and liabilities.
- On July 9, 2024, the Company effected a 2-for-1 stock split of its common stock through a stock dividend. All historical share and per share amounts have been retroactively adjusted to reflect the stock split.

	FOR THE FISCAL YEAR ENDED	
	January 31, 2021	
	\$	% of Revenues
Gross profit	\$ 2,636,269	38.9%
Inventory write-off ¹	\$ 11,378	
Non-GAAP gross profit	\$ 2,647,647	39.0%
Selling, general and administrative expenses	\$ 1,725,572	25.4%
Outward-related ²	(12,092)	
Asset impairment ³	\$ (27,069)	
Non-GAAP selling, general and administrative expenses	\$ 1,686,411	24.9%
Operating income	\$ 910,697	13.4%
Inventory write-off ¹	11,378	
Outward-related ²	12,092	
Asset impairment ³	27,069	
Non-GAAP operating income	\$ 961,236	14.2%
Income taxes	\$ 213,752	Tax Rate 23.9%
Inventory write-off ¹	2,940	
Outward-related ²	1,913	
Asset impairment ³	6,593	
Deferred tax asset/liability adjustment ⁴	5,030	
Non-GAAP income taxes	\$ 230,228	24.4%
Diluted EPS ⁵	\$ 4.31	
Inventory write-off ¹	0.05	
Outward-related ²	0.06	
Asset impairment ³	0.13	
Deferred tax asset/liability adjustment ⁴	(0.03)	
Non-GAAP Diluted EPS	\$ 4.52	

GAAP TO NON-GAAP
RECONCILIATIONS

Return on Invested Capital (ROIC)

We believe ROIC is a useful financial measure for investors in evaluating the efficient and effective use of capital and is an important component of long-term shareholder return. The following table presents the calculation of ROIC, together with a reconciliation of net earnings to non-GAAP net operating profit after tax (“NOPAT”).

SEC REGULATION G – NON-GAAP INFORMATION:
These tables include non-GAAP occupancy costs, gross profit, gross margin, selling, general and administrative expense, operating income, Adjusted Operating Income, operating margin, income taxes, effective tax rate, and diluted EPS. We believe that these non-GAAP financial measures provide meaningful supplemental information for investors regarding the performance of our business and facilitate a meaningful evaluation of our quarterly actual results on a comparable basis with prior periods. Our management uses these non-GAAP financial measures in order to have comparable financial results to analyze changes in our underlying business from quarter to quarter. These non-GAAP financial measures should be considered as a supplement to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP.

Footnotes:

1. During FY2024, we determined that we over-recognized freight expense in FY2021, FY2022 and FY2023. Therefore, we recorded an out-of-period adjustment to reduce cost of goods sold.
2. During FY2023, we incurred exit costs of \$17.9 million, including \$9.3 million associated with the closure of our West Coast manufacturing facility and \$8.6 million associated with the exiting of Aperture, a division of our Outward, Inc. subsidiary. Additionally, during FY2023, we incurred costs related to reduction-in-force initiatives of \$8.3 million primarily in our corporate functions.
3. Adjustment reflects a hypothetical provision for income taxes on adjusted operating income, using the Company's effective tax rate of 24.3% for FY2024 and 25.4% for FY2023.

FOR THE FISCAL YEAR ENDED

	February 2, 2025	January 28, 2024
Net earnings	\$ 1,125,251	\$ 949,762
Interest income (expense), net	(55,548)	(29,162)
Income taxes	360,481	323,593
Operating income	\$ 1,430,184	\$ 1,244,193
Out-of-period Freight Adjustment ¹	(48,972)	
Exit costs ²	-	17,931
Reduction-in-force initiatives ²	-	8,316
Operating lease costs	299,105	296,779
Operating income, adjusted	\$ 1,680,317	\$ 1,567,219
Income tax adjustment ³	(408,317)	(398,074)
NOPAT	\$ 1,272,000	\$ 1,169,145

AS OF

	February 2, 2025	January 28, 2024	January 29, 2023
Total assets	5,301,607	5,273,548	4,663,016
Total current liabilities	(1,911,974)	(1,880,315)	(1,636,451)
Cash in excess of \$200 million	\$ (1,012,977)	\$ (1,062,007)	\$ (167,344)
Invested capital	\$ 2,376,656	\$ 2,331,226	\$ 2,859,221
Average invested capital	\$ 2,353,941	\$ 2,595,224	
Return on invested capital	54.0%	45.0%	