



NEWS RELEASE

Caleres Expands Liquidity Position

4/14/2020

Exercises accordion feature

ST. LOUIS--(BUSINESS WIRE)-- Caleres (NYSE: CAL, caleres.com), a diverse portfolio of global footwear brands, today announced it has exercised a portion of the accordion feature on its asset-based revolving credit facility. The exercise increases the available borrowing capacity under the facility by \$100 million to a total of \$600 million.

"We appreciate the strong support from our lenders and their confidence in the long-term outlook for Caleres," said Ken Hannah, senior vice president and chief financial officer. "This increase in our borrowing capacity – coupled with our ongoing efforts to reduce cash outflows – will help ensure Caleres has adequate liquidity to weather the current economic shutdown."

Following this exercise, Caleres has in excess of \$335 million of liquidity, including \$175 million of cash, with no significant debt maturities until 2023.

In recent weeks, the company has outlined the actions it is taking to align the organization to this new reality. As a result of disciplined cash outflow management and strong ecommerce related sales to date, Caleres has maintained its cash position since it began to close its retail stores in mid-March. Consistent with this effort, Caleres has reduced its 2020 capital spending budget by 40 percent versus 2019 levels, to approximately \$30 million.

Caleres Cares

Caleres remains united with the world in fighting the spread of COVID-19. Mask production at the Allen Edmonds factory in Port Washington, Wisconsin continues. These dedicated employees have manufactured nearly 50,000 masks to date, distributing this protective wear to healthcare facilities in the region. Additionally, Allen Edmonds has made a donation to Two Ten's Share Your Shoes program. Vionic has made donations of insoles and shoes to a

number of hospitals in California and New York – states both significantly impacted by the virus. Finally, as token of appreciation, Rykä launched #Rykäforurses, which offers nurses across the nation a free pair of Rykäs for the hard work they are doing every day. As the global community continues to grapple with the situation at hand, Caleres will continue to look for ways to support the broader community, its frontline workers as well as the families that are being disproportionately affected by this crisis.

“Although our retail locations are closed, we continue our efforts to drive sales and are focused on meeting the needs of consumers as they adjust to their new version of normal,” said Diane Sullivan chief executive officer, president and chairman. “During this unprecedented time, we continue to reduce expenditures, manage inventory and protect liquidity; connect with loyal and new consumers; pivot to a digital-only platform; and support our communities. We greatly appreciate the dedication of our Associates, the loyalty of our consumers and the support from our financial and trade partners and thank them for their great confidence in Caleres.”

The company’s syndicate included seven banks, with Bank of America, N.A. acting as the administrative agent and collateral agent.

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995

This press release 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 recent 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.

About Caleres

Caleres is the home of today's most coveted footwear brands and represents a diverse portfolio spanning all of life's styles and experiences. Every shoe tells a story and Caleres has the perfect fit for every one of them. Our collections have been developed and acquired to meet the evolving needs of today's assorted and growing global audiences, with consumer insights driving every aspect of the innovation, design, and craft that go into our distinctly positioned brands, including Famous Footwear, Sam Edelman, Naturalizer, Allen Edmonds, Vionic, Dr. Scholl's Shoes, and more. The Caleres story is most simply defined by the company's mission: Inspire people to feel great...feet first.

View source version on **businesswire.com**: <https://www.businesswire.com/news/home/20200414006021/en/>

Ken Hannah

khannah@caleres.com

Logan Bonacorsi

lbonacorsi@caleres.com

Source: Caleres