



NEWS RELEASE

Caleres Provides Business Update

4/2/2020

Extends store closures

Bolsters financial position

Continues community support efforts

ST. LOUIS--(BUSINESS WIRE)-- Caleres (NYSE: CAL, caleres.com), a diverse portfolio of global footwear brands, today provided a business update in light of the rapidly evolving COVID-19 pandemic.

Caleres is committed to supporting the global community as it works to slow the spread of the virus. Given the continued need for an aggressive response to this current health crisis, the company's branded retail and Famous Footwear stores will remain closed until further notice. Caleres will continue to assess the status of these closures and will take direction from federal, state and local governments as it evaluates the safe reopening of its retail stores – understanding that this may be a staggered, regional approach. At the same time, the company continues to take steps to enhance its financial flexibility, reduce its cash outflows and fortify its financial position during this period of economic disruption and uncertainty.

Preserving cash and bolstering liquidity

In recent weeks, the company has moved quickly to drive down costs in all areas of the business and to manage the variables within its control to ensure that it is positioned for future success. Caleres is leveraging the solid relationships within its supply chain to reduce inventory and receipts and extend credit terms; deferring or canceling capital projects; limiting cash outflows associated with the retail store closures; postponing certain marketing activities; and evaluating promotional cadence.

As part of these efforts to preserve cash, Caleres has made the difficult decision to align its staffing needs with the

current, reduced requirements of the business. As a result of this realignment, Caleres found it necessary to lay off or furlough Associates across its retail stores, distribution centers and corporate operations, and has implemented a meaningful salary reduction across all levels of the remaining global workforce, including the executive leadership team and the company's board of directors. Furloughed employees will continue to receive healthcare benefits, with Caleres paying both employee and company premiums during this time. The company expects to maintain minimal staffing levels while its stores are closed.

"These are difficult steps and we are acutely aware of the impacts on our Associates, their families and our local communities," said Diane Sullivan, chief executive officer, president and chairman. "While such decisions are never easy, we believe we are taking the appropriate actions to protect the long-term interests, health and stability of the organization, as well as the interests of all of our stakeholders. We view these actions as temporary, and I've given my commitment to our Associates that the moment we can safely resume more normal business operations we will do so."

Ongoing operations and ecommerce update

With its stores closed, Caleres is sharply focused on meeting the needs of its loyal consumer base and engaging new consumers in the footwear market through its growing ecommerce channel. The company is using its large, competitively advantaged network of distribution centers and Famous Footwear locations to fulfill online orders and to provide drop-ship services for its retail partners' digital platforms. Even before the virus, global consumers were increasingly turning to ecommerce for their footwear needs, with the company's ecommerce-related direct-to-consumer business expanding 23 percent year-over-year in 2019. Given the investments made in its platform and its capabilities, Caleres is confident that it is ready to handle the expected acceleration in ecommerce business and is well-positioned to thrive in such a world.

Community response and support

To assist with the COVID-19 crisis response, Caleres is working to help address supply shortages for healthcare workers. It has recently redirected skilled sewers to manufacture thousands of masks per day at its Allen Edmonds factory in Port Washington, Wisconsin. The masks are being delivered to hospitals in the Wisconsin region. Caleres has also donated N-95 masks to healthcare systems and first responders in New York and Saint Louis, Missouri, and has partnered with CROCS to deliver free footwear to healthcare professionals. The company is also donating shoes to the Two Ten Footwear Foundation's Share Your Shoes campaign drive.

"Guided by our strong leadership team and supported by our loyal workforce and solid balance sheet, we're confident that we are well equipped to weather this health crisis and will be ready to reopen our stores and welcome our Associates and customers back when it's safe to do so," Sullivan continued. "Moreover, we believe our

high-quality brands – which consumers know and trust – are exceptionally well-positioned for these uncertain and highly dynamic times.”

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.

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