



NEWS RELEASE

Caleres Provides Update on COVID-19

3/18/2020

Withdraws 2020 financial guidance

Closes remaining Famous Footwear stores

ST. LOUIS--(BUSINESS WIRE)-- Caleres (NYSE: CAL, caleres.com), a diverse portfolio of global footwear brands, today provided an update on its ongoing response to the extensive spread of COVID-19. In addition to the previous steps the Company has taken to temporarily close its branded retail stores and certain Famous Footwear stores located in highly impacted areas, Caleres has elected to close its remaining Famous Footwear locations.

These additional closures will begin March 19, with all retail locations, both branded and Famous Footwear, expected to remain closed through April 2, 2020. During this time, Caleres understands the need to balance overall health and safety with the ongoing requirements of our consumers. To that end, consumers can still purchase products online from Famous Footwear, Naturalizer, Allen Edmonds and Sam Edelman for shipment directly to their home during this closure period.

As a result, Caleres is withdrawing its 2020 financial guidance, which only included estimated impacts from virus-related supply chain disruptions and did not accommodate any virus-related decline in consumer demand. While it remains difficult to quantify the impact on full year financial results, the company will reassess and expects to discuss its outlook on its first quarter 2020 conference call.

"During these extraordinary times we are taking steps to manage the company conservatively," said Ken Hannah, senior vice president and chief financial officer. "We are reducing capital expenditures and operating expenses and we have the flexibility to leverage our strong balance sheet to shift our capital allocation priorities to align with the best interest of our shareholders. As of March 18, 2020, we had a cash and liquidity position in excess of \$175 million. Caleres has the ability to bolster its liquidity position through an accordion feature, which allows for an

increase in the capacity of the asset based credit facility by up to \$250 million. We remain confident in our ability to service our debt and in the long-term outlook for Caleres.”

“As we progress through this very volatile health crisis, we will continue to balance the distinct needs of our communities with ongoing requirements of our consumers, while working tirelessly to ensure the safety of our team members and to protect our business,” said Diane Sullivan, CEO, president and chairman of Caleres.

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) 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) imposition of tariffs; (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) foreign currency fluctuations; (xii) changes to tax laws, policies and treaties; (xiii) the ability to recruit and retain senior management and other key associates; (xiv) compliance with applicable laws and standards with respect to labor, trade and product safety issues; (xv) the ability to secure/exit leases on favorable terms; (xvi) the ability to maintain relationships with current suppliers; (xvii) the ability to attract, retain, and maintain good relationships with licensors and protect our intellectual property rights; and (xviii) the recent coronavirus outbreak and its adverse impact on our supply chain operations and our business, sales and results of operations around the world. 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 2, 2019, 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/20200318005804/en/>

Ken Hannah

khannah@caleres.com

Logan Bonacorsi

lbonacorsi@caleres.com

Source: Caleres

