

GUESS, INC.

ICR CONFERENCE
JANUARY 8, 2024





SAFE HARBOR STATEMENT

Except for historical information contained herein, certain matters discussed in this presentation, including statements concerning the impacts of the ongoing conflicts in Ukraine and Gaza and other events impacting the markets in which we operate; statements concerning the Company's future outlook, including with respect to the fourth quarter and full year of fiscal 2024; statements concerning the Company's expectations, goals, future prospects, and current business strategies and strategic initiatives; and statements expressing optimism or pessimism about future operating results and growth opportunities are forward-looking statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements, which are frequently indicated by terms such as "expect," "could," "will," "should," "goal," "strategy," "believe," "estimate," "continue," "outlook," "plan," "create," "see," and similar terms, are only expectations, and involve known and unknown risks and uncertainties, which may cause actual results in future periods to differ materially from what is currently anticipated.

Factors which may cause actual results in future periods to differ materially from current expectations include, among others: our ability to maintain our brand image and reputation; domestic and international economic or political conditions, including economic and other events that could negatively impact consumer confidence and discretionary consumer spending; sanctions and export controls targeting Russia and other impacts related to the war in Ukraine; impacts related to the Israel-Hamas war; impacts related to the COVID-19 pandemic or other public health crises; risks relating to our indebtedness; changes to estimates related to impairments, inventory and other reserves; changes in the competitive marketplace and in our commercial relationships; our ability to anticipate and adapt to changing consumer preferences and trends; our ability to manage our inventory commensurate with customer demand; the high concentration of our Americas Wholesale business; risks related to the costs and timely delivery of merchandise to our distribution facilities, stores and wholesale customers; unexpected or unseasonable weather conditions; our ability to effectively operate our various retail concepts, including securing, renewing, modifying or terminating leases for store locations; our ability to successfully and/or timely implement our growth strategies and other strategic initiatives; our ability to successfully enhance our global omni-channel capabilities; our ability to expand internationally and operate in regions where we have less experience, including through joint ventures; risks relating to our convertible senior notes, including our ability to settle the liabilities in cash; disruptions at our distribution facilities; our ability to attract and retain management and other key personnel; obligations or changes in estimates arising from new or existing litigation, income tax and other regulatory proceedings; risks related to the income tax treatment of our third quarter fiscal 2022 intra-entity transfer of intellectual property rights from certain U.S. entities to a wholly-owned Swiss subsidiary; catastrophic events or natural disasters; changes in U.S. or foreign income tax or tariff policy, including changes to tariffs on imports into the U.S.; accounting adjustments to our unaudited financial statements identified during the completion of our annual independent audit of financial statements and financial controls or from subsequent events arising after issuance of this release; risk of future non-cash asset impairments, including goodwill, right-of-use lease assets and/or other store asset impairments; violations of, or changes to, domestic or international laws and regulations; risks associated with the acts or omissions of our licensees and third party vendors, including a failure to comply with our vendor code of conduct or other policies; risks associated with cyber security incidents and other cyber security risks; risks associated with our ability to properly collect, use, manage and secure consumer and employee data; risks associated with our vendors' ability to maintain the strength and security of information technology systems; changes in economic, political, social and other conditions affecting our foreign operations and sourcing, including the impact of currency fluctuations, global income tax rates and economic and market conditions in the various countries in which we operate; impacts of inflation and further inflationary pressures; fluctuations in quarterly performance; slowing in-person customer traffic; increases in labor costs; increases in wages; risks relating to activist investor activity; and the significant voting power of our family founders.

In addition to these factors, the economic, technological, managerial, and other risks identified in the Company's most recent annual report on Form 10-K and other filings with the Securities and Exchange Commission, including but not limited to the risk factors discussed therein, could cause actual results to differ materially from current expectations. The current global economic climate, the ongoing conflicts in Ukraine and Gaza, possible instability in the banking system, the possibility of a government shutdown in the U.S., and uncertainty surrounding potential changes in U.S. policies and regulations may amplify many of these risks. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



Agenda

- 1 Guess at a Glance
- 2 Q3 Highlights & Full Year Outlook
- 3 Our Business Model



GUESS AT A GLANCE

1981
FOUNDED

\$5.5B
SALES AT
RETAIL VALUE

~100
COUNTRIES /
GLOBAL INFRASTRUCTURE

25
PRODUCT
CATEGORIES

12,500
GLOBAL ASSOCIATES

\$2.7B
NET REVENUE

76%
REVENUE GENERATED OUTSIDE OF THE US

WIDE NETWORK OF LICENSEE AND
WHOLESALE PARTNERS

TARGETING 3 DISTINCTIVE
CUSTOMER GROUPS:
HERITAGE, MILLENNIAL & GEN-Z

A LIFESTYLE BRAND



FOOTWEAR



UNDERWEAR & SWIM



WOMEN'S & MEN'S APPAREL



EYEWEAR



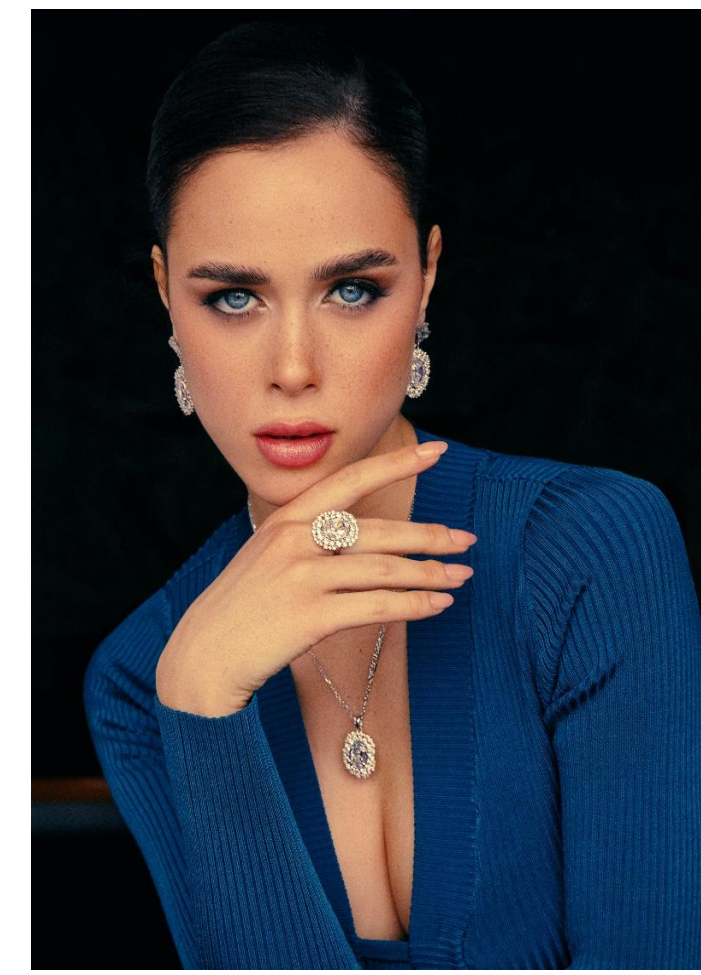
HANDBAGS



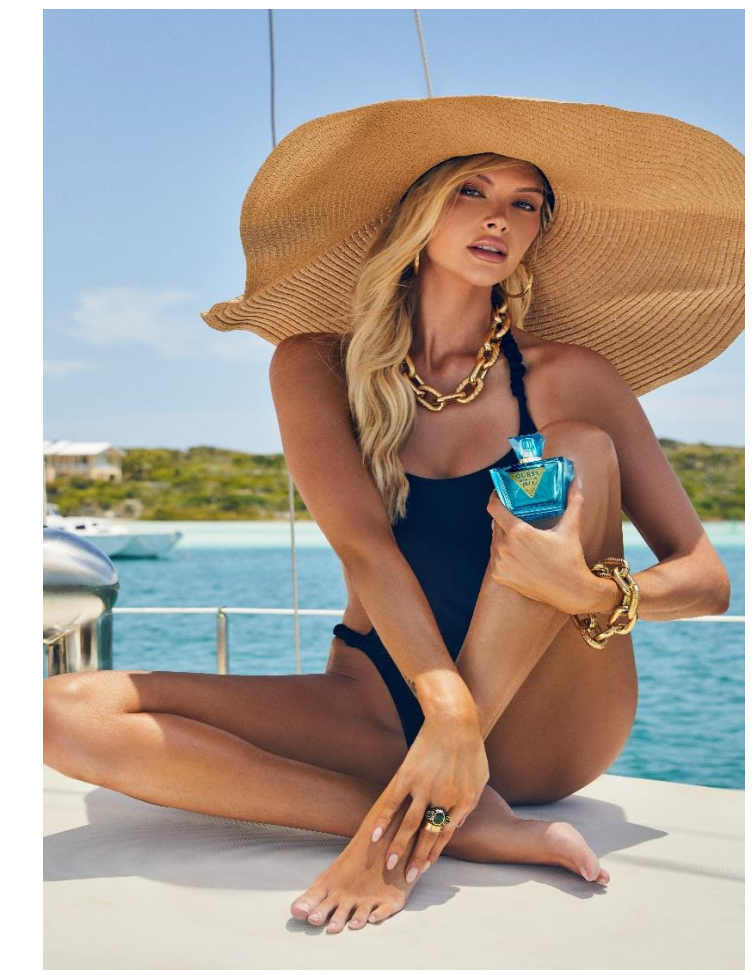
WATCHES



KIDS



JEWELRY

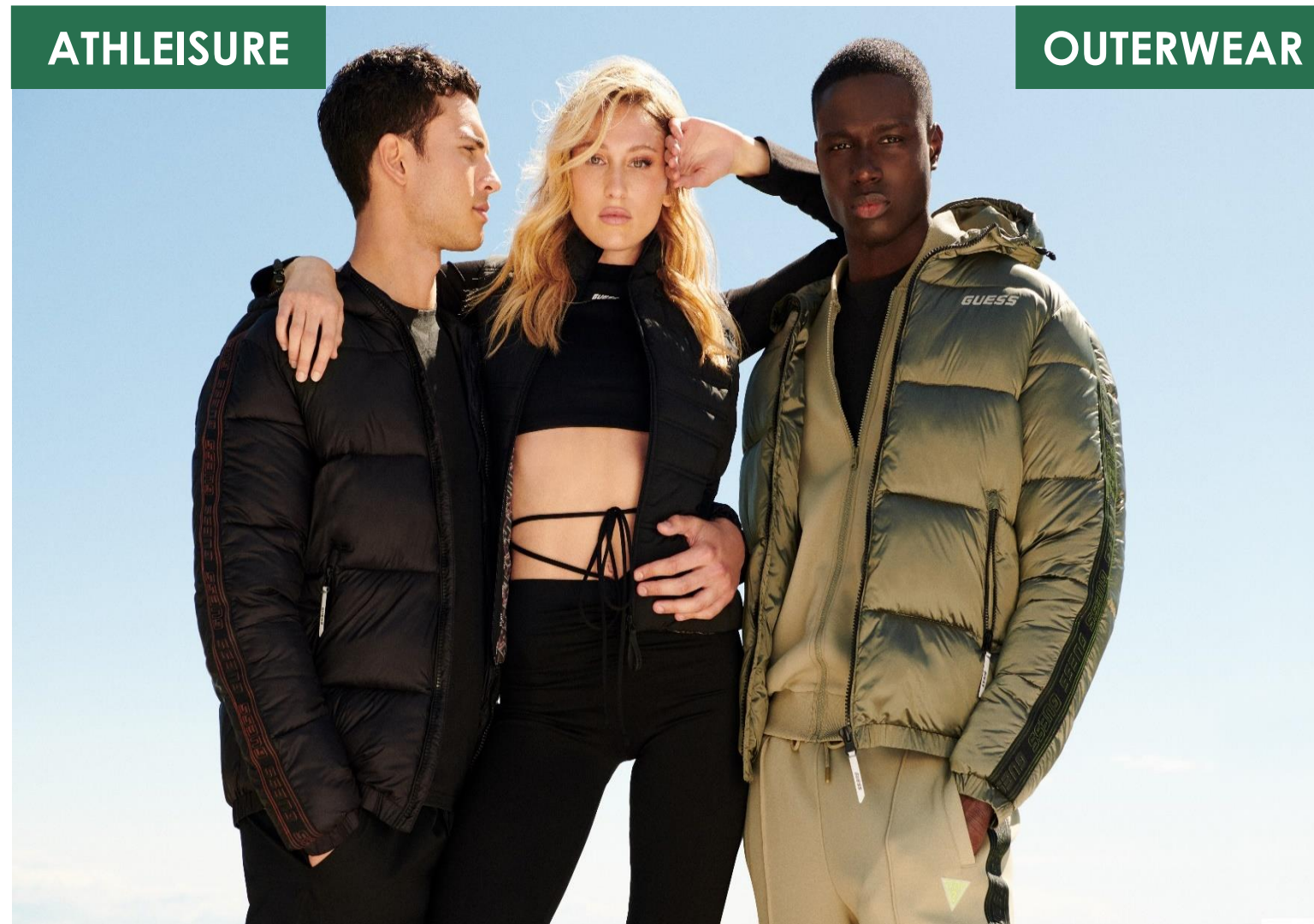


FRAGRANCES

FOCUS PRODUCT CATEGORIES



WOMEN'S & MEN'S APPAREL



ATHLEISURE

OUTERWEAR



ESSENTIALS



HANDBAGS



FOOTWEAR



KIDS

CUSTOMER CENTRICITY

We Widely Resonate Across 3 Generations of Consumers



HERITAGE

Age: 40+

Spending Power: \$1.3 trillion

Population Size 1.4 billion

- Brand loyal
- Influenced by: celebrities (i.e. actors), Facebook
- Seek product information
- Respond to digital and traditional advertising

47%
of NA & EUR
online sales*



MILLENNIAL

Age: 25-39

Spending Power: \$1.3 trillion

Population Size 1.7 billion

- Value experiences over tangible items
- Influenced by: Influencers, IG
- Look to them as co-creators
- Bounty hunter, thrill of the deal

36%
of NA & EUR
online sales*



GEN-Z

Age: 10-24

Spending Power: \$0.4 billion

Population Size 2.5 billion

- View wealth as success + like luxury brands
- Influenced by: micro-influencers, YouTube
- Aspirational browsers, community show + tell
- Less deal driven, loves social good

17%
of NA & EUR
online sales*

*Represents FY24 Q3 LTM GUESS brand online sales in North America and Europe

GLOBAL FOOTPRINT

1,015 directly operated stores (1,559 total stores*) in approximately 100 countries with \$2.7B in net revenues (Q3 FY24 LTM)

EU & MIDDLE EAST 545 STORES

<u>FY20</u>	<u>Q3 FY24 LTM</u>
\$1,248M	\$1,435M

AMERICAS 364 STORES

<u>FY20</u>	<u>Q3 FY24 LTM</u>
\$998M	\$894M

ASIA 106 STORES

<u>FY20</u>	<u>Q3 FY24 LTM</u>
\$346M	\$264M

LICENSING

<u>FY20</u>	<u>Q3 FY24 LTM</u>
\$86M	\$109M

OUR BUSINESS TRANSFORMATION



**Brand
Elevation**

- Global line
- Full price selling
- Customer Experience Optimization



**Global Portfolio
Optimization**

- Store rationalization
- Rent renegotiations
- Integration of G by GUESS into Outlet model



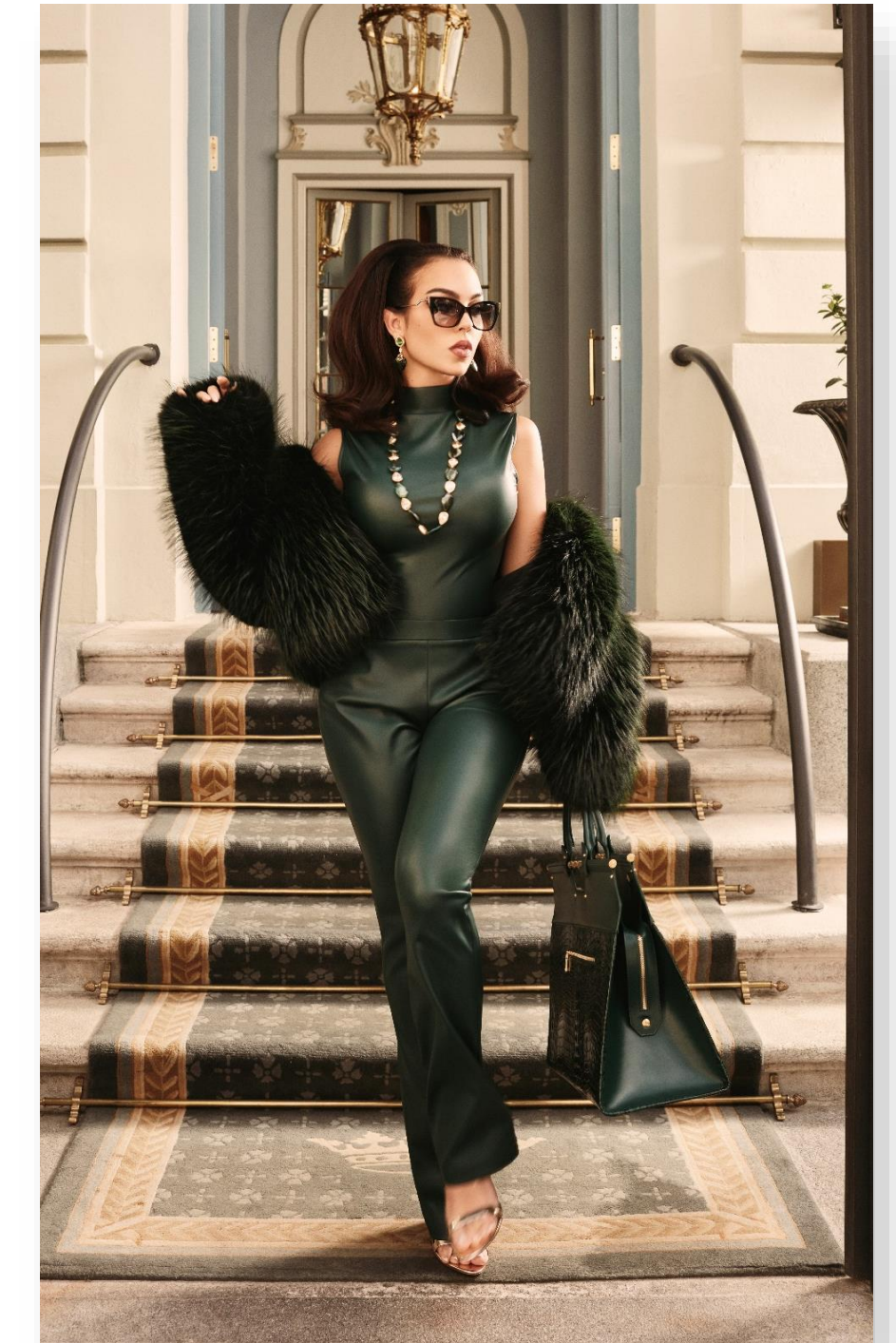
**E-Commerce Business
Acceleration**

- Salesforce platform implementation
- Customer analytics development
- Omnichannel capabilities rollout



**Operating Model
Transformation**

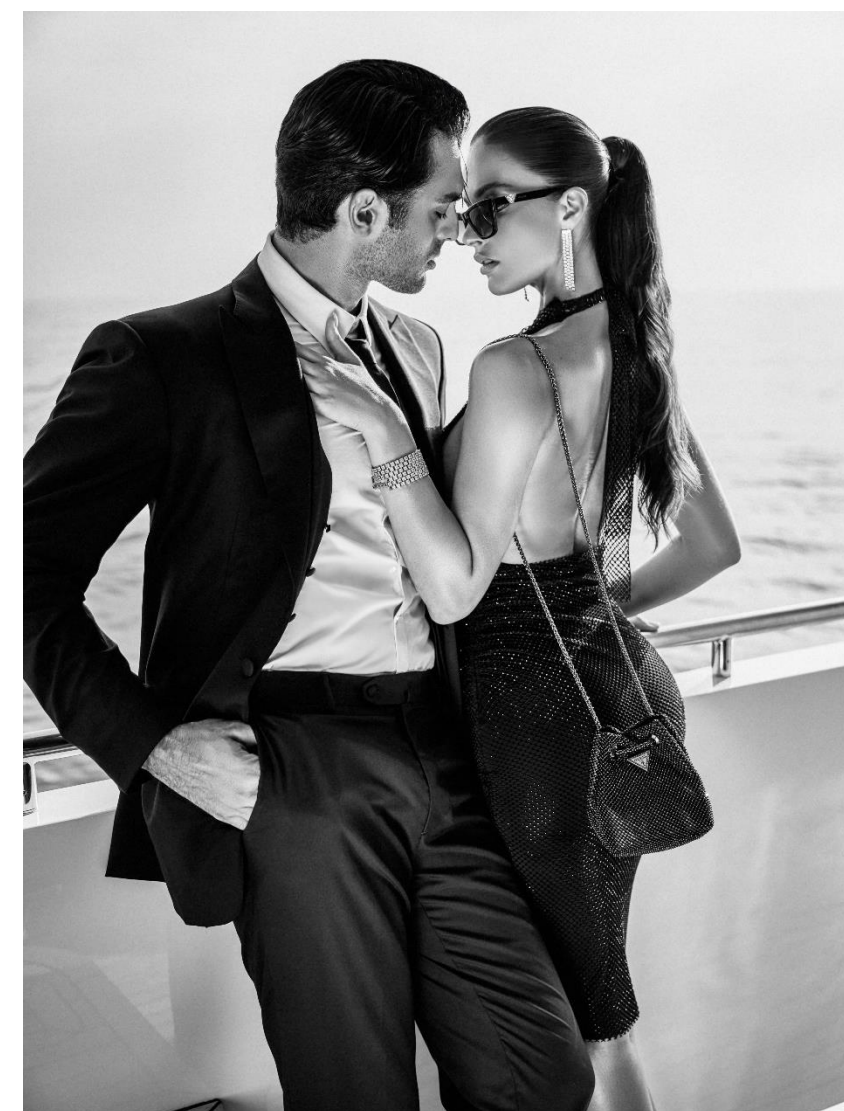
- Global Team reorganization
- Business with omnichannel focus
- Effective and efficient operations



**Return to Shareholders
Commitment**

- Capital Structure Optimization
 - Convertible bond exchange
- Dividends
- Share repurchases
- Increased ROIC

BRAND ELEVATION



Elevate taste, styling and quality of our products – **focus on sustainability**

Develop one global line of product

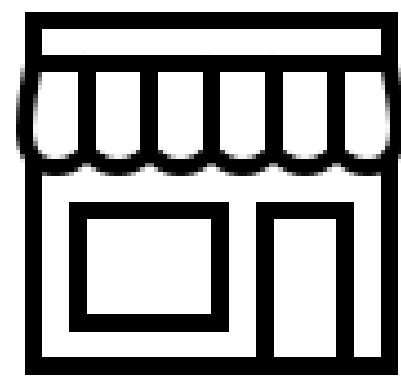
Focus on key product categories for Heritage, Millennial and Gen-Z customers

Increase full price selling – customer perceived value-based pricing

Continue to perfect **image & photography in marketing, e-comm and all advertising media**

Optimize the customer experience across our GUESS ecosystem (Stores, E-Com, Wholesale and Licensees)

GLOBAL PORTFOLIO OPTIMIZATION



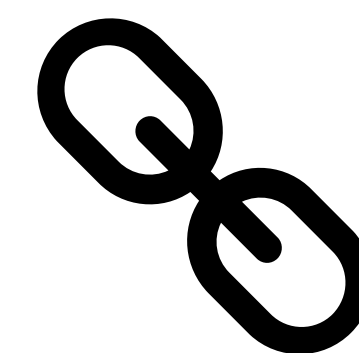
Store Rationalization

Closed 280 stores globally¹



Rent Renegotiations

Renegotiated 550 leases globally²



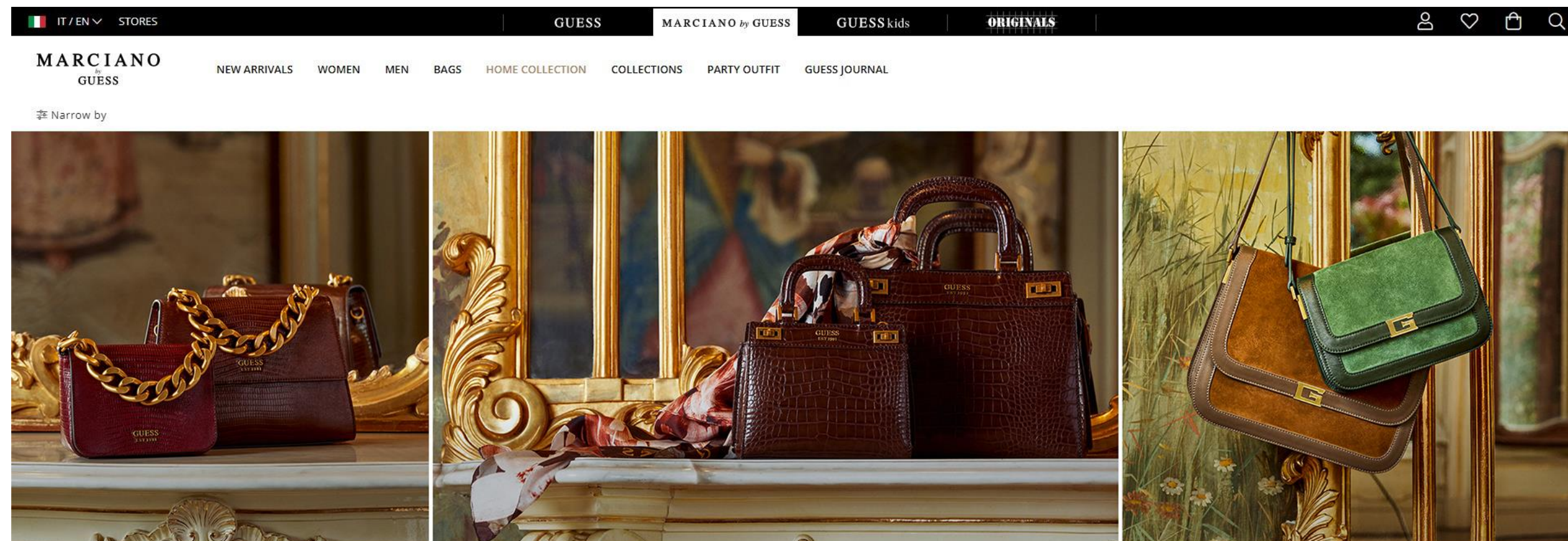
Integration of G by GUESS into Outlet Business

In North America

¹Freestanding, directly operated store closures over the 3-year timeframe from FY21-FY23

²Rent renegotiations executed over the 3-year timeframe from FY21-FY23

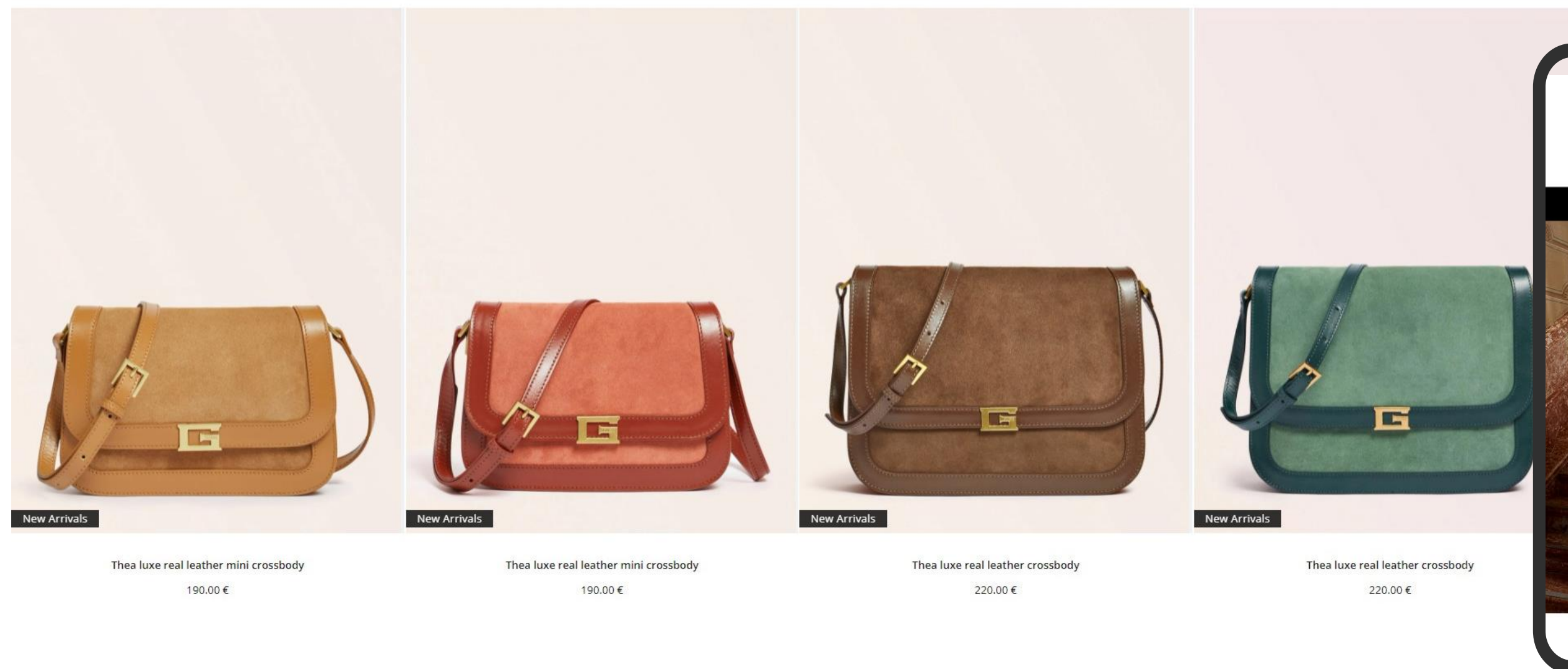
E-COMMERCE BUSINESS ACCELERATION



✓ Salesforce platform implementation

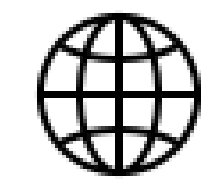
✓ Customer 360 implementation

✓ Omnichannel capabilities rollout



✓ Online assortment expansion

OPERATING MODEL TRANSFORMATION



Global team reorganization



Business with omnichannel focus



Elimination of redundancies and increased effectiveness and efficiency

Q3 FY24 HIGHLIGHTS & FULL YEAR OUTLOOK*

Q3 Fiscal 2024 Results

- Revenues increased by 3% in USD and 1% in constant currency
- Delivered Adjusted Operating Margin of 8.9%
- Delivered Adjusted EPS of \$0.49



Full Year Fiscal 2024 Outlook

- Revenues forecasted to grow between 1.8% and 2.4% in USD
- Adjusted Operating Margin forecasted between 8.9% and 9.1%
- Adjusted EPS forecasted between \$2.67 and \$2.74

RECENT DEVELOPMENT



On January 5, we announced a convertible notes exchange transaction pursuant to which we will:

- Issue \$64.8M of additional 3.75% convertible notes due in 2028
- Retire \$67.1M of existing 2.00% convertible notes due in 2024
- Repurchase 0.9M shares of our common stock for approximately \$21.1M
- Enter into bond hedge and warrant transactions with a warrant strike price of \$41.37 per share



OPPORTUNITY FOR GROWTH

1. Increase sales productivity and market share gains

- Positive comp sales
- Portfolio optimization
- Wholesale distribution

2. Organic Growth

- Existing markets
- New markets

3. Brand extensions and category expansion

Denim, Marciano, handbags, dresses, outerwear, brand partnership projects, casual lifestyle focus

4. Opportunities that leverage core competencies and global infrastructure

- Brand segmentation – Guess Jeans launch
- Internalization of GIII license
- Strategic acquisitions

INVESTMENT HIGHLIGHTS



- Highly recognized, iconic lifestyle brand with strong Heritage, Millennial and Gen Z customer following
- Global infrastructure with strong management capabilities offering significant opportunity for leverage with growth
- Synergistic multichannel capabilities. Direct to consumer, both retail and E-commerce, Wholesale, full price and outlet distribution, licensing, franchising
- Doing business in 25 different product categories and in over 100 countries
- Highly diversified business model capable of delivering high operating margin and high return on invested capital, while mitigating risk
- Meaningful whitespace for growth across products and regions
- Strong balance sheet
- Intense focus on maximizing shareholder value



THANK YOU



APPENDIX



GAAP TO NON-GAAP RECONCILIATION

The financial information in this presentation contains certain non-GAAP measures, such as adjusted results, adjusted outlook and constant currency financial information, that are calculated and presented on a basis other than in accordance with generally accepted accounting principles in the United States of America (GAAP) and exclude certain items from the most directly comparable GAAP financial measure. Such non-GAAP measures should be viewed in addition to, and not as an alternative for, reported results under GAAP.

Certain amounts presented exclude the impact of (i) certain professional service and legal fees and related (credits) costs, (ii) asset impairment charges, (iii) net (gains) losses on lease modifications, (iv) loss on extinguishment of debt, (v) non-cash amortization of debt discount of the Company's convertible senior notes, (vi) the related income tax effects of the foregoing items, and (vii) certain discrete income tax adjustments related primarily to the consolidation of certain business functions into Switzerland and, to a lesser extent, the impact from changes in the income tax law in certain tax jurisdictions, in each case where applicable. The weighted average diluted shares outstanding used for adjusted diluted EPS excludes the dilutive impact of the Notes, based on the bond hedge contracts in place. The Company has excluded these items from its adjusted financial measures primarily because it believes these items are not indicative of the underlying performance of its business and the adjusted financial information provided is useful for investors to evaluate the comparability of the Company's operating results and its future outlook (when reviewed in conjunction with the Company's GAAP financial statements and GAAP future outlook).

This presentation includes certain constant currency financial information. Foreign currency exchange rate fluctuations affect the amount reported from translating the Company's foreign revenue, expenses and balance sheet amounts into U.S. dollars. These rate fluctuations can have a significant effect on reported operating results under GAAP. The Company provides constant currency information to enhance the visibility of underlying business trends, excluding the effects of changes in foreign currency translation rates. To calculate net revenue and earnings (loss) from operations on a constant currency basis, actual or forecasted results for the current-year period are translated into U.S. dollars at the average exchange rates in effect during the comparable period of the prior year. The constant currency calculations do not adjust for the impact of revaluing specific transactions denominated in a currency different from the functional currency of that entity when exchange rates fluctuate. However, in calculating the estimated impact of currency on our earnings (loss) per share for our actual or forecasted results, the Company estimates gross margin (including the impact of merchandise-related hedges) and expenses using the appropriate prior-year rates, translates the estimated foreign earnings at the comparable prior-year rates, and considers the year-over-year earnings impact of gains or losses arising from balance sheet remeasurement and foreign currency contracts not designated as merchandise hedges. The constant currency information presented may not be comparable to similarly titled measures reported by other companies.

Please refer to the following slide for a reconciliation of non-GAAP measures referred to in this presentation.

RECONCILIATION OF GAAP TO ADJUSTED RESULTS AND OUTLOOK

Dollars in thousands

	Q3 FY2024	FY2024E
Net Revenue	\$651,170	
Reported GAAP earnings from operations	\$54,773	
Certain professional service and legal fees and related (credits) costs ¹	849	
Asset impairment charges ²	1,737	
Net losses on lease terminations ³	537	
Adjusted earnings from operations	\$57,896	
GAAP operating margin	8.4%	8.7% to 8.9%
Certain professional service and legal fees and related (credits) costs ¹	0.2%	0.1%
Asset impairment charges ²	0.3%	0.2%
Net (gains) losses on lease modifications ³	0.0%	(0.1%)
Adjusted operating margin	8.9%	8.9% to 9.1%
GAAP diluted EPS	\$0.82	\$2.49 to \$2.55
Certain professional service and legal fees and related (credits) costs ¹	0.01	0.02
Asset impairment charges ²	0.02	0.07
Net (gains) losses on lease modifications ³	0.01	(0.02)
Loss on extinguishment of debt ⁴	-	0.08
Amortization of debt discount ⁵	0.00	0.01
Discrete income tax adjustments ⁶	(0.44)	(0.44)
Impact of convertible share dilution ⁷	0.07	0.46 to 0.47
Adjusted diluted EPS	\$0.49	\$2.67 to \$2.74

Notes

- During Q3 FY2024 YTD, the Company recorded certain professional service and legal fees and related (credits) costs which the Company otherwise would not have incurred as part of its business operations. The Company is unable to predict future amounts as these expenditures are inconsistent in amount and frequency and certain elements used to estimate such items have not yet occurred or are out of the Company's control. As such, the Company has not considered any future charges in the GAAP outlook.
- During Q3 FY2024 YTD, the Company recorded asset impairment charges related primarily to impairment of property and equipment and operating lease right-of-use assets related to certain retail locations resulting from under-performance and expected store closures. The adjusted results do not assume any additional future asset impairment charges because of the uncertainty and variability of the nature and amount. As such, the Company has not considered any future asset impairment charges and recorded amounts currently determined under GAAP.
- During Q3 FY2024 YTD, the Company recorded net (gains) losses on lease modifications related primarily to the early termination of certain lease agreements. The adjusted results do not assume any additional future net gains on lease modifications because of the uncertainty and variability of the nature and amount. As such, the Company has not considered any future net (gains) losses on lease modifications and recorded amounts currently determined under GAAP.
- During Q1 FY2024, the Company recorded a loss on extinguishment of debt from a portion of the exchanged 2024 Notes in April 2023. The Company is unable to predict future amounts as these expenditures are inconsistent in amount and frequency and certain elements used to estimate such items have not yet occurred or are out of the Company's control. As such, the Company has not considered any future charges in the GAAP outlook.
- In April 2023, the Company issued \$275 million principal amount of 3.75% convertible senior notes due 2028 in a private offering. The debt discount, which resulted from the modification accounting for a portion of the exchanged 2024 Notes, will be amortized as non-cash interest expense over the term of the 2028 Notes. The Company excludes the amounts anticipated to be recorded as such amounts are reasonably estimated.
- During Q3 FY2024 YTD, the Company recorded adjustments representing discrete income taxes related primarily to a benefit recognized during the third quarter of FY2024 as a result of the consolidation of certain business functions into Switzerland and, to a lesser extent, the impact from changes in the income tax law in certain tax jurisdictions. The Company is unable to predict future amounts as these amounts are inconsistent in magnitude and frequency and certain elements used to estimate such items have not yet occurred or are out of the Company's control. As such, the Company has not considered any future charges or credits with respect to these items in the accompanying GAAP outlook.
- The Company excludes the dilutive impact of the Notes at stock prices below \$44.53 for the 2024 Notes and below \$41.51 for the 2028 Notes, based on the bond hedge contracts in place that will deliver shares to offset dilution. At stock prices in excess of \$44.53 for the 2024 Notes and \$41.51 for the 2028 Notes, the Company would have an obligation to deliver additional shares in excess of the dilution protection provided by the bond hedges. The Company excludes the dilutive impact anticipated to be recorded in those periods as such amounts are reasonably estimated. The Company has not assumed any potential share dilution due to the related warrants.