

# Executing on Our Strategic Pillars

ICR Conference

January 9, 2023

CHICO'S FAS INC

chico's®

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WHBM  
WHITEHOUSEBLACKMARKET™

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SOMA



# Forward-Looking Language

This presentation contains statements concerning our current expectations, assumptions, plans, estimates, judgments and projections about our business and our industry and other statements that are not historical facts. These statements, including without limitation the slide entitled "Q4 2022 and FY 2022 Updated Outlook," are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. In most cases, words or phrases such as "aim," "anticipates," "believes," "could," "estimates," "expects," "intends," "target," "may," "will," "plans," "path," "outlook," "project," "should," "strategy," "potential," "confident" and similar expressions identify forward-looking statements. These forward-looking statements are based largely on information currently available to our management and are subject to various risks and uncertainties that could cause actual results to differ materially from historical results or those expressed or implied by such forward-looking statements. Although we believe our expectations are based on reasonable estimates and assumptions, they are not guarantees of performance. There is no assurance that our expectations will occur or that our estimates or assumptions will be correct, and we caution investors and all others not to place undue reliance on such forward-looking statements. Factors that could cause actual results to differ include, but are not limited to, those described in Item 1A, "Risk Factors" in our most recent Annual Report on Form 10-K and, from time to time, in Item 1A, "Risk Factors" of our Quarterly Reports on Form 10-Q and the following:

The effects of the pandemic, including uncertainties about its depth and duration, new variants of COVID-19 that have emerged, the speed, efficacy and availability of vaccines and treatments, its impact on general economic conditions, human capital management, consumer behavior and discretionary spending, the effectiveness of any actions taken in response to the pandemic, and the impact of the pandemic on our manufacturing operations, shipping costs and timelines and the global supply chain; the ability of our suppliers, logistics providers, vendors and landlords, to meet their obligations to us in light of financial stress, labor shortages, liquidity challenges, bankruptcy filings by other industry participants, and supply chain and other disruptions; increases in unemployment rates and labor shortages; our ability to sufficiently staff our retail stores; changes in general economic conditions, including but not limited to, consumer confidence and consumer spending patterns; the impacts of rising inflation, gasoline prices, and interest rates on consumer spending; market disruptions including pandemics or significant health hazards, severe weather conditions, natural disasters, terrorist activities, financial crises, political crises, war and other military conflicts (such as the war in Ukraine) or other major events, or the prospect of these events, including their impact on consumer spending, inflation and the global supply chain; domestic and global political and social conditions and the potential impacts of geopolitical turmoil or conflict; shifts in consumer behavior, and our ability to adapt, identify and respond to new and changing fashion trends and customer preferences, and to coordinate product development with buying and planning; changes in the general or specialty retail or apparel industries, including significant decreases in market demand and the overall level of spending for women's private branded clothing and related accessories; our ability to secure and maintain customer acceptance of in-store and online concepts and styles; increased competition in the markets in which we operate, including for, among other things, premium mall space; our ability to remain competitive with customer shipping terms and costs; decreases in customer traffic at malls, shopping centers and our stores; fluctuations in foreign currency exchange rates and commodity prices; significant increases in the costs of manufacturing, raw materials, transportation, importing, distribution, labor and advertising; decreases in the quality of merchandise received from suppliers and increases in delivery times for receiving such merchandise; our ability to appropriately manage our store fleet, including the closing of underperforming stores and opening of new stores, and our ability to achieve the expected results of any such store openings or store closings; our ability to appropriately manage inventory and allocation processes and leverage targeted promotions; our ability to maintain cost saving discipline; our ability to operate our retail websites in a profitable manner; our ability to successfully identify and implement additional sales and distribution channels; our ability to successfully execute and achieve the expected results of our business, brand strategies, brand awareness programs, and merchandising and marketing programs including, but not limited to, the Company's three-year strategic growth plan, retail fleet optimization plan, sales initiatives, multi-channel strategies and four strategic pillars which are: 1) customer led; 2) product obsessed; 3) digital first; and 4) operationally excellent; our ability to utilize our distribution center and other support facilities in an efficient and effective manner; our reliance on sourcing from foreign suppliers and significant adverse economic, labor, political or other shifts (including adverse changes in tariffs, taxes or other import regulations, particularly with respect to China, or legislation prohibiting certain imports from China); U.S. and foreign governmental actions and policies and changes thereto; the continuing performance, implementation and integration of our management information systems; our ability to successfully update our information systems; the impact of any system failure, cyber security or other data security breaches, including any security breaches resulting in the theft, transfer, or unauthorized disclosure of customer, employee, or company information; our ability to comply with applicable domestic and foreign information security and privacy laws, regulations and technology platform rules or other obligations related to data privacy and security; our ability to attract, hire, train, motivate and retain qualified employees in an inclusive environment; our ability to successfully recruit leadership or transition members of our senior management team; increased public focus and opinion on environmental, social and governance ("ESG") initiatives and our ability to meet any announced ESG goals and initiatives; future unsolicited offers to buy the Company and actions of activist shareholders and others and our ability to respond effectively; our ability to secure and protect our intellectual property rights and to protect our reputation and brand images; unanticipated obligations or changes in estimates arising from new or existing litigation, income taxes and other regulatory proceedings; unanticipated adverse changes in legal, regulatory or tax laws; and our ability to comply with the terms of our credit agreement, including the restrictive provisions limiting our flexibility in operating our business and obtaining additional credit on commercially reasonable terms.

These factors should be considered in evaluating forward-looking statements contained herein. All forward-looking statements that are made or attributable to us are expressly qualified in their entirety by this cautionary notice. The forward-looking statements included herein are only made as of the date of this presentation. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



# Executing Ahead of Plan

200+

combined years merchant / design experience  
on Board and management

growing faster

than the market across all three brands

Q3 2022

7th consecutive quarter of year-over-year  
double digit earnings growth

+24.7%

Comparable Sales YTD Growth<sup>(1)</sup>  
(stores and digital growth double digits)

+12.4%

AUR YTD Growth to 2021<sup>(1)</sup>

+14.9%

Sales Per Customer YTD Growth<sup>(1)</sup>

+12.3%

Multi-Channel Customer TTM Growth<sup>(2)</sup>

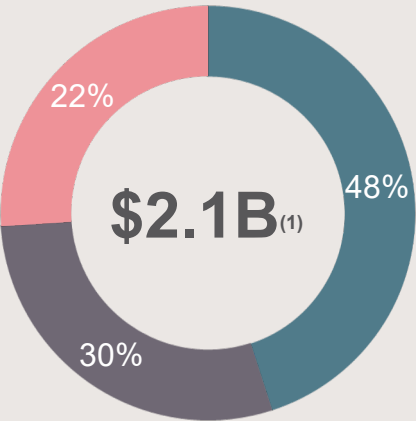
+7.4%

Customer YTD Growth<sup>(1)</sup>



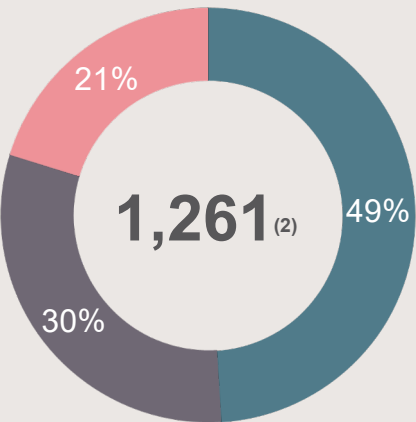
NET  
SALES

chico's  
WHBM  
SOMA



TOTAL  
STORES

chico's  
WHBM  
SOMA



<sup>(1)</sup> 39-weeks ended October 29, 2022 compared to 39-weeks ended October 30, 2021 (unaudited)

<sup>(2)</sup> Trailing twelve months ended October 29, 2022 (unaudited)



# Clearly Defined Strategic Pillars



**CUSTOMER LED**



**PRODUCT OBSESSED**



**DIGITAL FIRST**



**OPERATIONALLY  
EXCELLENT**



# Customer Led



## CUSTOMER LED

- Community engagement
- New loyalty programs
- Digitize human experiences
- Increase lifetime value



# Product Obsessed



**PRODUCT  
OBSESSED**

- Distinctive, Premium
- Creative storytelling
- Sustainability
- Best-in-class items





# Digital First



## DIGITAL FIRST

- Strengthen core platform
- Modernize merchandise, data and store systems
- Data-driven insights
- Test and learn



# Operationally Excellent



**OPERATIONALLY  
EXCELLENT**

- Fabric first
- Inventory management
- Enhanced supply chain
- Leveraging real estate





# Loyal, Expanding Customer Base

chico's®

WHIBM  
WHITEHOUSEBLACKMARKET™

SOMA

**28.8%**

YTD Comparable Sales  
Growth Q3 2022 over  
Q3 2021

**17.0%**

YTD Comparable Sales  
Growth Q3 2022 over  
Q3 2021

**34.7%**

YTD Comparable sales  
growth Q3 2022 over  
Q3 2019

**11.7%**

Customer Growth Trailing  
Twelve-Months

**16.0%**

Customer Growth Trailing  
Twelve-Months

**4.1%**

Customer Growth Trailing  
Twelve-Months

**12**

years avg customer length

**9**

years avg customer length

**6**

years avg customer length

**10**

year avg reduction in  
customer age for new  
customers

**3**

year avg reduction in  
customer age for new  
customers

**4**

year avg reduction in  
customer age for new  
customers

**2.8M**

total active customers

**1.8M**

total active customers

**2.8M**

total active customers

All data is unaudited and as of Q3 2022

Soma comparable sales declined 5.8% in Q3 2022 compared to Q3 2021 reflecting continued slowdown in lounge and cozy





# chico's®

Boutique of solution-oriented  
products, focused on color  
and fit with core franchises



# chico's® Brand Ethos

## BRAND VISION

Inspiring accomplished women  
to embrace and express their  
individuality

## BRAND POSITIONING

For women who have  
grown to know themselves, we  
always have something new and  
unique just for them

**chico's®**

## CUSTOMER VALUES

Family  
Friends  
Fun  
Creativity  
Self-expression

## BRAND AND CUSTOMER PERSONALITY

Purposeful  
Genuine  
Magnetic  
Timeless





chico's®

# Financial Highlights

Unaudited, thirty-nine weeks ended October 29, 2022

Customers responding to elevated product; building complete outfits

**\$801.6M**

Net Sales

**33.2%**

Net Sales Growth YoY

**36.0%**

Comparable Sales to 2021

**10.6%**

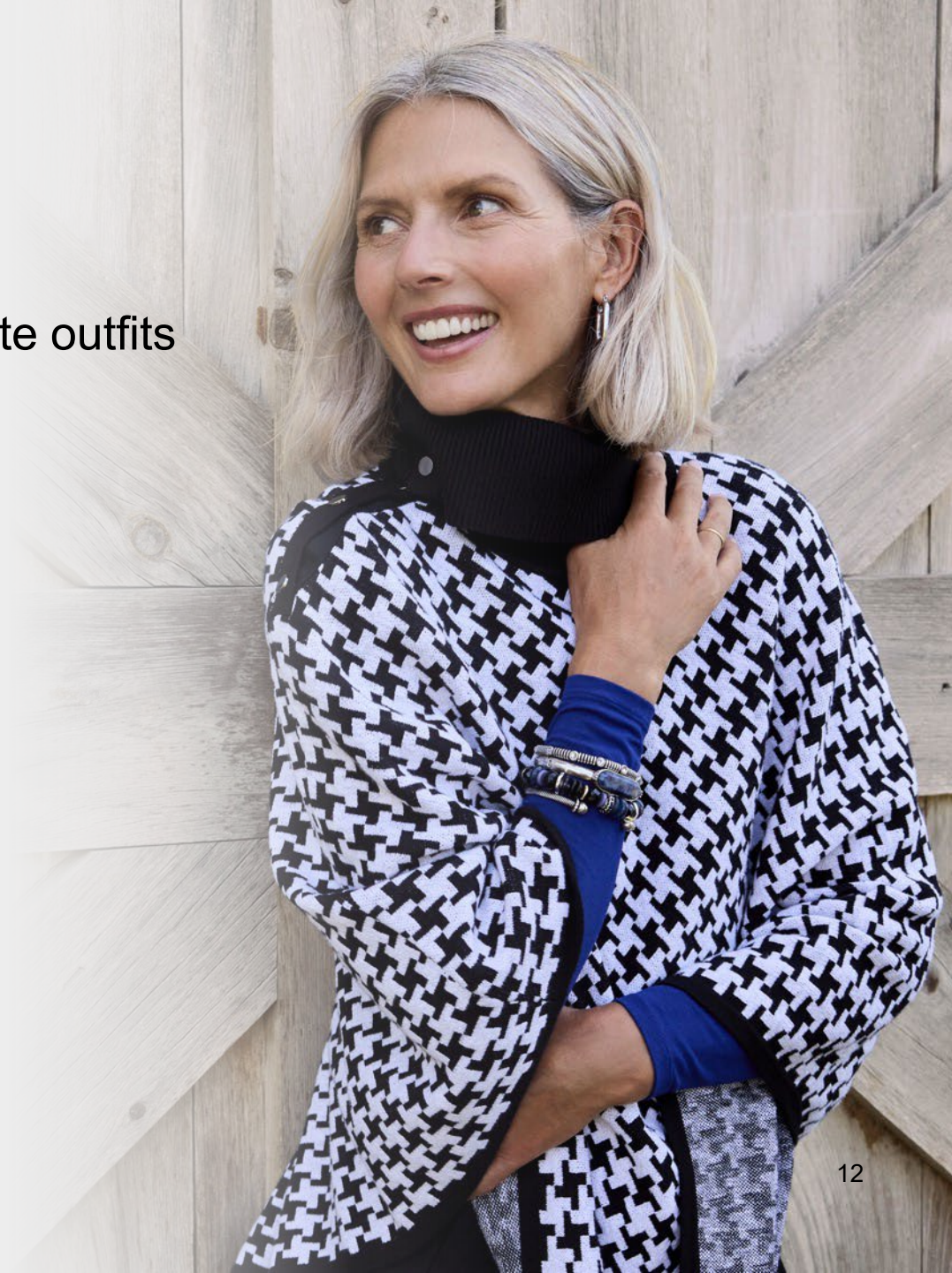
Customer Growth TTM<sup>1</sup>

**613**

Stores

(1) Trailing twelve months ended October 29, 2022

CHICO'S F A S I N C





Designer details with feminine tailoring focused on core franchises with solutions





# Brand Ethos

## BRAND POSITIONING

For women who understand and accept their duality, we offer fashion infused with designer details that are as surprising as she is

## BRAND VISION

Inspiring independent women to embrace both their power and their femininity



## CUSTOMER VALUES

Family  
Friendship  
Confidence  
Achievement  
Optimism

## BRAND AND CUSTOMER PERSONALITY

Authentic  
Smart  
Stylish  
Social  
Determined





# Financial Highlights

Unaudited, thirty-nine weeks ended October 29, 2022

Customers responding to versatile dressing;  
seasonless fabrics

**\$485.1M**

Net Sales

**33.2%**

Net Sales Growth YoY

**35.6%**

Comparable Sales to 2021

**13.7%**

Customer Growth TTM<sup>1</sup>

**382**

Stores

(1) Trailing twelve months ended October 29, 2022



S O M A

Inclusive intimate apparel  
brand, providing beautiful  
solutions





S O M A

## Brand Ethos

### BRAND VISION

Inspiring all women to embrace  
their passion for both comfort  
and confidence

### BRAND POSITIONING

Beautiful innovative solutions for all  
women who appreciate fashion as  
much as function, we offer bras,  
panties, pajamas and loungewear to  
give her the very best of both worlds

S O M A

### CUSTOMER VALUES

Friendship  
Community  
Comfort  
Individuality  
Positivity

### BRAND AND CUSTOMER PERSONALITY

Supportive  
Honest  
Clever  
Confident





# Financial Highlights

Unaudited, thirty-nine weeks ended October 29, 2022

Customers responding to core bra and panties; continued growth and market share gains

**\$347.5M**

Net Sales

**-4.7%**

Net Sales Growth YoY

**-5.8%**

Comparable Sales to 2021  
(31% Comparable Sales to 2019)

**3.5%**

Customer Growth TTM<sup>1</sup>

**266**

Stores

(1) Trailing twelve months ended October 29, 2022



# Compelling Digital & ECOM Capabilities

Technology as an Enabler





# Digital First

Digital Sales Expected to Reach **\$1B+** by 2024



## Connected Commerce

conversion  
lifetime value  
brand awareness  
basket size



## Data Centricity

conversion  
traffic  
marketing efficiency  
out of stock reduction



## Technology Enablement

conversion  
avg order value  
speed to market  
retention



# ESG Integrated in Strategic Priorities

People, Product and Packaging: Profitable Growth, Better World



## CUSTOMER LED

develop assortments with customers and associates for **women of all shapes and sizes**, providing solutions that create comfort and joy



## PRODUCT OBSESSED

create sustainable styles made from **recycled materials** and **natural fibers**



## DIGITAL FIRST

use **digital tools** to **streamline steps** in sourcing, design and production process



## OPERATIONALLY EXCELLENT

**source responsibly** and leverage latest **sustainable packaging** and **shipping methods**





# Financial Update





# Q3 2022 Financial Highlights

Unaudited, in millions except per share and % data

Reported Q3 diluted EPS of \$0.20, seventh consecutive quarter of double-digit earnings growth

Q3 2022 net sales increased 14.3% and comparable sales grew 16.5% YoY

	Q3 2019	Q3 2020	Q3 2021	Q3 2022
Total Net Sales	\$484.7M	\$351.4M	\$453.6M	\$518.3M
Gross Margin	35.3%	22.0%	40.7%	40.0%
SG&A	37.3%	43.6%	35.8%	33.9%
Operating Income (Loss)	\$(9.5)M	\$(75.9)M	\$22.0M	\$31.6M
Diluted EPS	\$(0.07)	\$(0.48)	\$0.15	\$0.20



# Q4 2022 and FY 2022 Updated Outlook as of January 9, 2023

	Q4 2022 Outlook	Full-Year 2022 Outlook
<b>Consolidated Net Sales</b>	\$505M – \$515M	\$2,128M – \$2,138M
<b>EPS</b>	(\$0.02) – \$0.00	\$0.80 – \$0.82

- **Full-Year 2022 comparable sales growth expected in the high teens with EPS growth projected up ~120% over fiscal 2021**

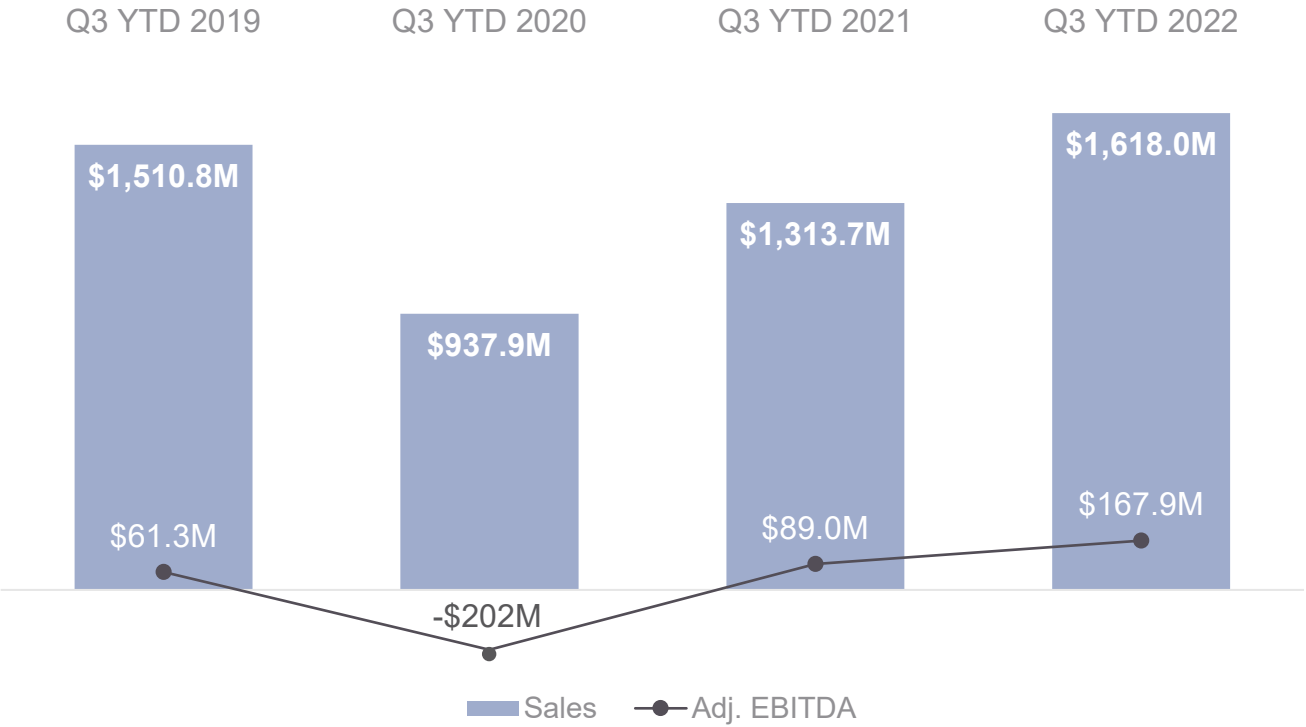




# Delivering Growth and Profitability

(Unaudited)  
(Sales and Adjusted EBITDA in millions)

## Sales / Adj. EBITDA<sup>1</sup>

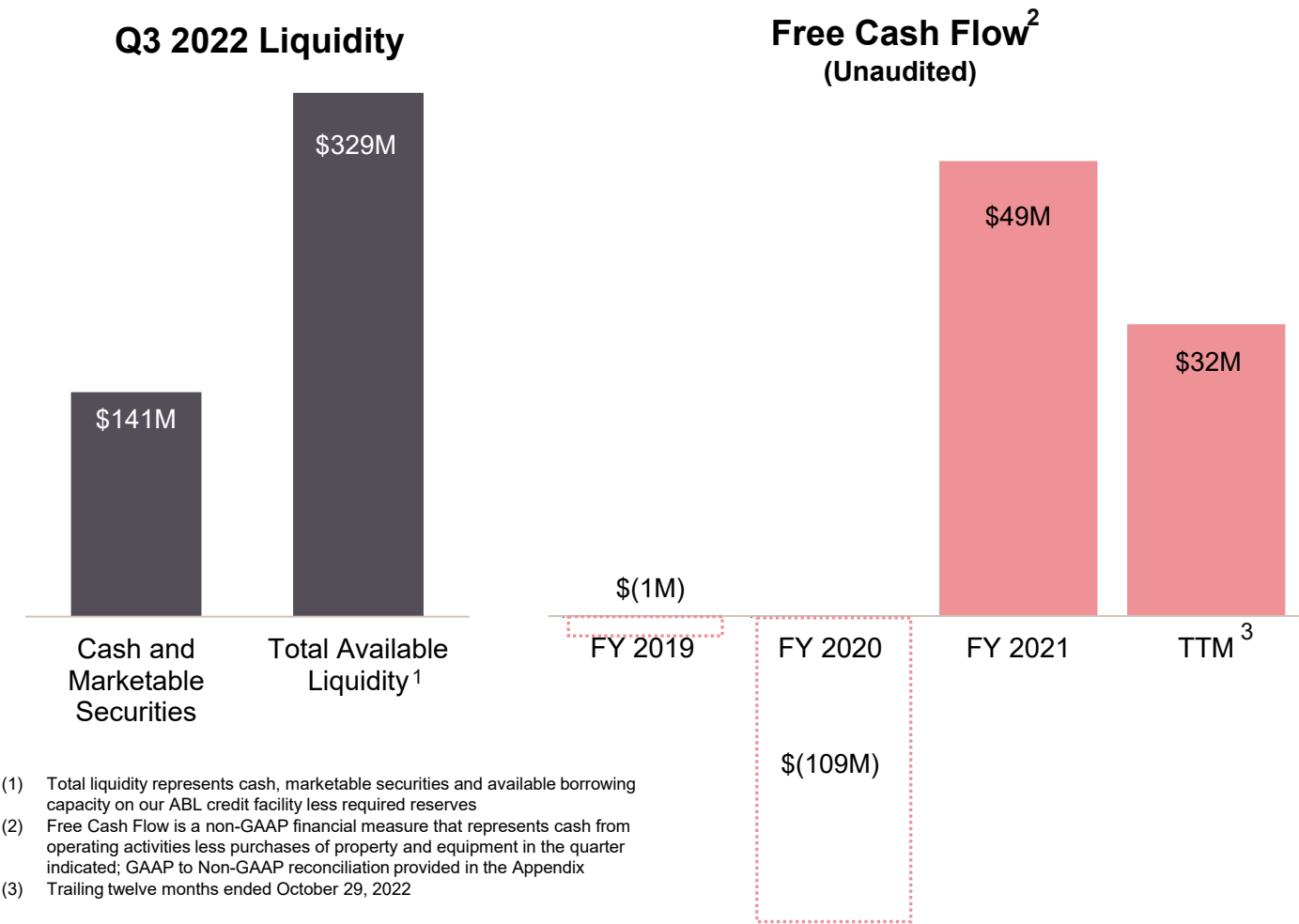


(1) Adjusted EBITDA excludes goodwill and other impairment charges as reflected in the accompanying GAAP to Non-GAAP reconciliation



# Strong Liquidity and Growing Cash Flow

(in millions)





# We See a Clear Path to Delivering Shareholder Value

Targeting the Following by 2024

**\$2.5B+**

sales (~12.5% CAGR)

**\$1B+**

digital sales

**40%**

gross margin

**7.5%**

operating margin

**15%+**

annual EPS growth

**\$400M**

cumulative 3-year cash flow from operations

**15%+**

annual TSR

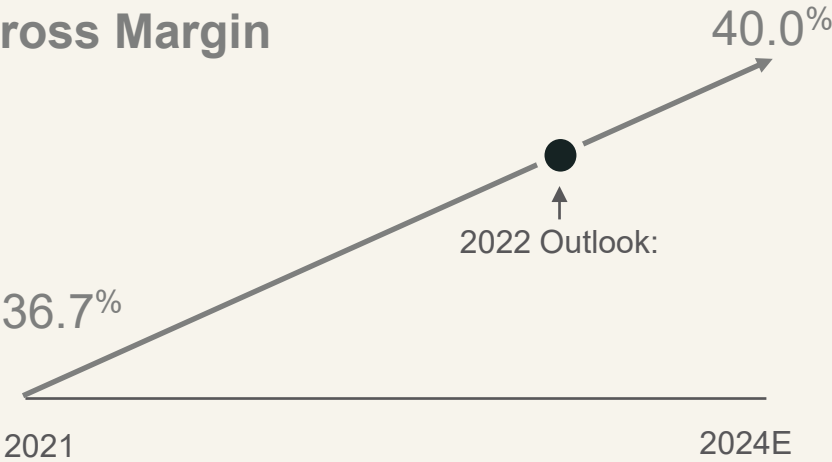
Projected effective income tax rate of 26% to 28% in fiscals 2022 to 2024

CHICO'S FAS INC

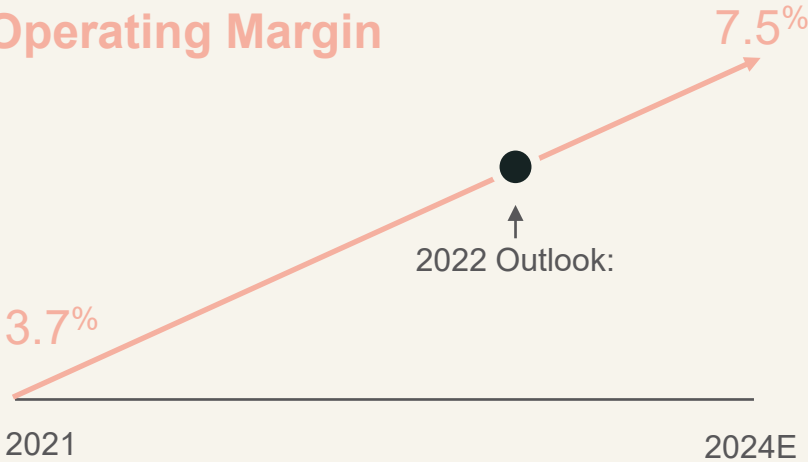


# Progress to Date – Four Key Metrics Ahead of Plan

Gross Margin



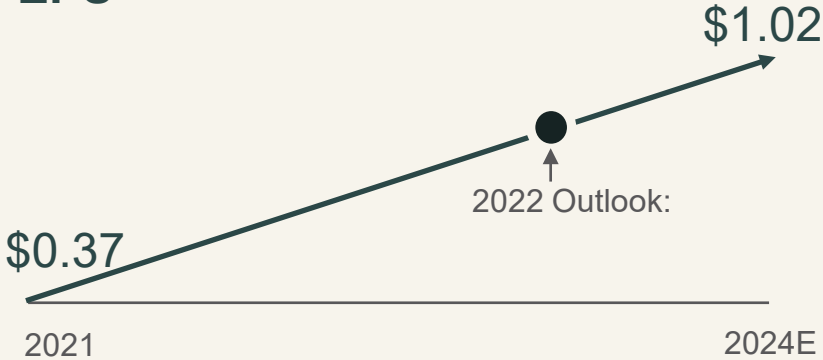
Operating Margin



Cumulative Cash from Operations



EPS



Reflects targets communicated during the 2022 Investor Day



# Balanced Capital Allocation Policy



## **MAINTAIN STRONG LIQUIDITY**

Fund daily need and navigate macro environment



## **INVESTMENT IN BRANDS AND SHARED PLATFORM**

Targeting 3.5% of annual sales in Capex



## **REPAY DEBT**

Manage balance sheet to minimize financial risk



## **RETURN EXCESS CASH TO SHAREHOLDERS**

Share repurchase



# We Believe Investments Fuel Growth Across Channels

Targeting Capital Expenditures of 3.5% of Sales Annually Allocated Across Digital, Stores and Infrastructure (Supply Chain, Facilities)



## Digital

1/3 of total forecasted investment

### Traffic drivers

customer data platform, segmentation, brand shop applications

### Conversion / Acquisition drivers

UX (search, browse, checkout, content), tools (Style Connect, My Closet)

### Retention drivers

self service, personalization, social



## Stores

1/3 of total forecasted investment

### New Soma stores

**Store upgrade / refresh**  
(lease required and pro-active)



## Infrastructure

### Add capacity to meet demand

(existing campus in Winder and U.S. expansion)

### Call center support

cloud-based system(s)

### System upgrades

(POS, finance, HR)

Investments expected to drive KPIs that support strong, sustainable growth:

- Traffic
- Conversion
- New acquisition
- Retention
- Service / Experience
- Loyalty



# Optimizing Real Estate Footprint

	Mall	Open Air	Outlet	Total Store Count as of October 29, 2022
Chico's	126	365	122	613
WHBM	154	175	53	382
Soma	114	132	20	266
Total	394	672	195	1,261



# Positioned to Grow and Create Shareholder Value



**Powerful portfolio with three unique brands** – each thriving in its own market white space



**Leadership team with extensive retail experience** – deploying a new strategy and operating model that has dramatically improved performance



**Competitive advantages that take years to build** – operating with an incredibly loyal customer base, a customer-led culture and a diverse store footprint that is hard to replicate



**Operating excellence** – further building upon enhanced shared service platform with dynamic sourcing, digital and marketing capabilities



**World-class retail team** – store associates across the organization are long-tenured with deep retail experience and a love for fashion that endears them to customers



**Strong financial position and lean cost structure** – will allow for investment to grow topline and grow EPS





# Appendix



# Income Statement

(Unaudited)  
(in thousands, except per share data)

	Thirteen Weeks Ended				Thirty-Nine Weeks Ended			
	October 29, 2022		October 30, 2021		October 29, 2022		October 30, 2021	
	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales
Net sales:								
Chico's	\$ 255,341	49.3 %	\$ 203,505	44.9 %	\$ 801,584	49.5 %	\$ 601,914	45.8 %
White House Black Market	157,451	30.4 %	138,159	30.4 %	485,061	30.0 %	364,250	27.7 %
Soma	105,540	20.3 %	111,980	24.7 %	331,322	20.5 %	347,501	26.5 %
<b>Total net sales</b>	<b>518,332</b>	<b>100.0 %</b>	<b>453,644</b>	<b>100.0 %</b>	<b>1,617,967</b>	<b>100.0 %</b>	<b>1,313,664</b>	<b>100.0 %</b>
Cost of goods sold	310,892	60.0 %	269,205	59.3 %	962,448	59.5 %	820,973	62.5 %
<b>Gross margin</b>	<b>207,440</b>	<b>40.0 %</b>	<b>184,439</b>	<b>40.7 %</b>	<b>655,519</b>	<b>40.5 %</b>	<b>492,691</b>	<b>37.5 %</b>
Selling, general and administrative expenses	175,841	33.9 %	162,469	35.8 %	520,296	32.1 %	442,637	33.7 %
<b>Income from operations</b>	<b>31,599</b>	<b>6.1 %</b>	<b>21,970</b>	<b>4.9 %</b>	<b>135,223</b>	<b>8.4 %</b>	<b>50,054</b>	<b>3.8 %</b>
Interest expense, net	(1,080)	(0.2) %	(1,744)	(0.4) %	(3,111)	(0.2)%	(5,170)	(0.4)%
<b>Income before income taxes</b>	<b>30,519</b>	<b>5.9 %</b>	<b>20,226</b>	<b>4.5 %</b>	<b>132,112</b>	<b>8.2 %</b>	<b>44,884</b>	<b>3.4 %</b>
Income tax provision	5,900	1.2 %	2,000	0.5 %	30,600	1.9 %	9,400	0.7 %
<b>Net income</b>	<b>\$ 24,619</b>	<b>4.7 %</b>	<b>\$ 18,226</b>	<b>4.0 %</b>	<b>\$ 101,512</b>	<b>6.3 %</b>	<b>\$ 35,484</b>	<b>2.7 %</b>
Per share data:								
Net income per common share-basic	\$ 0.20		\$ 0.15		\$ 0.84		\$ 0.30	
Net income per common and common equivalent share—diluted	\$ 0.20		\$ 0.15		\$ 0.82		\$ 0.29	
Weighted average common shares outstanding—basic	120,333		117,304		119,776		117,005	
Weighted average common and common equivalent shares outstanding—diluted	124,887		123,166		124,016		121,897	



# Balance Sheet

(Unaudited)  
(in thousands)

	October 29, 2022	January 29, 2022	October 30, 2021
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	\$ 117,726	\$ 115,105	\$ 134,458
Marketable securities, at fair value	23,017	-	3,006
Inventories	304,127	323,389	277,738
Prepaid expenses and other current assets	47,208	41,871	51,841
Income taxes receivable	15,430	13,698	13,125
<b>Total Current Assets</b>	<b>507,508</b>	<b>494,063</b>	<b>480,168</b>
Property and Equipment, net	183,153	195,332	199,853
Right of Use Assets	432,018	463,077	494,808
<b>Other Assets:</b>			
Goodwill	16,360	16,360	16,360
Other intangible assets, net	5,000	5,000	5,000
Other assets, net	18,890	23,005	25,413
<b>Total Other Assets</b>	<b>40,250</b>	<b>44,365</b>	<b>46,773</b>
	1,162,929	\$ 1,196,837	\$ 1,220,602
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current Liabilities:</b>			
Accounts payable	107,400	180,828	172,897
Current lease liabilities	157,687	172,506	177,563
Other current and deferred liabilities	155,133	134,051	140,982
<b>Total Current Liabilities</b>	<b>\$ 420,220</b>	<b>\$ 487,385</b>	<b>\$ 491,442</b>
<b>Noncurrent Liabilities:</b>			
Long-term debt	69,000	99,000	99,000
Long-term lease liabilities	346,560	381,081	415,458
Other noncurrent and deferred liabilities	2,612	7,867	8,147
<b>Total Noncurrent Liabilities</b>	<b>418,172</b>	<b>487,948</b>	<b>522,605</b>
<b>Shareholders' Equity:</b>			
Preferred stock, \$.01 par value; 2,500 shares authorized; no shares issued and outstanding	-	-	-
Common stock, \$.01 par value; 400,000 shares authorized	\$ 1,250	\$ 1,225	\$ 1,225
Additional paid-in capital	510,374	508,654	505,419
Treasury stock, at cost, 41,297, respectively	(494,395)	(494,395)	(494,395)
Retained earnings	307,536	206,020	195,306
Accumulated other comprehensive loss	(228)		
<b>Total Shareholders' Equity</b>	<b>324,537</b>	<b>221,504</b>	<b>207,555</b>
	\$ 1,162,929	\$ 1,196,837	\$ 1,221,602

# Cash Flow Statement

(Unaudited)  
(in thousands)

	Thirty-Nine Weeks Ended	
	October 29, 2022	October 30, 2021
<b>Cash Flows from Operating Activities:</b>		
Net income	\$ 101,512	\$ 35,484
Adjustments to reconcile net income to net cash used in operating activities:		
Inventory write-offs	826	374
Depreciation and amortization	33,350	39,662
Non-cash lease expense	137,184	139,116
Loss on disposal and impairment of property and equipment, net	1,804	1,432
Deferred tax benefit	(381)	190
Share-based compensation expense	10,321	8,836
Changes in assets and liabilities:		
Inventories	18,436	(74,129)
Prepaid expenses and other assets	(2,591)	(13,830)
Income tax receivable	(1,732)	45,015
Accounts payable	(73,120)	56,503
Accrued and other liabilities	13,583	16,643
Lease liability	(155,561)	(166,990)
<b>Net cash provided by operating activities</b>	<b>83,631</b>	<b>88,306</b>
<b>Cash Flows from Investing Activities:</b>		
Purchases of marketable securities	(26,376)	(269)
Proceeds from sale of marketable securities	3,083	15,753
Purchases of property and equipment	(21,207)	(8,246)
Proceeds from sale of assets	2,772	-
<b>Net cash (used in) provided by investing activities</b>	<b>(41,728)</b>	<b>7,238</b>
<b>Cash Flows from Financing Activities:</b>		
Payments on borrowings	(30,000)	(50,000)
Payments of debt issuance costs	(706)	-
Proceeds from issuance of common stock	239	-
Payments of tax withholdings related to share-based awards	(8,815)	(1,877)
<b>Net cash used in financing activities</b>	<b>(39,282)</b>	<b>(51,877)</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,621</b>	<b>43,667</b>
Cash and Cash Equivalents, Beginning of period	115,105	90,791
Cash and Cash Equivalents, End of period	117,726	134,458



# GAAP to Non-GAAP Reconciliation: EBITDA Performance

(Unaudited)  
(in thousands)

	Thirty-Nine Weeks Ended October 29, 2022			
	Fiscal 2022	Fiscal 2021	Fiscal 2020	Fiscal 2019
Net Income (Loss)	\$ 101,512	\$ 35,484	\$ (281,003)	\$ (8,407)
Adjustments to Net Income (Loss):				
Interest expense (income), net	3,111	5,170	1,387	(79)
Income tax provision (benefit)	30,600	9,400	(113,300)	2,000
Depreciation and amortization	32,726	38,970	48,446	67,786
<b>EBITDA</b>	<b>\$ 167,949</b>	<b>89,024</b>	<b>(344,470)</b>	<b>61,300</b>
Adjustments to EBITDA				
Long-lived asset impairment	-	-	18,493	-
Right of use asset impairment	-	-	2,442	-
Goodwill and intangible impairment	-	-	113,180	-
<b>Adjusted EBITDA</b>	<b>\$ 167,949</b>	<b>\$ 89,024</b>	<b>\$ (201,972)</b>	<b>\$ 61,300</b>
<b>Sales</b>	<b>\$ 1,617,967</b>	<b>\$ 1,313,664</b>	<b>\$ 937,854</b>	<b>\$ 1,510,790</b>

# Total Liquidity

(Unaudited)  
(in thousands)

	Q3			
	Fiscal 2022	Fiscal 2021	Fiscal 2020	Fiscal 2019
Cash	\$ 117,726	\$ 134,458	\$ 126,497	\$ 70,188
Marketable Securities	23,017	3,006	18,667	57,253
Total Credit Facility Availability	218,031	165,964	122,257	153,534
Credit Facility Required Reserves	(30,000)	(29,250)	(29,250)	(20,000)
<b>Total Liquidity</b>	<b>\$ 328,774</b>	<b>\$ 274,178</b>	<b>\$ 238,171</b>	<b>\$ 260,975</b>



# GAAP to Non-GAAP Reconciliation: Free Cash Flow

*(Unaudited)  
(in thousands)*

	TTM <sup>1</sup>		YTD	
	Fiscal 2022	Fiscal 2021	Fiscal 2020	Fiscal 2019
Cash Flows from Operating Activities	\$ 57,936	\$ 62,611	\$ (97,832)	\$ 33,344
Purchases of Property and Equipment	(26,206)	(13,245)	(11,360)	(33,939)
<b>Free Cash Flow</b>	<b>\$ 31,730</b>	<b>\$ 49,366</b>	<b>\$ (109,192)</b>	<b>\$ (595)</b>

(1) Trailing twelve months ended October 29, 2022