

A long-exposure photograph of a modern, multi-story office building at night. The building has large glass windows and is illuminated from within. A bright street light in the foreground creates a starburst effect. Several tall palm trees stand to the right of the building. Light trails from passing vehicles are visible in the foreground. The Skechers logo is prominently displayed in the upper left and on the building's facade.

SKECHERS

Investor Presentation | March 2020

Safe Harbor

Reference in this presentation to “Sales” refers to Skechers’ net sales reported under generally accepted accounting principles in the United States. This presentation also contains forward-looking statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, without limitation, Skechers’ future domestic and international growth, financial results and operations including expected net sales and earnings, its development of new products, future demand for its products, its planned domestic and international expansion, opening of new stores and additional expenditures, and advertising and marketing initiatives. Forward-looking statements can be identified by the use of forward-looking language such as “believe,” “anticipate,” “expect,” “estimate,” “intend,” “plan,” “project,” “will be,” “will continue,” “will result,” “could,” “may,” “might,” or any variations of such words with similar meanings. Any such statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected in forward-looking statements. Factors that might cause or contribute to such differences include international economic, political and market conditions including the challenging consumer retail markets in the United States; the disruption of business and operations due to the coronavirus; sustaining, managing and forecasting costs and proper inventory levels; losing any significant customers; decreased demand by industry retailers and cancellation of order commitments due to the lack of popularity of particular designs and/or categories of products; maintaining brand image and intense competition among sellers of footwear for consumers, especially in the highly competitive performance footwear market; anticipating, identifying, interpreting or forecasting changes in fashion trends, consumer demand for the products and the various market factors described above; sales levels during the spring, back-to-school and holiday selling seasons; and other factors referenced or incorporated by reference in Skechers’ annual report on Form 10-K for the year ended December 31, 2019. The risks included here are not exhaustive. Skechers operates in a very competitive and rapidly changing environment. New risks emerge from time to time and we cannot predict all such risk factors, nor can we assess the impact of all such risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, you should not place undue reliance on forward-looking statements as a prediction of actual results. Moreover, reported results should not be considered an indication of future performance.

Skechers' Differentiated Model

- Consumer-driven, product-focused organization with a highly agile and responsive product development model
- Global brand with established international infrastructure, industry-leading growth, and significant opportunity for worldwide expansion
- Direct-to-consumer business with an extensive global retail network and growing e-commerce presence
- U.S. brand ranked among the top three footwear companies and a leader in multiple categories

Skechers Q4 at a Glance

+3,000

Styles

31

Brands

+170

Countries

+3,500

Skechers Stores
Worldwide

\$1.3B

Sales

59%

Of Sales are
International

+31%

International Growth

+19%

Global Direct-to-
Consumer Growth

+13%

Domestic Growth

+10%

Direct-to-Consumer
Comparable Sales
Increase

+13%

Pairs Shipped
Worldwide

188M

Pairs Shipped
in 2019

Note: Unless otherwise noted, data represents the three-months ended December 31, 2019

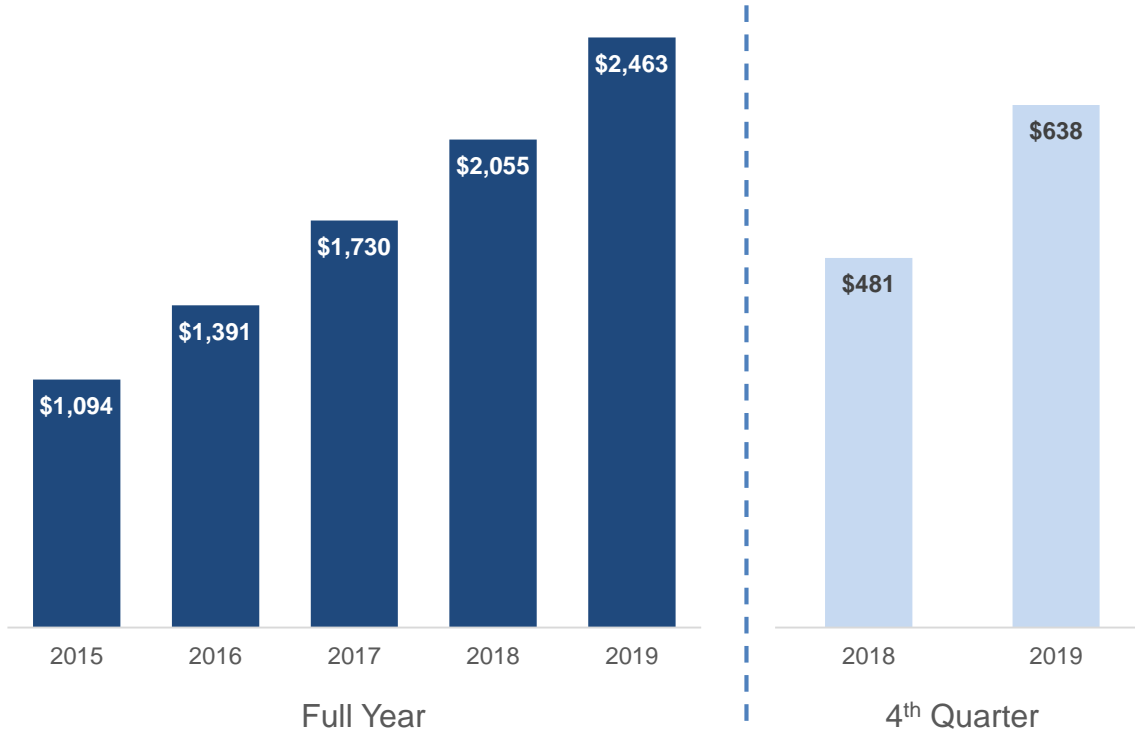
Consumer-Driven, Product-Focused Agile Model

- We provide our consumers with stylish, high-quality, and comfortable products at a reasonable price
- We have a diverse product offering of 31 brands across all genders, age ranges and categories
- We are focused on innovation and have the ability to quickly adapt products in response to trends



Growing International Wholesale Business

(All \$ amounts in millions)



**22.5% Compound Annual
Sales Growth ('15 – '19)**

32.8% Sales Growth

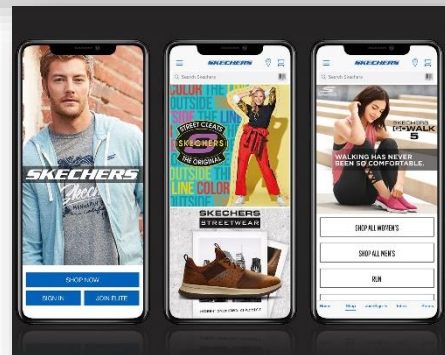
46.4% Gross Margin

2,747 Third-Party Owned Stores

Note: Unless otherwise noted, data for the period ended December 31, 2019.

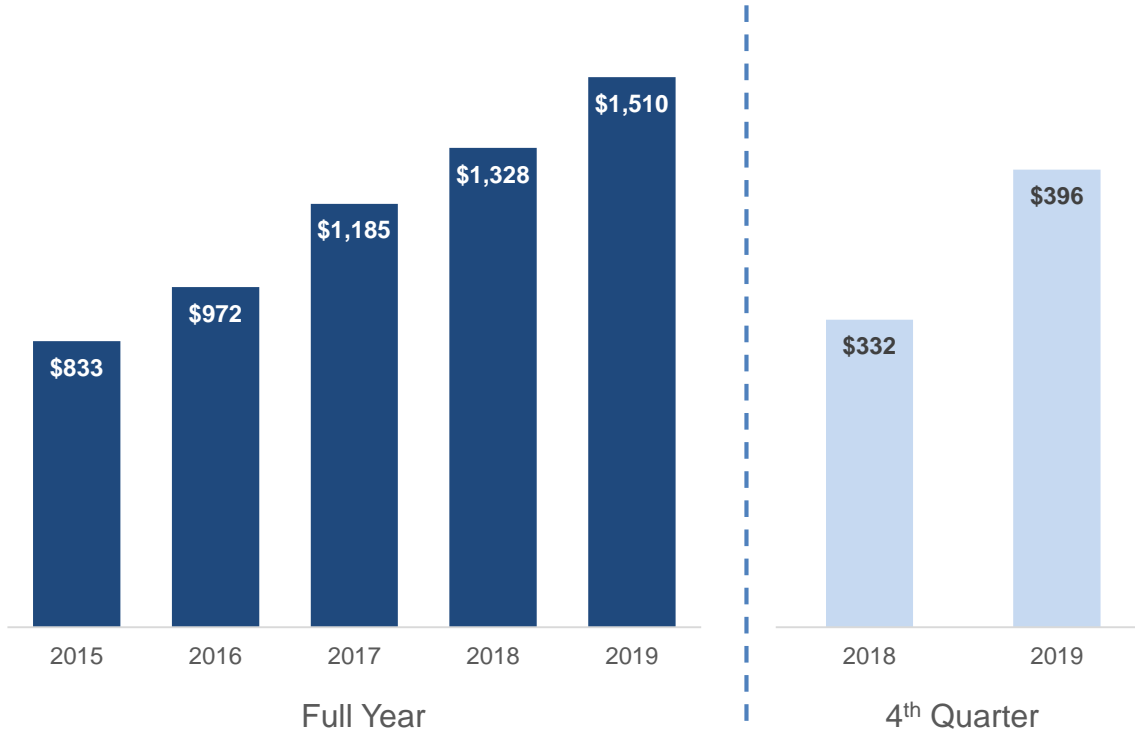
Growing Direct-to-Consumer Business

- We have a large and expanding global retail base of over 3,500 Skechers stores worldwide in over 170 countries
- Direct-to-consumer complements our wholesale business and enhances Skechers' financial profile
- We gain valuable insight into consumer trends from our in-store and online test-and-react programs
- We are making meaningful investments in digital infrastructure, consumer loyalty and e-commerce to deliver a consumer-centric, omni-channel offering



Global Direct-to-Consumer Growth

(All \$ amounts in millions)



**16.0% Compound Annual
Sales Growth ('15 – '19)**

19.4% Sales Growth

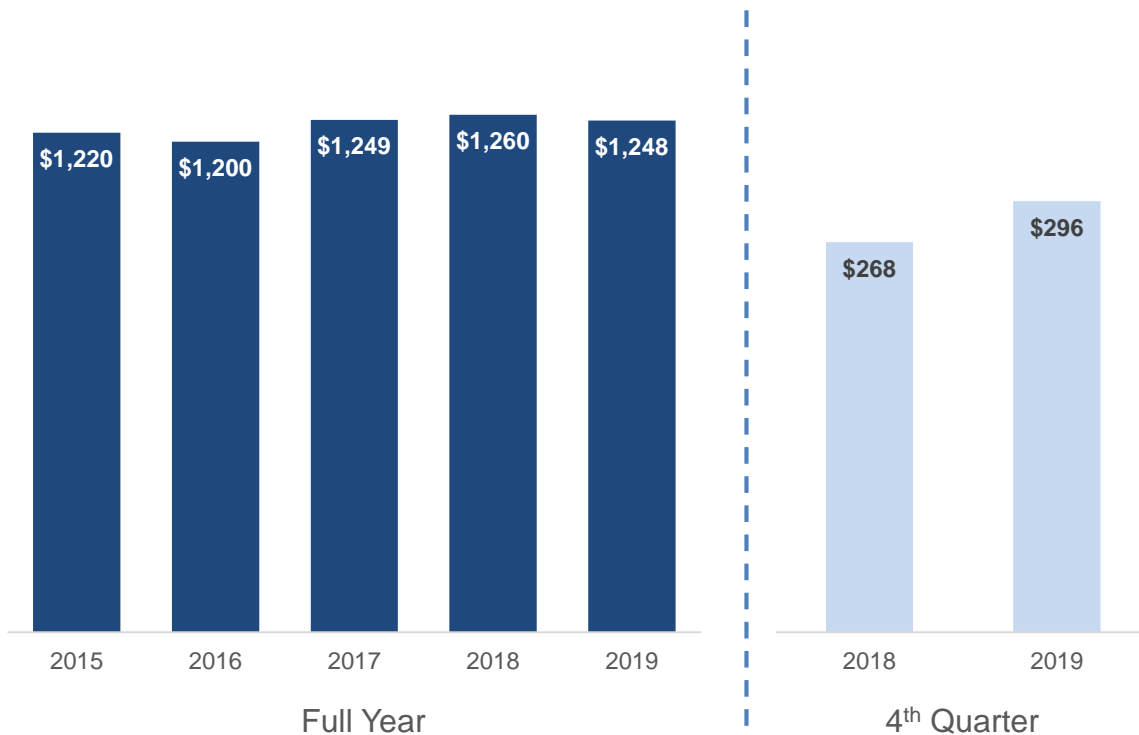
60.0% Gross Margin

**800 Company-Owned
Stores Worldwide**

Note: Unless otherwise noted, data for the period ended December 31, 2019.

Domestic Wholesale

(All \$ amounts in millions)



**0.6% Compound Annual
Sales Growth ('15 – '19)**

10.4% Sales Growth

35.0% Gross Margin

**+1.0% Increase in
Average Price Per Pair**

Note: Unless otherwise noted, data for the period ended December 31, 2019.

Brand Ambassadors

Clayton Kershaw



Los Angeles Dodgers Pitcher

Howie Long



Pro Football Hall of Famer and Sports caster

Sugar Ray Leonard



Former Boxing Legend and Olympic Gold Medalist

Tony Romo



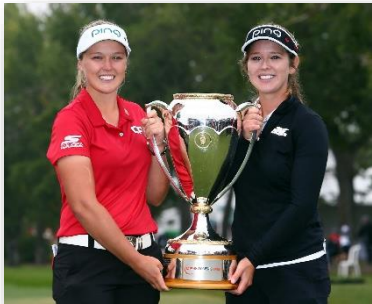
Former Dallas Cowboys Quarterback and Sports caster

Brooke Burke



Spokesperson and actor

Brooke Henderson



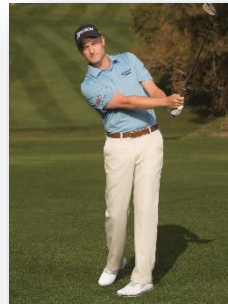
Pro Golfer with All-time Most Wins by a Canadian

Colin Montgomerie



Scottish Pro Golfer with Most European Tour Wins by a Brit

Russel Knox



Scottish Pro Golfer

Matt Kuchar



American Pro Golfer and Olympic Bronze Medalist

Ed Chesereck



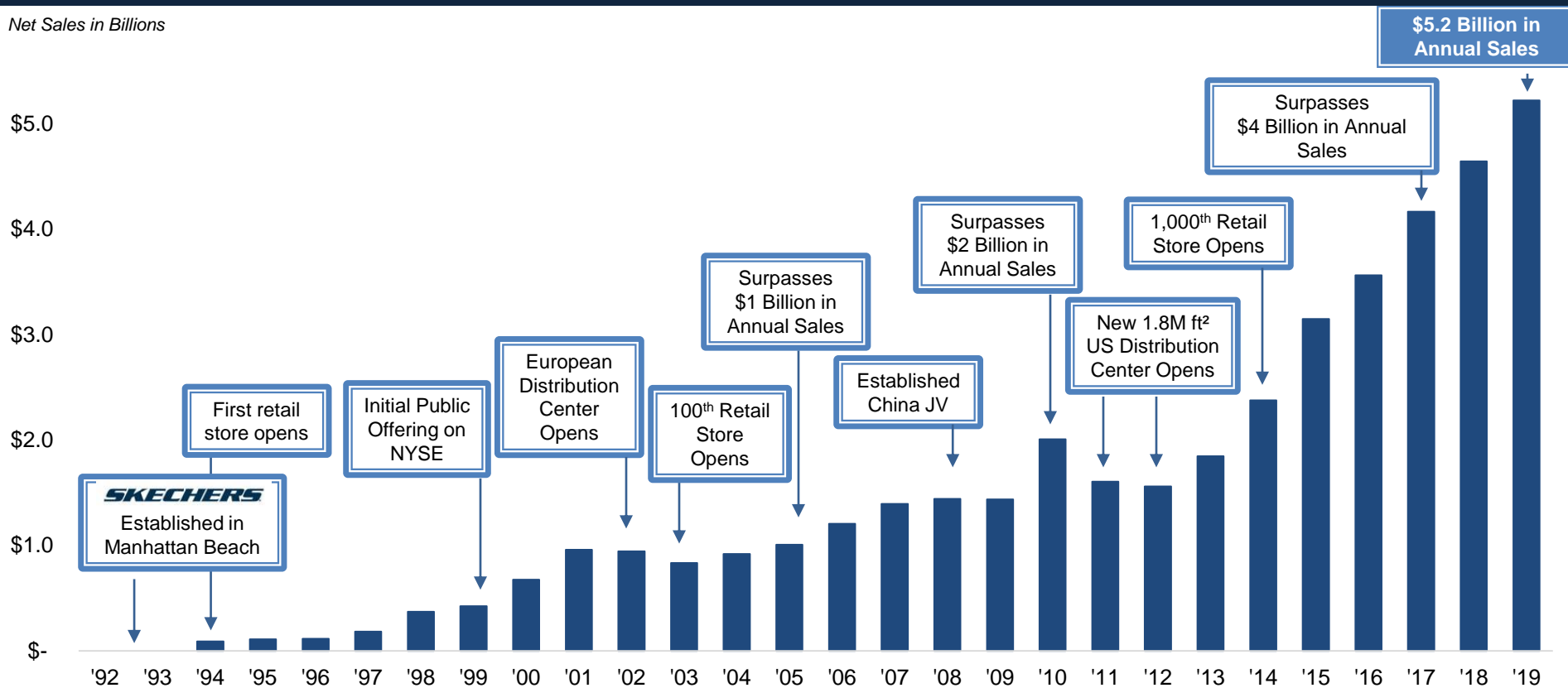
Elite Runner and 17-time NCAA National Champion

Financials



Company History and Growth

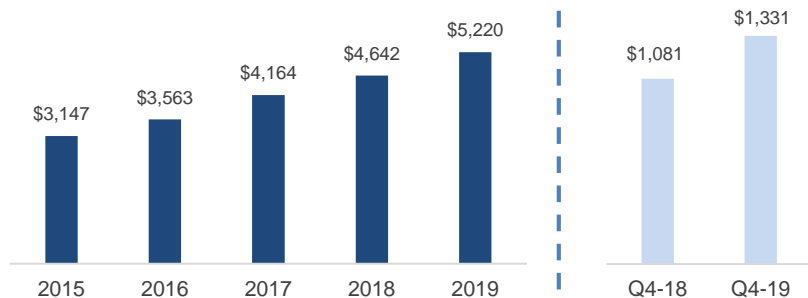
Net Sales in Billions



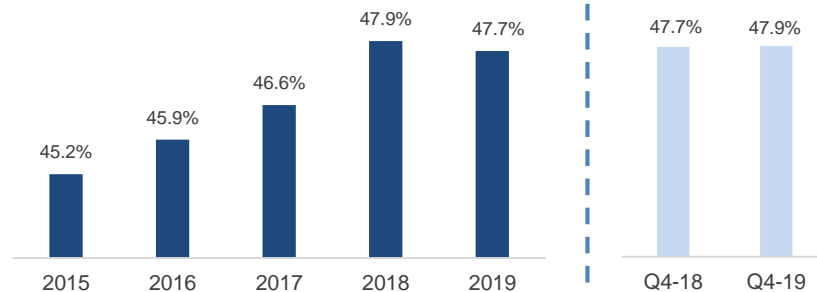
Historical Financials

(All \$ amounts in millions, except per share data)

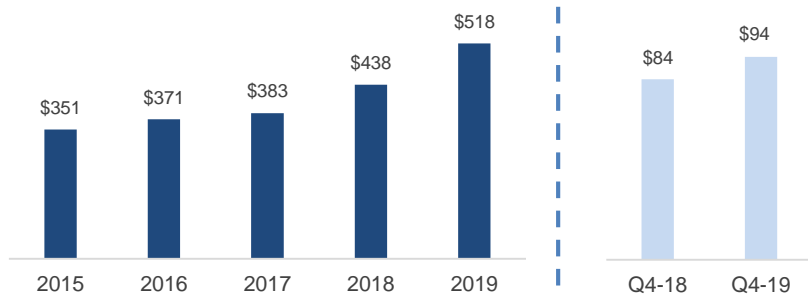
Sales



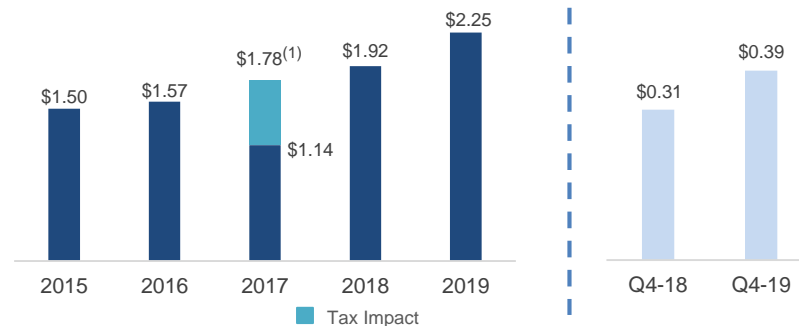
Gross Profit Margin



Operating Income






EPS



(1) During the fourth quarter of 2017, the Company recorded a net tax expense of \$99.9 million, or \$0.64 per share, related to the enactment of the Tax Cuts and Jobs Act. For the twelve months ended December 31, 2017, earnings per share were \$1.14; adjusted for the tax impact, earnings per share were \$1.78.

Note: Fourth quarter data represents the three-months ended December 31, 2018 and December 31, 2019 respectively.

Q4 2019 Segment Snapshot

	International Wholesale 	Global Direct-to-Consumer 	Domestic Wholesale 
Net sales	\$638M	\$396M	\$296M
Sales growth	32.8%	19.4%	10.4%
Gross margin	46.4%	60.0%	35.0%

Note: Fourth quarter data represents the three-months ended December 31, 2019

Q4 2019 Financial Snapshot



\$1.03B

Cash &
Investments



\$1.07B

Total
Inventory



\$2.54B

Stockholders'
Equity



\$130M

Total Shares
Repurchased⁽¹⁾

(1) In total, the Company has acquired almost 4.6 million shares of its Class A common stock at a cost of \$130 million, representing an average price of \$28.11 per share, through the fourth quarter of 2019. At December 31, 2019, approximately \$20.0 million remained available under the Company's existing repurchase authorization.

Capital Allocation Philosophy

Our primary objective is to maintain a top-tier balance sheet to ensure maximum strategic and operational flexibility

