

Steve Madden

January 2018

# Safe Harbor Agreement

*Except for the historical information contained herein, this presentation contains forward-looking statements that involve known and unknown risks, uncertainties and other unknown factors that could cause the actual results of the Company to be materially different from the historical results or from any future results expressed or implied by such forward-looking statements.*

# Investment Highlights



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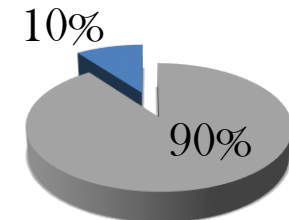
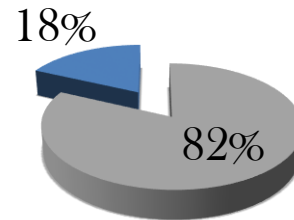
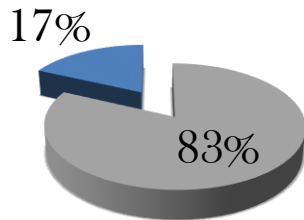
- Strong Brand Portfolio led by Steve Madden
- Leading Footwear Capability
- Diversified Business Model
- Proven Track Record
- Strong Balance Sheet
- Meaningful Growth Opportunities



Company  
Overview

# Company Snapshot

2017 Net Sales = \$1.5 billion



■ Footwear ■ Accessories

- Total Company has 8% share of U.S. women's fashion footwear market #1 Share
- Accessories includes handbags, belts, cold weather accessories and sunglasses

■ Wholesale ■ Retail

- Wholesale distribution from luxury to mass
- Retail distribution through 205 company-operated retail stores
  - 142 Full-Price stores
  - 59 US Outlet stores
  - 4 E-commerce sites

■ U.S. ■ International

- Distribution in 84 countries
- Company-owned operations in Canada & Mexico
- Joint ventures in China, Taiwan, Europe and South Africa including 11 retail stores and 38 concessions
- 145 stores and 52 concessions operated by distributors

# Steve Madden Brand

2017 Net Sales = \$846 million

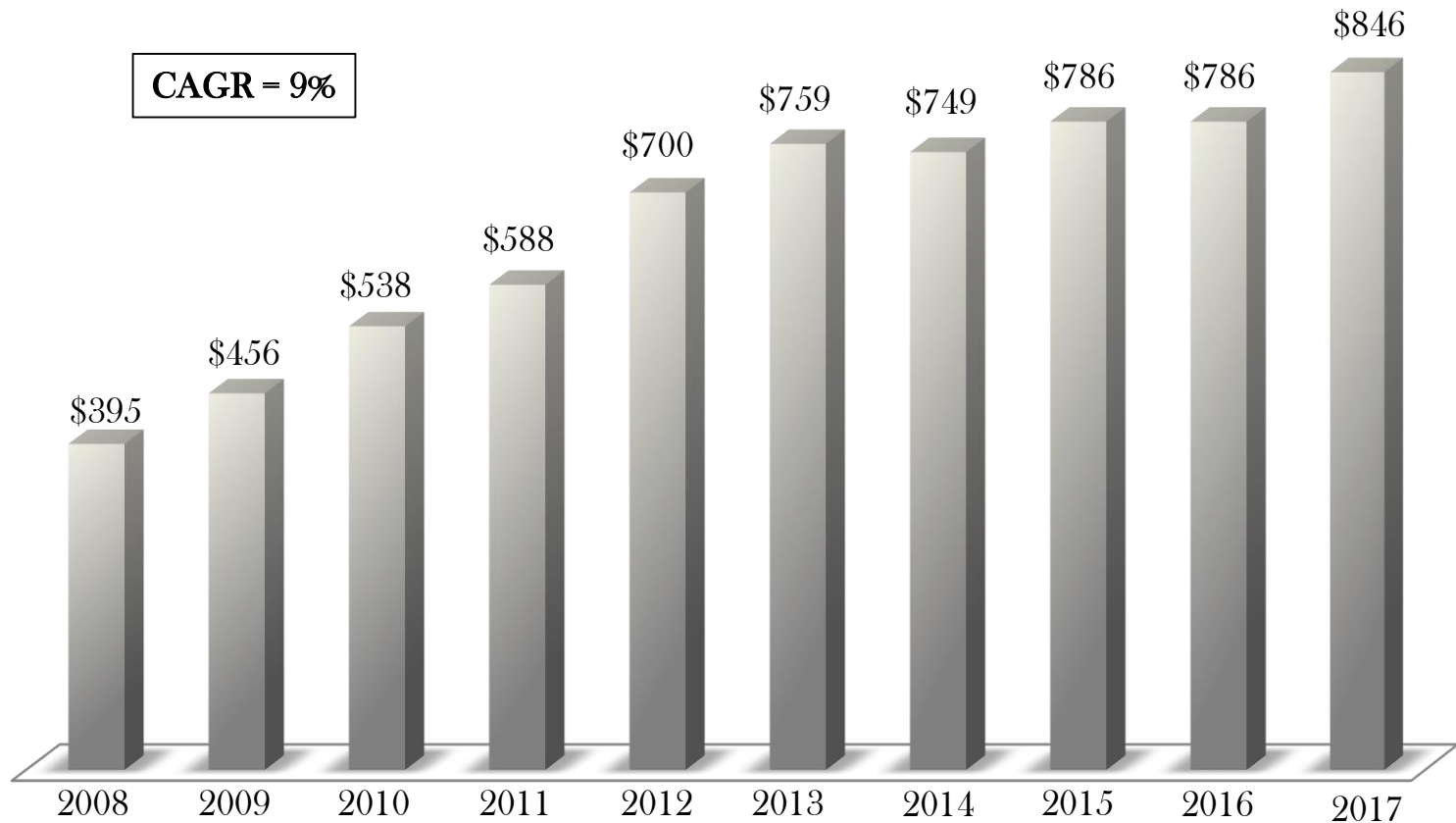
## Market Share - U.S. Women's Fashion Footwear

	Brand	Share
1.	Skechers	5.0%
2.	Nike	4.5%
3.	Steve Madden	3.0%
4.	UGG	2.9%
5.	Clarks	2.4%
6.	adidas	2.1%
7.	Converse	1.7%
8.	Vans	1.4%
9.	Nine West	1.2%
10.	Sperry	1.0%

## Market Share - Key Customers

Retailer	Rank in Department
Nordstrom	#1
Macy's	#1
Lord & Taylor	#1
Dillards	#1
DSW	#1

# Steve Madden Brand Net Sales





# The Steve Madden Model



- Proven Design Team
- Test-and-React Strategy
- Speed to Market

# Expanding Brand Portfolio

Luxury ↑ ↓ Mass	Brian Atwood	Acquired	2014	
	Kate Spade	Licensed*	2017	
	Blondo	Acquired	2015	
	Dolce Vita	Acquired	2014	
	Avec Les Filles	Licensed*	2017	
	Superga	Licensed	2011	
	Betsey Johnson	Acquired	2010	
	Report	Acquired	2011	
	Mad Love	Created in-house	2011	
	Big Buddha	Acquired	2010	

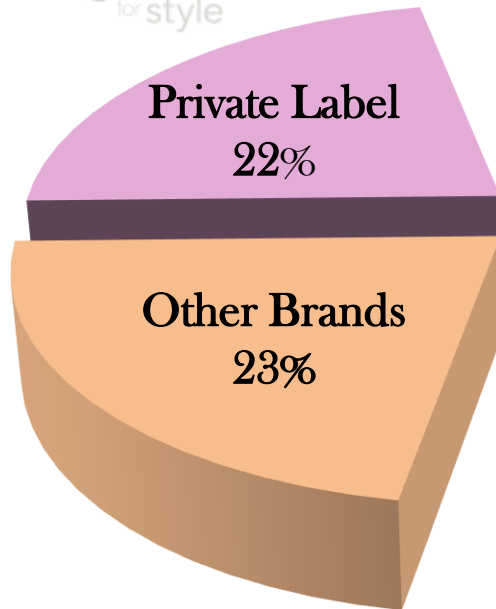
\*License acquired in acquisition of Schwartz & Benjamin.

# Sales by Brand

Walmart \*

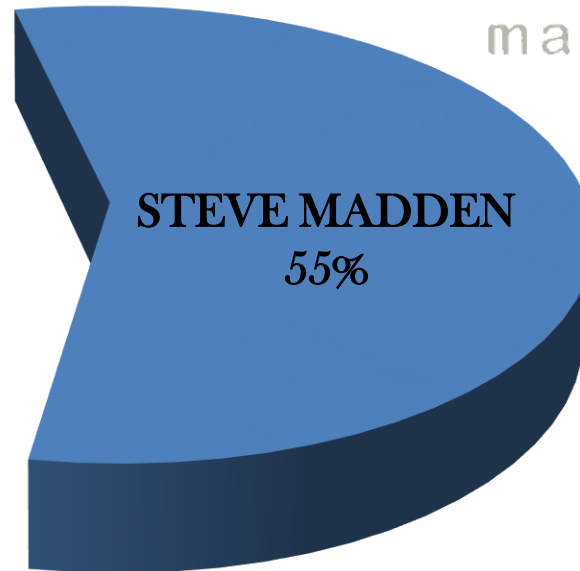


BETSEY JOHNSON.



STEVE MADDEN

madden girl



steVies

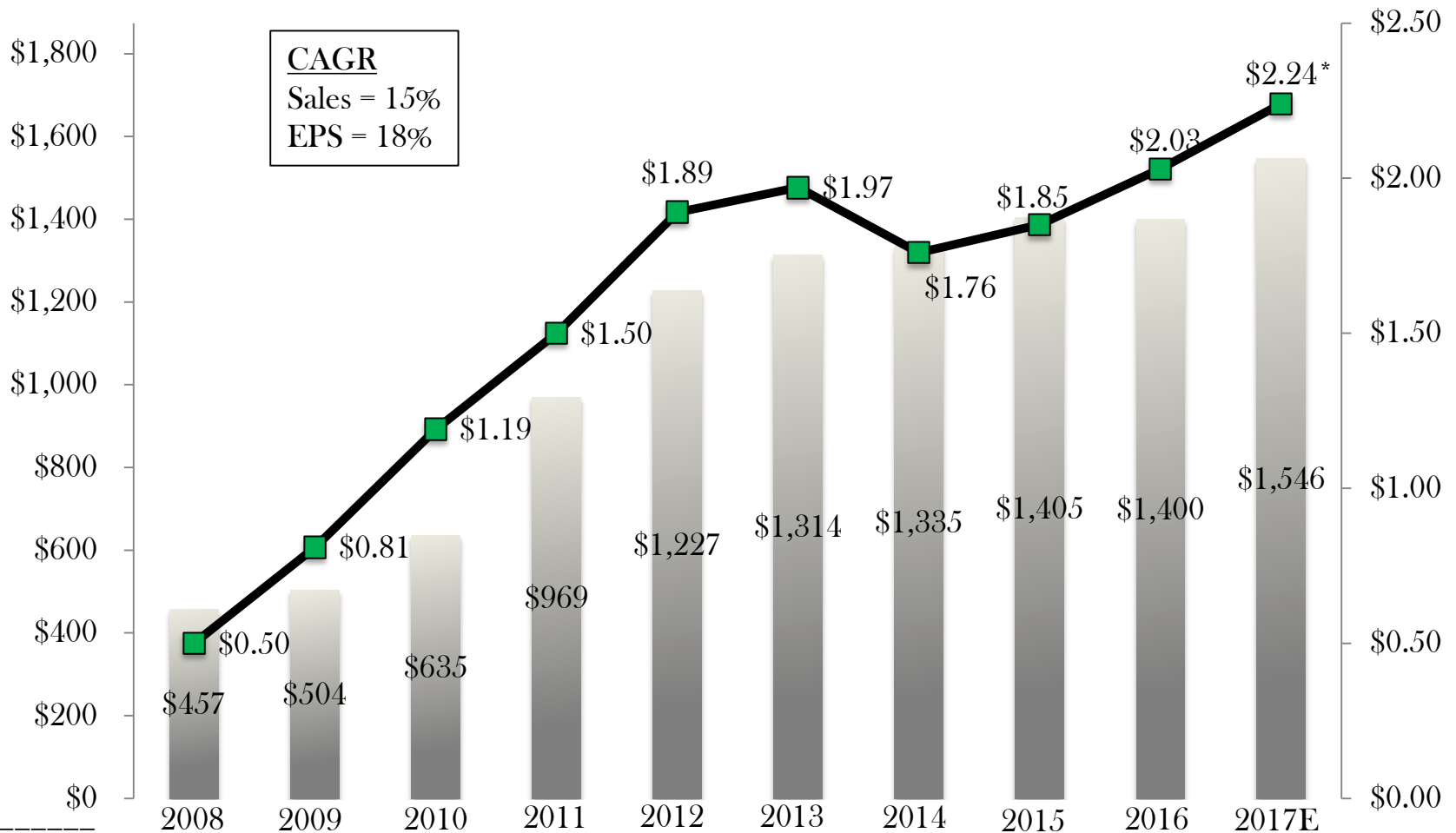
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# Financial Overview



# History of Sales & Earnings Growth

(Dollars in Millions, Except Per Share Amounts)



\*This amount reflects the high end of our guidance of adjusted diluted EPS in the range of \$2.18 to \$2.24.

# Balance Sheet/Cash Flow Highlights

Cash, Equivalents and Marketable Securities  
\$271 mm

Total Debt \$0

Industry-Leading Inventory Turns ~ 8x

2017 Share Repurchases  
\$99 mm (2.6 mm shares)

(Balance Sheet Data as of December 31, 2017)

Key Initiatives  
for 2018 &  
Beyond



# Maintain Fashion Leadership Position in Steve Madden Women's



## #1 Priority

Trend-right product assortment in Steve  
Madden

## Strong Momentum

Steve Madden Women's Wholesale  
Footwear net sales +15% 2017



# Grow Steve Madden Men's

- New leadership
- More balanced product assortment
- Increased marketing investment
- Net Sales +21% 2017



# Continue Strong Momentum in Steve Madden Diffusion Brands

madden girl

+8% 2017

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+9% 2017

# STEVE MADDEN

madden NYC

Launched at Kohl's  
Q1 2017

**STEVE MADDEN**

Kids

+21% 2017

# Develop Newer Brands/Businesses



SCHWARTZ &  
BENJAMIN

- Acquired in January 2017
- Platform for accessible luxury footwear
- Current licensing partners
  - Kate Spade (since 2001)
  - Avec Les Filles (since 2016)
- Launching owned brand Brian Atwood for 2018
- Private label business primarily done at Banana Republic (exclusive footwear supplier)
- 2017 Net Sales \$80 mm (11 months of ownership)

# Develop Newer Brands/Businesses

- Waterproof boot brand acquired in January 2015
- Net sales +31% 2017
- Door expansion in 2018

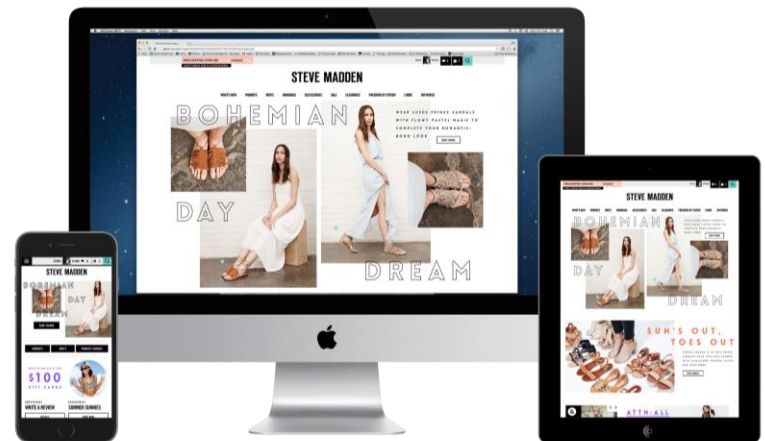


# Expand International Business

- 10% of net sales
  - Net sales +13% 2017
  - Strong momentum in directly owned subsidiary markets
    - Net sales +16% 2017
  - Formed three JVs since mid-2016
    - Launched Europe JV in June 2016
    - Launched China JV in August 2017
    - Launched Taiwan JV in August 2017
- 

# Digital Commerce

- Expand in-house e-commerce properties
  - stevemadden.com
  - dolcevita.com
  - betseyjohnson.com
  - superga-usa.com
  - blondo.com
  - brianatwood.com launching Spring 2018
- Drive online penetration with wholesale customers
  - Pure play (amazon.com, zappos.com, zalando.com, tmall.com, etc.)
  - Omni-channel (nordstrom.com, macys.com, etc.)



# Utilize Free Cash Flow to Drive Shareholder Returns

- Strong balance sheet and free cash flow generation
  - \$271 mm in cash / marketable securities and \$0 in debt
  - ~\$140 mm in annual free cash flow generation
- Since 2010:
  - \$570 mm in share repurchases (16.3 mm shares or ~22% of Company)
  - \$350 mm in acquisitions (10 transactions)

# Questions

