

***SKECHERS***



*Segment Reporting | April 14, 2022*

*Reference in this presentation to “Sales” refers to Skechers’ net sales reported under GAAP. This announcement contains forward-looking statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements may 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,” “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 the disruption of business and operations due to the COVID-19 pandemic; delays or disruptions in our supply chain; international economic, political and market conditions including the challenging consumer retail markets in the United States; 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, 2021. Taking these and other risk factors associated with the COVID-19 pandemic into consideration, the dynamic nature of these circumstances means that what is stated in this presentation could change at any time, and as a result, actual results could differ materially from those contemplated by such forward-looking statements. 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 U.S.A., Inc. has refined the way it views its business results and makes operational decisions, resulting in an update to the composition of its segment reporting as follows:

Previous Reportable Segments	Current Reportable Segments
Domestic Wholesale	Wholesale
International Wholesale	Direct-to-Consumer
Direct-to-Consumer	

- Joint venture activities are now bifurcated between the Wholesale and Direct-to-Consumer segments
- These updates do not impact historical consolidated sales and net earnings
- These changes are effective commencing with fiscal year 2022, and will be evident in the reporting of our financial results for the quarter ended March 31, 2022
- Prior period results have been recast to reflect current reportable segments
- We are also making presentation changes and enhancements as follows:
  - Including royalty income in sales
  - Reclassifying certain digital platform costs as selling expenses
  - Augmenting additional geographic sales reporting

# Wholesale Segment

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- Our Wholesale segment primarily comprises sales to a vast network of partners, including:
  - Department stores, family shoe stores, specialty running and sporting goods retailers, and big box club stores
  - Franchisee and licensee third-party store operators representing approximately 2,950 Skechers branded stores worldwide
  - Dedicated e-commerce retailers
  - International distributors
- Investments in the Wholesale segment primarily entail product development, marketing, distribution infrastructure and sales capabilities
- Growth in the Wholesale segment is expected to derive from expanding our existing shelf-space with current partners, acquiring new partners, supporting the growth of incremental franchise and licensed Skechers branded stores, as well as the introduction of new products to existing partners

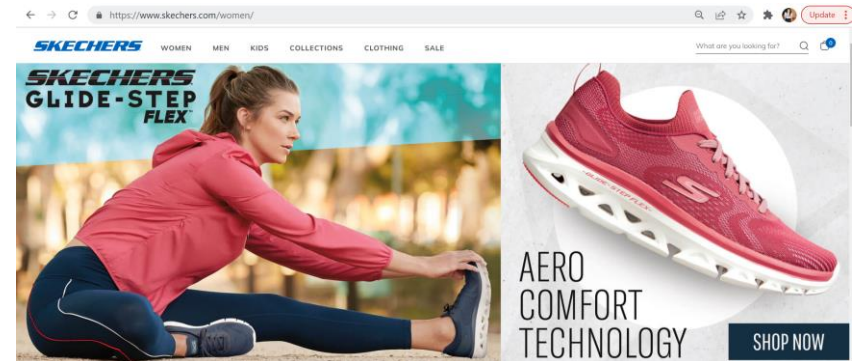




# Direct-to-Consumer Segment

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- Our Direct-to-Consumer segment primarily comprises sales by Skechers directly to consumers through a combination of channels, including:
  - Nearly 1,360 company-owned retail stores in formats consisting of concept, factory outlet and big box
  - Digital commerce sites and mobile applications
  - Hosted direct-to-consumer sales through marketplaces in select international markets (e.g., Tmall)
- Investments in the Direct-to-Consumer segment primarily entail product development, marketing, new stores, digital commerce capabilities and distribution infrastructure
- Growth in the Direct-to-Consumer segment is expected to derive from increasing our digital commerce capabilities, expanding our physical retail footprint and leveraging select digital platforms internationally



# Recast Segment Information



Beginning with the first quarter of 2022, we will report segment financial results as Wholesale and Direct-to-Consumer. Below is a comparison of the previous and current segment results for fiscal 2021 and 2020.

UNAUDITED  
(in millions)

Sales	2021		Sales	2020	
	As reported	Recast		As reported	Recast
Domestic Wholesale	\$ 1,438	\$ -	Domestic Wholesale	\$ 1,126	\$ -
International Wholesale	3,025	-	International Wholesale	2,258	-
Wholesale	-	3,759	Wholesale	-	2,835
Direct-to-Consumer	1,822	2,551	Direct-to-Consumer	1,213	1,778
<b>Total sales</b>	<b>\$ 6,285</b>	<b>\$ 6,310</b> (1)	<b>Total sales</b>	<b>\$ 4,597</b>	<b>\$ 4,613</b> (1)
<b>Gross Margin</b>	<b>As reported</b>	<b>Recast</b>	<b>Gross Margin</b>	<b>As reported</b>	<b>Recast</b>
Domestic Wholesale	36.4%	-	Domestic Wholesale	38.3%	-
International Wholesale	45.1%	-	International Wholesale	45.3%	-
Wholesale	-	38.2%	Wholesale	-	39.2%
Direct-to-Consumer	66.5%	66.1%	Direct-to-Consumer	60.6%	61.5%
<b>Total gross margin</b>	<b>49.3%</b>	<b>49.5%</b> (1)	<b>Total gross margin</b>	<b>47.6%</b>	<b>47.8%</b> (1)

(1) Royalty income of \$25.2 and \$16.0 million for 2021 and 2020 is included in Wholesale sales. As a result, recast total sales and total gross margin differ from amounts previously reported.

Note: numbers may not foot due to rounding

# Quarterly Recast Segment Information



Below is the recast quarterly segment information for fiscal years 2021 and 2020.

UNAUDITED  
(in thousands)

Recast Segments	2021					2020				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Wholesale sales	\$ 943,110	\$ 964,228	\$ 944,465	\$ 906,838	\$3,758,640	\$ 886,145	\$ 385,862	\$ 842,741	\$ 720,263	\$2,835,010
Gross profit	369,565	379,426	361,868	326,658	1,437,517	333,393	154,574	344,403	280,189	1,112,558
<i>Gross margin</i>	39.2%	39.4%	38.3%	36.0%	38.2%	37.6%	40.1%	40.9%	38.9%	39.2%
Direct-to-Consumer sales	\$ 491,346	\$ 697,642	\$ 614,011	\$ 748,548	\$2,551,547	\$ 361,447	\$ 346,209	\$ 461,361	\$ 609,403	\$1,778,420
Gross profit	316,094	474,165	415,096	481,499	1,686,854	219,523	216,590	283,934	373,193	1,093,240
<i>Gross margin</i>	64.3%	68.0%	67.6%	64.3%	66.1%	60.7%	62.6%	61.5%	61.2%	61.5%
Total sales	\$1,434,456	\$1,661,870	\$1,558,476	\$1,655,386	\$6,310,187	\$1,247,593	\$ 732,070	\$1,304,102	\$1,329,666	\$4,613,430
Gross profit	685,659	853,591	776,963	808,157	3,124,371	552,916	371,163	628,336	653,382	2,205,798
<i>Gross margin</i>	47.8%	51.4%	49.9%	48.8%	49.5%	44.3%	50.7%	48.2%	49.1%	47.8%
<b>Change</b>	<b>Q1 2021</b>	<b>Q2 2021</b>	<b>Q3 2021</b>	<b>Q4 2021</b>	<b>Full Year</b>					
Wholesale sales	6%	150%	12%	26%	33%					
Gross profit	11%	145%	5%	17%	29%					
<i>Gross margin</i>	160 bps	(70)bps	(260)bps	(290)bps	(100)bps					
Direct-to-Consumer sales	36%	102%	33%	23%	43%					
Gross profit	44%	119%	46%	29%	54%					
<i>Gross margin</i>	360 bps	540 bps	610 bps	310 bps	460 bps					
Total sales	15%	127%	20%	24%	37%					
Gross profit	24%	130%	24%	24%	42%					
<i>Gross margin</i>	350 bps	70 bps	170 bps	(30)bps	170 bps					

Note: numbers may not foot due to rounding

# Enhanced Geographic Sales Information



Domestic and International geographic sales reporting will include information by segment.

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(in thousands)

<u>Geographic sales</u>	<u>2021</u>	<u>2020</u>	<u>Change</u>	
Domestic				
Wholesale	\$ 1,448,339	\$ 1,132,425	\$ 315,914	27.9%
Direct-to-Consumer	1,115,018	786,844	328,174	41.7%
<u>Total domestic sales</u>	<u>2,563,357</u>	<u>1,919,269</u>	<u>644,088</u>	<u>33.6%</u>
International				
Wholesale	2,310,302	1,702,586	607,716	35.7%
Direct-to-Consumer	1,436,528	991,575	444,953	44.9%
<u>Total international sales</u>	<u>3,746,830</u>	<u>2,694,161</u>	<u>1,052,669</u>	<u>39.1%</u>
<u>Total sales</u>	<u>\$ 6,310,187</u>	<u>\$ 4,613,430</u>	<u>\$ 1,696,757</u>	<u>36.8%</u>

Note: numbers may not foot due to rounding



# Quarterly Geographic Sales Information



Below is the recast quarterly geographic sales information by segment for fiscal years 2021 and 2020.

UNAUDITED  
(in thousands)

Geographic sales	2021					2020				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Domestic										
Wholesale	\$ 377,238	\$ 401,277	\$ 354,338	\$ 315,486	\$1,448,339	\$ 380,176	\$ 131,857	\$ 319,276	\$ 301,116	\$1,132,425
Direct-to-Consumer	227,452	326,981	294,906	265,679	1,115,018	177,212	163,082	219,079	227,471	786,844
Total domestic sales	604,690	728,258	649,244	581,165	2,563,357	557,388	294,938	538,355	528,587	1,919,269
International										
Wholesale	565,872	562,951	590,127	591,352	2,310,302	505,969	254,005	523,465	419,147	1,702,586
Direct-to-Consumer	263,893	370,661	319,105	482,869	1,436,528	184,235	183,127	242,282	381,932	991,575
Total international sales	829,766	933,612	909,232	1,074,221	3,746,830	690,204	437,132	765,746	801,079	2,694,161
Total sales	\$1,434,456	\$1,661,870	\$1,558,476	\$1,655,386	\$6,310,187	\$1,247,593	\$ 732,070	\$1,304,102	\$1,329,666	\$4,613,430

Change	Q1 2021		Q2 2021		Q3 2021		Q4 2021		Full Year	
Domestic										
Wholesale	\$ (2,938)	-1%	\$ 269,420	204%	\$ 35,062	11%	\$ 14,370	5%	\$ 315,914	28%
Direct-to-Consumer	50,240	28%	163,899	101%	75,827	35%	38,208	17%	328,174	42%
Total domestic sales	47,302	8%	433,319	147%	110,889	21%	52,578	10%	644,088	34%
International										
Wholesale	59,903	12%	308,946	122%	66,662	13%	172,205	41%	607,716	36%
Direct-to-Consumer	79,658	43%	187,533	102%	76,823	32%	100,937	26%	444,953	45%
Total international sales	139,562	20%	496,480	114%	143,486	19%	273,142	34%	1,052,669	39%
Total sales	\$ 186,863	15%	\$ 929,800	127%	\$ 254,374	20%	\$ 325,720	24%	\$1,696,757	37%

Note: numbers may not foot due to rounding

# Enhanced Geographic Sales by Region



Geographic sales information will include sales by region and supplemental information for China and Distributors.

UNAUDITED  
(in thousands)

<u>Regional sales</u>	<u>2021</u>	<u>2020</u>	<u>Change</u>	
Americas	\$ 3,152,304	\$ 2,292,540	\$ 859,764	37.5%
Europe, Middle East & Africa	1,282,902	899,590	383,312	42.6%
Asia Pacific	1,874,981	1,421,300	453,681	31.9%
<u>Total sales</u>	<u>\$ 6,310,187</u>	<u>\$ 4,613,430</u>	<u>\$ 1,696,757</u>	<u>36.8%</u>
<b>China sales</b>	\$ 1,247,949	\$ 924,482	\$ 323,467	35.0%
<b>Distributor sales</b>	\$ 387,216	\$ 239,059	\$ 148,157	62.0%

Note: numbers may not foot due to rounding

# Quarterly Geographic Sales by Region



Below is the quarterly geographic sales information by region and supplemental information for China and Distributors for fiscal years 2021 and 2020.

UNAUDITED  
(in thousands)

Regional sales	2021					2020				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Americas	\$ 725,619	\$ 855,239	\$ 815,785	\$ 755,661	\$3,152,304	\$ 677,893	\$ 321,958	\$ 635,406	\$ 657,283	\$2,292,540
Europe, Middle East & Africa	295,486	348,080	318,389	320,946	1,282,902	329,271	124,975	279,062	166,283	899,590
Asia Pacific	413,351	458,551	424,301	578,778	1,874,981	240,429	285,137	389,633	506,100	1,421,300
<b>Total sales</b>	<b>\$1,434,456</b>	<b>\$1,661,870</b>	<b>\$1,558,476</b>	<b>\$1,655,386</b>	<b>\$6,310,187</b>	<b>\$1,247,593</b>	<b>\$ 732,070</b>	<b>\$1,304,102</b>	<b>\$1,329,666</b>	<b>\$4,613,430</b>
<b>China sales</b>	\$ 250,601	\$ 316,872	\$ 278,081	\$ 402,394	\$1,247,949	\$ 91,332	\$ 209,950	\$ 252,773	\$ 370,427	\$ 924,482
<b>Distributor sales</b>	\$ 80,174	\$ 96,717	\$ 92,131	\$ 118,193	\$ 387,216	\$ 85,754	\$ 43,513	\$ 56,907	\$ 52,886	\$ 239,059

Change	Q1 2021		Q2 2021		Q3 2021		Q4 2021		Full Year	
Americas	\$ 47,726	7%	\$ 533,281	166%	\$ 180,379	28%	\$ 98,378	15%	\$ 859,764	38%
Europe, Middle East & Africa	(33,785)	-10%	223,105	179%	39,327	14%	154,663	93%	383,312	43%
Asia Pacific	172,922	72%	173,414	61%	34,668	9%	72,678	14%	453,681	32%
<b>Total sales</b>	<b>\$ 186,863</b>	<b>15%</b>	<b>\$ 929,800</b>	<b>127%</b>	<b>\$ 254,374</b>	<b>20%</b>	<b>\$ 325,720</b>	<b>24%</b>	<b>\$1,696,757</b>	<b>37%</b>
<b>China sales</b>	\$ 159,269	174%	\$ 106,922	51%	\$ 25,308	10%	\$ 31,967	9%	\$ 323,467	35%
<b>Distributor sales</b>	\$ (5,580)	-7%	\$ 53,204	122%	\$ 35,224	62%	\$ 65,307	123%	\$ 148,157	62%

Note: numbers may not foot due to rounding

# Presentation Change



We are making presentation changes to include royalty income in sales and reclassify certain digital platform costs as selling expenses. The revised presentation does not change consolidated results.

UNAUDITED  
(in thousands)

Presentation Change	2021			2020		
	As reported	Adjustments	Recast	As reported	Adjustments	Recast
Sales	\$ 6,285,029	\$ 25,159	\$ 6,310,187	\$ 4,597,414	\$ 16,017	\$ 4,613,430
Cost of sales	3,185,817		3,185,817	2,407,633		2,407,633
Gross profit	3,099,212	25,159	3,124,371	2,189,781	16,017	2,205,798
Royalty income	25,159	(25,159)	-	16,017	(16,017)	-
	3,124,371	-	3,124,371	2,205,798	-	2,205,798
Operating expenses						
Selling	459,599	39,933	499,532	318,097	33,374	351,471
General and administrative	2,066,585	(39,933)	2,026,652	1,754,017	(33,374)	1,720,643
Total operating expenses	2,526,184	-	2,526,184	2,072,114	-	2,072,114
Earnings from operations	\$ 598,187	\$ -	\$ 598,187	\$ 133,684	\$ -	\$ 133,684
Operating expenses as a % of sales						
Selling	7.3%		7.9%	6.9%		7.6%
General and administrative	32.9%		32.1%	38.2%		37.3%
Total operating expenses	40.2%		40.0%	45.1%		44.9%

Note: numbers may not foot due to rounding

# Quarterly Presentation Change Information



Below is the recast quarterly information showing the presentation change for fiscal years 2021 and 2020.

UNAUDITED  
(in thousands)

Presentation Change	2021					2020				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Sales	\$1,434,456	\$1,661,870	\$1,558,476	\$1,655,386	\$6,310,187	\$1,247,593	\$ 732,070	\$1,304,102	\$1,329,666	\$4,613,430
Cost of sales	748,796	808,279	781,512	847,229	3,185,817	694,677	360,907	675,765	676,284	2,407,633
Gross profit	685,659	853,591	776,963	808,157	3,124,371	552,916	371,163	628,336	653,382	2,205,798
Operating expenses										
Selling	91,325	141,469	127,846	138,892	499,532	77,719	66,556	92,437	114,758	351,471
General and administrative	436,666	510,913	502,870	576,203	2,026,652	430,387	365,577	443,774	480,905	1,720,643
Total operating expenses	527,991	652,382	630,716	715,095	2,526,184	508,106	432,133	536,212	595,663	2,072,114
Earnings (loss) from operations	\$ 157,669	\$ 201,209	\$ 146,247	\$ 93,062	\$ 598,187	\$ 44,810	\$ (60,971)	\$ 92,126	\$ 57,719	\$ 133,684
Operating expenses as a % of sales										
Selling	6.4%	8.5%	8.2%	8.4%	7.9%	6.2%	9.1%	7.1%	8.6%	7.6%
General and administrative	30.4%	30.7%	32.3%	34.8%	32.1%	34.5%	49.9%	34.0%	36.2%	37.3%
Total operating expenses	36.8%	39.3%	40.5%	43.2%	40.0%	40.7%	59.0%	41.1%	44.8%	44.9%

Change	Q1 2021		Q2 2021		Q3 2021		Q4 2021		Full Year	
Sales	186,863	15%	929,799	127%	254,374	20%	325,720	24%	1,696,757	37%
Cost of sales	54,119	8%	447,372	124%	105,747	16%	170,945	25%	778,184	32%
Gross profit	132,743	24%	482,428	130%	148,627	24%	154,775	24%	918,573	42%
Operating expenses										
Selling	13,606	18%	74,913	113%	35,409	38%	24,134	21%	148,061	42%
General and administrative	6,279	1%	145,336	40%	59,096	13%	95,298	20%	306,009	18%
Total operating expenses	19,885	4%	220,249	51%	94,504	18%	119,432	20%	454,070	22%
Earnings (loss) from operations	112,860	252%	262,180	-430%	54,121	59%	35,343	61%	464,503	347%

Note: numbers may not foot due to rounding



# Appendix – Geographic Regions

