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Skechers Breaks Ground on Corporate Headquarters Expansion

New Buildings Cement Footwear Company's Commitment to Global Growth Adding more than 175,000 Square Feet of Office, Design and Showroom Space

MANHATTAN BEACH, Calif.--(BUSINESS WIRE)-- Footwear industry leader Skechers USA, Inc. (NYSE:SKX) on Friday celebrated a new era and commitment to global growth and its hometown community by breaking ground on an expansion of the Skechers Corporate Headquarters that will span several adjacent buildings in Manhattan Beach and Hermosa Beach, California. The project will more than double the Company's office, design and showroom space in the South Bay, bringing it to just over 330,000 square feet.



Skechers breaks ground on Skechers Corporate Headquarters expansion that will more than double design, office and showroom space in adjacent buildings in Manhattan Beach and Hermosa Beach, California. Shown from left: Chief Operating Officer David Weinberg, Chief Financial Officer John Vandemore, Senior Vice President of Real Estate and Construction Peter Mow, Skechers President Michael Greenberg, and Vice President of Commercial Development Tim Ball. (Photo: Business Wire)

and fall in love with our beaches.”

“It’s been a challenge to meet the needs of our growing business with our existing space,” added David Weinberg, Skechers Chief Operating Officer. “This investment in our corporate headquarters allows us to better plan for the future and increase efficiencies. It will allow us to consolidate our teams, give us room to grow, and enhance our work, design, meeting and showroom space.”

“We started Skechers in a Manhattan Beach condominium in 1992, and now we’re a global brand with annual sales of over \$4 billion in 2017,” began Michael Greenberg, president of Skechers. “Through our years of incredible growth, we’ve called the South Bay home, so to be able to expand our headquarters where this Company was born, is important to who we are. This community inspires all that we do, and we share it with visiting customers from around the globe who shop and eat locally

At the centerpiece will be a more than 100,000-square-foot Design Center as well as neighboring Executive Offices on Pacific Coast Highway in Hermosa Beach. Additionally, there will be an expansion to the existing building at 330 South Sepulveda Boulevard and a new office across the street in Manhattan Beach.

All buildings are being developed with sustainability in mind to achieve LEED Gold certification upon completion. Earth-friendly features will include solar panels, daylight harvesting and motion-controlled lighting, high-performance glass, R30 insulation, and Forest Stewardship-certified wood. Additionally, landscaping will utilize drought-tolerant bio-filtration planters with low-water use plumbing and irrigation. And Skechers will continue its ongoing commitment to reduce waste at every level across the entire corporate headquarters—from recycling services to eco-friendly kitchen materials.

“As a fast moving, forward-thinking brand, it’s essential for Skechers to expand our office space to stay ahead of the curve,” said Robert Greenberg, Skechers Chief Executive Officer. “We have always focused on meeting the needs of consumers around the world, growing our business significantly including more than doubling our annual sales in four years, but we also believe there are numerous opportunities to strategically expand our business. The new Skechers Corporate Headquarters will give us the much-needed space to achieve this. And with completion anticipated for 2022, this beautiful new headquarters will mark the celebration of our 30th anniversary.”

A component of the project will be a beautification of the corridor that had become in disrepair due to the closing of several businesses. This will include a “Welcome to Hermosa Beach” sign at Longfellow Avenue and Pacific Coast Highway that will be designed by a local artist as well as the undergrounding of utilities plus improvements to benches, sidewalks and bus stops. The buildings will be designed with increased setbacks and landscaping. Additionally, the project includes subterranean on-site parking for all Skechers employees.

The new Skechers Corporate Headquarters has been designed by architect David Forbes Hibbert, founder of DFH Architects, an independent, award-winning architecture firm with over twenty years experience. The firm also designed and developed the original Skechers Corporate Headquarters building at 330 South Sepulveda Boulevard as well as notable projects like Universal Music Headquarters in Santa Monica and the k2LA Apartments in Koreatown.

About Skechers U.S.A., Inc.

Based in Manhattan Beach, California, Skechers designs, develops and markets a diverse range of lifestyle footwear for men, women and children, as well as performance footwear for men and women. Skechers footwear is available in the United States and over 170 countries and territories worldwide via department and specialty stores, 2,802 Skechers Company-owned and third-party-owned retail stores, and the Company’s e-commerce websites. The Company manages its international business through a network of global distributors, joint venture partners in Asia and the Middle East, and wholly-owned subsidiaries in Canada, Japan, throughout Europe and Latin America. For more information, please visit about.skechers.com and follow us on [Facebook](#), [Instagram](#), and [Twitter](#).

This announcement 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; 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 the Company's annual report on Form 10-K for the year ended December 31, 2017, and its quarterly report on Form 10-Q for the three months ended September 30, 2018. 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 the companies cannot predict all such risk factors, nor can the companies assess the impact of all such risk factors on their respective businesses 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.

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