

**LEVI STRAUSS & CO.**  
**RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES**  
**FOR THE FIRST QUARTER OF 2020**

The following information relates to non-GAAP financial measures, and should be read in conjunction with the investor call held on April 7, 2020, discussing the company's financial condition and results of operations as of and for the quarter ended February 23, 2020.

**Adjusted SG&A:**

|                                                                                         | Three Months Ended    |                      |
|-----------------------------------------------------------------------------------------|-----------------------|----------------------|
|                                                                                         | February 23,<br>2020  | February 24,<br>2019 |
|                                                                                         | (Dollars in millions) |                      |
|                                                                                         | (Unaudited)           |                      |
| <b>Most comparable GAAP measure:</b>                                                    |                       |                      |
| Selling, general and administrative expenses                                            | <u>\$ 660.5</u>       | <u>\$ 581.9</u>      |
| <b>Non-GAAP measure:</b>                                                                |                       |                      |
| Selling, general and administrative expenses                                            | \$ 660.5              | \$ 581.9             |
| Impact of changes in fair value on cash-settled stock-based compensation <sup>(1)</sup> | (4.9)                 | (5.3)                |
| Restructuring and related charges, severance and other, net <sup>(2)</sup>              | (5.6)                 | (0.1)                |
| <b>Adjusted SG&amp;A</b>                                                                | <u>\$ 650.0</u>       | <u>\$ 576.5</u>      |

- (1) Includes the impact of changes in fair value of Class B common stock following the grant date on awards that were granted as cash-settled and subsequently replaced with stock-settled awards concurrent with the IPO.
- (2) Restructuring and related charges, severance and other, net include transaction and deal related costs, including initial acquisition and integration costs and amortization of acquired intangible assets.

## Adjusted EBIT and Adjusted EBITDA:

|                                                                                         | Three Months Ended   |                      | Twelve Months Ended  |                      |
|-----------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                                                                         | February 23,<br>2020 | February 24,<br>2019 | February 23,<br>2020 | February 24,<br>2019 |
| (Dollars in millions)                                                                   |                      |                      |                      |                      |
| (Unaudited)                                                                             |                      |                      |                      |                      |
| <b>Most comparable GAAP measure:</b>                                                    |                      |                      |                      |                      |
| Net income                                                                              | \$ 152.7             | \$ 146.5             | \$ 401.2             | \$ 450.4             |
| <b>Non-GAAP measure:</b>                                                                |                      |                      |                      |                      |
| Net income                                                                              | \$ 152.7             | \$ 146.5             | \$ 401.2             | \$ 450.4             |
| Income tax expense                                                                      | 12.1                 | 35.3                 | 59.4                 | 82.5                 |
| Interest expense                                                                        | 16.7                 | 17.5                 | 65.4                 | 57.3                 |
| Other (income) expense, net                                                             | (2.7)                | 1.6                  | (6.3)                | (23.7)               |
| Underwriter commission paid on behalf of selling stockholders                           | —                    | —                    | 24.9                 | —                    |
| Charges related to the transition to being a public company                             | —                    | —                    | 3.5                  | 0.1                  |
| Impact of changes in fair value on cash-settled stock-based compensation <sup>(1)</sup> | 4.9                  | 5.3                  | 33.7                 | 44.3                 |
| Restructuring and related charges, severance and other, net <sup>(2)</sup>              | 5.6                  | 0.1                  | 11.8                 | 4.9                  |
| <b>Adjusted EBIT</b>                                                                    | <b>\$ 189.3</b>      | <b>\$ 206.3</b>      | <b>\$ 593.6</b>      | <b>\$ 615.8</b>      |
| <i>Adjusted EBIT margin</i>                                                             | <i>12.6%</i>         | <i>14.4%</i>         |                      |                      |
| Depreciation and amortization <sup>(3)</sup>                                            | 34.7                 | 28.6                 | 130.0                | 116.0                |
| <b>Adjusted EBITDA</b>                                                                  | <b>\$ 224.0</b>      | <b>\$ 234.9</b>      | <b>\$ 723.6</b>      | <b>\$ 731.8</b>      |

(1) Includes the impact of changes in fair value of Class B common stock following the grant date on awards that were granted as cash-settled and subsequently replaced with stock-settled awards concurrent with the IPO.

(2) Restructuring and related charges, severance and other, net include transaction and deal related costs, including initial acquisition and integration costs and amortization of acquired intangible assets.

(3) Depreciation and amortization amount net of amortization of acquired intangible assets included in Restructuring and related charges, severance and other, net.

## Adjusted Net Income and Adjusted Diluted Earnings per Share:

|                                                                                         | Three Months Ended                                                |                      |
|-----------------------------------------------------------------------------------------|-------------------------------------------------------------------|----------------------|
|                                                                                         | February 23,<br>2020                                              | February 24,<br>2019 |
|                                                                                         | (Dollars in millions, except per<br>share amounts)<br>(Unaudited) |                      |
| Most comparable GAAP measure:                                                           |                                                                   |                      |
| Net income                                                                              | \$ 152.7                                                          | \$ 146.5             |
| Non-GAAP measure:                                                                       |                                                                   |                      |
| Net income                                                                              | \$ 152.7                                                          | \$ 146.5             |
| Impact of changes in fair value on cash-settled stock-based compensation <sup>(1)</sup> | 4.9                                                               | 5.3                  |
| Restructuring and related charges, severance and other, net <sup>(2)</sup>              | 5.6                                                               | 0.1                  |
| Tax impact of adjustments                                                               | (0.8)                                                             | (1.0)                |
| Adjusted net income                                                                     | \$ 162.4                                                          | \$ 150.9             |
| Adjusted net income margin                                                              | 10.8%                                                             | 10.5%                |
| Adjusted diluted earnings per share                                                     | \$ 0.40                                                           | \$ 0.38              |

(1) Includes the impact of changes in fair value of Class B common stock following the grant date on awards that were granted as cash-settled and subsequently replaced with stock-settled awards concurrent with the IPO.

(2) Restructuring and related charges, severance and other, net include transaction and deal related costs, including initial acquisition and integration costs and amortization of acquired intangible assets.

## Net debt and Leverage Ratio:

|                                                   | February 23,<br>2020  | November 24,<br>2019 |
|---------------------------------------------------|-----------------------|----------------------|
|                                                   | (Dollars in millions) |                      |
|                                                   | (Unaudited)           |                      |
| Most comparable GAAP measure:                     |                       |                      |
| Total debt, excluding capital leases              | \$ 1,013.7            | \$ 1,014.4           |
| Non-GAAP measure:                                 |                       |                      |
| Total debt, excluding capital leases              | \$ 1,013.7            | \$ 1,014.4           |
| Cash and cash equivalents                         | (873.6)               | (934.2)              |
| Short-term investments in marketable securities   | (84.0)                | (80.7)               |
| Net debt                                          | \$ 56.1               | \$ (0.5)             |
|                                                   | February 23,<br>2020  | February 24,<br>2019 |
|                                                   | (Dollars in millions) |                      |
|                                                   | (Unaudited)           |                      |
| Total debt, excluding capital leases              | \$ 1,013.7            | \$ 1,041.1           |
| Last Twelve Months Adjusted EBITDA <sup>(1)</sup> | \$ 723.6              | \$ 731.8             |
| Leverage ratio                                    | 1.4                   | 1.4                  |

(1) Last Twelve Months Adjusted EBITDA is reconciled from net income which is the most comparable GAAP measure. Refer to Adjusted EBIT and Adjusted EBITDA table for more information.

## Adjusted free cash flow:

|                                                                                                             | Three Months Ended    |                      |
|-------------------------------------------------------------------------------------------------------------|-----------------------|----------------------|
|                                                                                                             | February 23,<br>2020  | February 24,<br>2019 |
|                                                                                                             | (Dollars in millions) |                      |
|                                                                                                             | (Unaudited)           |                      |
| <b>Most comparable GAAP measure:</b>                                                                        |                       |                      |
| Net cash provided by operating activities                                                                   | \$ 197.9              | \$ 55.8              |
| <b>Non-GAAP measure:</b>                                                                                    |                       |                      |
| Net cash provided by operating activities                                                                   | \$ 197.9              | \$ 55.8              |
| Purchases of property, plant and equipment                                                                  | (44.4)                | (36.1)               |
| (Payments) proceeds on settlement of forward foreign exchange contracts not designated for hedge accounting | (19.3)                | 55.8                 |
| Repurchase of common stock                                                                                  | (30.1)                | (3.1)                |
| Repurchase of shares surrendered for tax withholdings on equity award exercises                             | (75.2)                | (0.8)                |
| Dividend to stockholders                                                                                    | (31.9)                | (55.0)               |
| <b>Adjusted free cash flow</b>                                                                              | <b>\$ (3.0)</b>       | <b>\$ 16.6</b>       |

## Constant-currency net revenues:

|                                           | Three Months Ended                   |                      |                             |
|-------------------------------------------|--------------------------------------|----------------------|-----------------------------|
|                                           | February 23,<br>2020                 | February 24,<br>2019 | %<br>Increase<br>(Decrease) |
|                                           | (Dollars in millions)<br>(Unaudited) |                      |                             |
| <b>Total revenues</b>                     |                                      |                      |                             |
| As reported                               | \$ 1,506.1                           | \$ 1,434.5           | 5.0 %                       |
| Impact of foreign currency exchange rates | —                                    | (10.9)               | *                           |
| Constant-currency net revenues            | <u>\$ 1,506.1</u>                    | <u>\$ 1,423.6</u>    | <u>5.8 %</u>                |
| <b>Americas</b>                           |                                      |                      |                             |
| As reported                               | \$ 745.6                             | \$ 717.3             | 3.9 %                       |
| Impact of foreign currency exchange rates | —                                    | 1.5                  | *                           |
| Constant-currency net revenues - Americas | <u>\$ 745.6</u>                      | <u>\$ 718.8</u>      | <u>3.7 %</u>                |
| <b>Europe</b>                             |                                      |                      |                             |
| As reported                               | \$ 512.9                             | \$ 464.7             | 10.4 %                      |
| Impact of foreign currency exchange rates | —                                    | (10.4)               | *                           |
| Constant-currency net revenues - Europe   | <u>\$ 512.9</u>                      | <u>\$ 454.3</u>      | <u>12.9 %</u>               |
| <b>Asia</b>                               |                                      |                      |                             |
| As reported                               | \$ 247.6                             | \$ 252.5             | (1.9)%                      |
| Impact of foreign currency exchange rates | —                                    | (2.0)                | *                           |
| Constant-currency net revenues - Asia     | <u>\$ 247.6</u>                      | <u>\$ 250.5</u>      | <u>(1.2)%</u>               |

\* Not meaningful

## Constant-currency Adjusted EBIT:

|                                                       | Three Months Ended                   |                      |               |
|-------------------------------------------------------|--------------------------------------|----------------------|---------------|
|                                                       | February 23,<br>2020                 | February 24,<br>2019 | %<br>Increase |
|                                                       | (Dollars in millions)<br>(Unaudited) |                      |               |
| Adjusted EBIT <sup>(1)</sup>                          | \$ 189.3                             | \$ 206.3             | (8.2)%        |
| Impact of foreign currency exchange rates             | —                                    | (2.9)                | *             |
| Constant-currency Adjusted EBIT                       | <u>\$ 189.3</u>                      | <u>\$ 203.4</u>      | <u>(6.9)%</u> |
| Constant-currency Adjusted EBIT margin <sup>(2)</sup> | <u>12.6%</u>                         | <u>14.3%</u>         |               |

(1) Adjusted EBIT is reconciled from net income which is the most comparable GAAP measure. Refer to Adjusted EBIT and Adjusted EBITDA table for more information.

(2) We define constant-currency Adjusted EBIT margin as constant-currency Adjusted EBIT as a percentage of constant-currency net revenues.

\* Not meaningful

## Constant-Currency Adjusted Net Income and Adjusted Diluted Earnings per Share:

|                                                             | Three Months Ended                                             |                      |               |
|-------------------------------------------------------------|----------------------------------------------------------------|----------------------|---------------|
|                                                             | February 23,<br>2020                                           | February 24,<br>2019 | %<br>Increase |
|                                                             | (Dollars in millions, except per share amounts)<br>(Unaudited) |                      |               |
| Adjusted net income <sup>(1)</sup>                          | \$ 162.4                                                       | \$ 150.9             | 7.6%          |
| Impact of foreign currency exchange rates                   | —                                                              | (2.6)                | *             |
| Constant-currency Adjusted net income                       | <u>\$ 162.4</u>                                                | <u>\$ 148.3</u>      | 9.5%          |
|                                                             |                                                                |                      |               |
| Constant-currency Adjusted net income margin <sup>(2)</sup> | 10.8%                                                          | 10.4%                |               |
|                                                             |                                                                |                      |               |
| Adjusted diluted earnings per share                         | \$ 0.40                                                        | \$ 0.38              | 5.3%          |
| Impact of foreign currency exchange rates                   | —                                                              | (0.01)               | *             |
| Constant-currency Adjusted diluted earnings per share       | <u>\$ 0.40</u>                                                 | <u>\$ 0.37</u>       | 8.1%          |

(1) Adjusted net income is reconciled from net income which is the most comparable GAAP measure. Refer to Adjusted net income table for more information.

(2) We define constant-currency Adjusted net income margin as constant-currency Adjusted net income as a percentage of constant-currency net revenues.

\* Not meaningful