LEVI STRAUSS & CO.

INVESTOR DAY · 2022

SAFE HARBOR

Our presentation today contains forward-looking statements. We have based these statements on our current assumptions, expectations and projections. These forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ. For information on these risks and uncertainties, please see our Annual Report on Form 10-K for fiscal year 2021 and our Quarterly Report on Form 10-Q for the first fiscal quarter of 2022, in particular the “Risk Factors” sections.

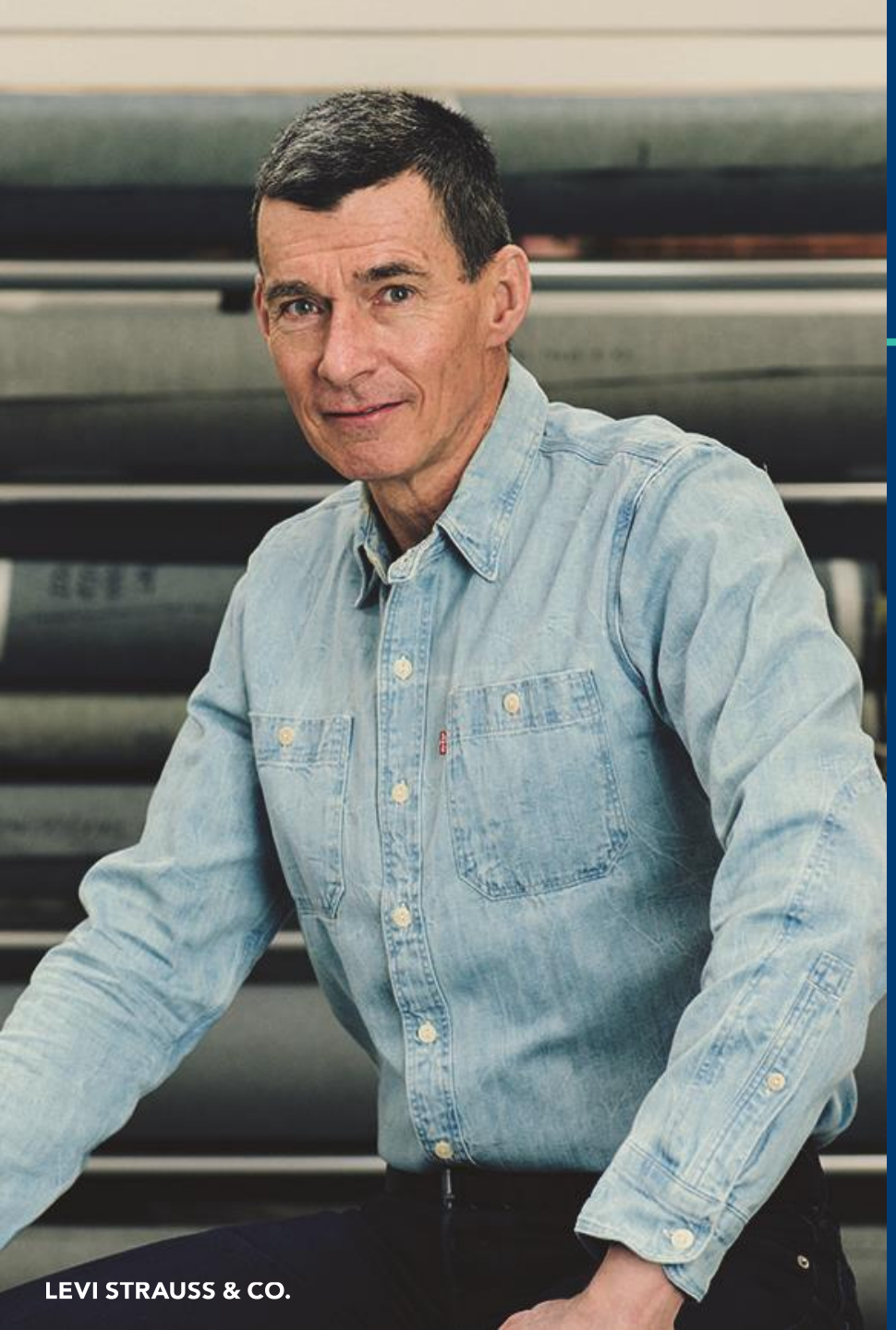
Our discussion today will also include certain non-GAAP financial measures. For information on these non-GAAP financial measures, please see the “Reconciliation of GAAP to Non-GAAP” section at the end of this presentation. A reconciliation of non-GAAP forward looking information to the corresponding GAAP measures cannot be provided without unreasonable efforts due to the challenge in quantifying various items including but not limited to, the effects of foreign currency fluctuations, taxes, and any future restructuring, restructuring-related, severance and other charges.

LEVI STRAUSS & CO.

INVESTOR DAY · 2022

CEO KEYNOTE SPEECH

Chip Bergh
President & Chief Executive Officer



President & Chief Executive Officer

CHIP BERGH

OUR ASPIRATION

BE THE WORLD'S BEST APPAREL COMPANY, FAMOUS FOR OUR BRANDS AND VALUES

OUR MISSION

DELIVER PROFITS THROUGH PRINCIPLES TO MAKE AN OUTSIZED IMPACT ON THE WORLD

ACCELERATING
LEVI STRAUSS & CO.

WHERE TO PLAY

- Brand Led
- DTC First
- Diversify the Portfolio

HOW TO WIN

- Digital Transformation
- Operational Excellence
- Financial Discipline

GROWTH
Net revenue +6-8% annually

PROFITABILITY
Adjusted EBIT ~15% by 2027E

SHAREHOLDER VALUE
+10-12% annually

OUR COMPETITIVE STRENGTHS

1. ICONIC BRANDS	Brands with deep heritage, superior product quality and a culture of innovation
2. LOYAL CONSUMERS	Strong connections with consumers around the globe
3. DIVERSIFIED BUSINESS	Robust, diversified business model across regions, channels and categories
4. GLOBAL SCALE	Multi-country, diversified sourcing base
5. PROFITS THROUGH PRINCIPLES	Values-driven company with an unwavering commitment to corporate citizenship
6. STRONG LEADERSHIP	Proven management team with a track record of success

OUR LEADERSHIP TEAM

Chip Bergh
President &
Chief Executive Officer

~11 YEARS AT LS&CO.

Santiago Cucci
Chief Executive Officer of
Dockers® Brand

~9 YEARS AT LS&CO.

Seth Ellison
Executive Vice President &
Chief Commercial Officer

~10 YEARS AT LS&CO.

Karyn Hillman
Senior Vice President &
Chief Product Officer

~9 YEARS AT LS&CO.

Seth Jaffe
Executive Vice President &
General Counsel

~11 YEARS AT LS&CO.

Tracy Layney
Senior Vice President & Chief
Human Resources Officer

~2 YEARS AT LS&CO.

Heidi Manes
Senior Vice President &
Chief Transformation Officer

~20 YEARS AT LS&CO.

Kelly McGinnis
Senior Vice President &
Chief Communications Officer

~9 YEARS AT LS&CO.

Liz O'Neill
Executive Vice President &
Chief Operations Officer

~9 YEARS AT LS&CO.

Harmit Singh
Chief Financial Officer

~9 YEARS AT LS&CO.

Michelle Wahler
Chief Executive Officer &
Co-Founder of Beyond Yoga®

<1 YEAR AT LS&CO.

Katia Walsh
Senior Vice President &
Chief Strategy and Artificial
Intelligence Officer

~3 YEARS AT LS&CO.

OUR PRESENTERS

Chip Bergh
President & Chief Executive Officer

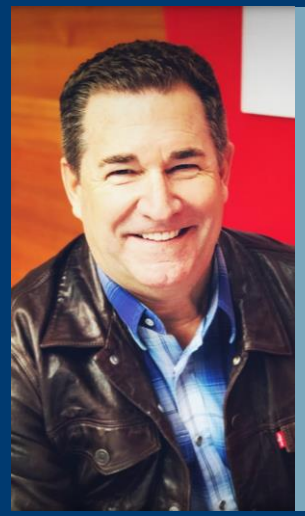
PRIOR EXPERIENCE

P&G

Santiago Cucci
Chief Executive Officer of Dockers® Brand

PRIOR EXPERIENCE

KAPORAL
TOMMY HILFIGER



Seth Ellison
Executive Vice President & Chief Commercial Officer

PRIOR EXPERIENCE

ALTERNATIVE
PERRY ELLIS®

Karyn Hillman
Senior Vice President & Chief Product Officer

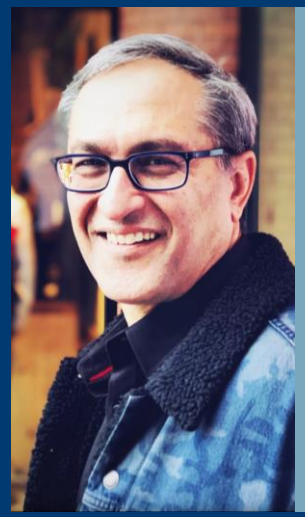
PRIOR EXPERIENCE

Gap Inc.
Calvin Klein Jeans

Liz O'Neill
Executive Vice President & Chief Operations Officer

PRIOR EXPERIENCE

Gap Inc.
Disney STORE
Abercrombie & Fitch



Harmit Singh
Chief Financial Officer

PRIOR EXPERIENCE

HYATT®
Yum!

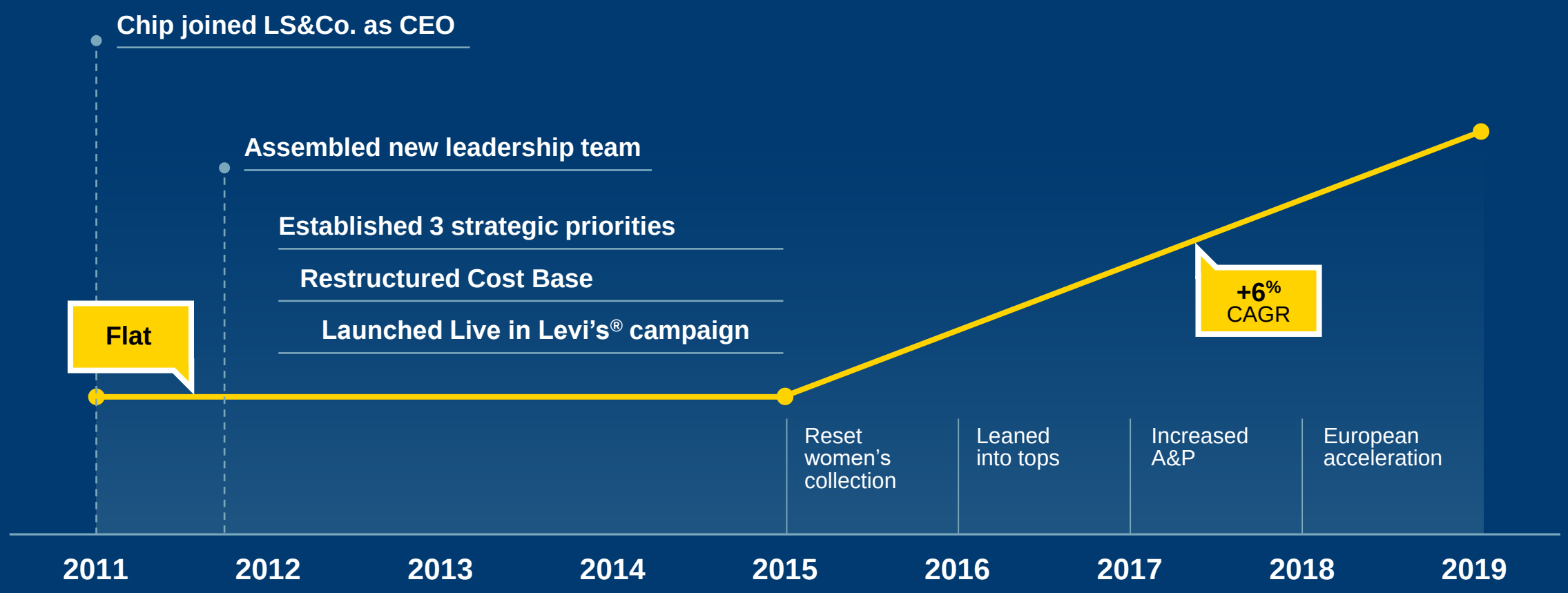
Michelle Wahler
Chief Executive Officer & Co-Founder of Beyond Yoga®

PRIOR EXPERIENCE

BEYOND YOGA

EXECUTION OF OUR PRIOR PLAN

ACCELERATED GROWTH



TRANSFORMATION
STRATEGIC PRIORITIES

GROW THE PROFITABLE CORE

EXPAND FOR MORE

WORLD CLASS OMNI-CHANNEL RETAILER

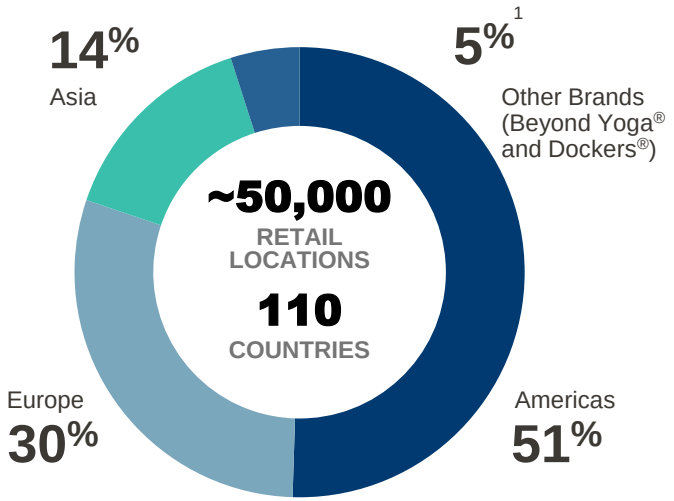
EXECUTION OF OUR PLAN HAS
TRANSFORMED OUR BUSINESS

	FY11 % OF NET REVENUE	FY21 % OF NET REVENUE
Direct-to-Consumer (DTC)	22%	36%
Ecommerce	2%	8%
International	50%	55%
Women's	26%	33%
Tops	10%	20%

EXECUTION OF OUR PLAN HAS
TRANSFORMED OUR FINANCIALS

	FY11	FY21
Net revenue	$4.8B	$5.8B
Adjusted gross margin	48.1%	57.9%
Adjusted EBIT margin	8.5%	12.4%
Net debt	$1.8B	$0.1B

2021: SNAPSHOT OF
OUR BUSINESS TODAY



NET REVENUES **$5.8B**

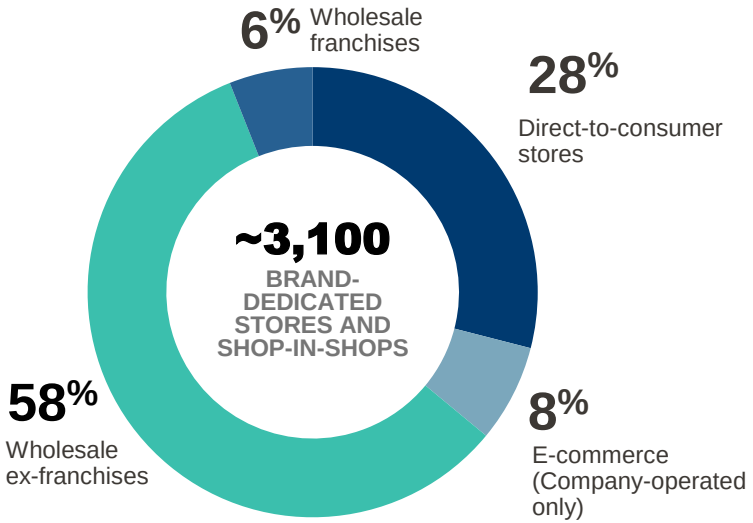
65%[2] MEN'S

33%[2] WOMEN'S

75% BOTTOMS

20% TOPS

5% FOOTWEAR AND ACCESSORIES



Levi's® **87%**

Dockers® **5%**

Denizen from Levi's / Signature by Levi Strauss **8%**

BEYOND YOGA

1. Percentages are of total net revenues in 2021. Other numbers are for or as of the end of 2021 2. Approximately 2% of sales are non-gender

OUR 2022-2027
BUSINESS STRATEGIES

BRAND LED

DTC FIRST

DIVERSIFY THE PORTFOLIO

BRAND LED

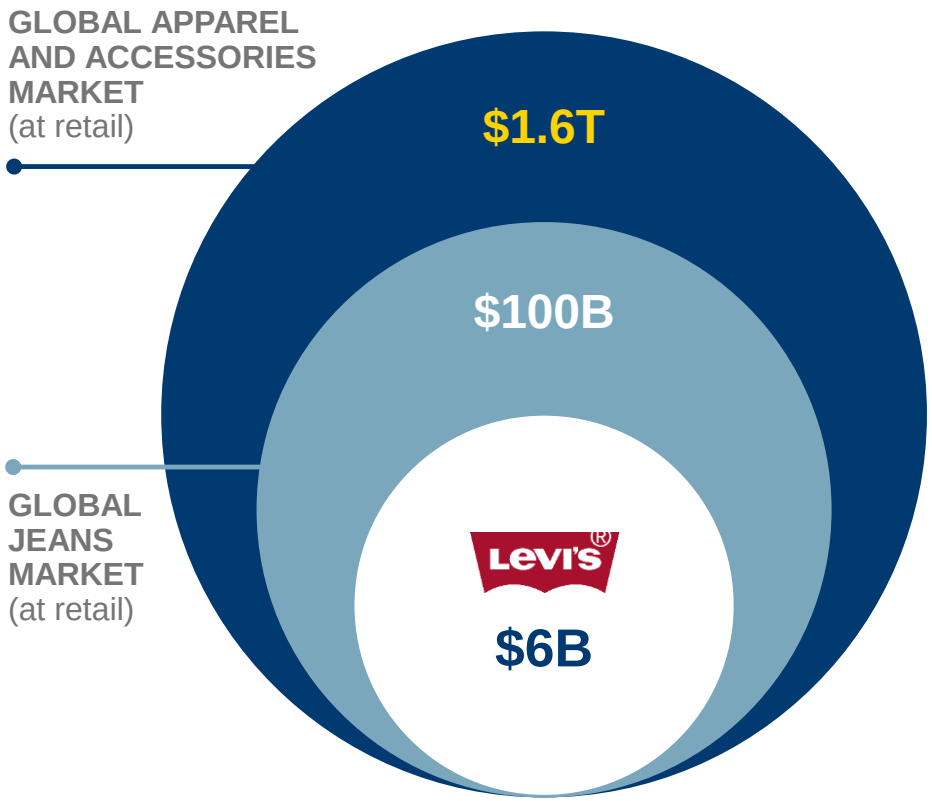
LEVI'S® BRAND MORE RELEVANT THAN EVER

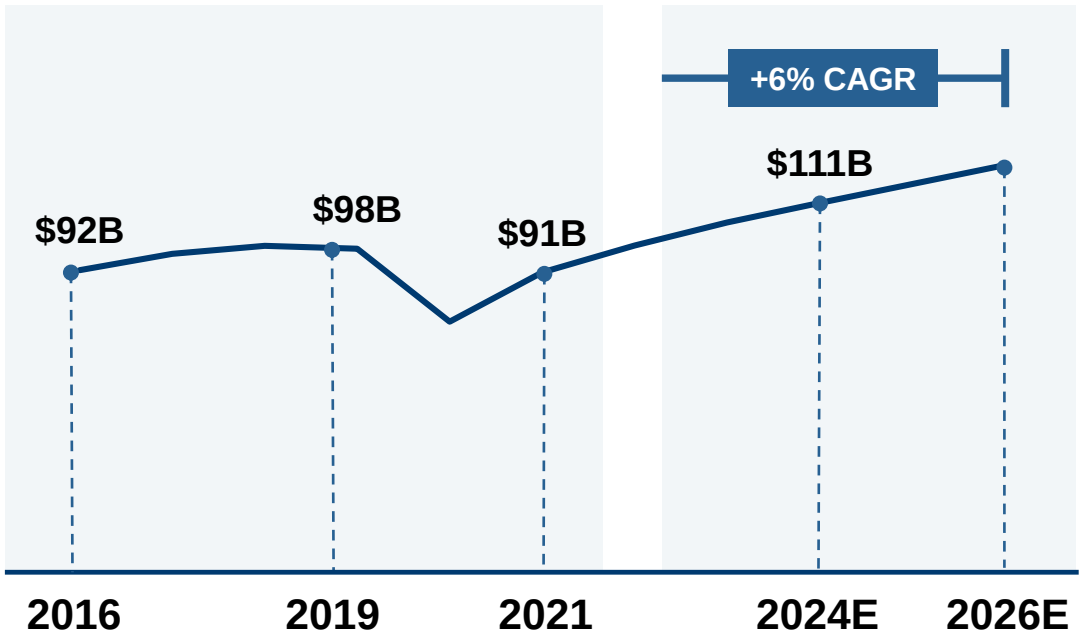
#1 Market share gainer in 2021[1]

#1 Unaided apparel brand awareness[2]

1. Euromonitor
2. Global Brand Equity Study Q1 2022

LARGE, GROWING AND ATTRACTIVE CATEGORY





Source: Euromonitor market sizes, 2022E at left; Levi's brand is FY22E net revenue

DTC FIRST

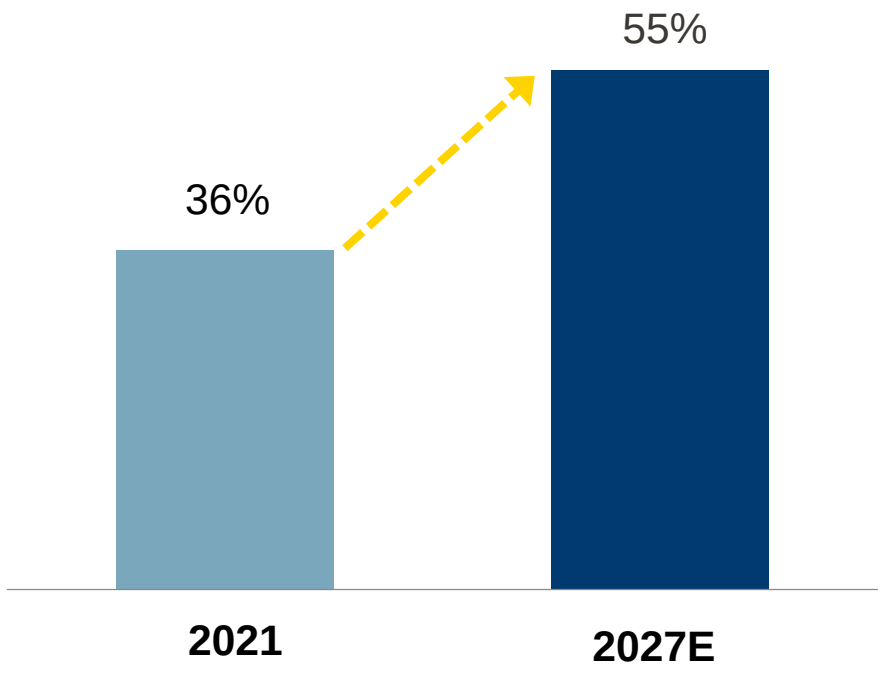
GROWING DTC WHILE EXPANDING PROFITABILITY

PLAN TO GROW DTC TO

55%

OF NET REVENUE BY 2027E

DTC AS A % OF NET REVENUE



BRICK-AND-MORTAR DTC

ECOMMERCE
DTC

EVOLVED, MORE PROFITABLE WHOLESALE

Healthier, structurally improved profitability

More premium, digital, and high-quality distribution

Less off-price and traditional brick-and-mortar

DIVERSIFIED PORTFOLIO

CAPTURING UNDERPENETRATED OPPORTUNITIES

- Women’s 2X
- Tops +$1B
- Diversifying geographically
- Other brands

EXECUTION WILL

DRIVE OUR SUCCESS – HOW WE WILL WIN

DIGITAL TRANSFORMATION

OPERATIONAL EXCELLENCE

FINANCIAL DISCIPLINE

DIGITAL TRANSFORMATION

PROFITS THROUGH PRINCIPLES

GIVING BACK TO OUR COMMUNITIES

ADVOCATING FOR WHAT'S RIGHT

SOCIAL & ENVIRONMENTAL SUSTAINABILITY

INVESTMENT THESIS

1. ICONIC BRANDS	Brands with deep heritage, superior product quality and a culture of innovation
2. ATTRACTIVE CATEGORIES	Large and growing categories with secular tailwinds
3. GLOBAL SCALE	Multi-country, diversified sourcing base
4. DIVERSIFIED BUSINESS	Robust, diversified business model across regions, channels and categories
5. STRONG FINANCIALS	Solid financial foundation with a strategy to accelerate profitable growth
6. PROVEN LEADERSHIP	Strong management team with a track record of success

LEVI STRAUSS & CO.

INVESTOR DAY · 2022

LEVI'S® BRAND

Karyn Hillman
Senior Vice President &
Chief Product Officer

Senior Vice President &
Chief Product Officer

KARYN HILLMAN

OUR VISION

WE WILL BE THE MOST LOVED AND RELEVANT LIFESTYLE BRAND.

OUR PROMISE

TO UNLEASH AND INSPIRE "AUTHENTIC SELF" EXPRESSION EVERY DAY

THE LEVI'S® BRAND IS THE STRONGEST IT'S EVER BEEN

#1 UNAIDED APPAREL BRAND AWARENESS[1]

#1 GLOBAL JEANS BRAND[2]

#1 DENIM AUTHORITY, QUALITY TRENDSETTING, FIT AND COMFORT[1]

1. Global Brand Equity Study, Q1 2022
2. Euromonitor, 2021

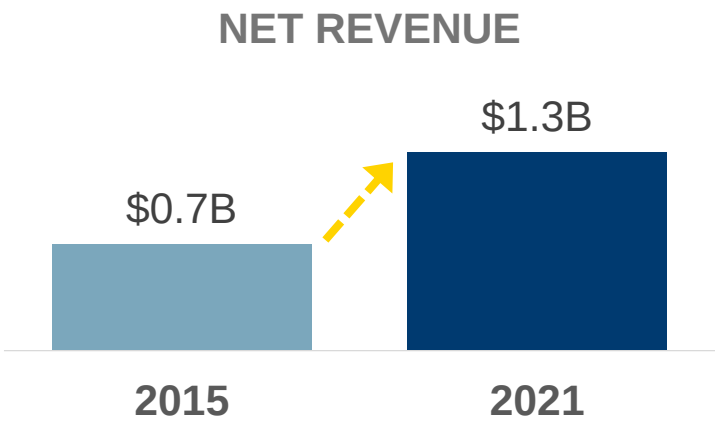
MEN'S JEANS

MARKET SHARE GLOBAL LEADER

SHARE RANK	GLOBALLY			
	#1[1]	#1[2]	#1[1]	#1[2]
	#1[1]	#1[3]	#2[3]	#1[3]

Source: 1) Euromonitor 2021, 2) NPD 12ME, Feb. '22, 3) GFK/Kantar Fashion Panel 12ME Feb. '22

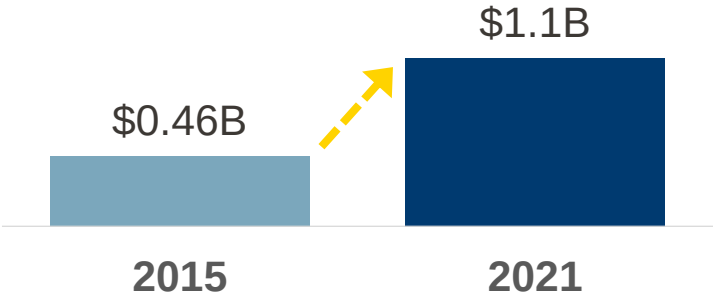
WE RESET WOMEN'S AND DOUBLED NET REVENUE



2X WOMEN'S DENIM

OVER THE LAST 6 YEARS, WE DOUBLED TOPS

NET REVENUE



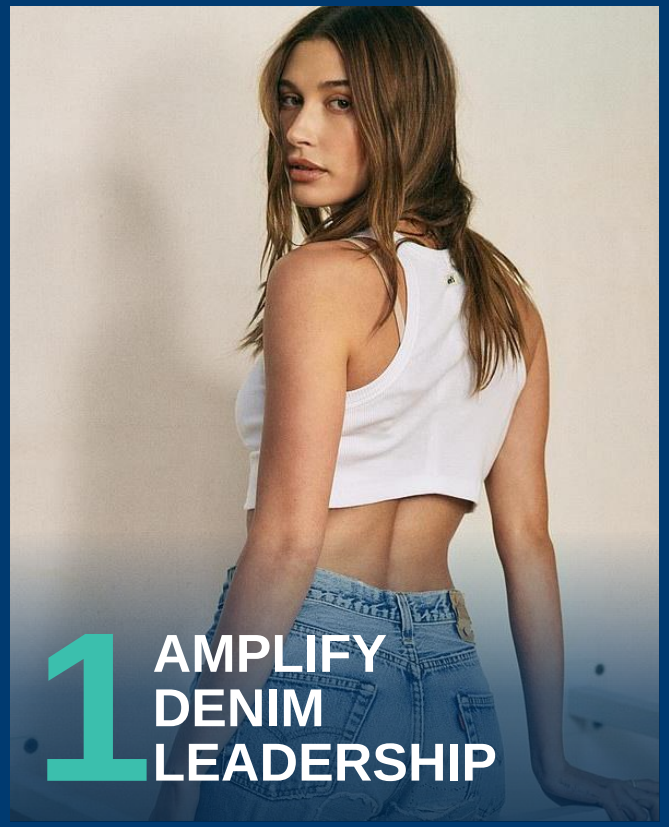
2X TOPS

WE GAINED WITH YOUNGER CONSUMERS

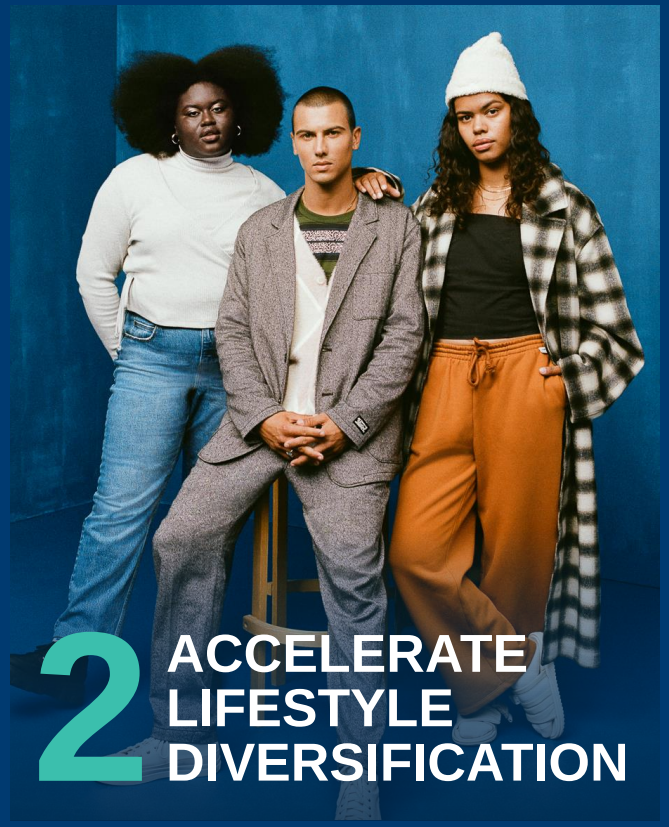
WITH CONSUMERS 18-30, WE INCREASED:

- BRAND AWARENESS
- OWNERSHIP
- BRAND RECOMMENDATION

OUR STRATEGY WILL
UNLOCK THE NEXT PHASE OF GROWTH



1 AMPLIFY DENIM LEADERSHIP



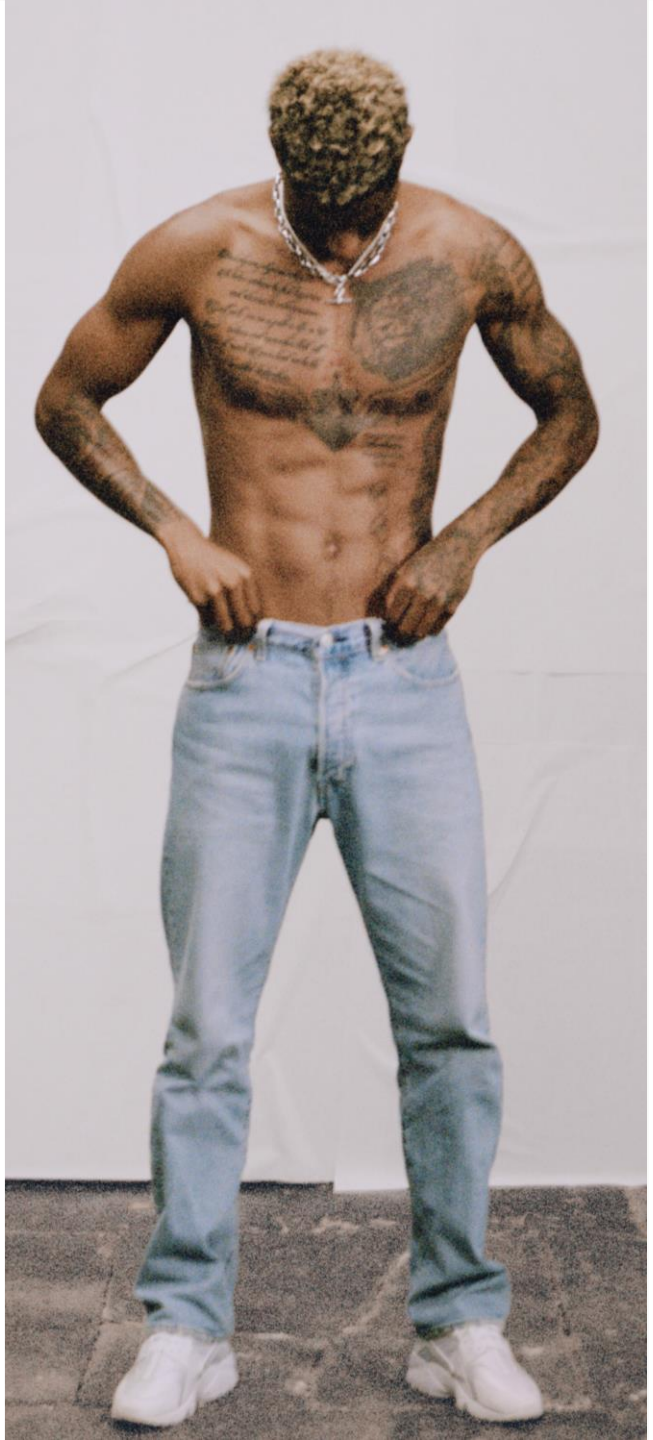
2 ACCELERATE LIFESTYLE DIVERSIFICATION

3 ACTIVATE BRAND HEAT

1

AMPLIFY
DENIM LEADERSHIP

THROUGH BEST-IN-CLASS FIT, FABRIC, STYLE AND INNOVATION



2

ACCELERATE
LIFESTYLE DIVERSIFICATION

- TOPS
- NON-DENIM BOTTOMS











3

ACTIVATE
BRAND HEAT

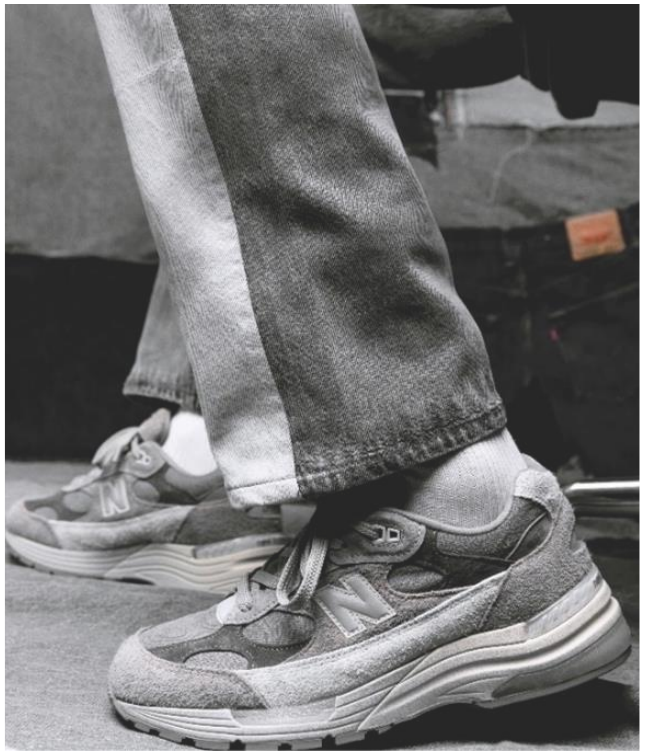
ENERGY

EXPERIENCES

ENGAGEMENT

WE COLLABORATE WITH

LEADING BRANDS, ARTISTS AND CULTURAL ICONS



WE CREATE

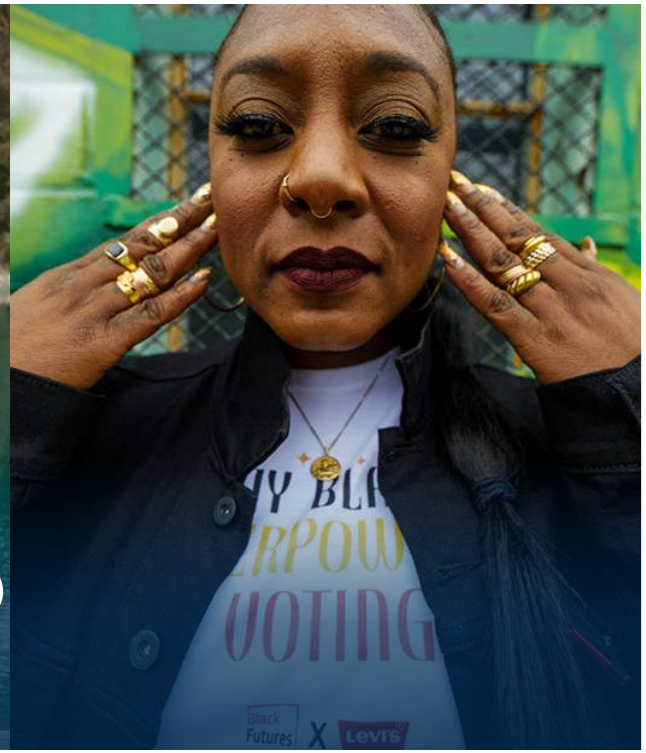
IMMERSIVE EXPERIENCES,

LEADING WITH MUSIC

WE AUTHENTICALLY

CONNECT WITH OUR FANS THROUGH OUR VALUES

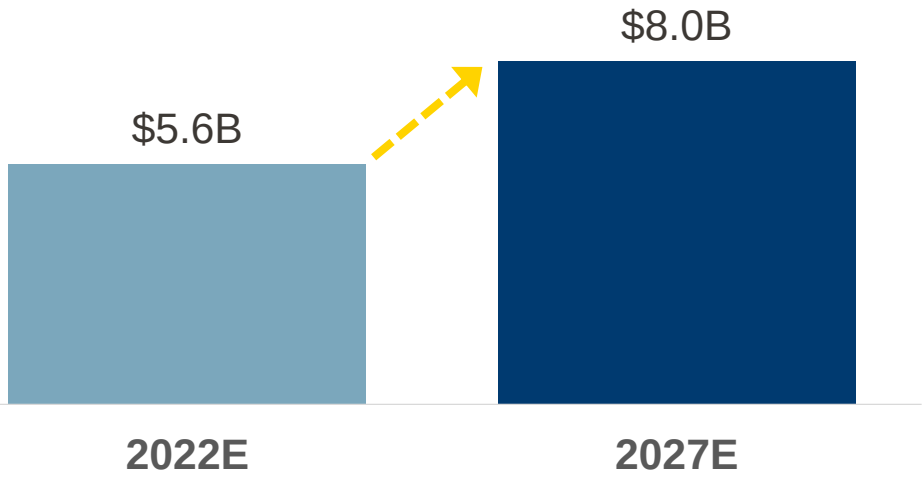
EQUALITY AND INCLUSION



SUSTAINABILITY

STRONG RUNWAY FOR GROWTH

LEVI'S® BRAND GLOBAL NET REVENUE



7% CAGR

Note: 2022E represents the midpoint of our estimate for Levi's® Brand net revenue in USD billions. This does not include Signature by Levi Strauss & Co.™ and Denizen®.

1 AMPLIFY DENIM LEADERSHIP

2 ACCELERATE LIFESTYLE DIVERSIFICATION

3 ACTIVATE BRAND HEAT

LEVI STRAUSS & CO.

INVESTOR DAY · 2022

LEVI'S® DIRECT-TO-CONSUMER ACCELERATION

Seth Ellison
Executive Vice President &
Chief Commercial Officer

Executive Vice President &
Chief Commercial Officer

SETH ELLISON

JOURNEY TO TODAY

WE HAVE CLEAR PRIORITIES

FUELED BY TALENT, THE LEVI'S® BRAND, DATA, ANALYTICS, AND DIGITIZATION

Continue to expand and elevate our footprint globally

Increase the productivity of our fleet

Accelerate e-commerce with Levi.com as our flagship experience

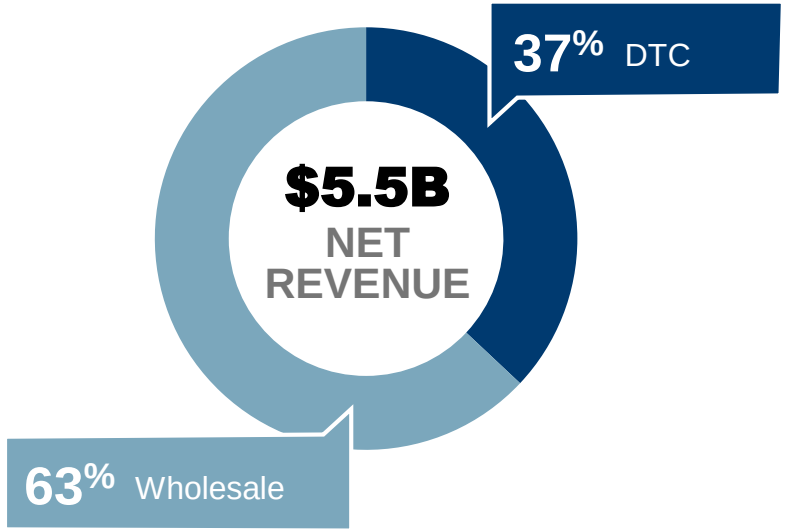
Engage and grow with our loyal fans

LEVI'S® BRANDS

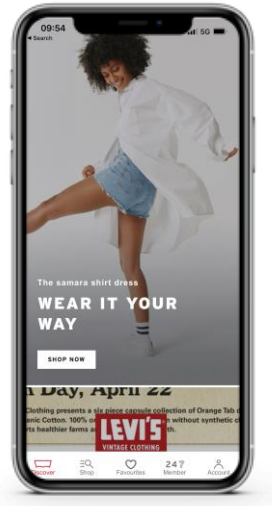
DTC OVERVIEW

FY21

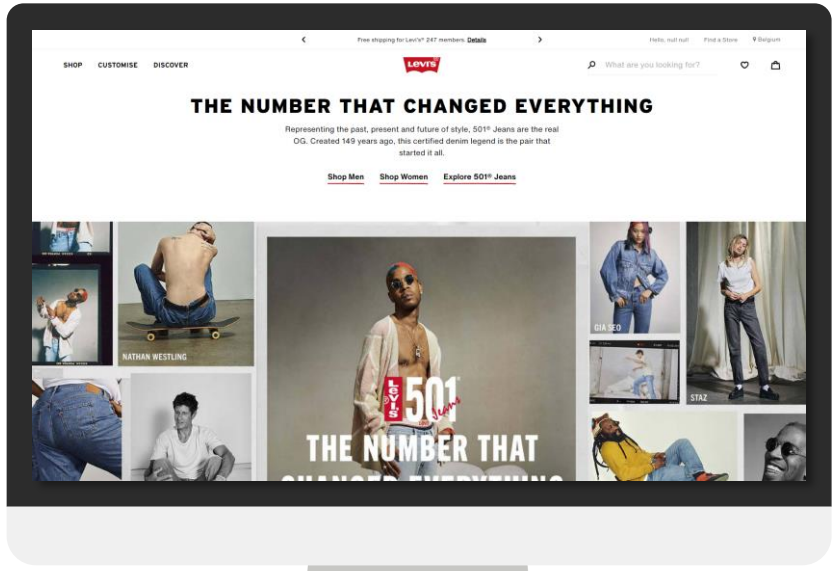
$2B DTC NET REVENUE



>1,000
COMPANY-OPERATED STORES



~19M
MEMBERS

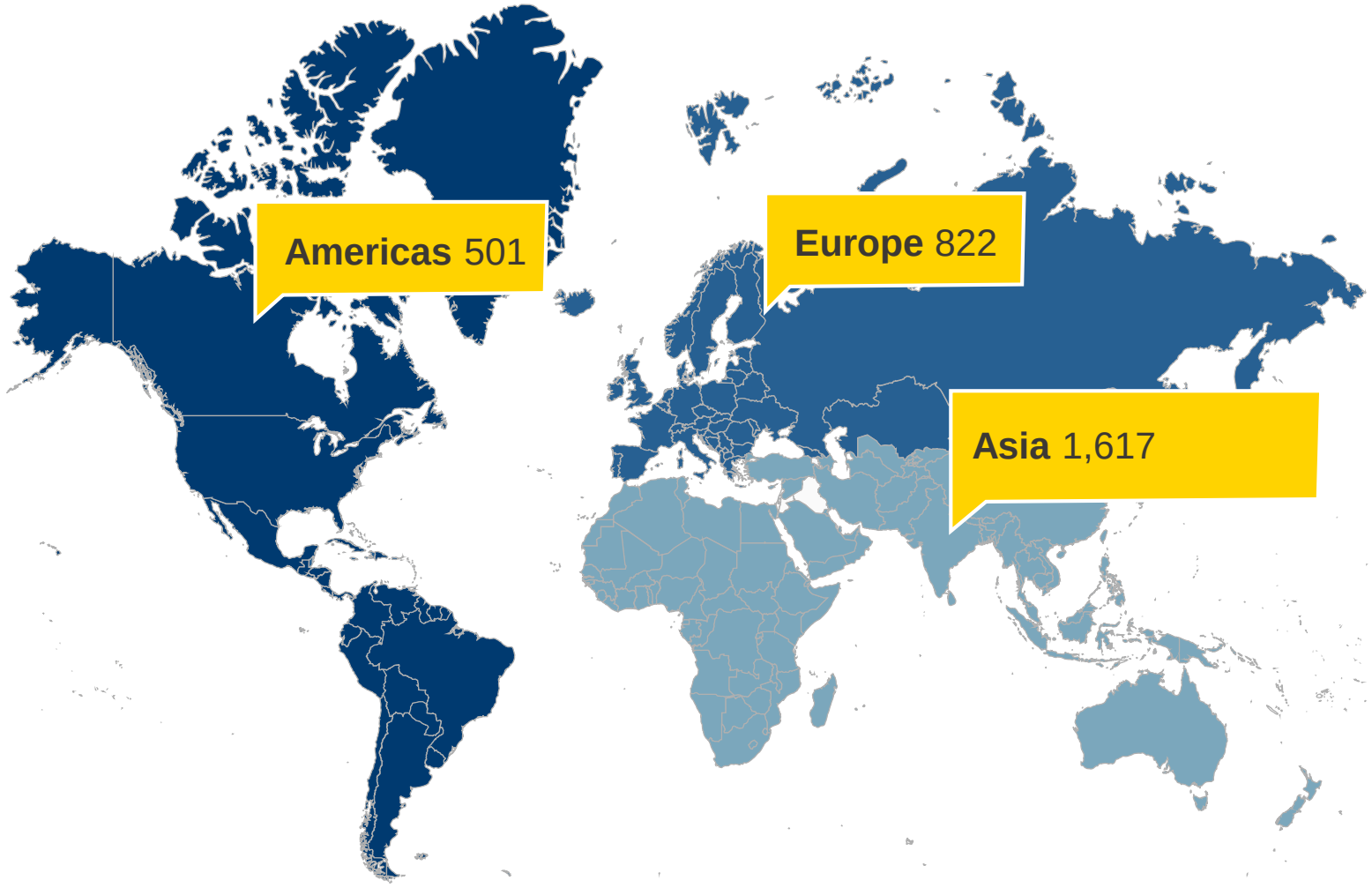


$0.4B
ECOMMERCE NET REVENUE

8%
ECOMMERCE % OF NET REVENUE

WE HAVE BECOME A SIZEABLE, GLOBAL, BRICK-AND-MORTAR RETAILER

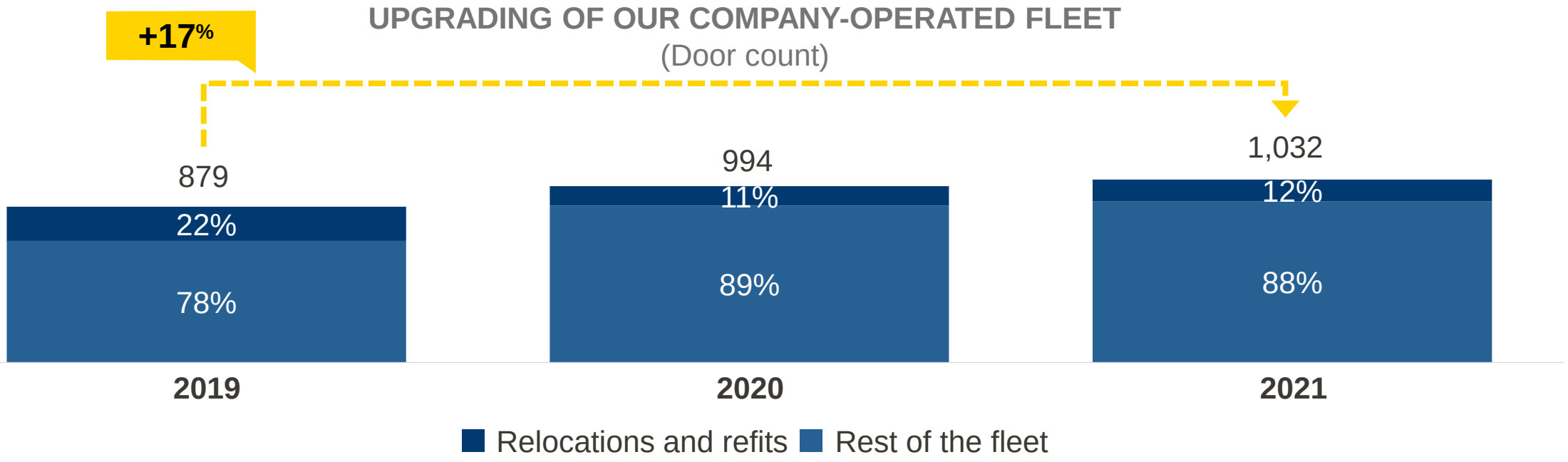
2,940 LEVI'S® BRAND STORES AS OF 2021YE



- Americas
- Europe
- Asia

BUSINESS MODEL	STORE COUNT
DTC company-operated	1,032
DTC shop-in-shops	465
Wholesale franchises	1,443

EVEN WITH A PANDEMIC, WE HAVE BEEN STRENGTHENING OUR COMPANY-OPERATED FLEET, PRUNING WEAK LOCATIONS, AND DOUBLING DOWN ON OUR BEST OPPORTUNITIES

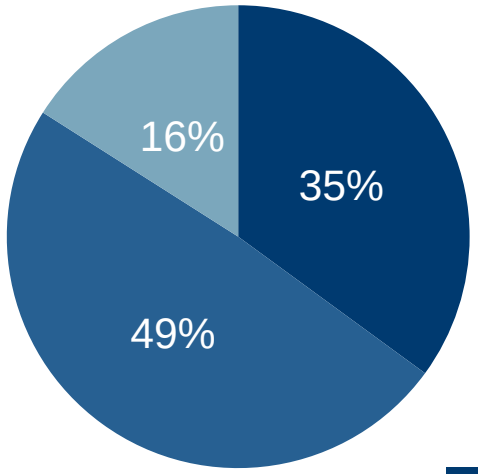


Data reflects actuals for openings, closings and refits. Refits estimated

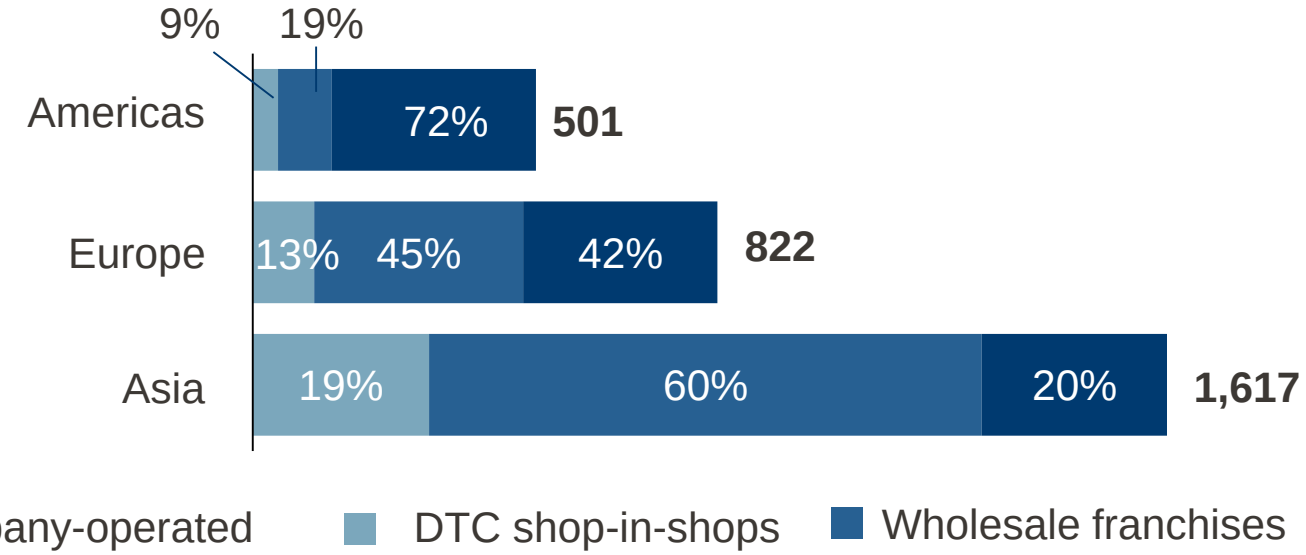
OUR BRAND-DEDICATED FLEET'S DIFFERENT BUSINESS MODELS ALLOW US TO GROW EFFICIENTLY AND DRIVE LEVERAGE IN EACH MARKET

FLEET BREAKDOWN BY BUSINESS MODEL, FY21YE

Global



By Key Geography



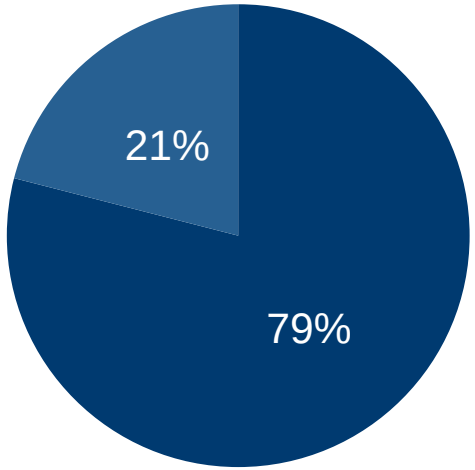
GLOBALLY, 79% OF OUR LEVI'S® BRAND-DEDICATED DOORS ARE MAINLINE STORES

THE STRONGEST REPRESENTATION

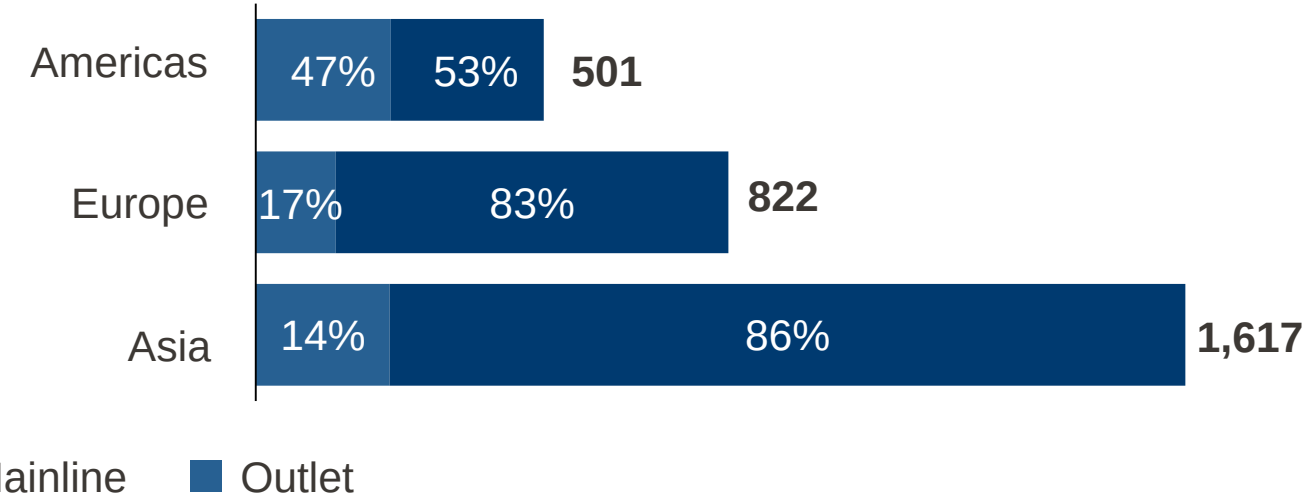
OF OUR BRAND

FLEET BREAKDOWN BY BUSINESS LINE, FY21YE

Global



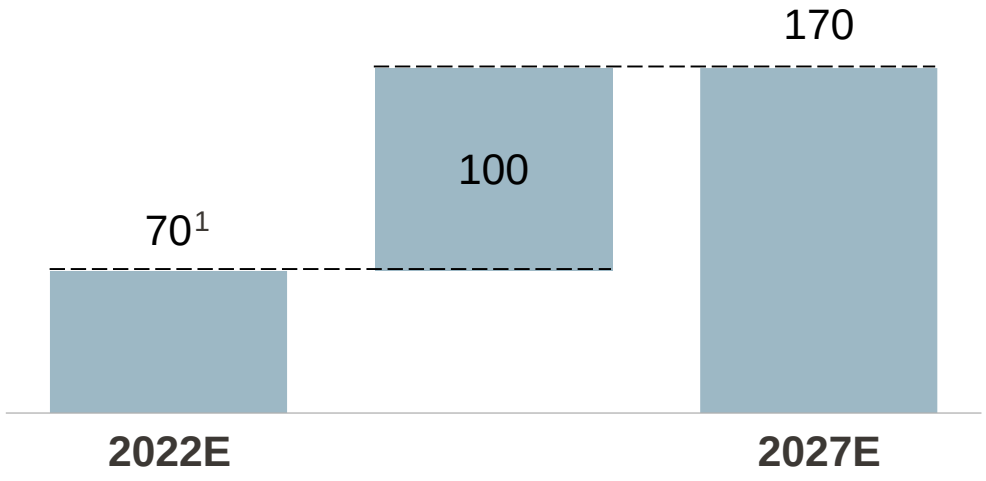
By Key Geography



Our Levi's® brand-dedicated stores include stores and shop-in-shops operated by LS&Co. or independent third-parties, such as franchisees

US MAINLINE EXPANSION HAS ALREADY STARTED AND WILL BECOME A KEY GROWTH-DRIVER OVER THE NEXT SEVERAL YEARS

COMPANY-OPERATED MAINLINE STORES, FY22E-FY27E



Expand outside of tourist destinations and capitalize on **new whitespace**

Drive **mainline expansion** to **elevate the brand and price points** in our largest market

Elevate in-store experience and assortment

Expand our fleet, adapting to market opportunities, keeping the fleet **agile and profitable**

1. Of the 70 US mainline stores in 2022, 44 are in our new Next Gen concept

OUR CHINA STRATEGY

PRIORITIZES PREMIUMIZATION,

FOOTPRINT EXPANSION AND DIGITAL COMMERCE

- Win the affluent and upper middle class with a premium proposition
- Leverage the best of the global brand while scaling tops via the local product engine
- Double-down on digital capabilities to drive DTC integration and omni revenue growth
- Elevate and expand the franchise footprint, penetrating higher-income Tier 3 and 4 cities for accessibility and to win market share

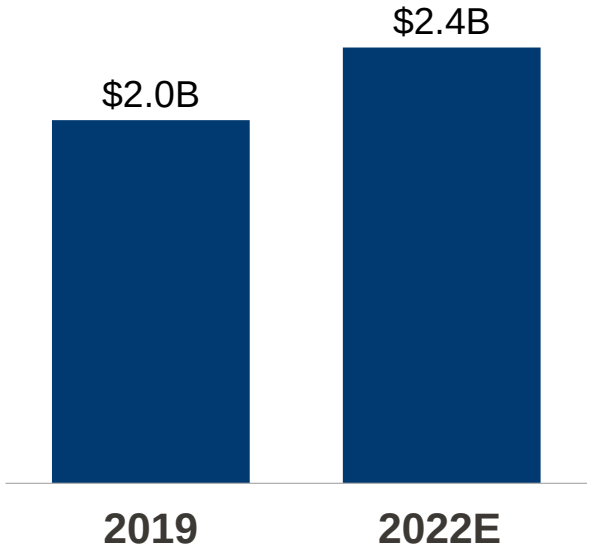
WE CONTINUE TO PURSUE STRATEGIC DTC M&A OPPORTUNITIES, AND HAVE BEEN VERY SUCCESSFUL WHEN WE STRIKE

2013	UK
2020	Chile, Peru, Bolivia
2021	Romania
2022	Thailand

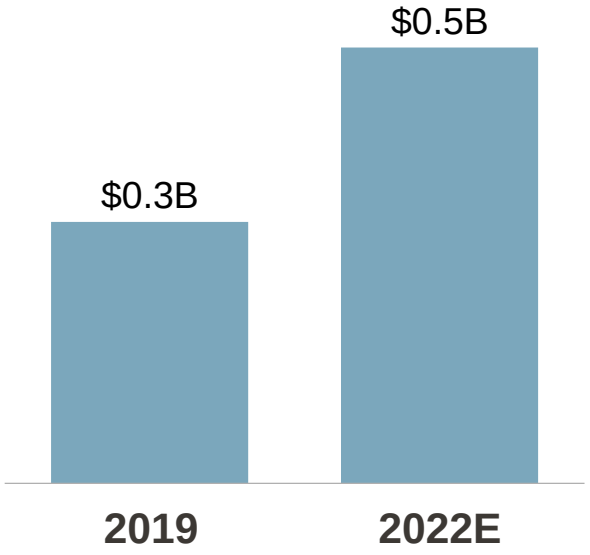
Countries shown clockwise from top left

OUR DTC ECOSYSTEM CONTINUES TO SCALE, WITH OUR COMPANY-OPERATED FLEET GENERATING A STRONG RETURN, AND OUR ECOMMERCE INCREASINGLY DRIVING GROWTH

LEVI'S® BRANDS DTC
Total net revenue ($B)



LEVI'S® BRANDS ECOMMERCE
Total net revenue ($B)



17%

3-year ROIC for Levi's® Brands fleet, 2019-2021

DTC excludes franchise and includes shop-in-shop/commissionaire

DISRUPTION

AGILITY

WE SUCCESSFULLY LAUNCHED OUR “NEXT GEN” CONCEPT TO ELEVATE THE BRAND IN KEY DOORS AROUND THE WORLD

WE USE OUR
GLOBAL STORE FOOTPRINT
TO CREATE BRAND HEAT AND ENGAGE CONSUMERS

LEVI'S® X JORDAN


LEVI'S® FRESH

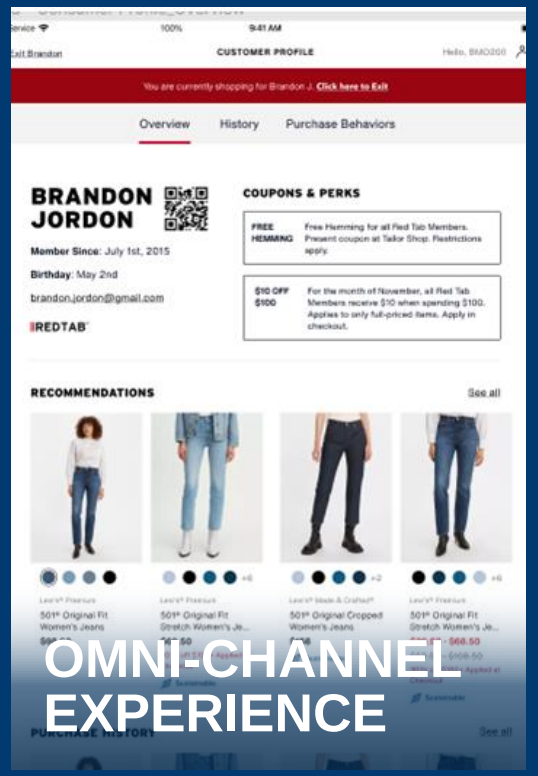

LOT NO.1

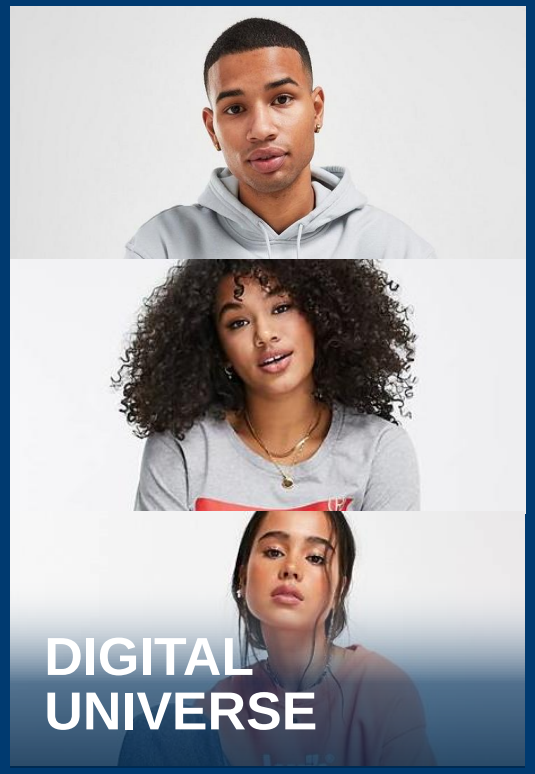

TATTOO TRUCKER


PRIDE

TAILOR SHOP

WE HAVE MADE PROGRESS WITH OUR DIGITAL CAPABILITIES,
BUILDING STRONG FOUNDATIONS
TO SCALE IN THE FUTURE

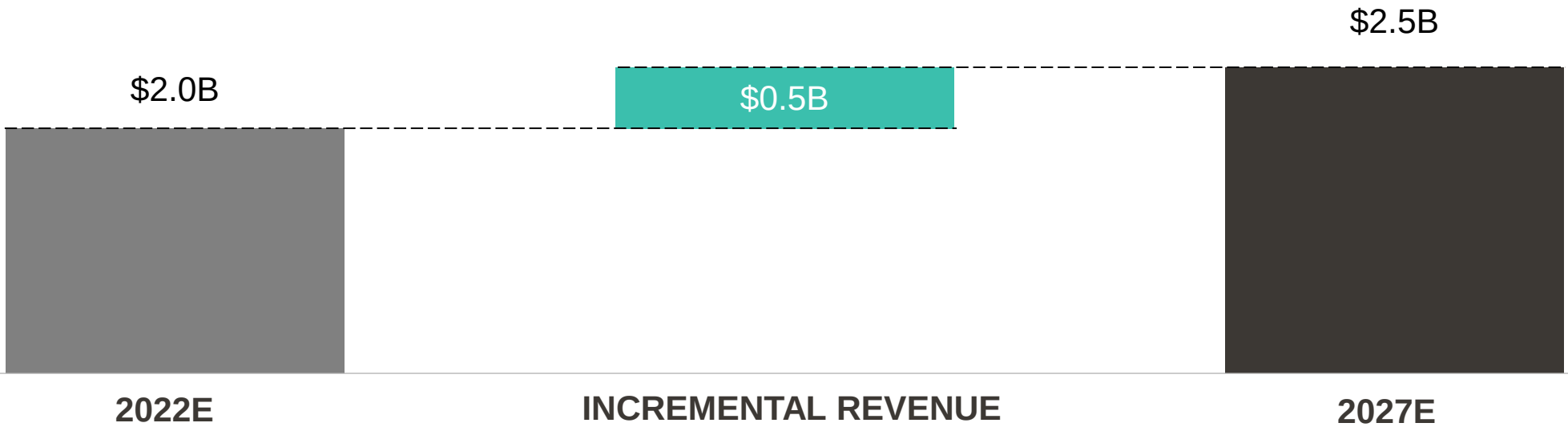




WHY THE BEST YEARS ARE STILL AHEAD

WE ESTIMATE $500M OF INCREMENTAL NET REVENUES FROM DTC STORES EXPANSION BY 2027E

PROJECTED DTC B&M FOOTPRINT EXPANSION – INCREMENTAL NET REVENUE BY 2027E

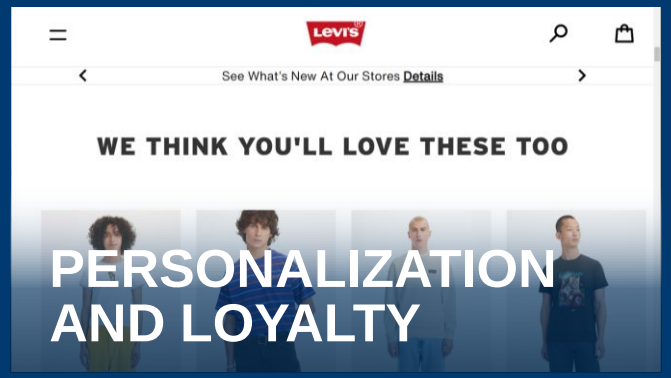


The 2027E numbers reflect the 2022E baseline and the incremental net revenue from footprint expansion only

AND WE HAVE MULTIPLE WAYS TO MAKE OUR EXISTING FLEET MORE PRODUCTIVE, ALREADY TESTING AND PREPARING TO SCALE

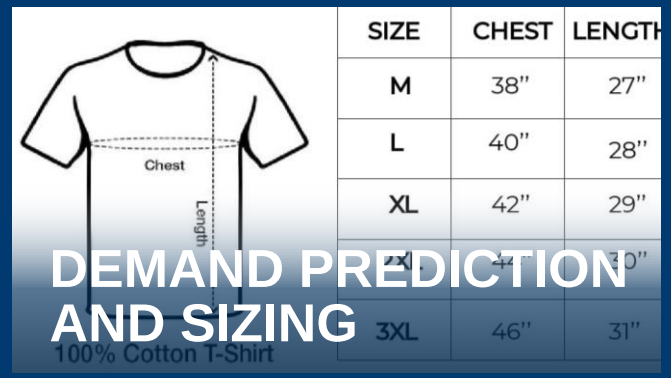
- Better locations
- Improved store service and operations
- Elevated shopping experience linked with loyalty
- AI-driven pricing and promotions
- Assortment productivity

WE ARE TESTING AND LEVERAGING AI TO
INCREASE PRODUCTIVITY



PERSONALIZATION AND LOYALTY

PRICING AND PROMOTION



SIZE	CHEST	LENGTH
M	38"	27"
L	40"	28"
XL	42"	29"
2XL	44"	30"
3XL	46"	31"

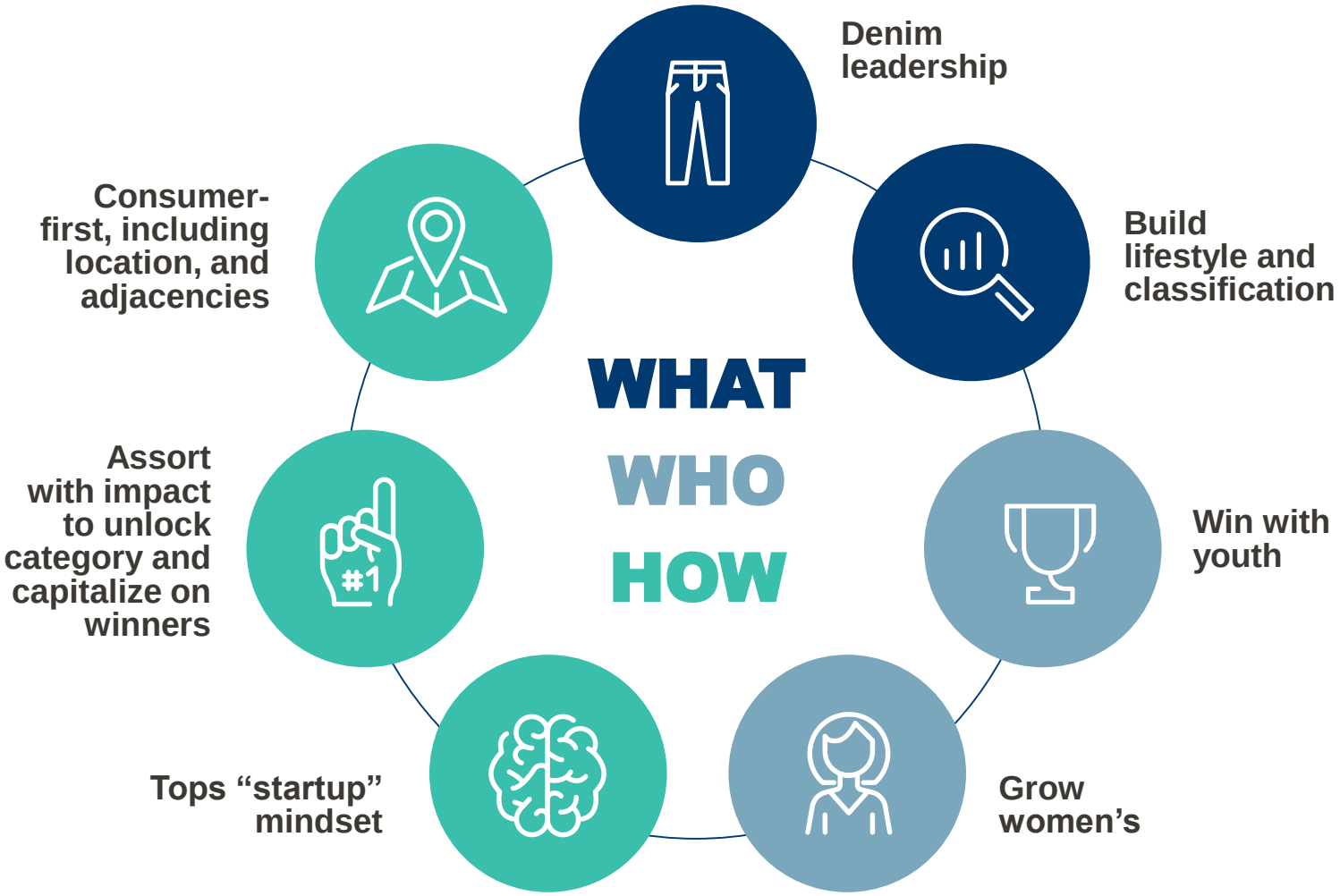
DEMAND PREDICTION AND SIZING

ECOMMERCE FULFILLMENT

STORE LOCATION SELECTION

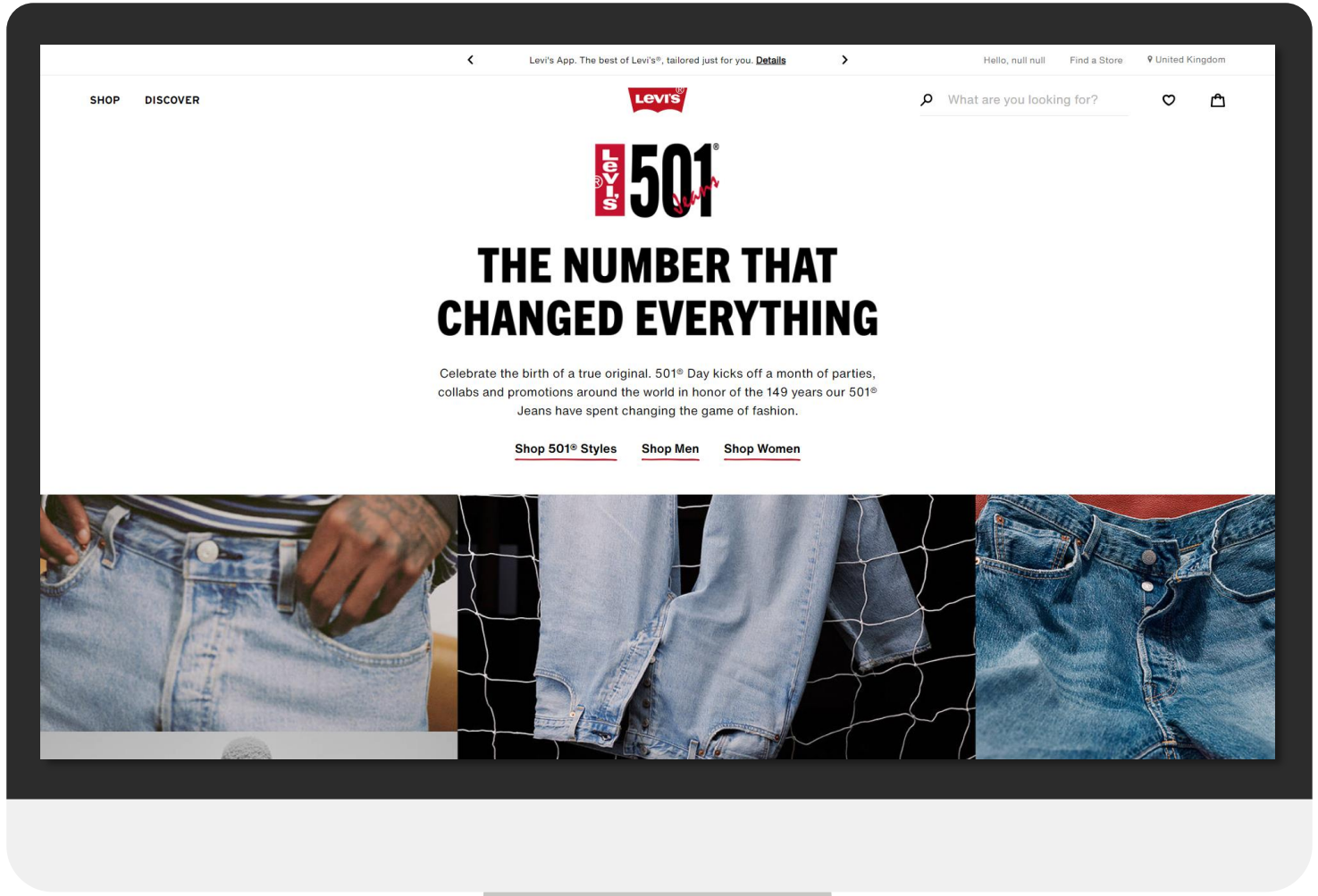
STORE ASSORTMENT OPTIMIZATION

ASSORTMENT PRODUCTIVITY WILL ALSO UNLOCK CATEGORY GROWTH IN WOMEN'S, TOPS, EVEN FOOTWEAR AND ACCESSORIES



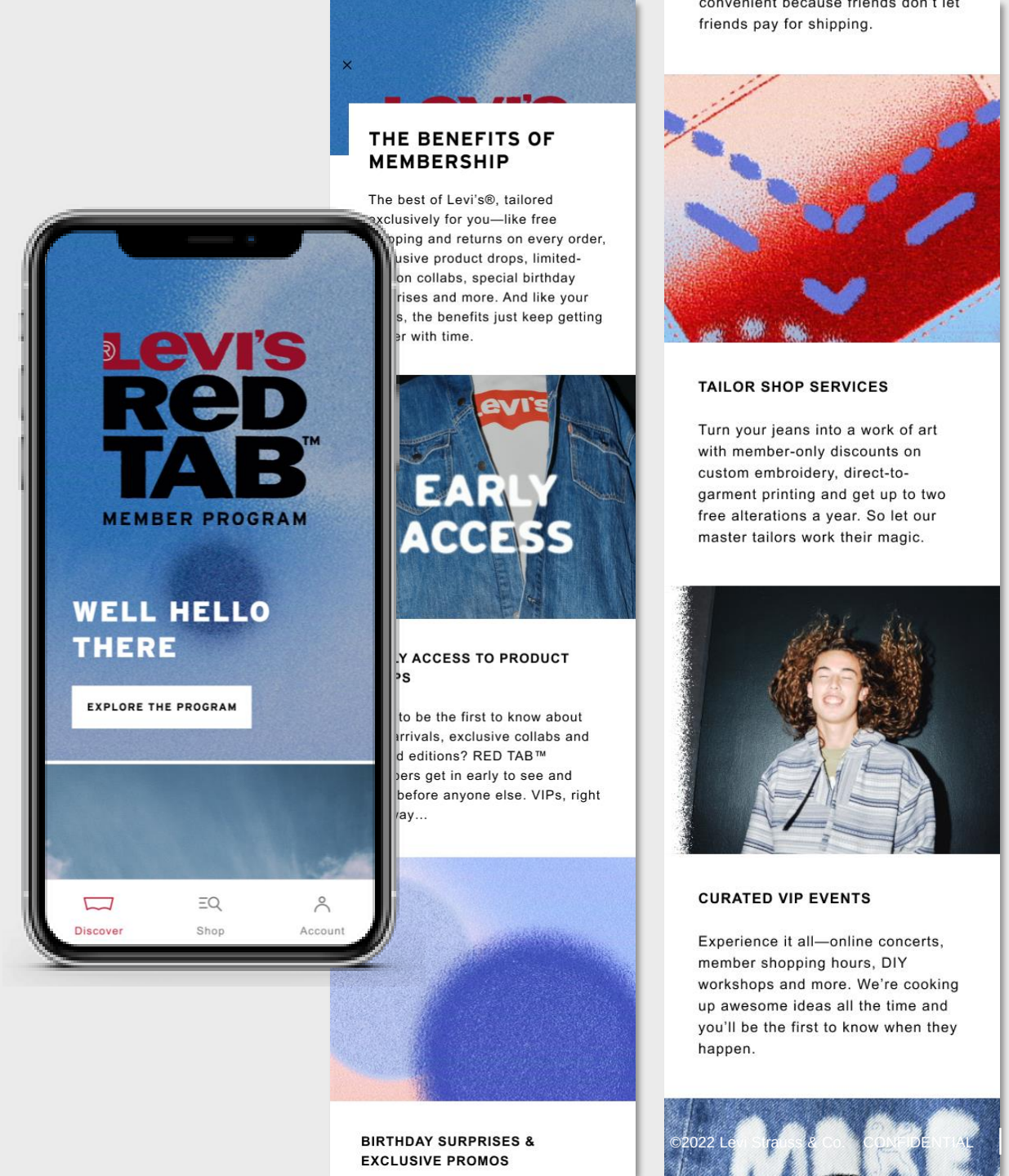
LEVI.COM EVOLVES AS THE DIGITAL FLAGSHIP FOR OUR BRAND

- Brand content will drive experience with our heritage, values, and products
- The digital product assortment will be differentiated and elevated to reflect Levi.com as our flagship
- Changes to our consumer journey will make it easier and more enjoyable to engage and purchase



LOYALTY EXPANSION CONTINUES, CULTIVATING A COMMUNITY OF OUR MOST VALUABLE CONSUMERS

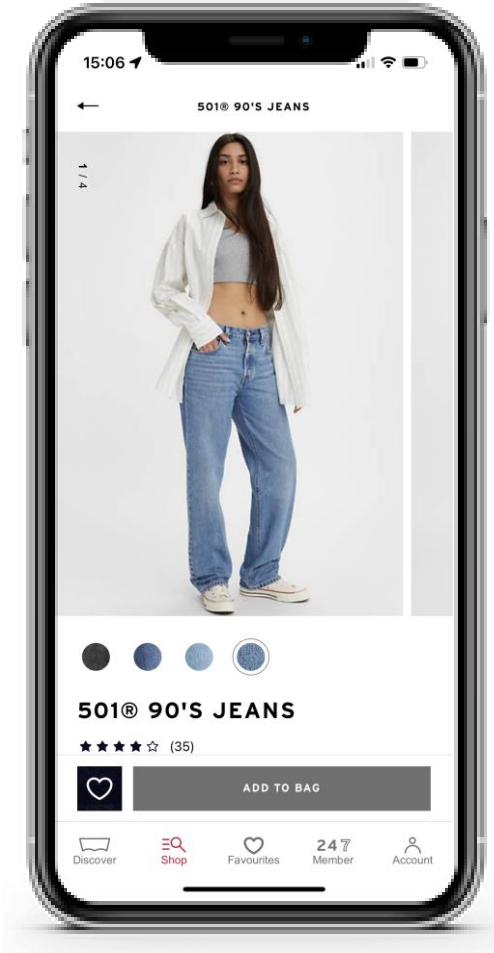
- Approximately 19M members, with Europe and US doubling membership every year, to-date
- Scaling markets of US and Europe first
- Proprietary AI built for the US now going live in Europe
- Promising results



WE CONTINUALLY TEST AND SCALE CUTTING-EDGE TECHNOLOGY

SCAN HAILEY BIEBER

BUY THE PRODUCT



TEAM

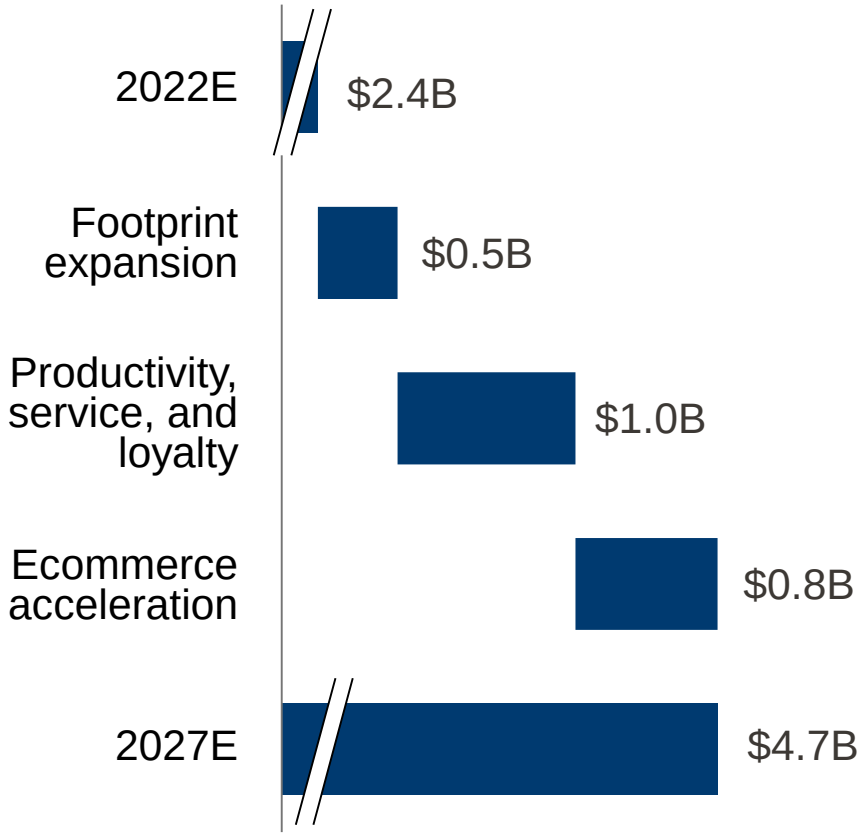
VALUES

WE HAVE CLEAR PRIORITIES

FUELED BY TALENT, THE LEVI'S® BRAND, DATA, ANALYTICS AND DIGITIZATION

- Continue to expand and elevate our footprint globally
- Increase the productivity of our fleet
- Accelerate e-commerce with Levi.com as our flagship experience
- Engage and grow with our loyal fans

LEVI'S® BRANDS DTC NET REVENUE
(INCREMENTAL BY 2027E)



LEVI STRAUSS & CO.

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DOCKERS®
BRAND UPDATE

Santiago Cucci
Chief Executive Officer of Dockers® Brand

Chief Executive Officer of Dockers® Brand

SANTIAGO CUCCI

DOCKERS® OF YESTERDAY

- **Functional** khakis for work
- Sold in US **wholesale**
- **Low** gross margin
- 5% of **team's attention**

DOCKERS® OF TODAY

- New **dedicated organization**
- **Refreshed brand expression**
- **Growing DTC** and **international presence**
- **Diversifying** across categories
- **Increasing gross margin**, EBIT positive

DOCKERS® OF TOMORROW

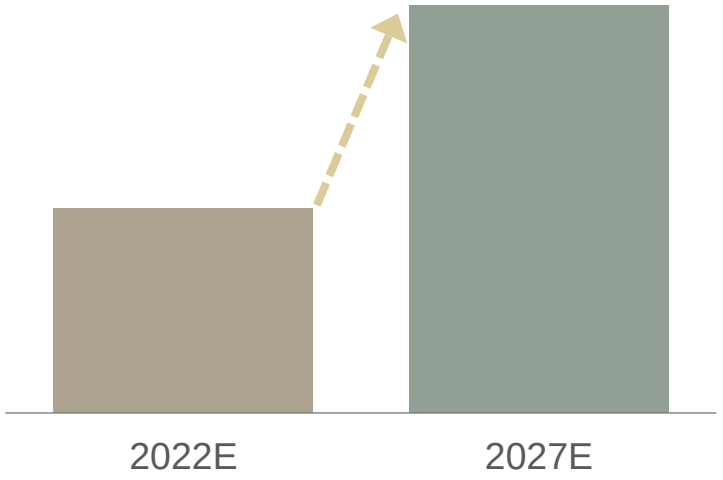
Driving brand expression to **win with younger consumers**

Leading with DTC

Expanding internationally

Diversifying with California Casual Lifestyle

Mid-teens annual **net revenue growth** through 2027E



GROSS MARGIN

46% **50%+**

NEW BRAND AMBASSADORS AND

BUZZ-DRIVING COLLABS

Brand Ambassadors

Matthias Dandois
9 times BMX Flatland World Champion

Maud le Car and Joan Duru
Professional Surfers + Founder, le Mermaid (Maud)

Jon Rose & Waves For Water
Former Professional Surfer / Founder, Waves For Water

Recent Collabs

Malbon Golf

Transnomadica

Dockers® Vintage

PEOPLE AND PLANET-FRIENDLY VALUES

Supporting our communities

11 Water Projects in 2021 / 2022

impacting **200K+** People

Creating sustainable products

94% Bottoms

Water<Less

RAPIDLY

EXPANDING RETAIL

WITH NEW CONCEPT

~155 DTC locations including **~60** company operated **retail stores**

Net revenue **+ ~30%** 2022E vs. 2021

Fleet gross margin **~70%**, EBIT margin **20-25%** 2022E

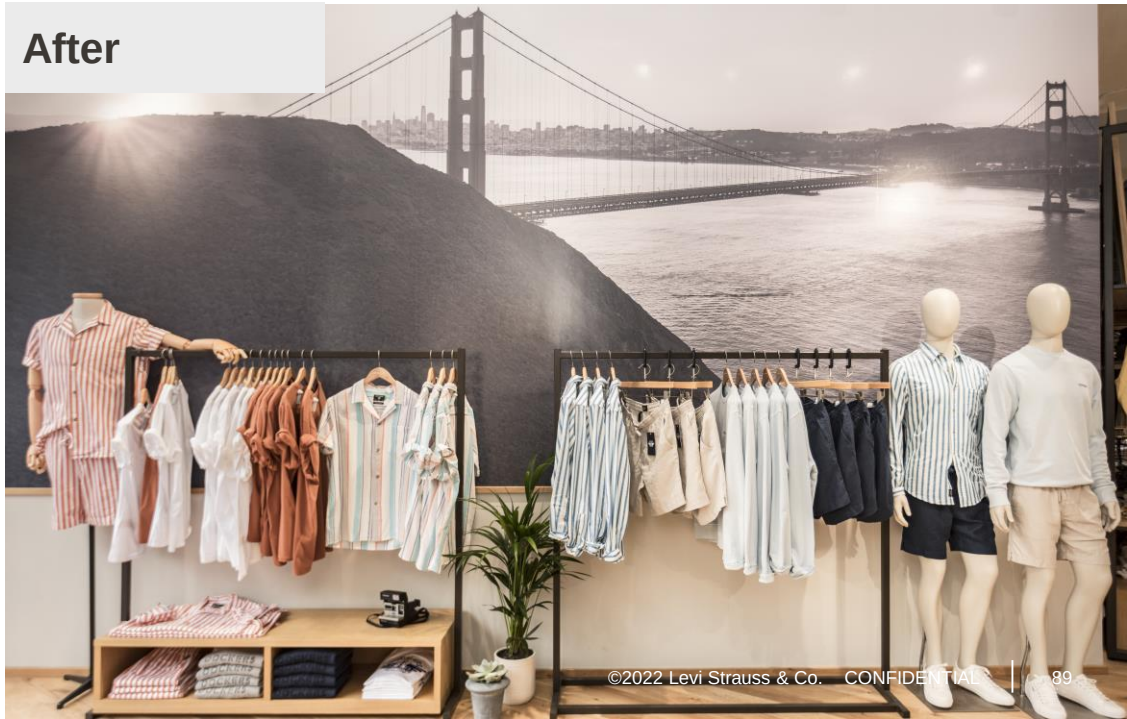
9% of net revenue in 2017

20% of net revenue in 2022E

25% planned in 2027E

Before

After



ENHANCED DIGITAL EXPERIENCE ON DOCKERS.COM

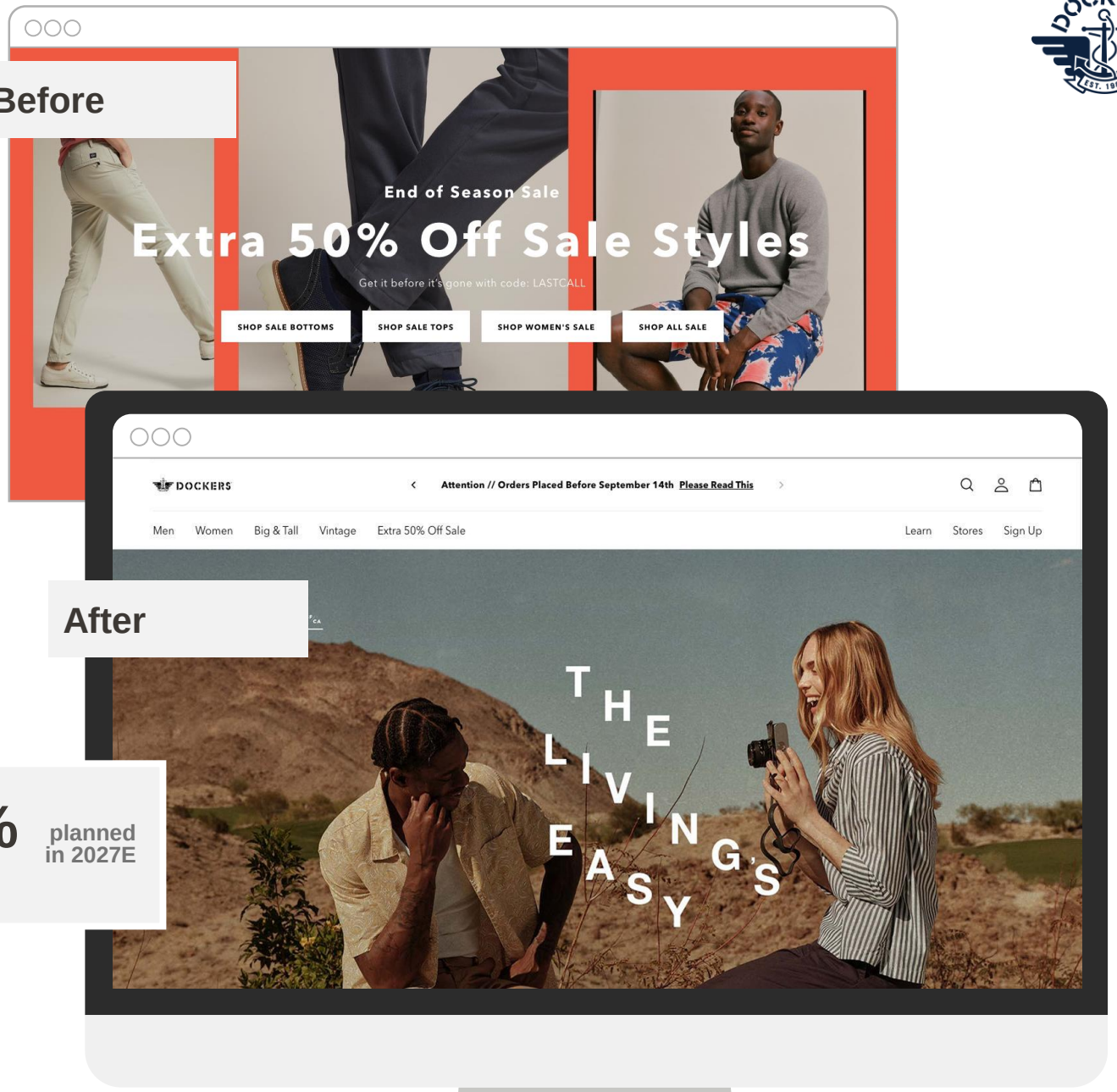
US, Europe (10 countries), Mexico, Chile

Net revenue
+ ~30%
2022E vs. 2021

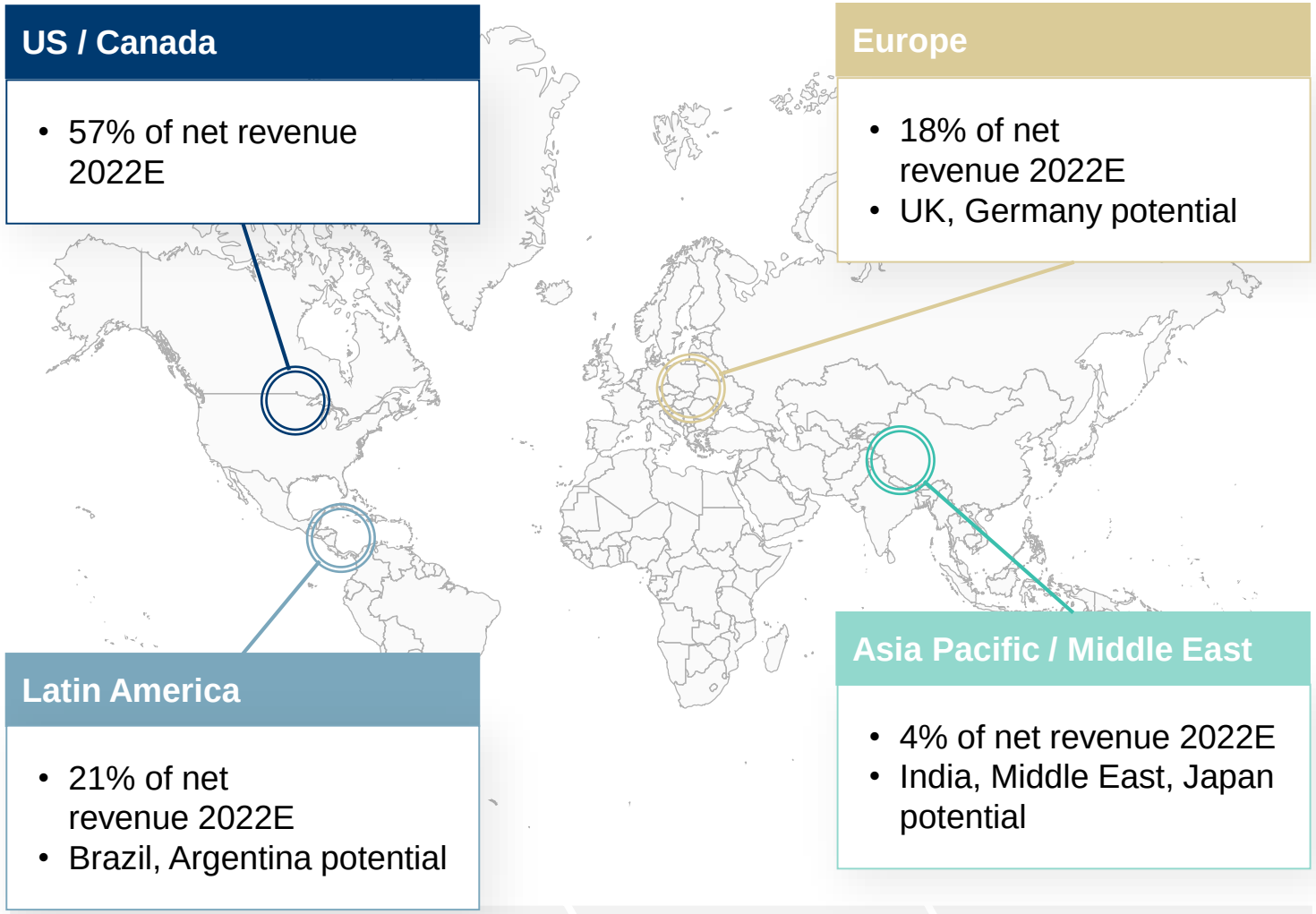
4% of net revenue in 2017

7% of net revenue in 2022E

15% planned in 2027E



STRONG INTERNATIONAL BUSINESS WITH SIGNIFICANT FUTURE GROWTH POTENTIAL



International: (ex. US) **34%** of net revenue in 2017 → **47%** of net revenue in 2022E → **55%** planned in 2027E

SEEING SUCCESS

DIVERSIFYING IN TOPS AND WITH WOMEN

Latin America tops at **40%** of net revenue

Europe tops at **20%** of net revenue

Tops

16% of net revenue in 2022E

25% planned in 2027E

Women's El Corte Inglés at **30%** of men's net revenue

Women at **>35%** of US Dockers.com shoppers

Women

4% of net revenue in 2022E

20% planned in 2027E

Tops

Women

WHY YOU SHOULD BELIEVE

1.

Strong, dedicated Dockers® team who delivered on Levi's

2.

~30% annual net revenue growth in both FY21 and FY22E

3.

Improving gross margins

4.

Large addressable casualwear market of >$500B

5.

Proof points that **Dockers® strategies are working**

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BEYOND YOGA®

Michelle Wahler
Chief Executive Officer & Co-Founder,
Beyond Yoga®

Chief Executive Officer & Co-Founder,
Beyond Yoga®

MICHELLE WAHLER

INTRODUCING BEYOND YOGA®

16+ years
Female founded / led

Body positive
Size inclusive (XXS-4X)

“Beyond” yoga:
active & lounge

Soft, round-the-clock
comfort

COMMITMENT TO AUTHENTICITY

★★★★★

“Best leggings ever.”

“I live in these. All colors and styles of Spacedye are amazing!”

– Natalie
Verified Review, BeyondYoga.com

OUR CUSTOMER

Age: 25-44

High HHI (>$200K)

Urban living

~70% wear active & leisure

Environmentally conscious

ACTIVE

MATERNITY

FASHION

ACTIVE-SPORT

MEN'S

LOUNGE

OUR SUSTAINABILITY

- Responsible manufacturing
- Recycle / Repreve®
- BlueSign™
- Waterless printing
- Tencel™ / Lenzing

BEYOND YOGA®
BUSINESS SNAPSHOT

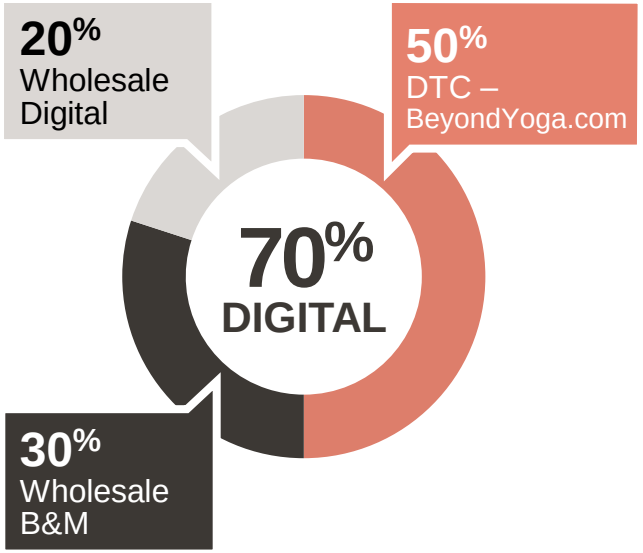
DISCIPLINED ORGANIC GROWTH

>30%
Net revenue CAGR[1]

>60%
Gross margin

>$100M
FY22E Net revenue

CHANNEL % OF NET REVENUE[2]



1. FY18-FY21 2. FY22E

BEYOND YOGA® PLAYS IN THE LARGE ACTIVEWEAR MARKET WITH EXPONENTIAL ROOM FOR GROWTH

$240B

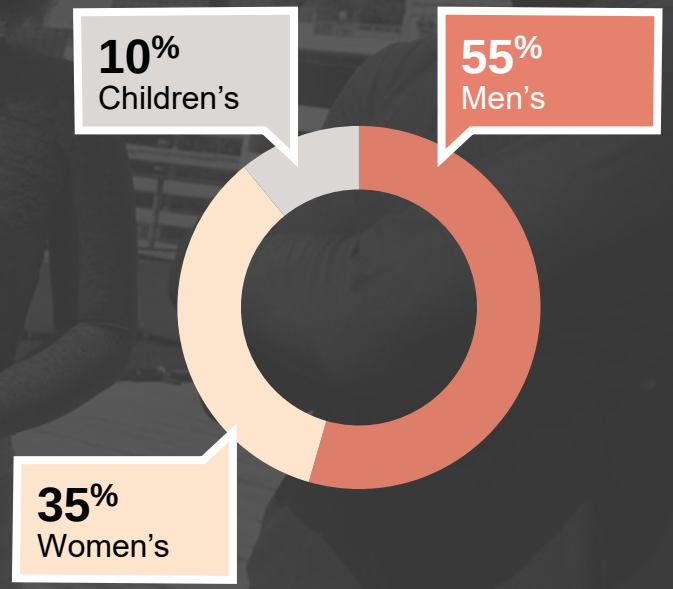
+10%

WORLDWIDE TOTAL ADDRESSABLE MARKET[1]

$110B

+12%

US TOTAL ADDRESSABLE MARKET[1]



US MARKET BREAKDOWN[2]

1. Euromonitor 2022 2. Euromonitor 2021

4 LEVERS
FOR GROWTH

1

INVESTING FOR SCALE & CAPABILITIES

New team members **30**

Hired leaders
in brick-and-mortar and e-commerce

2

GROW BRAND AWARENESS

Social

Influencers

PR

Partnerships

Events

Activations

Pop-Ups

Wholesale market

Tech

Live stream

Connected TV

Performance marketing

3

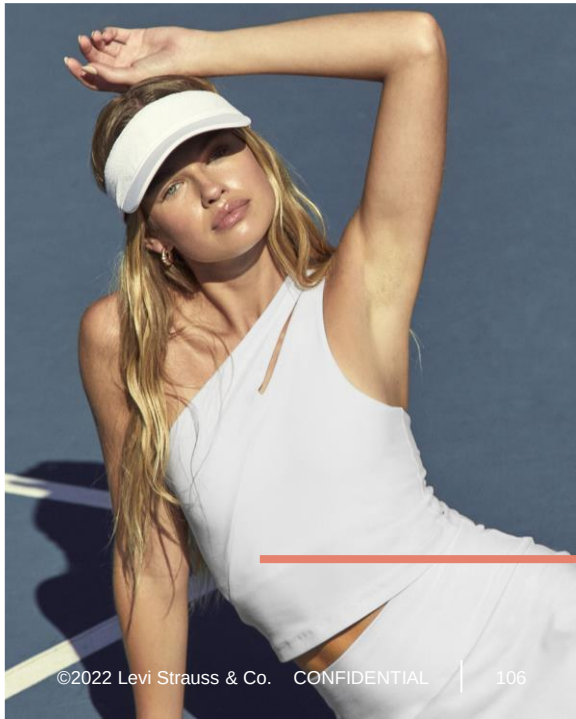
CATEGORY GROWTH & INNOVATION

500 SKUs
per season

Monthly drops







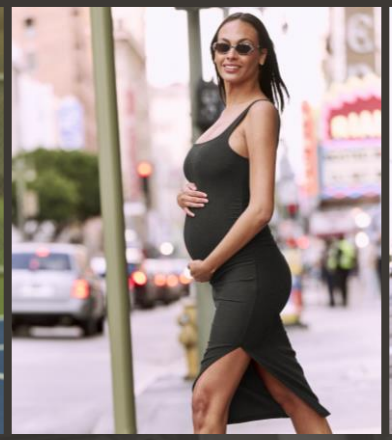
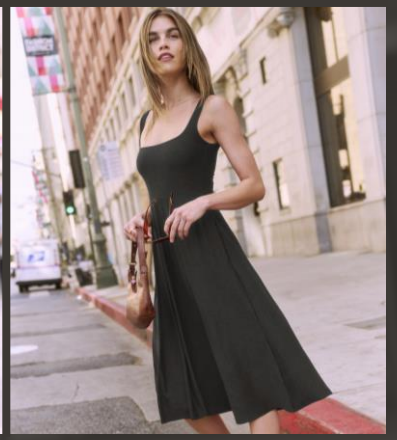
3

CATEGORY EXPANSION

MATERNITY AND POST-BIRTH

3

CATEGORY EXPANSION
DRESSES

ACTIVE	MATERNITY	FASHION
		

LONG	SHORT	PRINT
		

3

CATEGORY EXPANSION
MEN'S

Organic demand

Fall '22 expanding to key retailers





4

CHANNEL GROWTH

Wholesale

Direct-to-consumer
BeyondYoga.com
and brick-and-mortar

International

4

CHANNEL GROWTH
WHOLESALE

New accounts

Larger footprint

Door expansion

>2,000 doors across the US

OUR WHOLESALE CHANNELS

- Outdoor retailers
- Premium department stores
- Subscription business
- Studio franchise and gym
- Specialty retailers
- High-end spas

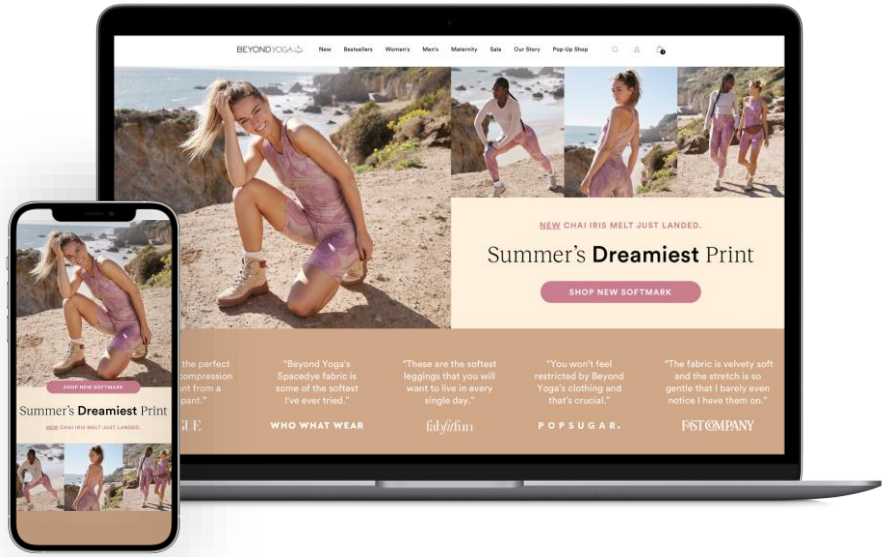
KEY RETAILERS

REI CO-OP
REVOLVE
EQUINOX
FOUR SEASONS
NORDSTROM
pure barre
STITCH FIX

CHANNEL GROWTH

DIRECT-TO-CONSUMER

DEEPER INTO BEYONDYOGA.COM



CORE CUSTOMERS PURCHASE
3X in 12 months

PREMIUM BRICK-AND-MORTAR LOCATIONS

KEY TAKEAWAYS

1.

Amazing brand

- Rich history
- Proven track record
- Incredible products
- Talented team

2.

Large, growing market

- $240B global market
- Double-digit TAM growth
- Strong share opportunity

3.

Levers for growth

- Investing in our team
- Grow brand awareness
- Category growth
- Channel & geographic expansion

THANK YOU

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SUPPLY CHAIN
DIGITAL TRANSFORMATION AND ESG

Liz O'Neill
Executive Vice President &
Chief Operations Officer

Executive Vice President
& Chief Operations Officer

LIZ O'NEILL

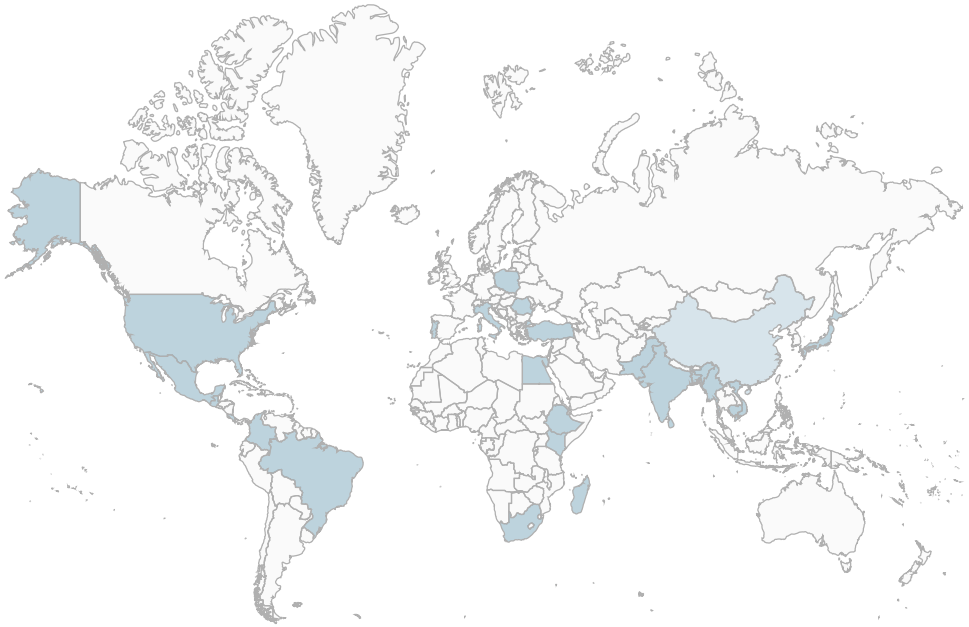
SUPPLY CHAIN NETWORK

Manufacturing Network

28 Countries

Strategic and diversified production

Mix of low cost and close to market



DC Network

35 Distribution Centers

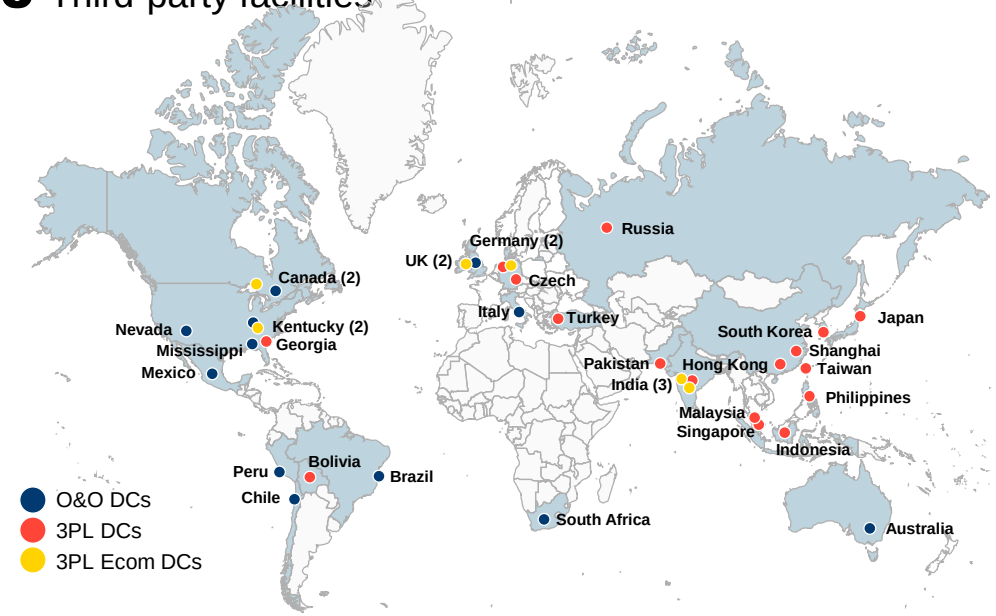
12 Owned and operated (55% of capacity)

23 Third-party facilities

FY21 Stats

200M+ Units processed

9,000 Customers serviced



OUR SUPPLY CHAIN IS A
COMPETITIVE ADVANTAGE

COMPARISONS 2021 VS. 2019

ADJ. GROSS MARGIN

410 bps

INCREASE

SUPPLY-DEMAND MATCH

90%

MATCH

INVENTORY HEALTH

100 bps

REDUCTION IN OBSOLETE INVENTORY*

CHASE

42M

UNITS

*Reflects proportionate decrease of obsolete units held within our owned and operated distribution centers

PROTECTING OUR MARGIN

AFTER OPTIMIZING COSTS OVER THE PAST 5+ YEARS, WE ARE PROTECTING OUR MARGIN VIA SCALE AND PRODUCTIVITY

ASSORTMENT OPTIMIZATION

Consumer-relevant commonality

Depth and conviction of product investment

Leverage scale within assortments

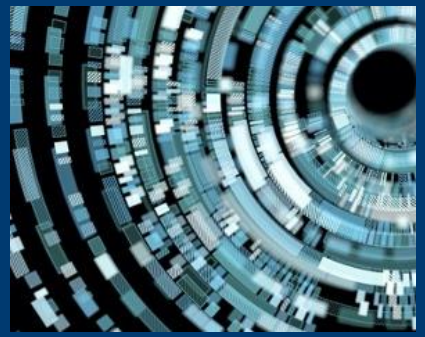
FABRIC RATIONALIZATION

Continuous fabric platform reductions

Increases speed and agility to meet demand

Drives cost leverage

AI-ENABLED FORECASTING



AI and Machine Learning enabled forecasting

Predictions + Planners = greater accuracy

Increased demand and supply matching

STRATEGIC
GROWTH PILLARS

WE ARE BUILDING ON OUR FOUNDATION AND BUILDING CAPACITY TO DELIVER $10B

CAPACITY

BUILD FOR $10B
NET REVENUE

RESILIENCE

WEATHER THE STORM

AGILITY

BETTER, STRONGER, FASTER

CAPACITY
BUILDING FOR $10B

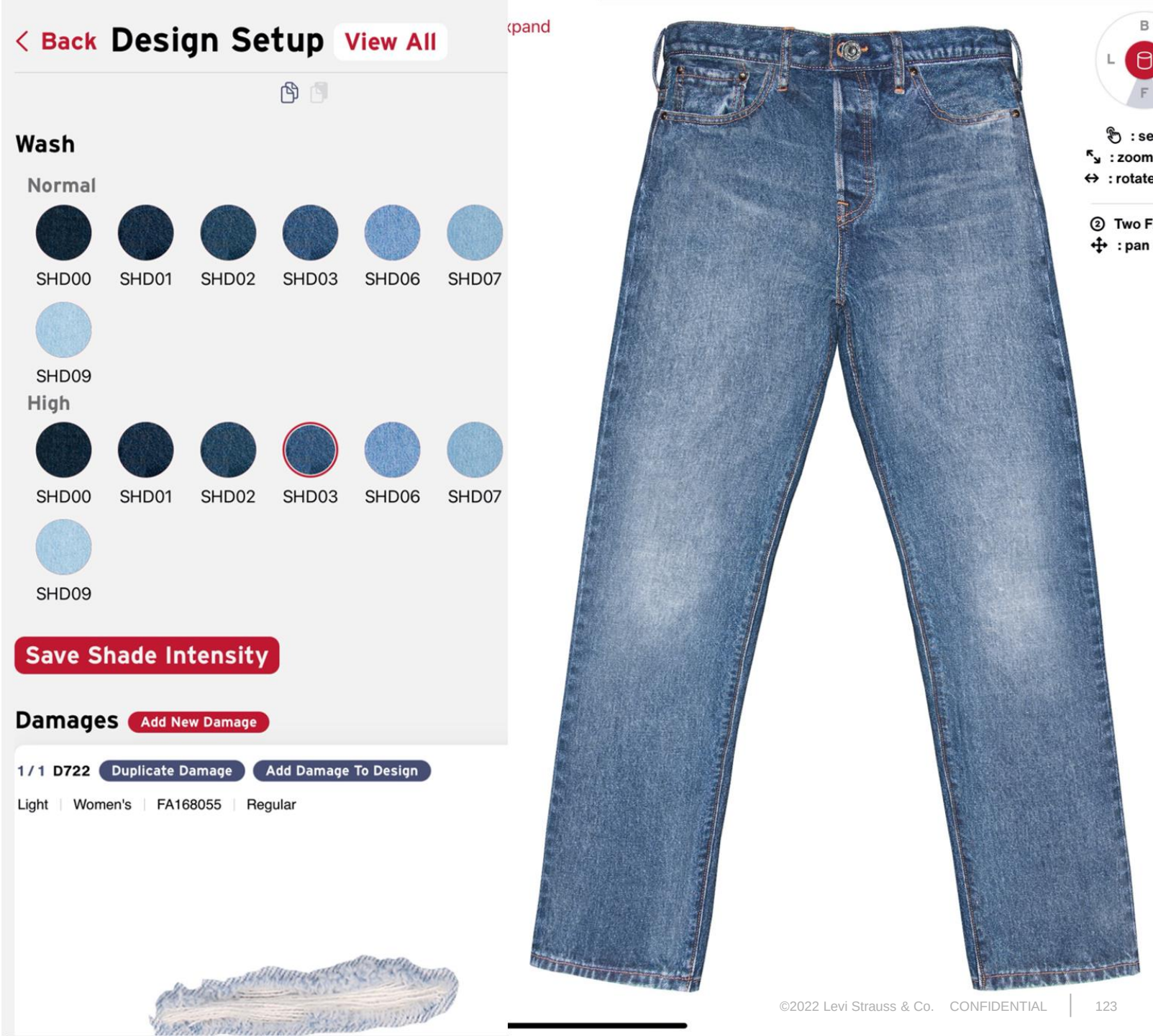
- U.S. and Europe expansion (2023-2024)
- Growth of omni-channel capability
- Optimization of Asia distribution network
- Source base expansion

RESILIENCE
WEATHER THE STORM

- Foundational investment
- Distribution efficiency
- End-to-end connected ecosystem

AGILITY
BETTER, STRONGER, FASTER

- Flexibility and responsiveness
- Digitized ways of working
- Responsive logistics
- Predictive forecasting



THE DIGITAL IMPERATIVE

FUTURE-PROOFING OUR PRODUCT OPERATING MODEL

THE NEED FOR DIGITIZATION

- Product-to-market flexibility
- Faster speed to market
- Data fuels growth
- More black swan events
- Supports sustainability strategies

THE VALUE OF DIGITIZATION

Net Revenue | Margin | Fill Rate | Inventory Accuracy

SG&A | Liability | Carrying Costs | Excess and Obsolete

PHYSICAL-TO-DIGITAL

DIGITAL RED THREAD

1

Robotics
RFID
Automation

CAPACITY

2

Product lifecycle management
Supply planning
Costing

RESILIENCE

3

Digital design
Global line assortment
Predictive forecasting
Logistics and transportation

AGILITY

SUPPORTS SUSTAINABILITY

Less waste
with fewer samples and reduced over-production

Improved transparency
Leverage traceability platforms with increased visibility to value chain

Utilize data and blockchain
Optimize social and environmental objectives, and measure impact over time

SUSTAINABILITY

SUSTAINABILITY AT LEVI STRAUSS & CO.

CLIMATE

Science-based targets and plans to meet

2025 Water Action Strategy

Supplier financing programs

CONSUMPTION

Buy Better, Wear Longer

SecondHand, Tailor Shops

Circular Levi's® 501s®

Fashion for Good and Ellen MacArthur Foundation Partnerships

COMMUNITY

Employee support programs

DE&I programs and ambitions

Social issue advocacy

Worker Well-being

KEY TAKEAWAYS

KEY TAKEAWAYS

- Our supply chain is a competitive advantage
- Capacity, resilience, and agility are the strategic pillars to $10B in net revenue
- Protecting margin via scale and productivity
- Digital is the red thread to future-proof
- Sustainability is woven into everything we do

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GROWTH ALGORITHM AND LONG-TERM TARGETS

Harmit Singh
Chief Financial Officer

Chief Financial Officer

HARMIT SINGH

POSITIONED TO WIN

Strong history of delivering on our commitments

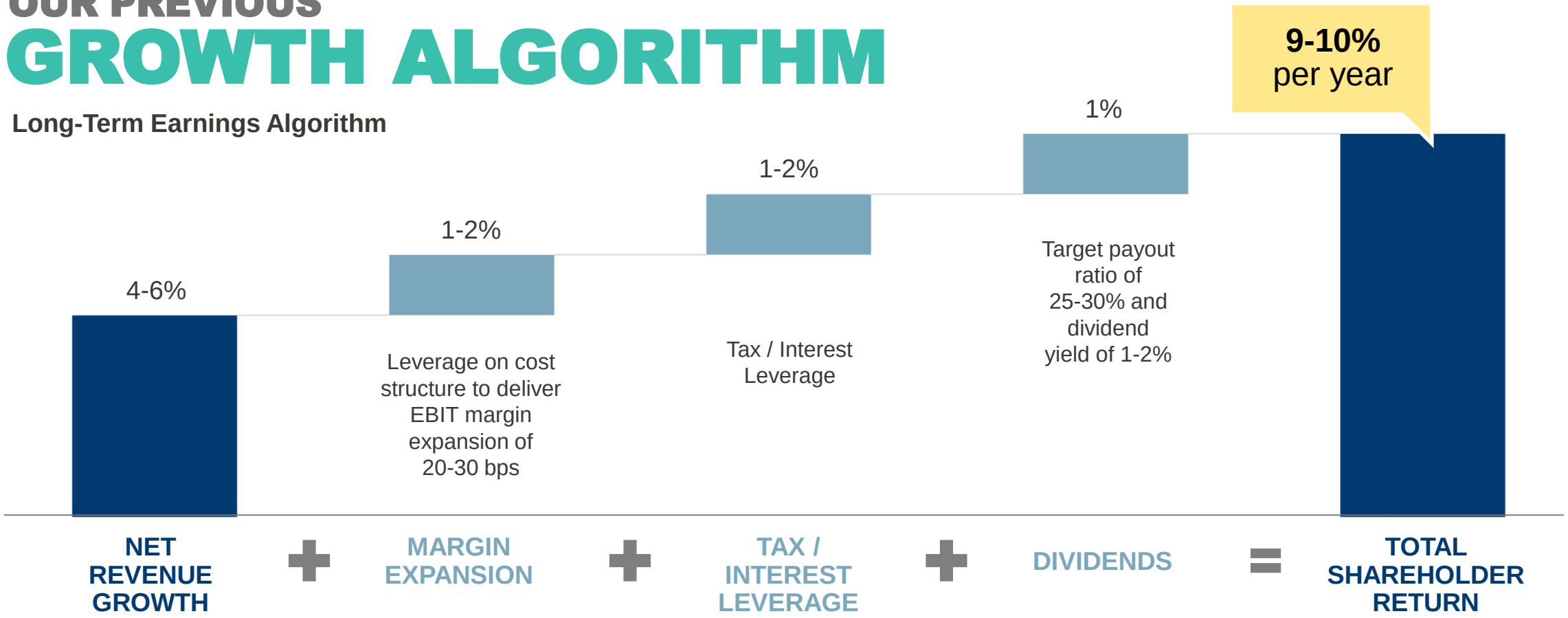
Bold, achievable growth algorithm

Disciplined capital and resource allocators

Ability to deliver in good and tough times

OUR PREVIOUS GROWTH ALGORITHM

Long-Term Earnings Algorithm



Plus additional allocation opportunities to drive annual TSR beyond >10%

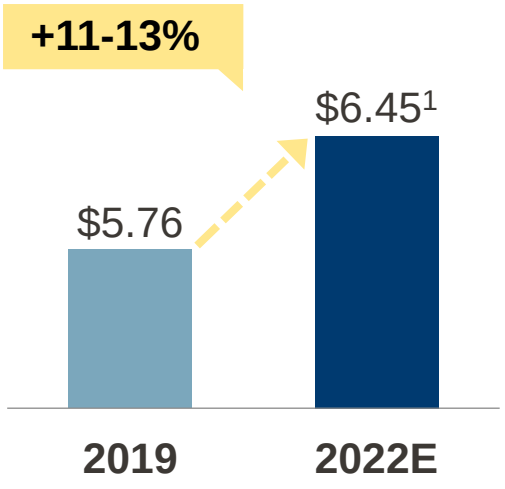
1 **Debt reduction**

2 **Share repurchase program**

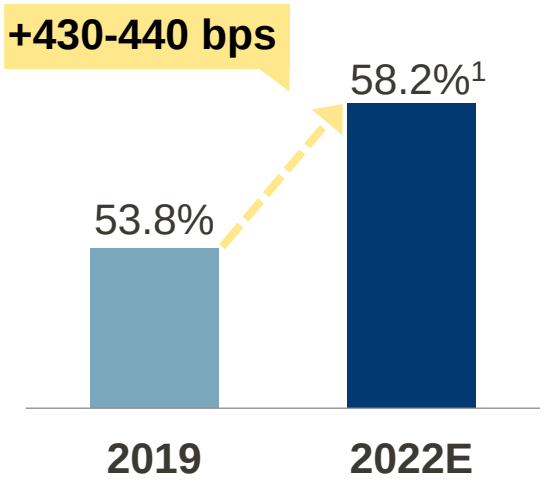
3 **Acquisitions**

WE ARE EMERGING STRONGER FROM THE PANDEMIC

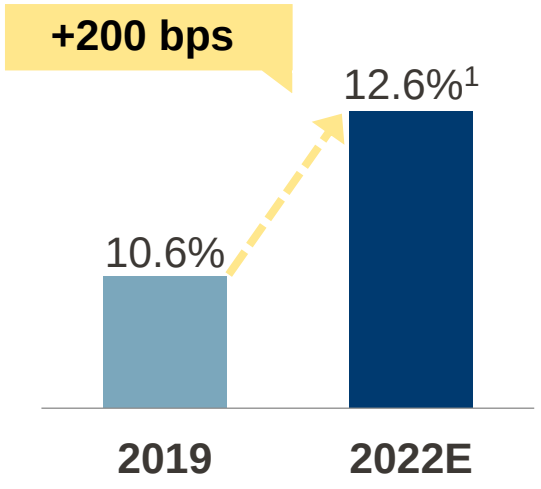
NET REVENUE ($B)



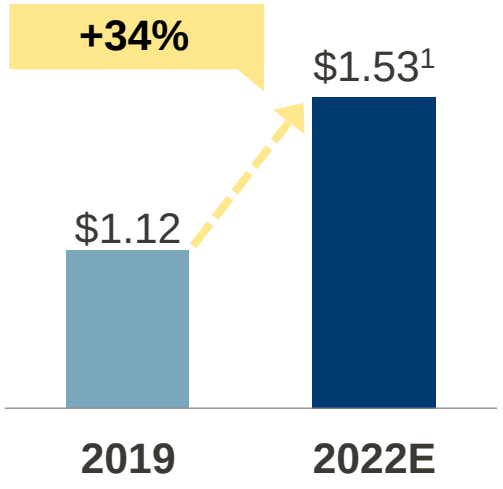
ADJ. GROSS MARGIN



ADJ. EBIT MARGIN



ADJ. DILUTED EPS

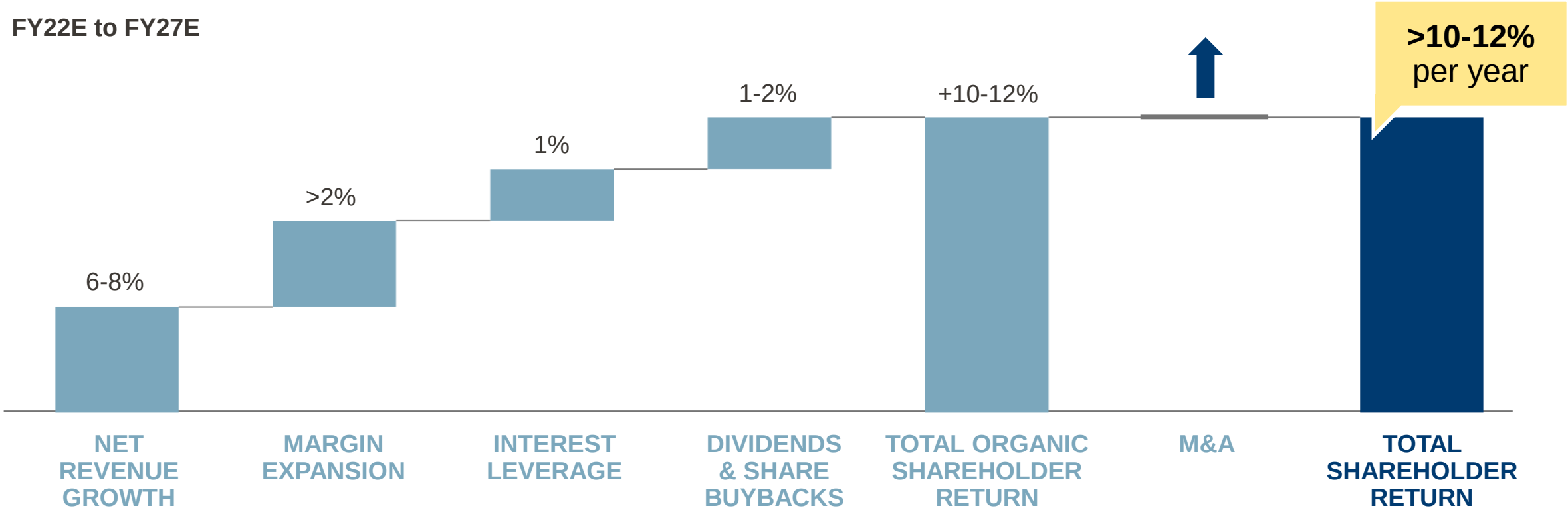


1. Mid-point of current guidance range.

OUR NEW GROWTH ALGORITHM:

BOLD AND ACHIEVABLE

FY22E to FY27E



Accelerating growth	+	Accelerating profitability	+	Accelerating cash return	+	Organic TSR	+	Potential M&A	=	Accelerating TSR

STRENGTHS

Casualization trend

Diversified business model

Gross margin accretive underpenetrated opportunities

Strong balance sheet

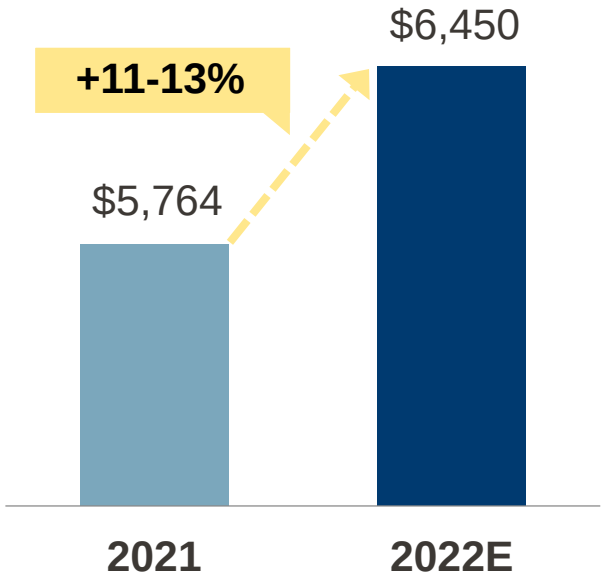
Core, seasonless inventory[1]

1. Core inventory includes products that can be sold in multiple future seasons.

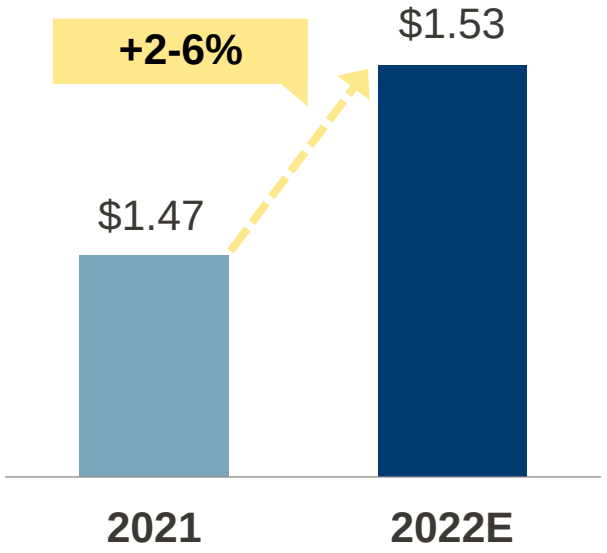
HEADWINDS	OFFSETS
Secular wholesale shift	Healthy wholesale, growing DTC
Supply chain challenges	Flexible sourcing model
Inflationary cost pressures	Strong brands with pricing power
Geopolitical uncertainty	Geographic diversification
Lingering effects of COVID-19	Underpenetrated growth vectors

OUTLOOK FOR ANOTHER STRONG YEAR

NET REVENUE GROWTH



ADJ. DILUTED EPS



*2022E figures are the mid-points of current guidance. Excluding the expected higher tax rate, our FY22E EPS outlook equates to year-over-year growth of +16-20%.

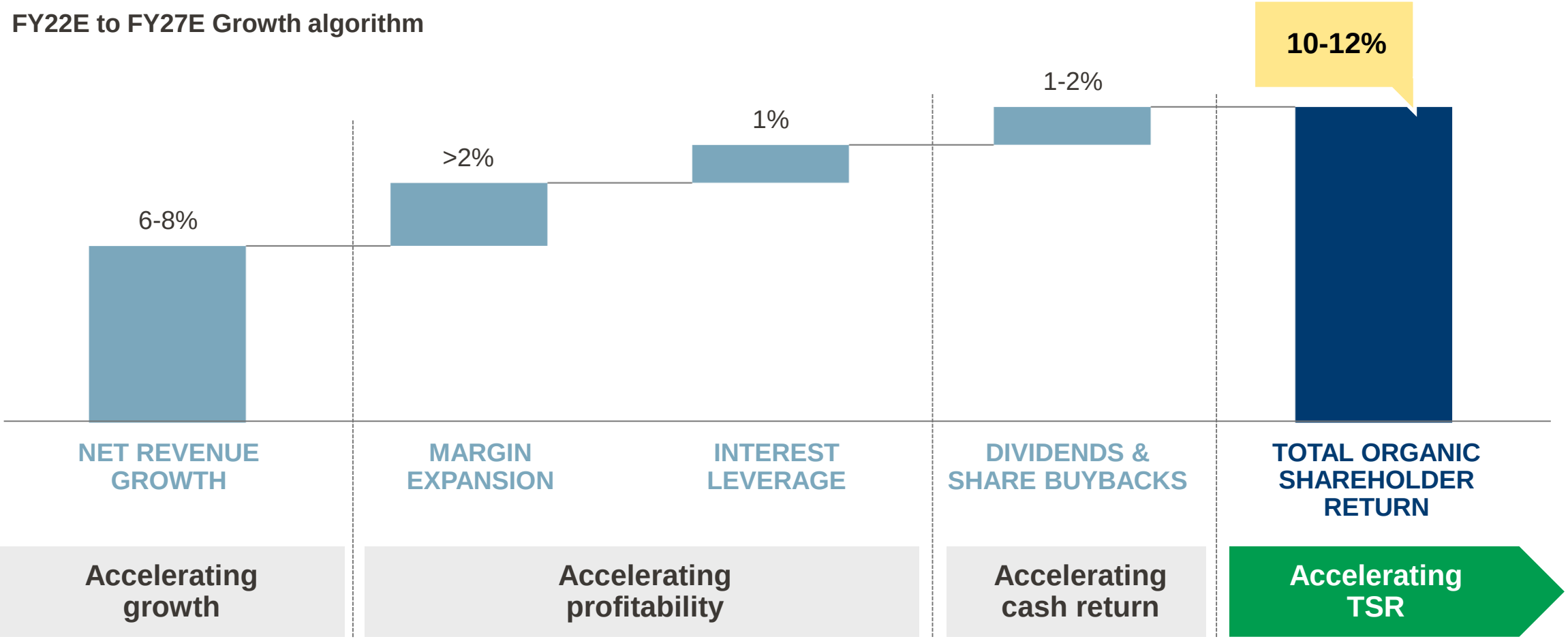
ACCELERATING LS&CO.

FY22E to FY27E

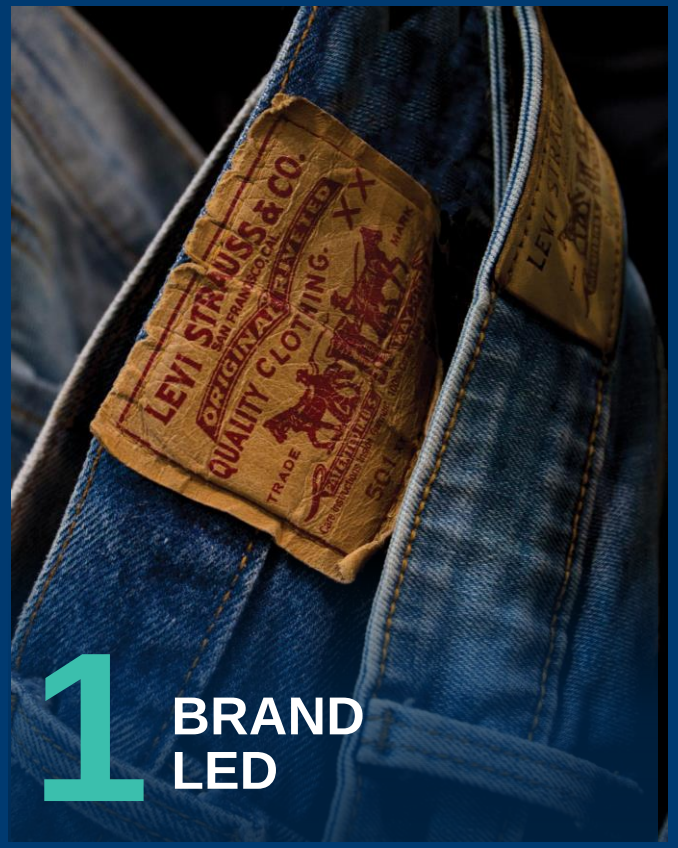
FY27E	**$9-10B**	**~15%**	**$2.70**
	NET REVENUE	ADJ. EBIT MARGIN	ADJ. DILUTED EPS
ANNUALLY	**1-2%**	**>23%**	**+10-12%**
	SHAREHOLDER CASH RETURN	ROIC TARGET	TSR TARGET

CLEAR PATH TO ACCELERATE
VALUE CREATION

FY22E to FY27E Growth algorithm



ACCELERATING GROWTH

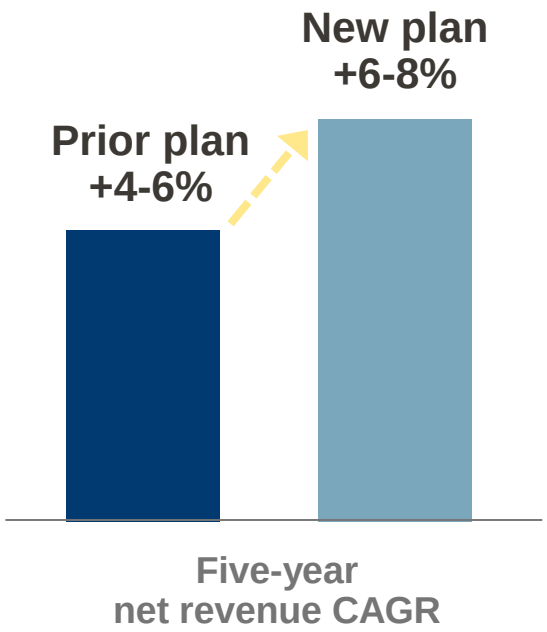


1 BRAND LED

2 DTC FIRST

3 DIVERSIFY THE PORTFOLIO

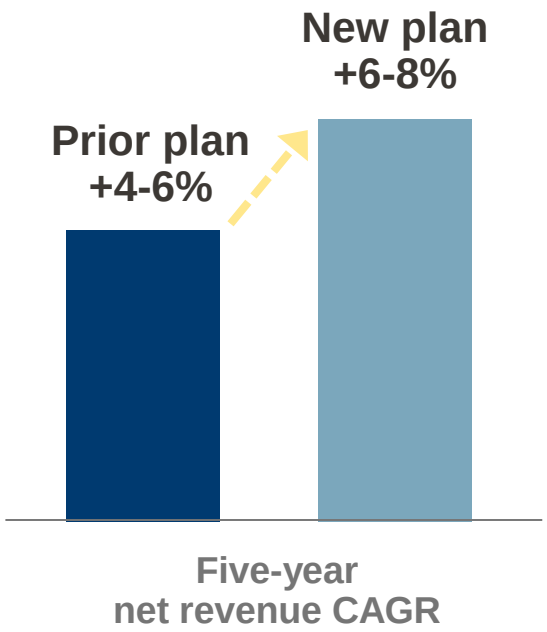
ACCELERATING GROWTH



	PRIOR PLAN*	FY15-FY19	FY22E-FY27E PLAN
LEVI'S® BRANDS			
Americas	LSD	+3%	MSD
Europe	HSD	+15%	HSD
Asia	HSD	+6%	HSD-LDD
DOCKERS® & BEYOND YOGA®			
Other Brands	LSD	(6%)	Mid-to-High Teens
LS&Co.	**+4-6%**	**+6.4%**	**+6-8%**

*Prior Plan regional segments incorporated expectations across all brands, including Dockers®, which had a plan to grow low-single-digits. We revised our segments in 2021, and the geographic regions now only include results across Levi's® Brands while Dockers® is now included in the segment "Other Brands" along with Beyond Yoga®. The New Plan is compared against the Prior Plan and not the FY15 to FY19 CAGRs.

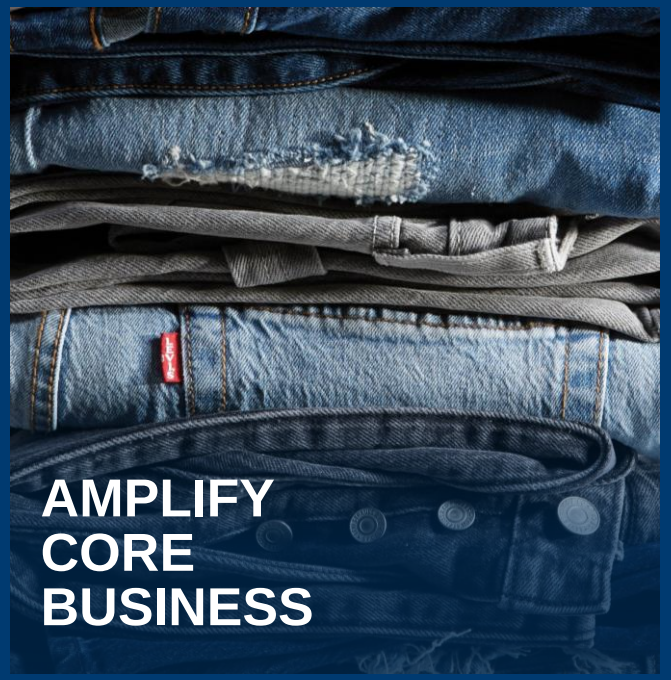
ACCELERATING GROWTH

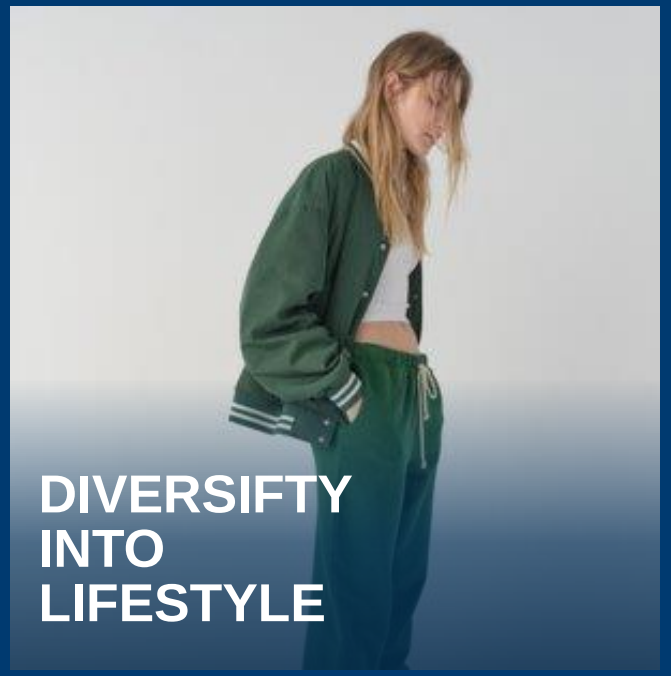


	PRIOR PLAN	FY15-FY19	FY22E-FY27E PLAN
CHANNELS			
DTC	LDD	+12%	Mid-Teens
Wholesale	LSD	+4%	LSD
CATEGORIES			
Tops	HSD-LDD	+26%	LDD
Women's	HSD-LDD	+18%	LDD

1

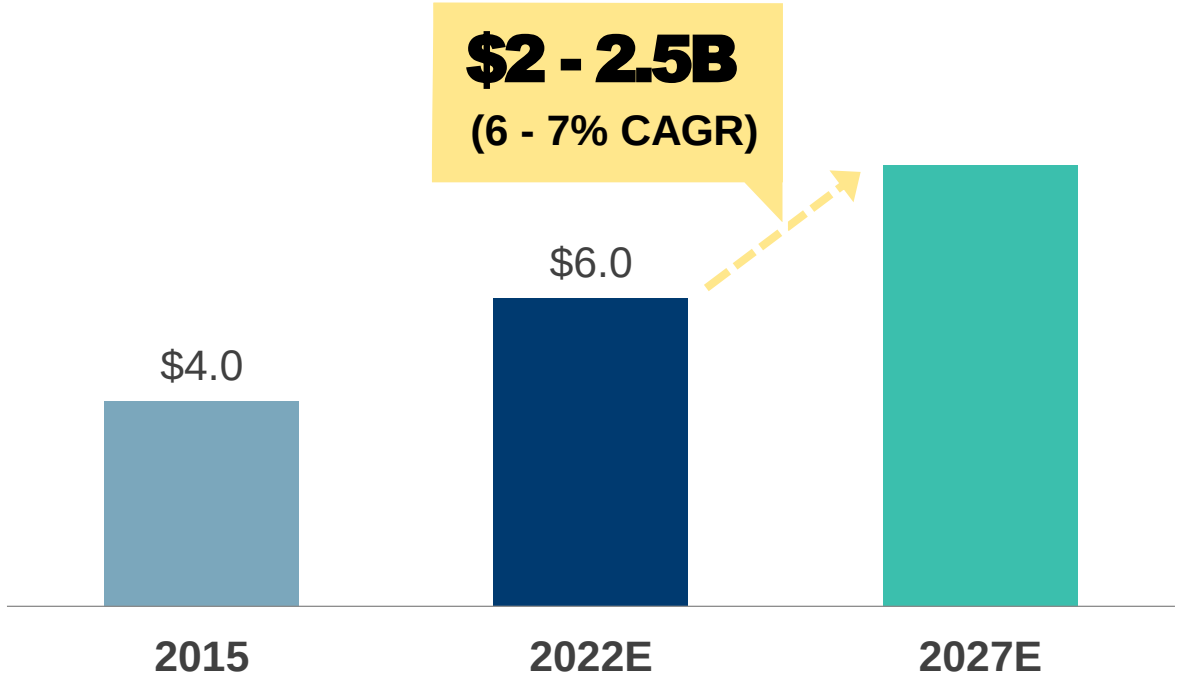
BRAND LED





BRAND LED

LEVI'S® BRANDS REVENUE ($B)



	2015	2022E	2027E
% of Total Net Revenue	90%	93%	89%

Note: 2022E represents the midpoint of our estimate for Levi's® Brands net revenue in USD billions.

2

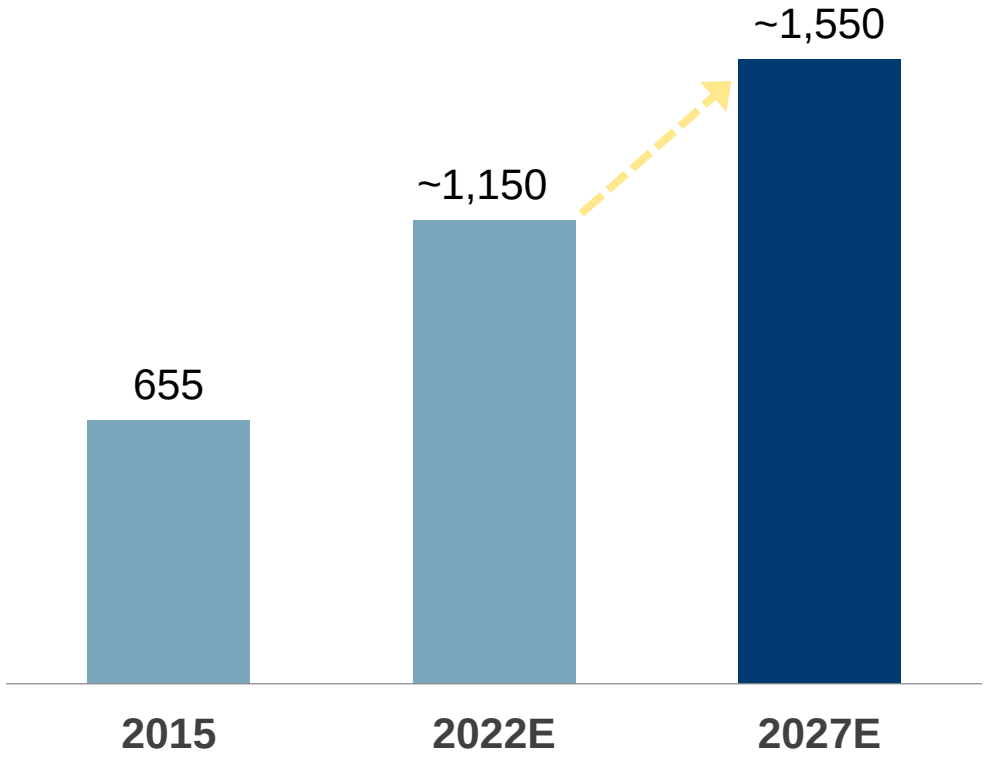
DTC
FIRST

55%

OF NET REVENUE BY 2027

DTC FIRST BRICK -AND- MORTAR

DTC COMPANY-OPERATED STORES



NEW STORE POTENTIAL

~400

BY 2027

NET STORES ANNUALLY

80

EXPECTED TO OPEN

Note: 2022E and 2027E represent the expected net company-operated store openings for the portfolio of LS&Co. Brands. Company-operated stores are one type of DTC store.

DTC FIRST ECOMMERCE 3X

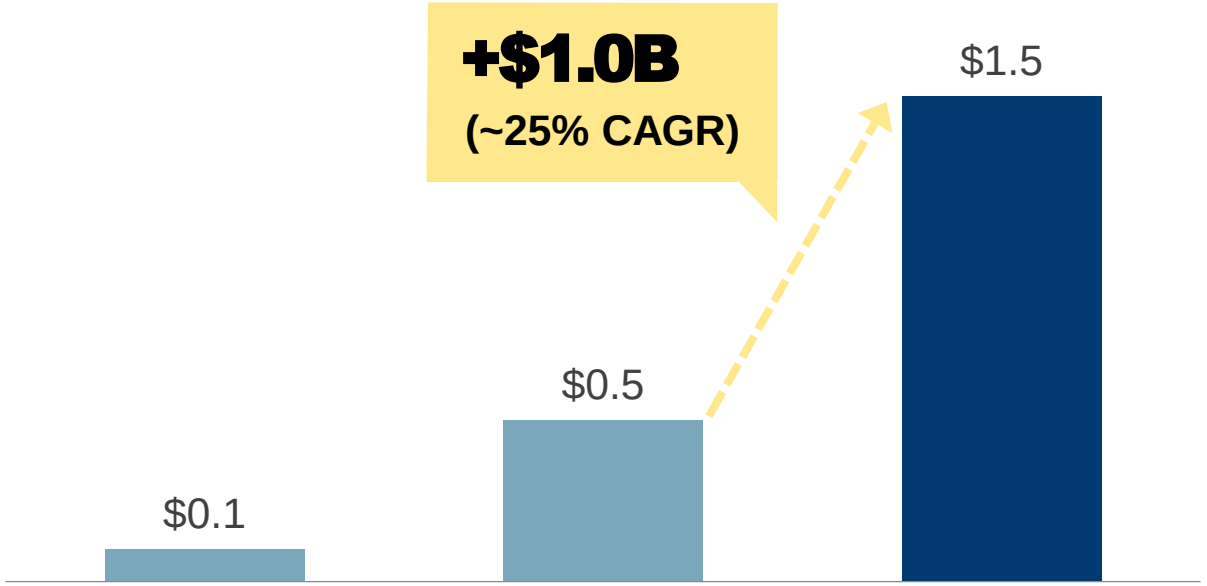
KEY TAKEAWAYS

Net revenue to triple

ADJ. EBIT margin: MSDs to LDDs

COMPANY-OPERATED ECOMMERCE

% OF TOTAL COMPANY NET REVENUE IN $B



	2015	2022E	2027E
% of Total Net Revenue	3%	8%	~15%

Note: 2022E and 2027E represent estimates for total company company-operated e-commerce net revenue in USD billions.

3

DIVERSIFYING THE PORTFOLIO

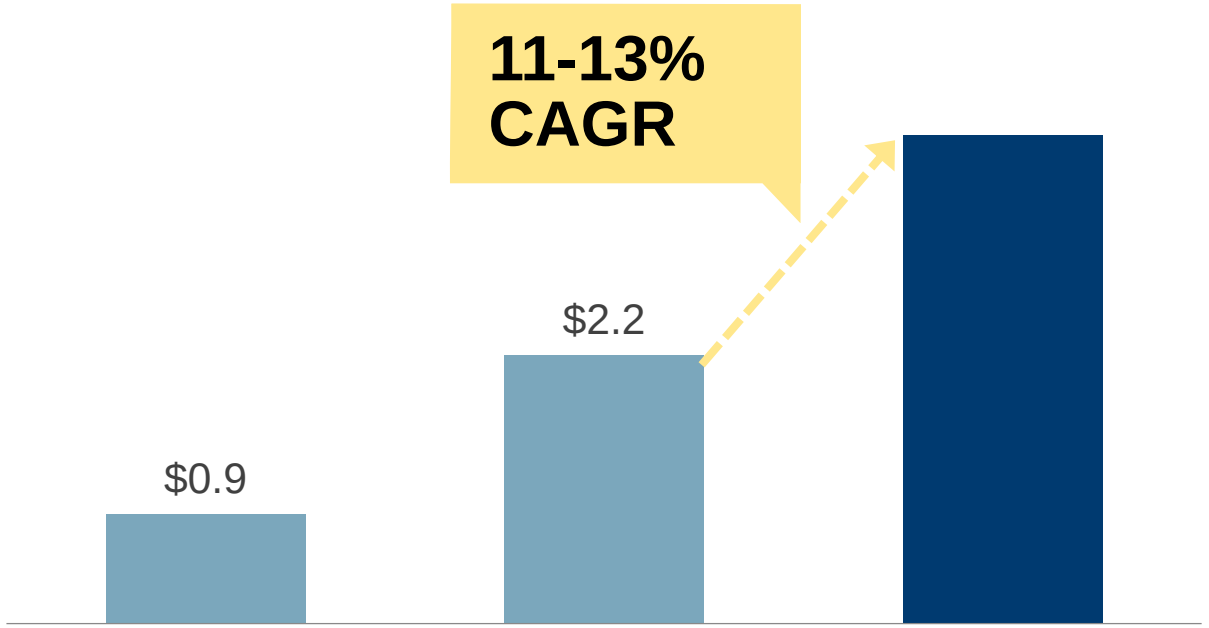
ACCELERATING GROWTH FROM
HIGH GROSS MARGIN BUSINESSES

	FY22E % OF NET REVENUE	FY27E % OF NET REVENUE	FY22E – FY27E CAGR
Women's	33%	42%	LDD
Tops	21%	25%	LDD
International	53%	57%	HSD-LDD
Other Brands	7%	11%	Mid-to-High Teens

DIVERSIFYING THE PORTFOLIO

WOMEN'S ~2X

TOTAL COMPANY WOMEN'S NET REVENUE ($B)



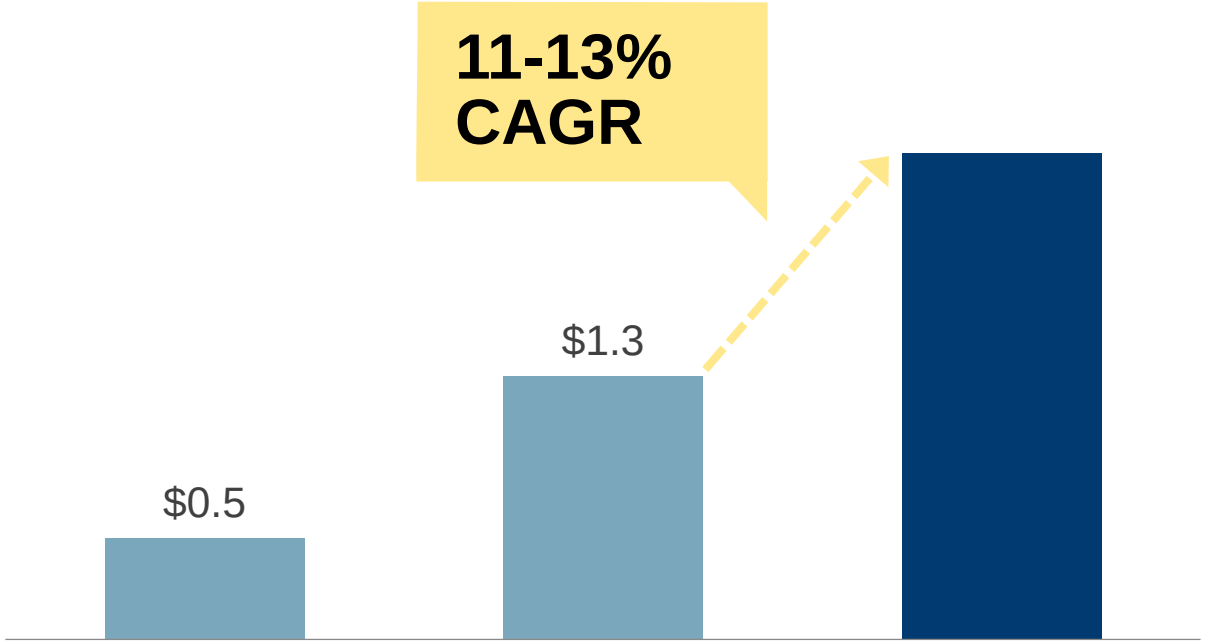
	2015	2022E	2027E
% of Total Net Revenue	21%	33%	~42%

Note: 2022E represents the midpoint of our estimate for Levi's® Brand net revenue in USD billions.

DIVERSIFYING THE PORTFOLIO

TOPS ~2X

TOTAL COMPANY TOPS NET REVENUE ($B)

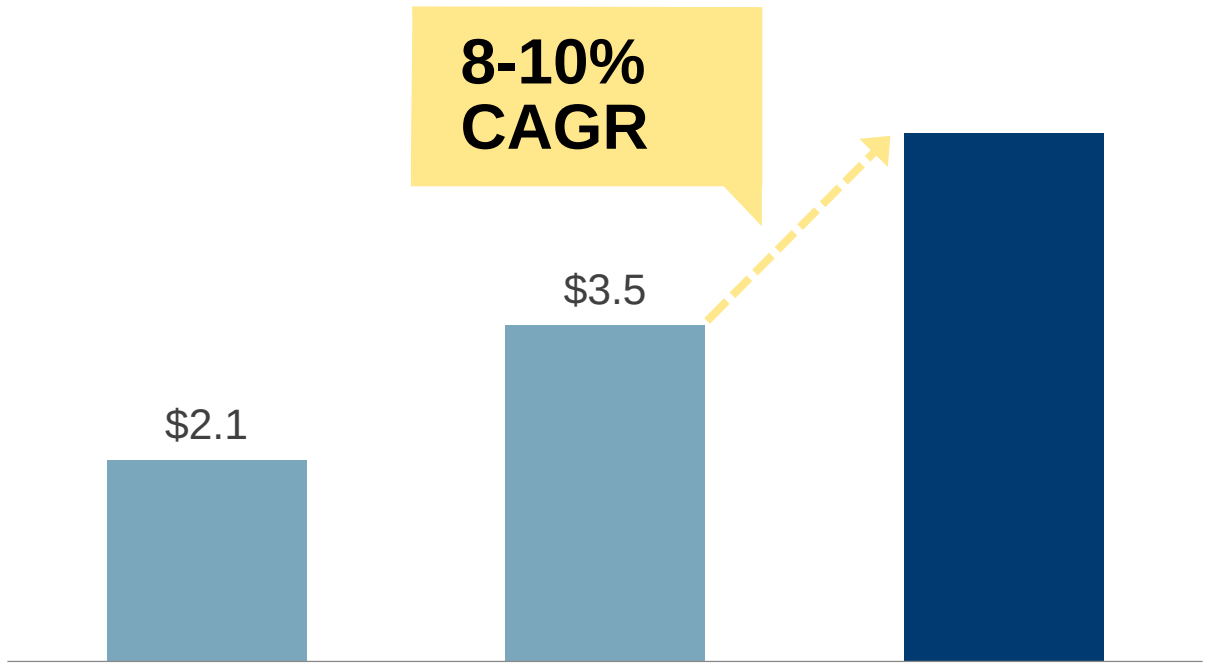


	2015	2022E	2027E
% of Total Net Revenue	11%	21%	~25%

Note: 2022E represents the midpoint of our estimate for Levi's® Brand net revenue in USD billions.

DIVERSIFYING THE PORTFOLIO
INTERNATIONAL

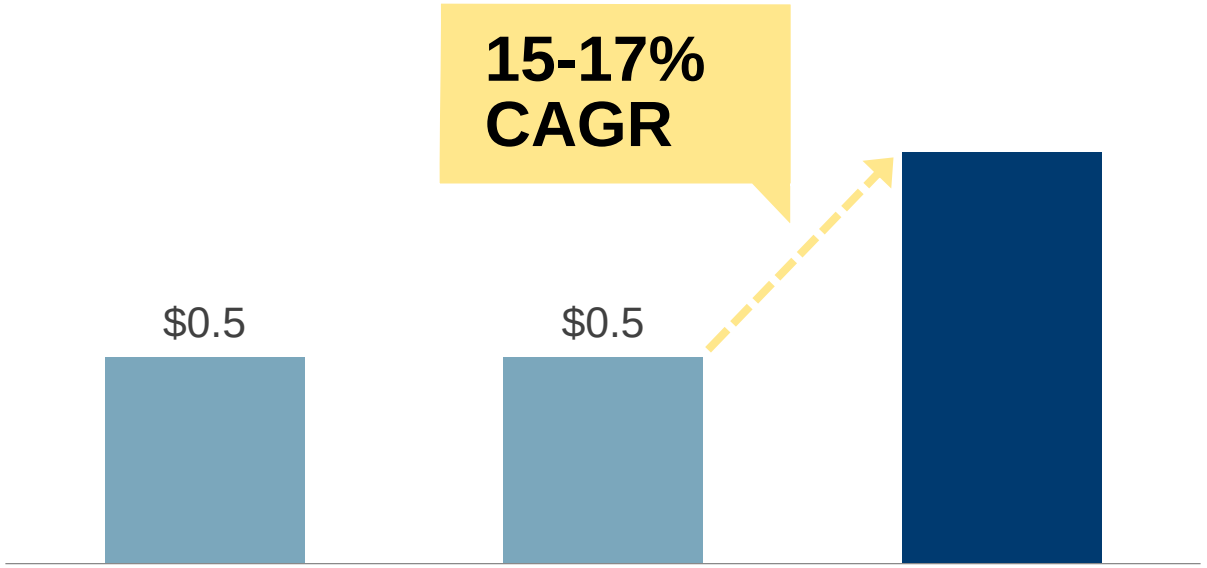
TOTAL COMPANY INTERNATIONAL NET REVENUE ($B)



	2015	2022E	2027E
% of Total Net Revenue	47%	53%	~57%

Note: 2022E represents the midpoint of our estimate for LS&Co. international net revenue in USD billions.

OTHER BRANDS NET REVENUE ($B)

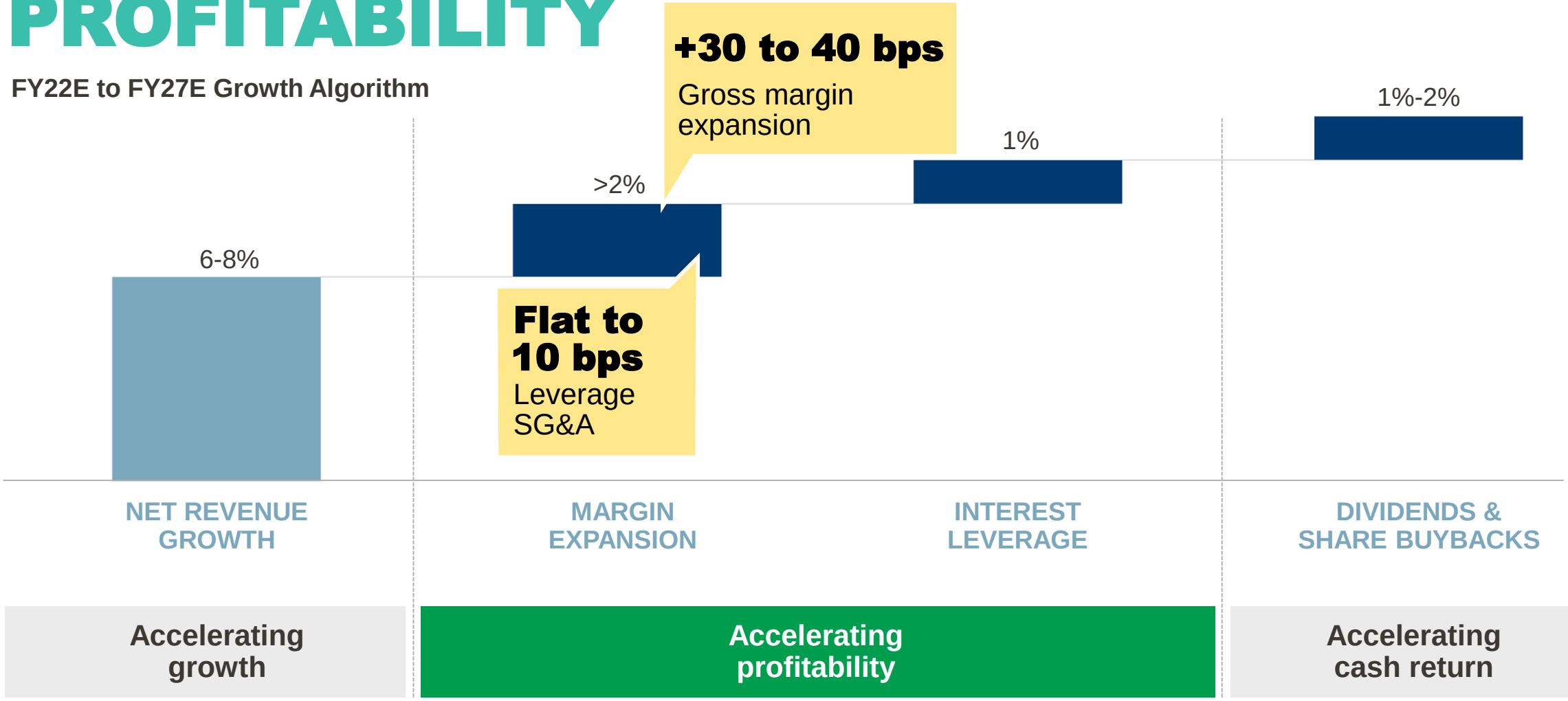


	2015	2022E	2027E
% of Total net revenue	10%	7%	~11%

Note: 2022E represents the midpoint of our estimate for LS&Co.'s Other Brands net revenue in USD billions. Dockers® net revenues troughed in 2021 and are expected to growth through 2027, in addition to Beyond Yoga®.

ACCELERATING PROFITABILITY

FY22E to FY27E Growth Algorithm



IMPROVING ON OUR STRONG MARGIN PROFILE

GROSS MARGIN DRIVERS

FY22E ADJ. Gross Margin: 58.2% to 60% in FY27

Geographic mix	↑
Channel mix	↑
Category mix (women / tops)	↑
Sourcing, pricing, AUR offset inflation, higher promotional environment	↔
Other Brands	↔

EBIT MARGIN DRIVERS

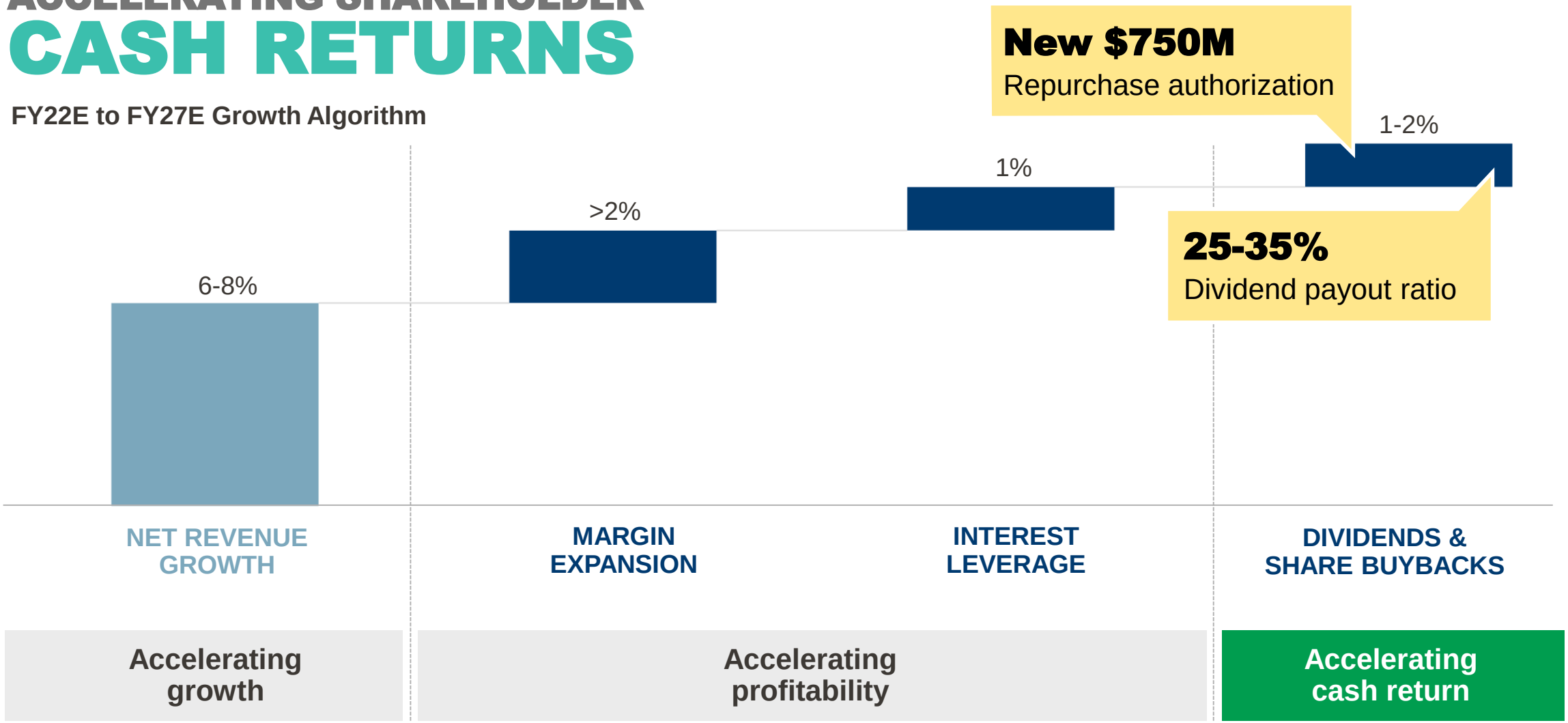
FY22E ADJ. EBIT Margin: 12.6% to 15% in FY27

Gross Margin Improvement	↑
SG&A leverage:	↑
A&P Investment	↓
DTC expansion	↓
Other selling expenses	↑
General overhead	↑

*2022E figures are the mid-points of current guidance.

ACCELERATING SHAREHOLDER CASH RETURNS

FY22E to FY27E Growth Algorithm



OUR CAPITAL ALLOCATION PRIORITIES

REINVEST FOR GROWTH

1 Capex
(3.5-4% of net revenue)

Strategic investments:
- DTC expansion (new stores and DCs)
- E-commerce
- Digital transformation (AI and ERP)

RETURN CAPITAL TO SHAREHOLDERS

2 Dividends
Maintain a dividend payout ratio of 25-35%, with dividends growing in line with Net Income

4 Share repurchases
Repurchase shares with the goal of offsetting dilution and/or opportunistic buybacks

Aim to return ~55-65% of our free cash flow in the form of dividends and share repurchases

M&A

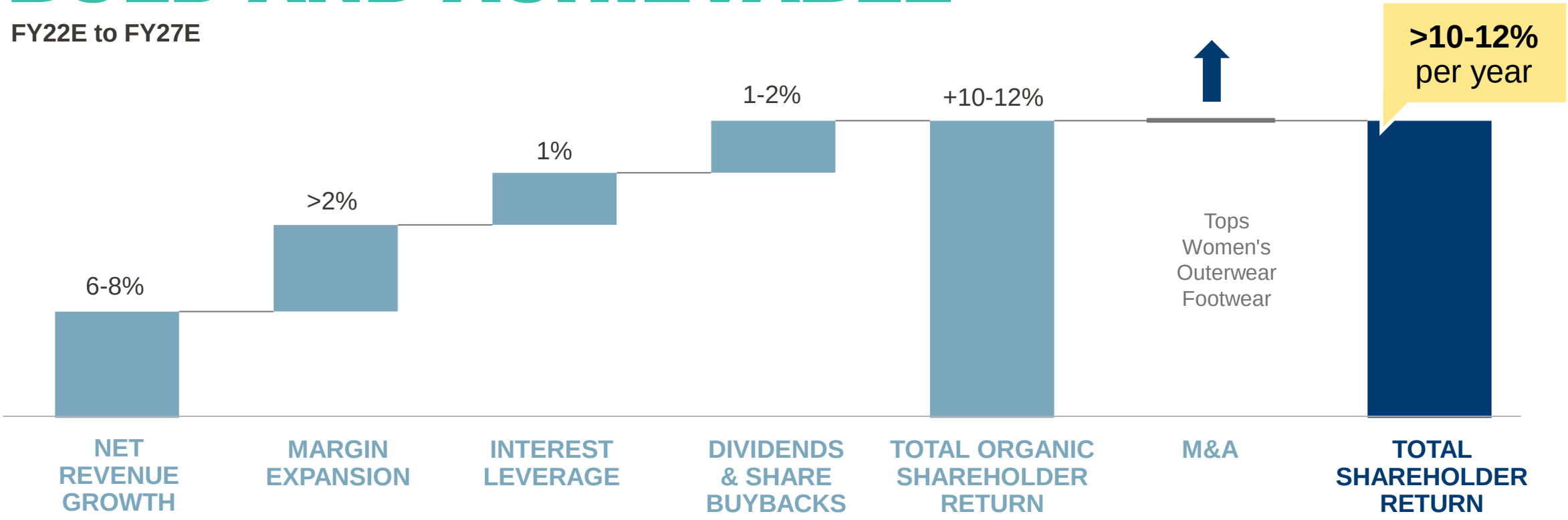
3 Acquisitions
Evaluate high ROI organic and inorganic acquisitions that support our current strategies

We will continue to have a disciplined capital allocation strategy which prioritizes high ROI growth driven investments, while returning excess cash to shareholders

OUR NEW GROWTH ALGORITHM:

BOLD AND ACHIEVABLE

FY22E to FY27E



Accelerating growth	+	**Accelerating profitability**	+	**Accelerating cash return**	+	**Organic TSR**	+	**Potential M&A**	=	**Accelerating TSR**

KEY TAKEAWAYS

Clear strategies with the right team to deliver

Diverse brand portfolio with the ability to expand

Plan that balances generating more net revenue, profit and cash with creating stakeholder value

Cash generating machine with disciplined investments in high-ROIC priorities

APPENDIX:
GAAP TO NON-GAAP RECONCILIATION

ADJUSTED GROSS PROFIT

We define adjusted gross profit, as gross profit excluding COVID-19 and acquisition related inventory costs. We define adjusted gross margin, as adjusted gross profit as a percentage of net revenues

(Dollars in millions)	2021	2020	2019	2011
MOST COMPARABLE GAAP MEASURE				
Gross profit	$3,346.7	$2,352.9	$3,101.4	$2,292.2
NON-GAAP MEASURE				
Gross profit	$3,346.7	$2,352.9	$3,101.4	$2,292.2
COVID-19 related inventory costs[1]	(15.1)	69.3	—	—
Acquisition related charges[2]	3.9	—	—	—
ADJUSTED GROSS PROFIT	$3,335.5	$2,422.2	$3,101.4	$2,292.2
Adjusted gross margin	*57.9%*	*54.4%*	*53.8%*	*48.1%*

1. For the fiscal year ended November 28, 2021, the reductions in COVID-19 related inventory charges is primarily related to reductions in our estimate of adverse fabric purchase commitments, initially recorded in the second quarter of 2020. For the fiscal year ended November 29, 2020, COVID-19 related inventory costs include $42.3 million of incremental inventory reserves and the recognition of adverse fabric purchase commitments of $26.2 million.
2. Acquisition related charges include the inventory markup above historical carrying value associated with the Beyond Yoga® acquisition.

ADJUSTED EBIT AND ADJUSTED EBITDA

We define Adjusted EBIT as net income (loss) excluding income tax expense (benefit), interest expense, other (income) expense, net, underwriter commission paid on behalf of selling stockholders, loss on early extinguishment of debt, impact of changes in fair value on cash-settled stock-based compensation, COVID-19 related inventory costs and other charges, acquisition and integration related charges, and restructuring and related charges, severance and other, net. We define Adjusted EBIT margin as Adjusted EBIT as a percentage of net revenues. We define Adjusted EBITDA as Adjusted EBIT excluding depreciation and amortization expense.

(Dollars in millions)	2021	2020	2019	2011
MOST COMPARABLE GAAP MEASURE				
Net income (loss)	$553.5	$(127.1)	$395.0	$135.1
NON-GAAP MEASURE				
Net income (loss)	553.5	(127.1)	395.0	135.1
Income tax expense (benefit)	26.7	(62.6)	82.6	67.7
Interest expense	72.9	82.2	66.2	132.0
Other (income) expense, net[1]	(3.4)	22.4	(2.0)	1.3
Underwriter commission paid on behalf of selling stockholders			24.9	—
Loss on early extinguishment of debt	36.5	—	-	0.3
Impact of changes in fair value on cash-settled stock-based compensation[2]	4.2	7.1	34.1	—
COVID-19 related inventory costs and other charges[3]	(9.7)	159.6	—	—
Acquisition and integration related charges[4]	7.7	—	—	—
Restructuring and restructuring related charges, severance and other, net[5]	24.5	99.5	9.8	67.1
ADJUSTED EBIT	712.9	181.1	610.6	403.5
Depreciation and amortization[6]	142.0	136.6	123.9	117.8
ADJUSTED EBITDA	854.9	317.7	734.5	521.3
Adjusted EBIT margin	*12.4%*	*4.1%*	*10.6%*	*8.5%*

ADJUSTED EBIT AND ADJUSTED EBITDA (CONT.)

(1) Includes $14.7 million in pension settlement losses related to the voluntary lump-sum, cash-out program offered to vested deferred US pension plan participants during the year ended November 29, 2020. See Note 10 to our audited consolidated financial statements included in this report for further information.

(2) Includes the impact of the 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.

(3) For the year ended November 28, 2021, the net reduction in COVID-19 related inventory costs and other charges recognized mainly represents reductions in COVID-19 related inventory charges, as a result of reductions in our estimate of adverse fabric purchase commitments and allowances related to customer receivables partially offset with impairment charges of certain retail store related assets. For the year ended November 29, 2020, COVID-19 related inventory costs and other charges primarily include $42.3 million of incremental inventory reserves, $26.2 million of adverse fabric purchase commitments, $44.3 million and $21.7 million in impairment of operating lease right-of-use assets and property and equipment related to certain retail locations and other corporate assets, respectively, and $17.7 million of charges related to customer receivables. The remainder relates to other incremental costs incurred in response to the global pandemic.

(4) Acquisition and integration related charges includes the inventory markup above historical carrying value as well as SG&A expenses associated with the Beyond Yoga® acquisition.

(5) Other charges included in Restructuring and restructuring related charges, severance and other, net include charges related to an international customs audit and transaction and deal related costs.

(6) Depreciation and amortization amount net of amortization included in Restructuring and restructuring related charges, severance and other, net.

NET DEBT AND LEVERAGE RATIO

We define net debt, as total debt, excluding capital leases, less cash and cash equivalents. We define leverage ratio, as the ratio of total debt to the last 12 months Adjusted EBITDA. Our management believes that net debt and leverage ratio are important measures to monitor our financial flexibility and evaluate the strength of our balance sheet. Net debt and leverage ratio have limitations as analytical tools and may vary from similarly titled measures used by other companies. Net debt and leverage ratio should not be considered in isolation or as substitutes for an analysis of our results prepared and presented in accordance with GAAP.

The following table presents a reconciliation of total debt, excluding capital leases, the most directly comparable financial measure calculated in accordance with GAAP, to net debt for each of the periods presented.

(Dollars in millions)	2021	2020	2019	2011
MOST COMPARABLE GAAP MEASURE				
Total debt, excluding capital leases	$1,026.6	$1,564.3	$1,014.4	$1,972.4
NON-GAAP MEASURE				
Total debt, excluding capital leases	$1,026.6	$1,564.3	$1,014.4	$1,972.4
Cash and cash equivalents	(810.3)	(1,497.2)	(934.2)	(204.5)
Short-term investments in marketable securities	(91.5)	(96.5)	(80.7)	—
NET DEBT	$ 124.8	$ (29.4)	$ (0.5)	$1,767.9

The following table presents a reconciliation of total debt, excluding capital leases, the most directly comparable financial measure calculated in accordance with GAAP, to leverage ratio for each of the periods presented.

(Dollars in millions)	2021	2020	2019	2011
Total debt, excluding capital leases	$ 1,026.6	$ 1,564.3	$ 1,014.4	$ 1,972.4
Last Twelve Months Adjusted EBITDA	854.9	317.7	734.5	521.3
LEVERAGE RATIO	1.2	4.9	1.4	3.8

ADJUSTED NET INCOME AND ADJUSTED DILUTED EARNINGS PER SHARE

We define Adjusted net income as net income (loss) excluding underwriter commission paid on behalf of selling stockholders, loss on early extinguishment of debt, charges related to the impact of changes in fair value on cash-settled stock-based compensation, COVID-19 related inventory costs and other charges, acquisition and integration related charges, and restructuring and restructuring related charges, severance and other, net, pension settlement losses, and re-measurement of our deferred tax assets and liabilities based on the lower rates as a result of the Tax Act, adjusted to give effect to the income tax impact of such adjustments. To calculate the income tax impact of such adjustments on a year-to-date basis, we utilize an effective tax rate equal to our income tax expense excluding material discrete costs and benefits, with any impacts of changes in effective tax rate being recognized in the current period. We define Adjusted net income margin as Adjusted net income as a percentage of net revenues. We define Adjusted diluted earnings per share as Adjusted net income per weighted-average number of diluted common shares outstanding.

The following table presents a reconciliation of net income (loss), the most directly comparable financial measure calculated in accordance with GAAP, to Adjusted net income for each of the periods presented and the calculation of Adjusted diluted earnings per share for each of the periods presented.

(Dollars in millions)	2021	2020	2019
MOST COMPARABLE GAAP MEASURE			
Net income (loss)	$553.5	$(127.1)	$395.0
NON-GAAP MEASURE			
Net income (loss)	$553.5	$ (127.1)	$395.0
Underwriter commission paid on behalf of selling stockholders			24.9
Loss on early extinguishment of debt	36.5	—	—
Impact of changes in fair value on cash-settled stock-based compensation[1]	4.2	7.1	34.1
COVID-19 related inventory costs and other charges[2]	(9.7)	159.6	-
Acquisition and integration related charges[3]	7.7	—	—
Restructuring and restructuring related charges, severance and other, net[4]	24.5	99.5	9.8
Pension settlement losses[5]	—	14.7	—
Tax impact of adjustments[6]	(15.8)	(70.2)	(7.6)
ADJUSTED NET INCOME	$600.9	$83.6	$456.2
Adjusted net income margin	*10.4%*	*1.9%*	*7.9%*
Adjusted diluted earnings per share	$ 1.47	$0.21	$1.12

ADJUSTED NET INCOME AND ADJUSTED DILUTED EARNINGS PER SHARE (CONT.)

(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) For the twelve-month period ended November 28, 2021, the net reduction in COVID-19 related inventory costs and other charges recognized mainly represents reductions in COVID-19 related inventory charges, as a result of reductions in our estimate of adverse fabric purchase commitments and allowances related to customer receivables partially offset with impairment charges of certain retail store related assets. For the year ended November 29, 2020, COVID-19 related inventory costs and other charges primarily include $42.3 million of incremental inventory reserves, $26.2 million of adverse fabric purchase commitments, $44.3 million and $21.7 million in impairment of operating lease right-of-use assets and property and equipment related to certain retail locations and other corporate assets, respectively, and $17.7 million of charges related to customer receivables. The remainder relates to other incremental costs incurred in response to the global pandemic.

(3) Acquisition and integration related charges includes the inventory markup above historical carrying value as well as SG&A expenses associated with the Beyond Yoga® acquisition.

(4) Other charges included in Restructuring and restructuring related charges, severance and other, net include charges related to an international customs audit and transaction and deal related costs.

(5) Pension settlement losses relate to the voluntary lump-sum, cash-out program offered to vested deferred US pension plan participants.

(6) Tax impact calculated using the annual effective tax rate, excluding discrete costs and benefits.

RETURN ON INVESTED CAPITAL

We define Return on invested capital ("ROIC") as the trailing four quarters of Adjusted net income before interest and after taxes divided by the average trailing five quarters of total invested capital. We define earnings before interest and after taxes as Adjusted net income plus interest expense and income tax expense less an income tax adjustment. We define total invested capital as total debt plus shareholders' equity less cash and short-term investments. We believe ROIC is useful to investors as it quantifies how efficiently we generated operating income relative to the capital we have invested in the business.

Our calculation of ROIC is considered a non-GAAP financial measure because we calculate ROIC using the non-GAAP metric Adjusted net income. Although ROIC is a standard financial metric, numerous methods exist for calculating a company's ROIC. As a result, the method we use to calculate our ROIC may differ from the methods used by other companies. This metric is not defined by GAAP and should not be considered as an alternative to earnings measures defined by GAAP.

(1) Adjusted net income is reconciled from net income (loss) which is the most comparable GAAP measure. Refer to Adjusted net income table for more information. Acquisition related charges include the inventory markup above historical carrying value associated with the Beyond Yoga acquisition.

(2) Tax impact calculated using the annual effective tax rate, excluding discrete costs and benefits.

	TRAILING FOUR QUARTERS		
(Dollars in millions)	**2021**	**2020**	**2019**
Net income (loss)	$153.0	$56.7	$395.0
NUMERATOR			
Adjusted net income[1]	600.9	83.6	456.2
Interest expense	72.9	82.2	66.2
Income tax expense	26.7	(62.6)	82.6
Adjusted net income before interest and taxes	700.5	103.2	605.0
Income tax adjustment[2]	(30.1)	(25.8)	(104.6)
ADJUSTED NET INCOME BEFORE INTEREST AND AFTER TAXES	$670.4	$77.4	$500.4

	AVERAGE TRAILING FIVE QUARTERS		
(Dollars in millions)	**2021**	**2020**	**2019**
Denominator			
Total debt, including lease liabilities	$2,585.6	$2,464.2	$2,107.6
Shareholders' equity	1,483.2	1,299.5	1,142.9
Cash and Short-term investments	(1,470.8)	(1,593.7)	(866.9)
TOTAL INVESTED CAPITAL	$2,598.0	$2,170.0	$2,383.6
Net income (loss) to Total invested capital	5.9%	2.6%	16.6%
Return on Invested Capital	25.8%	3.6%	21.0%

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