



CHICO'S FAS INC

Q4 2022 Demonstrating Brand Power

"We achieved strong results across all key financial metrics in fiscal 2022. We delivered strong store and digital sales growth, substantial gross margin expansion and solid expense leverage for the year, which produced outstanding operating income, cash flow and EPS. These results demonstrate the power of our three brands and our product performance and reflect the team's steadfast commitment to our strategic pillars of being customer led, product obsessed, digital first and operationally excellent."

MOLLY LANGENSTEIN
CEO & President



Q4 2022 Performance

Diluted EPS **\$0.06** Net Sales **\$524.1M**

Q4 2022 Brand Highlights



chico's®

16.1% comparable sales growth over Q4 2021

Customers responded to our innovation and fashion, completing head-to-toe looks with easy-care, wrinkle-free, climate-right fabrics



SOMA

Comparable sales declined by 5.0% over Q4 2021 and grew by 20% over Q4 2019

We achieved remarkable success with game-changing smart bra, Bodify, and are well positioned to drive growth, particularly in bra and panty foundations business



WHBM WHITEHOUSEBLACKMARKET

1.9% comparable sales growth over Q4 2021

Customers responded to versatile dressing, seasonless fabrics and product innovation to meet her work-from-anywhere needs and special-occasion wear

Q4 2022 Business Highlights



Strong Results

- Delivered 5.6% net sales growth
- Reported diluted EPS of \$0.06



Digital-First

- Digital tools grew by double-digits over Q4 2021
- Double-digit increase in digital spend during fiscal 2022



Elevated Marketing Driving Traffic, New Customers

- New customers trending younger than existing across brands: 10 years at Chico's, 3 years at WHBM and 4 years at Soma
- New loyalty programs exceed enrollment, customer sentiment and redemption rate expectations



Gross Margin Expansion

- Gross margin 40 basis points ahead of Q4 2021
- Freight costs down by nearly 5x over Q4 2021



Inventory Management

- On-hand inventory declined 6.2% from the prior year, reflecting optimized inventory management



Strong Financial Position

- Ended Q4 2022 with \$178 million in cash and marketable securities, after debt repayment of \$30 million in Q3 and \$20 million in Q4
- \$369 million in total liquidity at end of Q4 2022



OUTLOOK

	Consolidated Net Sales	Gross Margin Rate as a Percent of Net Sales	SG&A Expenses as a Percent of Net Sales	Effective Income Tax Rate	EPS	Capital and Cloud-based Expenditures
Q1 2023	\$535M – \$550M	41.3% – 41.8%	32.8% – 33.3%	25.0%	\$0.26 – \$0.30	N/A
FY 2023 (53-WEEK YEAR)	\$2,220M – \$2,250M	39.4% – 39.8%	33.0% – 33.4%	26.0%	\$0.79 – \$0.91	~\$80M – \$90M

Forward-Looking Language

This infographic contains statements concerning our current expectations, assumptions, plans, estimates, judgments and projections about our business and our industry and other statements that are not historical facts. These statements, including without limitation the quote from Ms. Langenstein and the sections captioned "Business Highlights" and "Fiscal 2023 First Quarter and Full Year Outlook," are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. In most cases, words or phrases such as "aim," "anticipates," "believes," "could," "estimates," "expects," "intends," "target," "may," "will," "plans," "path," "outlook," "project," "should," "strategy," "potential," "confident" and similar expressions identify forward-looking statements. These forward-looking statements are based largely on information currently available to our management and are subject to various risks and uncertainties that could cause actual results to differ materially from historical results or those expressed or implied by such forward-looking statements. Although we believe our expectations are based on reasonable estimates and assumptions, they are not guarantees of performance. There is no assurance that our expectations will occur or that our estimates or assumptions will be correct, and we caution investors and all others not to place undue reliance on such forward-looking statements. Factors that could cause actual results to differ include, but are not limited to, those described in Item 1A, "Risk Factors" in our most recent Annual Report on Form 10-K and, from time to time, in Item 1A, "Risk Factors" of our Quarterly Reports on Form 10-Q and the following:

The ability of our suppliers, logistics providers, vendors and landlords, to meet their obligations to us in light of financial stress, labor shortages, liquidity challenges, bankruptcy filings by other industry participants, and supply chain and other disruptions; increases in unemployment rates and labor shortages; our ability to sufficiently staff our retail stores; changes in general economic conditions, including but not limited to, consumer confidence and spending patterns; the impacts of rising inflation, gasoline prices, and interest rates on consumer spending; market disruptions including pandemics or significant health hazards, severe weather conditions, natural disasters, terrorist activities, financial crises, political crises, war and other military conflicts (such as the war in Ukraine) or other major events, or the prospect of these events, including their impact on consumer spending, inflation and the global supply chain; domestic and global political and social conditions and the potential impacts of geopolitical turmoil or conflict; shifts in consumer behavior, and our ability to adapt, identify and respond to new and changing fashion trends and customer preferences, and to coordinate product development with buying and planning; changes in the general or specialty retail or apparel industries, including significant decreases in market demand and the overall level of spending for women's private branded clothing and related accessories; our ability to secure and maintain customer acceptance of in-store and online concepts and styles; the effects of the pandemic, including uncertainties about its depth and duration, new variants of COVID-19 that have emerged, the speed, efficacy and availability of vaccines and treatments, its impact on general economic conditions, human capital management, consumer behavior and discretionary spending, the effectiveness of any actions taken in response to the pandemic, and the impact of the pandemic on our manufacturing operations, shipping costs and timelines and the global supply chain; our ability to maintain strong relationships with our vendors, manufacturers, licensors, and retailer customers; increased competition in the markets in which we operate, including for, among other things, premium mall space; our ability to remain competitive with customer shipping terms and costs; decreases in customer traffic at malls, shopping centers and our stores; fluctuations in foreign currency exchange rates and commodity prices; significant increases in the costs of manufacturing, raw materials, transportation, importing, distribution, labor and advertising; decreases in the quality of merchandise received from suppliers and increases in delivery times for receiving such merchandise; our ability to appropriately manage our store fleet, including the closing of underperforming stores and opening of new stores, and our ability to achieve the expected results of any such store openings or store closings; our ability to appropriately manage inventory and allocation processes and leverage targeted promotions; our ability to maintain cost saving discipline; our ability to operate our retail websites in a profitable manner; our ability to successfully identify and implement additional sales and distribution channels; our ability to successfully execute and achieve the expected results of our business, brand strategies, brand awareness programs, and merchandising and marketing programs including, but not limited to, the Company's three-year strategic growth plan, sales initiatives, multi-channel strategies and four strategic pillars which are: 1) customer led; 2) product obsessed; 3) digital first; and 4) operationally excellent; our ability to utilize our distribution center and other support facilities in an efficient and effective manner; our reliance on sourcing from foreign suppliers and significant adverse economic, labor, political or other shifts (including adverse changes in tariffs, taxes or other import regulations, particularly with respect to China, or legislation prohibiting certain imports from China); U.S. and foreign governmental actions and policies and changes thereto; the continuing performance, implementation and integration of our management information systems; our ability to successfully update and maintain our information systems; the impact of any system failure, cyber security or other data security breaches, including any security breaches resulting in the theft, transfer, or unauthorized disclosure of customer, employee, or company information that we or our third-party vendors may experience; the risks that our share repurchase program may not successfully enhance shareholder value, or that share repurchases could be negatively perceived by investors; our ability to comply with applicable domestic and foreign information security and privacy laws, regulations and technology platform rules or other obligations related to data privacy and security; our ability to attract, hire, train, motivate and retain qualified employees in an inclusive environment; our ability to successfully recruit leadership or transition members of our senior management team; increased public focus and opinion on environmental, social and governance ("ESG") initiatives and our ability to meet any announced ESG goals and initiatives; future unsolicited offers to buy the Company and actions of activist shareholders and others and our ability to respond effectively; our ability to secure and protect our trademark and other intellectual property rights; our ability to protect our reputation and brand images; unanticipated obligations or changes in estimates arising from new or existing litigation, income taxes and other regulatory proceedings; unanticipated adverse changes in legal, regulatory or tax laws, including the recently enacted Inflation Reduction Act of 2022; and our ability to comply with the terms of our credit agreement, including the restrictive provisions limiting our flexibility in operating our business and obtaining additional credit on commercially reasonable terms.

These factors should be considered in evaluating forward-looking statements contained herein. All forward-looking statements that are made or attributable to us are expressly qualified in their entirety by this cautionary notice. The forward-looking statements included herein are only made as of the date of this infographic. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.