

Chico's FAS, Inc. Affirms Commitment to Taking All Appropriate Steps to Drive Shareholder Value

6/7/2021

Issues Statement Regarding Barington Group

FORT MYERS, Fla., June 7, 2021 /PRNewswire/ -- Chico's FAS, Inc. (NYSE: CHS) (the "Company" or "Chico's FAS") today issued the following statement regarding the press release and letter issued by The Barington Group ("Barington"):

Chico's FAS has ongoing conversations with its shareholders, including Barington, to discuss the Company's strategy and operating plans and appreciates the input it receives.

The Company is making tremendous progress in its turnaround strategy to become a digital-first, customer-led company. This work, which commenced in the third quarter of 2019, was showing significant traction prior to the pandemic. In addition, actions taken over the last 18 months to reduce costs and strengthen the Company's balance sheet provide a strong financial foundation to invest and grow for the foreseeable future.

Chico's FAS looks forward to sharing more about the Company's progress on its first quarter 2021 results tomorrow.

We look forward to continuing to engage with all of our shareholders, including Barington, about this work and the execution of our transformation strategy. We are committed to taking all appropriate actions to improve performance and drive shareholder value.

ABOUT CHICO'S FAS, INC.

Chico's FAS is a Florida-based fashion company founded in 1983 on Sanibel Island, Fla. The Company reinvented the fashion retail experience by creating fashion communities anchored by service, which put the customer at the

center of everything we do. As one of the leading fashion retailers in North America, Chico's FAS is a company of three unique brands - Chico's, WHBM and Soma - each thriving in their own white space, founded by women, led by women, providing solutions that millions of women say give them confidence and joy.

Our Company has a passion for fashion, and each day, we provide clothing, shoes and accessories, intimate apparel and expert styling in our brick-and-mortar boutiques, digital online boutiques and through Style Connect, the Company's proprietary digital styling tool that enables customers to conveniently shop wherever, whenever and however they prefer.

As of January 30, 2021, the Company operated 1,302 stores in the U.S. and sold merchandise through 68 international franchise locations in Mexico and 2 domestic franchise airport locations. The Company's merchandise is also available at www.chicos.com, www.chicosofftherack.com, www.whbm.com, www.soma.com and www.mytelltale.com as well as through third-party channels.

For more detailed information on the Company, please visit our corporate website at www.chicosfas.com. The information on our corporate website is not, and shall not be deemed to be, a part of this press release or incorporated into our federal securities law filings.

SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This press release contains statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The statements, including without limitation the quote from Ms. Langenstein and the sections captioned "Business Highlights" and "Fiscal 2021 Outlook," relate to expectations and projections regarding the Company's future performance and may include the words "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "will," "plan," "outlook," "project," "should," "strategy," "potential," "confident" and similar terms. These forward-looking statements are based largely on information currently available to our management and on our current expectations, assumptions, plans, estimates, judgments and projections about our business and our industry, and are subject to 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, there is no assurance that our expectations will, in fact, 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: the effects of the pandemic and uncertainties about its depth and duration, new variants of pandemic that have emerged, and the speed and efficacy of vaccine and treatment developments, as well as the impacts to general economic conditions and the economic slowdown affecting consumer behavior and discretionary spending (before and after the pandemic) and any temporary store

restrictions (including reduced hours or capacity) due to government mandates; the effectiveness of store reopenings, cost reduction initiatives (including our ability to effectively restructure our lease portfolio to obtain future rent relief), the extent, availability and effectiveness of any pandemic stimulus packages or loan programs, including the CARES Act, the ability of our third-party business partners, including our suppliers, logistics providers, vendors and landlords, to meet their obligations to us in light of financial stress, staffing shortages, liquidity challenges, bankruptcy filings by other industry participants and other disruptions due to the pandemic, the impact of the pandemic on our manufacturing operations in China, and trends in consumer behavior and spending during and after the end of the pandemic; our ability to successfully implement any alternatives that we pursue including our ability to achieve the cost savings described in this release; government actions and policies; increases in unemployment rates and taxes; local, regional, national and international economic conditions; changes in the general economic and business environment; changes in the general or specialty retail or apparel industries, including the extent of the market demand and overall level of spending for women's private branded clothing and related accessories; future permanent store closures; the effectiveness of our brand strategies, awareness and marketing programs; the ability to successfully execute and achieve the expected results of our business strategies and particular strategic initiatives (including, but not limited to, the Company's organizational restructure and five fiscal 2021 operating priorities which are: continuing our ongoing digital transformation; further refining product through fit, quality, assortment, fabric and innovation; driving increased customer engagement through marketing; maintaining our operating and cost discipline; and further enhancing the productivity of our real estate portfolio), sales initiatives and multi-channel strategies; customer traffic; our ability to appropriately manage our inventory and allocation processes; our ability to leverage inventory management and targeted promotions; the successful recruitment of leadership and the successful transition of members of our senior management team; uncertainties regarding future unsolicited offers to buy the Company and our ability to respond effectively to them as well as to actions of activist shareholders and others; changes in the political environment that create consumer uncertainty; the risk that our investments in merchandise or marketing initiatives may not deliver the results we anticipate; significant changes to product import and distribution costs (such as unexpected consolidation in the freight carrier industry, and the ability to remain competitive with customer shipping terms and costs pertaining to product deliveries and returns); new or increased taxes or tariffs that could impact, among other things, our sourcing from foreign suppliers; the risk that future legislation may prohibit certain imports from China; and significant shifts in consumer behavior. Other risk factors are detailed from time to time in the Company's Quarterly Reports on Form 10-Q, Annual Report on Form 10-K and other reports filed with the Securities and Exchange Commission. These factors should be considered in evaluating forward-looking statements contained herein. There can be no assurance that the actual future results, performance, or achievements expressed or implied by such forward-looking statements will occur. The Company does not undertake to publicly update or revise its forward-looking statements even if experience or future changes make it clear that projected results expressed or implied in such statements will not be realized.

Contacts

For Investors:

Tom Filandro

ICR, Inc.

(646) 277-1235

tom.filandro@icrinc.com

For Media:

Barrett Golden / Leigh Parrish

Joele Frank, Wilkinson Brimmer Katcher

(917) 612-4489 / (917) 282-8908

View original content to download multimedia:<http://www.prnewswire.com/news-releases/chicos-fas-inc-affirms-commitment-to-taking-all-appropriate-steps-to-drive-shareholder-value-301307174.html>

SOURCE Chico's FAS, Inc.