

LEVI STRAUSS & CO.
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
FOR THE THIRD QUARTER OF 2018

The following information relates to non-GAAP financial measures, and should be read in conjunction with the investor call held on October 9, 2018, discussing the company's financial condition and results of operations as of and for the quarter ended August 26, 2018.

Free cash flow:

(Dollars in millions)	Nine Months Ended	
	August 26, 2018	August 27, 2017
	(Unaudited)	
Most comparable GAAP measure:		
Net cash provided by operating activities	\$ 204.8	\$ 294.5
Non-GAAP measure:		
Net cash provided by operating activities	\$ 204.8	\$ 294.5
Purchases of property, plant and equipment	(99.3)	(75.8)
(Payments) proceeds on settlement of forward foreign exchange contracts not designated for hedge accounting	(20.4)	0.2
Payment of debt extinguishment costs	—	(21.9)
Repurchase of common stock, including shares surrendered for tax withholdings on equity award exercises	(53.8)	(13.3)
Dividend to stockholders	(45.0)	(35.0)
Free cash flow	\$ (13.7)	\$ 148.7

Net debt:

(Dollars in millions)	August 26, 2018	November 26, 2017
	(Unaudited)	
	Most comparable GAAP measure:	
Total debt	\$ 1,061.8	\$ 1,077.3
Non-GAAP measure:		
Total debt	\$ 1,061.8	\$ 1,077.3
Cash and cash equivalents	(612.5)	(633.6)
Net debt	\$ 449.3	\$ 443.7

Adjusted EBIT and Adjusted EBITDA:

	Three Months Ended		Nine Months Ended	
	August 26, 2018	August 27, 2017	August 26, 2018	August 27, 2017
(Dollars in millions)	(Unaudited)			
Most comparable GAAP measure:				
Net income	\$ 129.6	\$ 89.5	\$ 188.0	\$ 167.3
Non-GAAP measure:				
Net income	129.6	89.5	\$ 188.0	\$ 167.3
Income tax expense	10.3	27.6	176.6	42.5
Interest expense	15.6	14.5	45.6	52.3
Loss on early extinguishment of debt	—	—	—	22.8
Other (income) expense, net	3.1	14.7	(1.0)	32.4
Restructuring and related charges, severance and other, net	2.9	0.9	4.0	6.2
Pension and postretirement benefit plan curtailment and net settlement losses, net	—	0.1	(0.1)	0.3
Adjusted EBIT	\$ 161.5	\$ 147.3	\$ 413.1	\$ 323.8
Depreciation and amortization			92.1	85.6
Adjusted EBITDA			\$ 505.2	\$ 409.4

Gross Debt to Adjusted EBITDA ratio:

	August 26, 2018	August 27, 2017
	(Unaudited)	
(Dollars in millions)		
Total debt	\$ 1,061.8	\$ 1,069.3
LTM Adjusted EBITDA	\$ 694.1	\$ 583.5
Gross Debt to Adjusted EBITDA ratio	1.5	1.8

Net revenues in constant currency:

	Three Months Ended			Nine Months Ended		
	August 26, 2018	August 27, 2017	% Increase	August 26, 2018	August 27, 2017	% Increase
(Dollars in millions)						
Net revenues:						
Total revenues						
As reported	\$ 1,394.2	\$ 1,268.4	9.9%	\$ 3,983.6	\$ 3,438.3	15.9%
Impact of foreign currency	—	(14.4)	*	—	76.0	*
Constant-currency	<u>\$ 1,394.2</u>	<u>\$ 1,254.0</u>	<u>11.2%</u>	<u>\$ 3,983.6</u>	<u>\$ 3,514.3</u>	<u>13.4%</u>
Americas						
As reported	\$ 792.9	\$ 738.6	7.4%	\$ 2,119.8	\$ 1,918.7	10.5%
Impact of foreign currency	—	(7.8)	*	—	(0.5)	*
Constant-currency	<u>\$ 792.9</u>	<u>\$ 730.8</u>	<u>8.5%</u>	<u>\$ 2,119.8</u>	<u>\$ 1,918.2</u>	<u>10.5%</u>
Europe						
As reported	\$ 405.7	\$ 348.0	16.6%	\$ 1,225.3	\$ 938.7	30.5%
Impact of foreign currency	—	(2.5)	*	—	64.2	*
Constant-currency	<u>\$ 405.7</u>	<u>\$ 345.5</u>	<u>17.4%</u>	<u>\$ 1,225.3</u>	<u>\$ 1,002.9</u>	<u>22.2%</u>
Asia						
As reported	\$ 195.6	\$ 181.8	7.6%	\$ 638.5	\$ 580.9	9.9%
Impact of foreign currency	—	(4.1)	*	—	12.3	*
Constant-currency	<u>\$ 195.6</u>	<u>\$ 177.7</u>	<u>10.1%</u>	<u>\$ 638.5</u>	<u>\$ 593.2</u>	<u>7.6%</u>

* Not meaningful