LEVI STRAUSS & CO. REPORTS FOURTH-QUARTER AND FULL YEAR 2019 EARNINGS

Fourth-Quarter Net Revenues of $1,569 million, Gross margin of 54.3%, Diluted EPS of $0.23 and Adjusted Diluted EPS of $0.26

Full Year Net Revenues of $5.8 billion grew 3% on a Reported basis, and were up 6% in Constant Currency

Full Year Diluted EPS was $0.97; Adjusted Diluted EPS was $1.12

Announces $100 million Share Buyback plan and guides 14% increase in Annual Dividend

SAN FRANCISCO (January 30, 2020) – Levi Strauss & Co. (NYSE: LEVI) today announced financial results for the fourth quarter and fiscal year ended November 24, 2019. Due to the company’s fiscal year end, the fourth quarter and the fiscal year do not include the benefit of the Black Friday week.

Fourth-Quarter 2019 Highlights

- Net revenues of $1,569 million declined 2 percent on a reported basis and were nearly flat in constant-currency. The lack of Black Friday benefit, combined with the impact from the acquisition of a South American distributor, adversely impacted the year-over-year net revenue growth comparison by about 3 percentage points on both a reported and constant-currency basis
- Gross margin increased 110 basis points on reported basis reflecting lower sales to the off-price channel and the benefit of price increases; gross margin up 130 basis points excluding currency headwind
- Net income down 2 percent and Adjusted net income down 9 percent, both reflecting lower non-operating income
- Adjusted EBIT of $146 million decreased 3 percent on reported basis and 2 percent in constant-currency; Adjusted EBIT margin of 9.3 percent was adversely impacted by the lack of a Black Friday benefit

Full Year 2019 Highlights

- Net revenues growth of 3 percent on reported basis; up 6 percent in constant currency; lack of Black Friday benefit, combined with the impact from the acquisition of a South American distributor, adversely impacted the year-over-year net revenue growth comparison by about 1 percentage point on both a reported and constant-currency basis
- Gross margin flat on reported basis, up 60 basis points excluding currency headwind, reflecting direct-to-consumer and international growth and the benefit of price increases
- Net income growth of 39 percent reflecting a charge in the prior year as a result of the Tax Cuts & Jobs Act; Adjusted net income up 9 percent reported, 14 percent in constant currency, on higher Adjusted EBIT
- Adjusted EBIT up 4 percent on a reported basis and 8 percent in constant currency; Adjusted EBIT margin of 10.6 percent was flat compared to the prior year on a reported basis, and was 20 basis-points higher than the prior year on a constant-currency basis
- Full year Diluted EPS was $0.97; Adjusted diluted EPS increased four cents to $1.12
“We are pleased with our results in Fiscal 2019,” said Chip Bergh, president and chief executive officer of Levi Strauss & Co. “We delivered six percent revenue growth for the year on a constant-currency basis, at the high end of our expectations. Growth was broad-based by region, channel and category. Underlying fourth quarter organic revenue growth met our expectations in spite of being masked by Black Friday falling in fiscal 2020. We outperformed our fourth-quarter expectations in U.S. wholesale, gross margin and EPS. And we announced our eighth consecutive annual dividend increase. As we look ahead to 2020 and beyond, we are confident we’ll continue to drive profitable growth over the long-term by executing our strategies.”

Highlights include:

<table>
<thead>
<tr>
<th>($ millions, except per-share amounts)</th>
<th>Three Months Ended</th>
<th>Year Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>November 24, 2019</td>
<td>November 25, 2018</td>
</tr>
<tr>
<td>Net revenues</td>
<td>$ 1,569</td>
<td>$ 1,592</td>
</tr>
<tr>
<td>Net income</td>
<td>$ 96</td>
<td>$ 97</td>
</tr>
<tr>
<td>Adjusted net income</td>
<td>$ 108</td>
<td>$ 118</td>
</tr>
<tr>
<td>Adjusted EBIT</td>
<td>$ 146</td>
<td>$ 151</td>
</tr>
<tr>
<td>Diluted earnings per share*</td>
<td>$ 0.23</td>
<td>$ 0.25</td>
</tr>
<tr>
<td>Adjusted diluted earnings per share*</td>
<td>$ 0.26</td>
<td>$ 0.30</td>
</tr>
</tbody>
</table>

*Note: per share increase (decrease) compared to prior year displayed in cents

Fourth-Quarter 2019 Details:

- **Net revenues** declined 2 percent on a reported basis, and were nearly flat on a constant-currency basis excluding $16 million in unfavorable currency effects. The company’s direct-to-consumer net revenues were flat on a constant-currency basis in the fourth quarter, as expansion and improved performance of the retail network and e-commerce growth were offset by the lack of a Black Friday benefit in the current year, which adversely impacted the year-over-year direct-to-consumer net revenues growth comparison by 7 percentage points, and the total company net revenues growth comparison by about 2 percentage points. Net revenues from the company’s wholesale business declined 1 percent on both a reported and constant-currency basis, as a 4 percent decline in U.S. wholesale was partially offset by growth in Europe. The acquisition of a South American distributor adversely impacted the company’s year-over-year wholesale net revenues growth comparison by about 1 percentage point, and the total company net revenues growth comparison by about half-a-point.

- **Gross profit** of $851 million for the fourth quarter rose 1 percent on a reported basis from $847 million in the prior year. Gross margin of 54.3 percent of net revenues was up 110 basis-points compared with 53.2 percent in the same quarter of 2018, primarily reflecting lower sales to the off-price channel and price increases. Currency unfavorably impacted fourth-quarter gross margin by 20 basis points.

- **Selling, general and administrative expenses (SG&A)** for the fourth quarter were $720 million on a reported basis, compared with $719 million in the same quarter in the prior year, and SG&A on a reported basis as a percentage of net revenues increased 80 basis points, as compared to the fourth quarter of 2018. **Adjusted SG&A** for the fourth quarter was $705 million, compared with $697 million in the same quarter in the prior year, and Adjusted SG&A as a percentage of net revenues increased 120 basis points, as compared to the fourth quarter of 2018. The lack of the benefit of Black Friday revenues in the current year unfavorably impacted SG&A and Adjusted SG&A as percentages of net revenues by about 70 basis points. The remainder of the increase reflected investments related to the continued expansion of the company’s direct to consumer network and implementation of the company’s omni-channel initiatives.

- **Operating income** for the fourth quarter was $132 million on a reported basis, up 2 percent compared to the prior year on a reported basis, as higher net revenues in Europe and Asia were partially offset by higher SG&A expenses associated with the expansion of the company-operated retail network.
• **Adjusted EBIT** declined 3 percent on a reported basis and 2 percent on a constant-currency basis as compared to the prior year. Adjusted EBIT margin was 9.3 percent, 20 basis-points lower than the prior year on a reported basis, due to the lack of a Black Friday benefit in the current year, which adversely impacted the year-over-year Adjusted EBIT margin comparison by about 70 basis points.

• **Adjusted net income** decreased $10.3 million as compared to the prior year, primarily due to lower hedging gains and higher interest on deferred compensation as compared to the fourth quarter of 2018.

• **Adjusted diluted earnings per share** for the fourth quarter of 2019 were $0.26, compared to $0.30 for the same prior-year period. The increase in the company’s share count resulting from the IPO, in combination with missing the benefit of Black Friday in the current year, adversely impacted the year-over-year adjusted diluted earnings per share comparison by four cents.

Additional information regarding adjusted SG&A, adjusted net income, Adjusted EBIT, Adjusted EBIT margin and adjusted diluted earnings per share, as well as amounts presented above on a constant-currency basis, all of which are non-GAAP financial measures, is provided at the end of this press release. *Fourth-Quarter Regional Overview*

Reported regional net revenues and operating income for the quarter are set forth in the table below:

<table>
<thead>
<tr>
<th>($ millions)</th>
<th>Net Revenues</th>
<th>Operating Income *</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Three Months Ended</td>
<td>% (Decrease) Increase</td>
</tr>
<tr>
<td></td>
<td>November 24, 2019</td>
<td>November 25, 2018</td>
</tr>
<tr>
<td>Americas</td>
<td>$ 876</td>
<td>$ 923</td>
</tr>
<tr>
<td>Europe</td>
<td>$ 442</td>
<td>$ 421</td>
</tr>
<tr>
<td>Asia</td>
<td>$ 251</td>
<td>$ 248</td>
</tr>
</tbody>
</table>

*Note: Regional operating income is equal to regional Adjusted EBIT.*

• In the **Americas**, net revenues declined 5 percent on both a reported and on a constant-currency basis. The region’s direct-to-consumer net revenues declined 7 percent, reflecting the lack of a Black Friday benefit in the current year, which adversely impacted the year-over-year direct-to-consumer net revenues growth comparison by about 9 percentage points, and the total region’s net revenues growth comparison by about 2 percentage points. The region’s wholesale net revenues declined 4 percent, primarily reflecting reduced shipments to the off-price channel in 2019, the Dockers® line reset in the second half of 2018, and the impact of an acquisition of a South American distributor in 2019; these factors adversely impacted the region’s year-over-year wholesale net revenues growth comparison by about 4 percentage points, and the total region’s net revenues growth comparison by about 3 percentage points. Operating income for the region declined 7 percent on both a reported and constant-currency basis due to the lower net revenues.

• In **Europe**, net revenues grew 5 percent on a reported basis and 8 percent on a constant-currency basis, reflecting continued broad-based growth in both direct-to-consumer and wholesale channels across the region. The lack of a Black Friday benefit in the current year adversely impacted the total region’s year-over-year net revenues growth comparison by about 3 percentage points. The region’s operating income grew 47 percent on a reported basis and 53 percent on a constant-currency basis, reflecting the net revenues growth and a higher gross margin from direct-to-consumer growth, lower advertising due to a timing shift to earlier in the year, and leverage on base costs.

• In **Asia**, net revenues grew 1 percent on a reported basis and 2 percent on a constant-currency basis, primarily reflecting growth in the direct-to-consumer channel. Revenue growth across most of the region’s markets was partially offset by declines in Hong Kong, reflecting the unrest there, and in India, a seasonal shift in the timing of shipments; these headwinds collectively adversely impacted the total region’s year-over-year net revenues growth comparison by about 4 percentage points. Asia’s operating income declined $7 million reflecting higher SG&A to support retail expansion and the headwinds from Hong Kong.
Full Year 2019 Details:

- **Net revenues** of $5.8 billion grew 3 percent on a reported basis and 6 percent on a constant-currency basis. The lack of a Black Friday benefit in the fourth quarter of 2019 and the acquisition of a South American distributor in 2019 collectively adversely impacted the company’s year-over-year net revenues growth comparisons by about 1 percentage point. The company’s direct-to-consumer net revenues grew 10 percent on a constant-currency basis due to performance and expansion of the retail network and e-commerce growth; the company’s retail network had 81 more company-operated stores at the end of 2019 than a year prior. Wholesale net revenues grew 2 percent on a reported basis and 4 percent on a constant-currency basis, reflecting international growth partially offset by a 3 percent decline in U.S. wholesale net revenues.

- **Gross margin** was flat on a reported basis. Currency unfavorably impacted fourth-quarter gross margin by 60 basis points. Excluding the unfavorable currency effects, gross margin expansion reflected direct-to-consumer and international growth and the benefit of price increases the company has taken.

- **Adjusted EBIT of $611 million** increased 4 percent on a reported basis and 8 percent on a constant-currency basis as a result of higher net revenues. Adjusted EBIT margin was 10.6 percent, flat compared to prior year on a reported basis, and 20 basis points higher than the prior year on a constant-currency basis. The lack of a Black Friday benefit in the current year adversely impacted the year-over-year Adjusted EBIT margin comparison by about 20 basis points.

- **Net income** of $395 million increased from $285 million in the prior year, primarily due to a charge in 2018 from the impact of the change in tax law in the United States.

- **Adjusted net income** of $456 million increased 9 percent as compared to the prior year, reflecting higher Adjusted EBIT and a lower tax rate.

- **Diluted earnings per common share** for 2019 were $0.97, compared to $0.73 for 2018. **Adjusted diluted earnings per share** for 2019 increased four cents to $1.12; excluding the five cent unfavorable impact of currency translation, adjusted diluted earnings per share increased nine cents.

**Cash Flow and Balance Sheet**

- **Cash and cash equivalents** at November 24, 2019 of $934 million and short-term investments of $81 million were complemented by $819.5 million available under the company's revolving credit facility, resulting in a total liquidity position of approximately $1.8 billion. Net debt at the end of the fourth quarter of 2019 was about flat as compared to the end of 2018. The company’s leverage ratio declined to 1.4 at the end of the fourth quarter of 2019 as compared to 1.5 at the end of the fourth quarter of 2018.

- **Cash from operations** for 2019 was $412 million compared to $420 million in 2018. An increase in cash from the company’s business growth was offset primarily by underwriting commissions paid on behalf of selling stockholders in connection with the company’s IPO in March 2019.

- **Adjusted free cash flow** for the year ended 2019 was $116 million, an increase of $21 million compared to the year ended 2018, even after higher capital investment and a higher dividend in 2019.

- **Inventory levels** were flat at year-end compared to the corresponding prior-year period, and the composition of inventory was healthy heading into fiscal 2020.

- The company increased its **dividend** payable in the fourth quarter of 2019 by seven percent, from $55 million to approximately $59 million ($0.15 per common share). The increase brought 2019 dividends to approximately $114 million, a 27 percent increase compared to 2018.

Additional information regarding net debt, leverage ratio and adjusted free cash flow, non-GAAP financial measures, is provided at the end of this press release.
Annual Guidance

The company’s expectations for fiscal 2020, as compared to fiscal 2019, are as follows:

- **Net revenues** growth of around seven percent in constant-currency, and around six percent in reported dollars; this estimate incorporates anticipated benefits of a Black Friday week in the first quarter, and a 53rd week, which will fall in the fourth quarter and will include a second Black Friday; additionally, the benefit of the company’s acquisition of a distributor in South America is expected to be substantially offset by a change in ownership of the company’s U.S. footwear distributor, which has been purchased by one of the company’s licensee partners, which will result in a license revenue stream replacing what formerly was wholesale sales to the footwear distributor;

- **Adjusted EBIT margin** expansion in the range of 30-40 basis points on both a constant-currency and a reported basis, reflecting gross margin expansion partially offset by an increase in Adjusted SG&A as a percentage of revenues;

- **Adjusted diluted EPS** in the range of $1.18 - $1.22 on a reported basis;

- **Capital expenditures** of approximately $200-210 million and nearly 100 new company-operated store openings on a gross basis in 2020, in addition to 80 stores the company will take over from the company’s acquisition in South America; and

- **Dividends** for the full year in the range of $130 million, an increase of approximately 14 percent as compared to 2019, which we anticipate to be paid quarterly.

The company’s board of directors has declared its first dividend for fiscal 2020 of $0.08 per share, payable on or about February 21, 2020, to all holders of Class A and Class B common stock as of February 12, 2020.

Additionally, the company announced a share buyback program designed to offset dilution that would otherwise be introduced from stock-based incentive compensation grants. Under this program, the company is authorized to purchase up to $100 million of its Class A common stock. The company anticipates using cash in the range of $80-100 million in 2020 for this purpose.

Investor Conference Call

The company’s fourth-quarter 2019 investor conference call will be available through a live audio webcast at https://engage.vevent.com/rt/levistraussco/index.jsp?seid=69 on January 30, 2020, at 2 p.m. Pacific / 5 p.m. Eastern or via the following phone numbers: 800-884-6765 in the United States and Canada or +1-973-200-3064 internationally; I.D. No. **2979134**. A replay is available the same day on **http://investors.levistrauss.com** and will be archived for one quarter. A telephone replay is also available through February 5, 2020, via the following phone numbers: 855-859-2056 in the United States and Canada or +1-404-537-3406 internationally; I.D. No. **2979134**. Please see **http://www.levistrauss.com/investors/earnings-webcast** for a discussion and reconciliation of non-GAAP measures referenced on the investor conference call.

About Levi Strauss & Co.

Levi Strauss & Co. (LS&Co.) is one of the world’s largest brand-name apparel companies and a global leader in jeanswear. The company designs and markets jeans, casual wear and related accessories for men, women and children under the Levi’s®, Dockers®, Signature by Levi Strauss & Co.™, and Denizen® brands. Its products are sold in more than 110 countries worldwide through a combination of chain retailers, department stores, online sites, and a global footprint of approximately 3,000 retail stores and shop-in-shops. Levi Strauss & Co.’s reported 2019 net revenues were $5.8 billion. For more information, go to **http://levistrauss.com**, and for company news and announcements go to **http://investors.levistrauss.com**.
Forward Looking Statements

This press release and related conference call contains, in addition to historical information, forward-looking statements, including statements related to: the company's ability to meet its financial guidance for 2020; revenue expectations; the impact of the expected offset by the impact from the recent acquisition of the company's U.S. footwear distributor; by one of the company's licensee partners; adjusted EBIT margin; adjusted diluted EPS; expectations for capital expenditures; store openings; the expected increase in the frequency; and overall dividend payments for 2020; and the anticipated use of cash for the company's share buyback program to offset dilution. The company has based these forward-looking statements on its current assumptions, expectations and projections about future events. Words such as, but not limited to, “believe,” “will,” “so we can,” “when,” “anticipate,” “intend,” “estimate,” “expect,” “project” and similar expressions are used to identify forward-looking statements, although not all forward-looking statements contain these words. These forward-looking statements are necessarily estimates reflecting the best judgment of senior management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Investors should consider the information contained in the company's filings with the U.S. Securities and Exchange Commission (SEC), including its Annual Report on Form 10-K for 2019, especially in the “Management's Discussion and Analysis of Financial Condition and Results of Operations” and “Risk Factors” sections. Other unknown or unpredictable factors also could have material adverse effects on future results, performance or achievements. In light of these risks, uncertainties, assumptions and factors, the forward-looking events discussed in this press release and related conference call may not occur. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date stated or, if no date is stated, as of the date of this press release and related conference call. The company is not under any obligation and does not intend to update or revise any of the forward-looking statements contained in this press release and related conference call to reflect circumstances existing after the date of this press release and related conference call or to reflect the occurrence of future events, even if such circumstances or future events make it clear that any expected results expressed or implied by those forward-looking statements will not be realized.

Non-GAAP Financial Measures

The company reports its financial results in accordance with generally accepted accounting principles in the United States (GAAP) and the rules of the SEC. To supplement its financial statements prepared and presented in accordance with GAAP, the company uses certain non-GAAP financial measures, such as Adjusted SG&A, Adjusted EBIT (both reported and on a constant-currency basis), Adjusted EBIT margin (both reported and on a constant-currency basis), adjusted net income (both reported and on a constant-currency basis), adjusted diluted earnings per share (both reported and on a constant-currency basis), constant-currency net revenues, net debt, leverage ratio, and adjusted free cash flow, to provide investors with additional useful information about its financial performance, to enhance the overall understanding of its past performance and future prospects and to allow for greater transparency with respect to important metrics used by management for financial and operating decision-making. The company presents these non-GAAP financial measures to assist investors in seeing its financial performance from management’s view and because it believes they provide an additional tool for investors to use in computing the company’s core financial performance over multiple periods with other companies in its industry. The tables found below present Adjusted SG&A, Adjusted EBIT (both reported and on a constant-currency basis), Adjusted EBIT margin (both reported and on a constant-currency basis), adjusted net income (both reported and on a constant-currency basis), adjusted diluted earnings per share (both reported and on a constant-currency basis), constant-currency net revenues, net debt, leverage ratio, and adjusted free cash flow, and corresponding reconciliations of these non-GAAP financial measures to the most directly comparable financial measures calculated in accordance with GAAP. Non-GAAP financial measures have limitations in their usefulness to investors because they have no standardized meaning prescribed by GAAP and are not prepared under any comprehensive set of accounting rules or principles. Certain items that may be excluded or included in non-GAAP financial measures may be significant items that could impact the company's financial position, results of operations and cash flows and should therefore be considered in assessing the company’s actual financial condition and performance. Non-GAAP financial measures are subject to inherent limitations as they reflect the exercise of judgment by management in determining how they are formulated. Some specific limitations include but are not limited to, the fact that such non-GAAP financial measures: (a) do not reflect cash outlays for capital expenditures, contractual commitments or liabilities including pension obligations, post-retirement health benefit obligations and income tax liabilities; (b) do not reflect changes in, or cash requirements for, working capital requirements; and (c) do not reflect the interest expense, or the cash requirements necessary to service interest or
principal payments, on indebtedness. In addition, non-GAAP financial measures may be calculated differently from, and therefore may not be directly comparable to, similarly titled measures used by other companies. As a result, non-GAAP financial measures should be viewed as supplementing, and not as an alternative or substitute for, the company’s financial results prepared in accordance with GAAP. The company urges investors to review the reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures included in this press release, and not to rely on any single financial measure to evaluate its business. See “RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES” below for reconciliation to the most comparable GAAP financial measures.

**Constant-currency**

The company reports certain operating results on a constant-currency basis in order to facilitate period-to-period comparisons of its results without regard to the impact of fluctuating foreign currency exchange rates. The term foreign currency exchange rates refers to the exchange rates used to translate the company’s operating results for all countries where the functional currency is not the U.S. Dollar into U.S. Dollars. Because the company is a global company, foreign currency exchange rates used for translation may have a significant effect on its reported results. In general, the company’s financial results are affected positively by a weaker U.S. Dollar and are affected negatively by a stronger U.S. Dollar as compared to the foreign currencies in which it conducts its business. References to operating results on a constant-currency basis mean operating results without the impact of foreign currency exchange rate fluctuations.

The company believes disclosure of constant-currency results is helpful to investors because it facilitates period-to-period comparisons of its results by increasing the transparency of the underlying performance by excluding the impact of fluctuating foreign currency exchange rates. However, constant-currency results are non-GAAP financial measures and are not meant to be considered as an alternative or substitute for comparable measures prepared in accordance with GAAP. Constant-currency results have no standardized meaning prescribed by GAAP, are not prepared under any comprehensive set of accounting rules or principles and should be read in conjunction with the company’s consolidated financial statements prepared in accordance with GAAP. Constant-currency results have limitations in their usefulness to investors and may be calculated differently from, and therefore may not be directly comparable to, similarly titled measures used by other companies.

The company calculates constant-currency amounts by translating local currency amounts in the prior-year period at actual foreign exchange rates for the current period. Constant-currency results do not eliminate the transaction currency impact, which primarily include the realized and unrealized gains and losses recognized from the measurement and remeasurement of purchases and sales of products in a currency other than the functional currency. Additionally, gross margin is impacted by gains and losses related to the procurement of inventory, primarily products sourced in EUR and USD, by our global sourcing organization on behalf of our foreign subsidiaries.

Source: Levi Strauss & Co. Investor Relations

# # #
LEVI STRAUSS & CO. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>November 24, 2019</th>
<th>November 25, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 934,237</td>
<td>$ 713,120</td>
</tr>
<tr>
<td>Short-term investments in marketable securities</td>
<td>80,741</td>
<td>—</td>
</tr>
<tr>
<td>Trade receivables, net of allowance for doubtful accounts of $6,172 and $10,037 (Note 1)</td>
<td>782,846</td>
<td>534,164</td>
</tr>
<tr>
<td>Inventories:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raw materials</td>
<td>4,929</td>
<td>3,681</td>
</tr>
<tr>
<td>Work-in-process</td>
<td>3,319</td>
<td>2,977</td>
</tr>
<tr>
<td>Finished goods</td>
<td>875,944</td>
<td>877,115</td>
</tr>
<tr>
<td>Total inventories</td>
<td>884,192</td>
<td>883,773</td>
</tr>
<tr>
<td>Other current assets</td>
<td>188,170</td>
<td>157,002</td>
</tr>
<tr>
<td>Total current assets</td>
<td>2,870,186</td>
<td>2,288,059</td>
</tr>
<tr>
<td>Property, plant and equipment, net of accumulated depreciation of $1,054,267 and $974,206</td>
<td>529,558</td>
<td>460,613</td>
</tr>
<tr>
<td>Goodwill</td>
<td>235,788</td>
<td>236,246</td>
</tr>
<tr>
<td>Other intangible assets, net</td>
<td>42,782</td>
<td>42,835</td>
</tr>
<tr>
<td>Deferred tax assets, net</td>
<td>407,905</td>
<td>397,791</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>146,199</td>
<td>117,116</td>
</tr>
<tr>
<td>Total assets</td>
<td>$ 4,232,418</td>
<td>$ 3,542,660</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES, TEMPORARY EQUITY AND STOCKHOLDERS’ EQUITY</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term debt</td>
<td>$ 7,621</td>
<td>$ 31,935</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>360,324</td>
<td>351,329</td>
</tr>
<tr>
<td>Accrued salaries, wages and employee benefits</td>
<td>223,374</td>
<td>298,990</td>
</tr>
<tr>
<td>Accrued interest payable</td>
<td>5,350</td>
<td>6,089</td>
</tr>
<tr>
<td>Accrued income taxes</td>
<td>24,050</td>
<td>15,466</td>
</tr>
<tr>
<td>Accrued sales allowances (Note 1)</td>
<td>123,311</td>
<td>—</td>
</tr>
<tr>
<td>Other accrued liabilities</td>
<td>423,174</td>
<td>348,390</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>1,167,204</td>
<td>1,052,199</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>1,006,745</td>
<td>1,020,219</td>
</tr>
<tr>
<td>Postretirement medical benefits</td>
<td>64,006</td>
<td>74,181</td>
</tr>
<tr>
<td>Pension liability</td>
<td>193,214</td>
<td>195,639</td>
</tr>
<tr>
<td>Long-term employee related benefits</td>
<td>84,957</td>
<td>107,556</td>
</tr>
<tr>
<td>Long-term income tax liabilities</td>
<td>10,486</td>
<td>9,805</td>
</tr>
<tr>
<td>Other long-term liabilities</td>
<td>134,249</td>
<td>116,462</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>2,660,861</td>
<td>2,576,061</td>
</tr>
<tr>
<td>Commitments and contingencies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Temporary equity (Note 1)</td>
<td>—</td>
<td>299,140</td>
</tr>
</tbody>
</table>

| Stockholders’ Equity:                                                |                   |                   |
| Levi Strauss & Co. stockholders’ equity                              |                   |                   |
| Common stock — $.001 par value; 1,200,000,000 Class A shares authorized; 53,079,235 shares and no shares issued and outstanding as of November 24, 2019 and November 25, 2018, respectively; and 422,000,000 Class B shares authorized; 340,674,741 shares and 376,028,430 shares issued and outstanding, as of November 24, 2019 and November 25, 2018, respectively | 394               | 376               |
| Additional paid-in capital (Note 1)                                  | 657,659           | —                 |
| Accumulated other comprehensive loss                                 | (404,986)         | (424,584)         |
| Retained earnings                                                   | 1,310,464         | 1,084,321         |
| Total Levi Strauss & Co. stockholders’ equity                       | 1,563,531         | 660,113           |
| Noncontrolling interest                                             | 8,026             | 7,346             |
| Total stockholders’ equity                                           | 1,571,557         | 667,459           |
| Total liabilities, temporary equity and stockholders’ equity         | $ 4,232,418       | $ 3,542,660       |

The notes accompanying our consolidated financial statements in our Form 10-K are an integral part of these consolidated financial statements.
## LEVI STRAUSS & CO. AND SUBSIDIARIES
### CONSOLIDATED STATEMENTS OF INCOME

<table>
<thead>
<tr>
<th></th>
<th>November 24, 2019 (Dollars in thousands)</th>
<th>November 25, 2018 (Dollars in thousands)</th>
<th>November 26, 2017 (Dollars in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net revenues</strong></td>
<td>$5,763,087</td>
<td>$5,575,440</td>
<td>$4,904,030</td>
</tr>
<tr>
<td><strong>Cost of goods sold</strong></td>
<td>2,661,714</td>
<td>2,577,465</td>
<td>2,341,301</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>3,101,373</td>
<td>2,997,975</td>
<td>2,562,729</td>
</tr>
<tr>
<td><strong>Selling, general and administrative expenses</strong></td>
<td>2,534,698</td>
<td>2,457,564</td>
<td>2,082,662</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>566,675</td>
<td>540,411</td>
<td>480,067</td>
</tr>
<tr>
<td><strong>Interest expense</strong></td>
<td>(66,248)</td>
<td>(55,296)</td>
<td>(68,603)</td>
</tr>
<tr>
<td><strong>Underwriter commission paid on behalf of selling stockholders (Note 1)</strong></td>
<td>(24,860)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Loss on early extinguishment of debt</strong></td>
<td>—</td>
<td>—</td>
<td>(22,793)</td>
</tr>
<tr>
<td><strong>Other income (expense), net</strong></td>
<td>2,017</td>
<td>14,907</td>
<td>(39,890)</td>
</tr>
<tr>
<td><strong>Income before income taxes</strong></td>
<td>477,584</td>
<td>500,022</td>
<td>348,781</td>
</tr>
<tr>
<td><strong>Income tax expense</strong></td>
<td>82,604</td>
<td>214,778</td>
<td>64,225</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>394,980</td>
<td>285,244</td>
<td>284,556</td>
</tr>
<tr>
<td><strong>Net income attributable to noncontrolling interest</strong></td>
<td>(368)</td>
<td>(2,102)</td>
<td>(3,153)</td>
</tr>
<tr>
<td><strong>Net income attributable to Levi Strauss &amp; Co.</strong></td>
<td><strong>394,612</strong></td>
<td><strong>283,142</strong></td>
<td><strong>281,403</strong></td>
</tr>
<tr>
<td><strong>Earnings per common share attributable to common stockholders:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic</td>
<td>$1.01</td>
<td>$0.75</td>
<td>$0.75</td>
</tr>
<tr>
<td>Diluted</td>
<td>$0.97</td>
<td>$0.73</td>
<td>$0.73</td>
</tr>
<tr>
<td><strong>Weighted-average common shares outstanding:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic</td>
<td>389,082,277</td>
<td>377,139,847</td>
<td>376,177,350</td>
</tr>
<tr>
<td>Diluted</td>
<td>408,365,902</td>
<td>388,607,361</td>
<td>384,338,330</td>
</tr>
</tbody>
</table>

The notes accompanying our consolidated financial statements in our Form 10-K are an integral part of these consolidated financial statements.
<table>
<thead>
<tr>
<th></th>
<th>November 24, 2019</th>
<th>November 25, 2018</th>
<th>November 26, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net income</strong></td>
<td>$394,980</td>
<td>$285,244</td>
<td>$284,556</td>
</tr>
<tr>
<td><strong>Other comprehensive income (loss), before related income taxes</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pension and postretirement benefits</td>
<td>10,248</td>
<td>4,336</td>
<td>30,125</td>
</tr>
<tr>
<td>Derivative Instruments</td>
<td>19,026</td>
<td>21,280</td>
<td>(59,945)</td>
</tr>
<tr>
<td>Foreign currency translation (losses) gains</td>
<td>(7,250)</td>
<td>(234)</td>
<td>40,256</td>
</tr>
<tr>
<td>Unrealized gains (losses) on marketable securities</td>
<td>4,362</td>
<td>(1,488)</td>
<td>3,379</td>
</tr>
<tr>
<td><strong>Total other comprehensive income (loss), before related income taxes</strong></td>
<td>26,386</td>
<td>(19,585)</td>
<td>13,815</td>
</tr>
<tr>
<td>Income tax (expense) benefit related to items of other comprehensive income (loss)</td>
<td>(6,476)</td>
<td>(852)</td>
<td>9,223</td>
</tr>
<tr>
<td><strong>Comprehensive income, net of income taxes</strong></td>
<td>414,890</td>
<td>264,807</td>
<td>307,594</td>
</tr>
<tr>
<td>Comprehensive income attributable to noncontrolling interest</td>
<td>(680)</td>
<td>(1,868)</td>
<td>(3,258)</td>
</tr>
<tr>
<td><strong>Comprehensive income attributable to Levi Strauss &amp; Co.</strong></td>
<td>$414,210</td>
<td>$262,939</td>
<td>$304,336</td>
</tr>
</tbody>
</table>
### Levi Strauss & Co. and Subsidiaries

**Consolidated Statements of Stockholders' Equity**

<table>
<thead>
<tr>
<th></th>
<th>Common Stock</th>
<th>Additional Paid-In Capital</th>
<th>Retained Earnings</th>
<th>Accumulated Other Comprehensive Loss</th>
<th>Noncontrolling Interest</th>
<th>Total Stockholders' Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at November 27, 2016</strong></td>
<td>$ 375</td>
<td>$ 1,445</td>
<td>$ 935,049</td>
<td>$(427,314)</td>
<td>$ 2,220</td>
<td>$ 511,775</td>
</tr>
<tr>
<td>Net income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income, net of tax</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock-based compensation and dividends, net</td>
<td>2</td>
<td>25,878</td>
<td>(70)</td>
<td></td>
<td></td>
<td>25,810</td>
</tr>
<tr>
<td>Reclassification to temporary equity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repurchase of common stock</td>
<td>(2)</td>
<td>(13,748)</td>
<td>(11,352)</td>
<td></td>
<td></td>
<td>(25,102)</td>
</tr>
<tr>
<td>Cash dividends paid</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Balance at November 26, 2017</strong></td>
<td>$ 375</td>
<td>$ 1,445</td>
<td>$ 1,100,916</td>
<td>$(404,381)</td>
<td>$ 2,102</td>
<td>$ 702,388</td>
</tr>
<tr>
<td>Net income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other comprehensive loss, net of tax</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock-based compensation and dividends, net</td>
<td>3</td>
<td>18,471</td>
<td>(67)</td>
<td></td>
<td>(20,203)</td>
<td>(20,437)</td>
</tr>
<tr>
<td>Reclassification to temporary equity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repurchase of common stock</td>
<td>(2)</td>
<td>(29,703)</td>
<td>(26,334)</td>
<td></td>
<td></td>
<td>(56,039)</td>
</tr>
<tr>
<td>Cash dividends paid</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Balance at November 25, 2018</strong></td>
<td>$ 376</td>
<td>$ 1,445</td>
<td>$ 1,084,321</td>
<td>$(424,584)</td>
<td>$ 7,346</td>
<td>$ 667,459</td>
</tr>
<tr>
<td>Net income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income, net of tax</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock-based compensation and dividends, net</td>
<td>4</td>
<td>55,278</td>
<td>(93)</td>
<td></td>
<td></td>
<td>55,189</td>
</tr>
<tr>
<td>Employee stock purchase plan</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reclassification to temporary equity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repurchase of common stock</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reclassification from temporary equity in connection with initial public offering (Note 1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>322,985</td>
</tr>
<tr>
<td>Issuance of Class A common stock in connection with initial public offering (Note 1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>234,583</td>
</tr>
<tr>
<td>Cancel liability-settled awards and replace with equity-settled awards in connection with initial public offering (Note 1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>56,130</td>
</tr>
<tr>
<td>Cash dividends paid</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Balance at November 24, 2019</strong></td>
<td>$ 394</td>
<td>$ 657,659</td>
<td>$ 1,310,464</td>
<td>$(404,986)</td>
<td>$ 8,026</td>
<td>$ 1,571,557</td>
</tr>
</tbody>
</table>

The notes accompanying our consolidated financial statements in our Form 10-K are an integral part of these consolidated financial statements.
### LEVI STRAUSS & CO. AND SUBSIDIARIES  
#### CONSOLIDATED STATEMENTS OF CASH FLOWS  

<table>
<thead>
<tr>
<th></th>
<th>November 24, 2019</th>
<th>November 25, 2018</th>
<th>November 26, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flows from Operating Activities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>$394,980</td>
<td>$285,244</td>
<td>$284,556</td>
</tr>
<tr>
<td>Adjustments to reconcile net income to net cash provided by operating activities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>123,942</td>
<td>120,205</td>
<td>117,387</td>
</tr>
<tr>
<td>Unrealized foreign exchange losses (gains)</td>
<td>11,721</td>
<td>30,804</td>
<td>24,731</td>
</tr>
<tr>
<td>Realized (gain) loss on settlement of forward foreign exchange contracts not designated for hedge accounting</td>
<td>(12,166)</td>
<td>19,974</td>
<td>5,773</td>
</tr>
<tr>
<td>Employee benefit plans' amortization from accumulated other comprehensive loss and settlement losses</td>
<td>10,248</td>
<td>4,336</td>
<td>30,125</td>
</tr>
<tr>
<td>Loss on extinguishment of debt, net of write-off of unamortized debt issuance costs</td>
<td>—</td>
<td>—</td>
<td>22,793</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>55,188</td>
<td>18,407</td>
<td>25,809</td>
</tr>
<tr>
<td>(Benefit from) provision for deferred income taxes</td>
<td>(14,963)</td>
<td>134,258</td>
<td>(486)</td>
</tr>
<tr>
<td>Other, net</td>
<td>7,034</td>
<td>7,395</td>
<td>8,005</td>
</tr>
<tr>
<td>Change in operating assets and liabilities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade receivables</td>
<td>(82,344)</td>
<td>(60,474)</td>
<td>3,981</td>
</tr>
<tr>
<td>Inventories</td>
<td>(22,434)</td>
<td>(147,389)</td>
<td>(14,409)</td>
</tr>
<tr>
<td>Other current assets</td>
<td>(22,102)</td>
<td>(30,870)</td>
<td>1,828</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>(21,662)</td>
<td>(3,189)</td>
<td>(6,862)</td>
</tr>
<tr>
<td>Accounts payable and other accrued liabilities</td>
<td>18,054</td>
<td>161,039</td>
<td>35,714</td>
</tr>
<tr>
<td>Restructuring liabilities</td>
<td>(256)</td>
<td>420</td>
<td>(4,274)</td>
</tr>
<tr>
<td>Income tax liabilities</td>
<td>9,352</td>
<td>(5,890)</td>
<td>2,478</td>
</tr>
<tr>
<td>Accrued salaries, wages and employee benefits and long-term employee related benefits</td>
<td>(55,363)</td>
<td>(44,887)</td>
<td>(9,408)</td>
</tr>
<tr>
<td>Other long-term liabilities</td>
<td>12,959</td>
<td>(3,864)</td>
<td>(1,800)</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td><strong>412,188</strong></td>
<td><strong>420,371</strong></td>
<td><strong>525,941</strong></td>
</tr>
</tbody>
</table>

| **Cash Flows from Investing Activities:** |                    |                   |                   |
| Purchases of property, plant and equipment | (175,356)          | (159,413)         | (118,618)         |
| Proceeds (payments) on settlement of forward foreign exchange contracts not designated for hedge accounting | 12,166            | 19,974            | (5,773)           |
| Payments to acquire short-term investments | (114,247)          | —                | —                |
| Proceeds from sale, maturity and collection of short-term investments | 34,094            | —                | —                |
| **Net cash used for investing activities** | **(243,343)**     | **(179,387)**    | **(124,391)**    |

| **Cash Flows from Financing Activities:** |                    |                   |                   |
| Proceeds from issuance of long-term debt | —                | —                | 502,835           |
| Repayments of long-term debt | —                | —                | (525,000)         |
| Proceeds from short-term credit facilities | 39,175           | 31,929            | 35,333            |
| Repayments of short-term credit facilities | (53,025)         | (28,230)          | (29,764)          |
| Other short-term borrowings, net | (9,418)          | (4,977)           | (6,231)           |
| Payment of debt extinguishment costs | —                | —                | (21,902)          |
| Payment of debt issuance costs | —                | —                | (10,366)          |
| Proceeds from issuance of Class A common stock | 254,329          | —                | —                |
| Payments for underwriter commission and other offering costs | (19,746)         | —                | —                |
| Proceeds from purchases of stock under employee stock purchase plan | 2,062            | —                | —                |
| Repurchase of common stock, including shares surrendered for tax withholdings on equity exercises | (43,982)          | (56,039)          | (25,102)          |
| Dividend to stockholders | (113,914)        | (90,000)          | (70,000)          |
| Other financing, net | (463)            | (1,316)           | (1,632)           |
| **Net cash provided by (used for) financing activities** | **55,018**        | **(148,633)**    | **(151,829)**     |

| **Effect of exchange rate changes on cash and cash equivalents and restricted cash** | **(2,808)**       | **(13,344)**      | **8,417**         |
| **Net increase in cash and cash equivalents and restricted cash** | **221,055**       | **79,007**        | **258,138**       |
| **Beginning cash and cash equivalents, and restricted cash** | **713,698**       | **634,691**       | **376,553**       |
| **Ending cash and cash equivalents, and restricted cash** | **934,753**       | **713,698**       | **634,691**       |
| **Less: Ending restricted cash** | (516)            | (578)             | (1,069)           |
| **Ending cash and cash equivalents** | **$934,237**      | **$713,120**      | **$633,622**      |

| **Noncash Investing Activity:** |                    |                   |                   |
| Property, plant and equipment acquired and not yet paid at end of period | **$30,512**       | **$23,099**       | **$22,664**       |
| Property, plant and equipment additions due to build-to-suit lease transactions | **10,861**        | **2,750**         | **19,888**        |

| **Supplemental disclosure of cash flow information:** |                    |                   |                   |
| Cash paid for interest during the period | **$4,500**         | **$4,512**        | **$9,352**        |
| Cash paid for income taxes during the period, net of refunds | **96,240**         | **96,277**        | **54,125**        |

The notes accompanying our consolidated financial statements in our Form 10-K are an integral part of these consolidated financial statements.
CASH USES IN FISCAL YEAR 2019 AND
PROJECTED CASH USES IN FISCAL YEAR 2020

Our principal cash requirements include working capital, capital expenditures, payments of principal and interest on our debt, payments of taxes, contributions to our pension plans and payments for postretirement health benefit plans, settlement of shares issued under our 2016 Equity Incentive Plan, as amended to date and, if market conditions warrant, occasional investments in, or acquisitions of, business ventures in our line of business. In addition, we regularly evaluate our ability to pay dividends or repurchase stock, all consistent with the terms of our debt agreements.

The following table presents selected cash uses in fiscal 2019 and the related projected cash uses for these items in fiscal 2020 as of November 24, 2019:

<table>
<thead>
<tr>
<th>Cash Used in 2019</th>
<th>Projected Cash Uses in 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Dollars in millions)</td>
<td></td>
</tr>
<tr>
<td>Capital expenditures(^{(1)})</td>
<td>$ 175</td>
</tr>
<tr>
<td>Interest</td>
<td>54</td>
</tr>
<tr>
<td>Federal, foreign and state taxes (net of refunds)</td>
<td>97</td>
</tr>
<tr>
<td>Pension plans(^{(2)})</td>
<td>17</td>
</tr>
<tr>
<td>Postretirement health benefit plans</td>
<td>11</td>
</tr>
<tr>
<td>Dividend(^{(3)})</td>
<td>114</td>
</tr>
<tr>
<td><strong>Total selected cash requirements</strong></td>
<td><strong>$ 468</strong></td>
</tr>
</tbody>
</table>

\(^{(1)}\) Capital expenditures consist primarily of costs associated with information technology investments for the Company’s e-commerce business and investment in company-operated retail stores.

\(^{(2)}\) 2019 cash used in the pension plans included an additional planned contribution made during the year. The 2020 pension contribution amounts will be recalculated at the end of the plans’ fiscal years, which for our U.S. pension plan is at the beginning of the Company’s third fiscal quarter. Accordingly, actual contributions may differ materially from those presented here, based on factors such as changes in discount rates and the valuation of pension assets.

\(^{(3)}\) Subsequent to the Company’s year end, the Board declared a cash dividend of $0.08 per share on its common stock, which is expected to be in the range of $130 million for fiscal 2020 and paid out quarterly.
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
FOR THE FOURTH QUARTER AND FISCAL YEAR 2019

The following information relates to non-GAAP financial measures, and should be read in conjunction with the investor call held on January 30, 2020, discussing the company’s financial condition and results of operations as of and for the quarter and year ended November 24, 2019. Adjusted SG&A, adjusted EBIT, adjusted net income, adjusted diluted earnings per share, net debt, adjusted free cash flow, constant-currency net revenues, constant-currency Adjusted EBIT and leverage ratio are not financial measures prepared in accordance with GAAP. As used in this press release: (1) Adjusted SG&A represents SG&A excluding costs associated with the IPO, changes in fair value on cash-settled stock-based compensation, and restructuring and related charges, severance and other, net; (2) Adjusted EBIT represents net income plus income tax expense, interest expense, other income, net, underwriter commission paid on behalf of selling stockholders, other costs associated with the initial public offering, impact of changes in fair value on cash-settled stock based compensation, and restructuring and related charges, severance and other, net and Adjusted EBITDA represents Adjusted EBIT excluding depreciation and amortization expense; (3) adjusted net income represents net income excluding impact of underwriter commission paid on behalf of selling stockholders, other costs associated with the initial public offering impact of changes in fair value on cash-settled stock-based compensation, restructuring and related charges, severance and other, net, remeasurement of deferred tax assets and liabilities, and tax impact of adjustments; (4) adjusted diluted earnings per share represents adjusted net income per weighted-average number of diluted common shares; (5) net debt represents total debt, excluding capital leases, less cash and cash equivalents and short-term investments in marketable securities; (6) Adjusted free cash flow represents cash from operating activities plus underwriter commission paid on behalf of selling stockholders, less purchases of property, plant and equipment, plus proceeds (less payments) on settlement of forward foreign exchange contracts not designated for hedge accounting, less payment of debt extinguishment costs, less repurchase of common stock including shares surrendered for tax withholdings on equity award exercises, and cash dividends to stockholders; (7) constant-currency net revenues represents net revenues without the impact of foreign currency exchange rate fluctuations; (8) constant-currency Adjusted EBIT represents Adjusted EBIT without the impact of foreign currency exchange rate fluctuations; (9) constant-currency Adjusted net income represents Adjusted net income without the impact of foreign currency exchange rate fluctuations and constant-currency adjusted diluted earnings per share represents adjusted diluted earnings per share without the impact of foreign currency exchange rate fluctuations; and (10) leverage ratio represents total debt, excluding capital leases, divided by the last twelve months of Adjusted EBITDA.

Adjusted SG&A:

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th>Year Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>November 24, 2019</td>
<td>November 25, 2018</td>
</tr>
<tr>
<td>Selling, general</td>
<td>$ 719.8</td>
<td>$ 696.5</td>
</tr>
<tr>
<td>and administrative</td>
<td></td>
<td></td>
</tr>
<tr>
<td>expenses</td>
<td>$ 719.8</td>
<td>$ 718.5</td>
</tr>
<tr>
<td></td>
<td>$ 2,534.7</td>
<td>$ 2,490.8</td>
</tr>
<tr>
<td>Adjusted SG&amp;A</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ 705.1</td>
<td>$ 2,408.3</td>
</tr>
</tbody>
</table>

Non-GAAP measure:

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th>Year Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selling, general</td>
<td></td>
<td></td>
</tr>
<tr>
<td>and administrative</td>
<td></td>
<td></td>
</tr>
<tr>
<td>expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other costs associated</td>
<td></td>
<td></td>
</tr>
<tr>
<td>with the IPO</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impact of changes in</td>
<td></td>
<td></td>
</tr>
<tr>
<td>fair value on cash-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>settled stock-based</td>
<td></td>
<td></td>
</tr>
<tr>
<td>compensation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restructuring and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>related charges,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>severance and other,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>net</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted SG&amp;A</td>
<td>$ 705.1</td>
<td>$ 2,408.3</td>
</tr>
</tbody>
</table>

(1) 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.

(2) Restructuring and related charges, severance and other, net include transaction and deal related costs, including acquisition and integration costs.
Adjusted EBIT and Adjusted EBITDA:

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th>Year Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>November 24, 2019</td>
<td>November 25, 2018</td>
</tr>
<tr>
<td></td>
<td></td>
<td>November 24, 2019</td>
</tr>
<tr>
<td></td>
<td></td>
<td>November 25, 2018</td>
</tr>
<tr>
<td>Net income</td>
<td>$ 95.8</td>
<td>$ 97.3</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>22.4</td>
<td>38.2</td>
</tr>
<tr>
<td>Interest expense</td>
<td>18.2</td>
<td>9.7</td>
</tr>
<tr>
<td>Other (income) expense, net[1]</td>
<td>(4.8)</td>
<td>(16.3)</td>
</tr>
<tr>
<td>Underwriter commission paid on</td>
<td>—</td>
<td>24.9</td>
</tr>
<tr>
<td>behalf of selling stockholders</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other costs associated with the</td>
<td>—</td>
<td>0.1</td>
</tr>
<tr>
<td>IPO</td>
<td></td>
<td>3.5</td>
</tr>
<tr>
<td>Impact of changes in fair value</td>
<td>8.7</td>
<td>20.8</td>
</tr>
<tr>
<td>in cash-settled stock-based</td>
<td></td>
<td>34.1</td>
</tr>
<tr>
<td>compensation[2]</td>
<td></td>
<td>44.0</td>
</tr>
<tr>
<td>Restructuring and related</td>
<td>6.0</td>
<td>1.1</td>
</tr>
<tr>
<td>charges, severance and other,</td>
<td></td>
<td>6.3</td>
</tr>
<tr>
<td>net[3]</td>
<td></td>
<td>5.1</td>
</tr>
<tr>
<td>Adjusted EBIT</td>
<td>$ 146.3</td>
<td>$ 150.9</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>33.6</td>
<td>28.1</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$ 179.9</td>
<td>$ 179.0</td>
</tr>
<tr>
<td>Adjusted EBIT margin</td>
<td>9.3%</td>
<td>9.5%</td>
</tr>
</tbody>
</table>

(1) Other (income) expense, net in the periods ended November 25, 2018 have been conformed to reflect the adoption of ASU 2017-07, "Compensation-Retirement Benefits (Topic 715) Improving the Presentation of Net Periodic Cost and Net Periodic Postretirement Benefit Cost". Refer to Note 1 for more 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) Restructuring and related charges, severance and other, net include transaction and deal related costs, including acquisition and integration costs.
### Adjusted Net Income and Adjusted diluted earnings per share:

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th></th>
<th>Year Ended</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>November 24, 2019</td>
<td>November 25, 2018</td>
<td>November 24, 2019</td>
<td>November 25, 2018</td>
</tr>
<tr>
<td><strong>Most comparable GAAP measure:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>$95.8</td>
<td>$97.3</td>
<td>$395.0</td>
<td>$285.3</td>
</tr>
<tr>
<td><strong>Non-GAAP measure:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>95.8</td>
<td>97.3</td>
<td>395.0</td>
<td>285.3</td>
</tr>
<tr>
<td>Underwriter commission paid on behalf of selling stockholders</td>
<td>—</td>
<td>—</td>
<td>24.9</td>
<td>—</td>
</tr>
<tr>
<td>Other costs associated with the IPO</td>
<td>—</td>
<td>0.1</td>
<td>3.5</td>
<td>0.1</td>
</tr>
<tr>
<td>Impact of changes in fair value on cash-settled stock-based compensation</td>
<td>8.7</td>
<td>20.8</td>
<td>34.1</td>
<td>44.0</td>
</tr>
<tr>
<td>Restructuring and related charges, severance and other, net&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>6.0</td>
<td>1.2</td>
<td>6.3</td>
<td>5.1</td>
</tr>
<tr>
<td>Remeasurement of deferred tax assets and liabilities</td>
<td>—</td>
<td>4.1</td>
<td>—</td>
<td>95.6</td>
</tr>
<tr>
<td>Tax impact of adjustments</td>
<td>(2.7)</td>
<td>(5.4)</td>
<td>(7.6)</td>
<td>(11.7)</td>
</tr>
<tr>
<td><strong>Adjusted net income</strong></td>
<td><strong>$107.8</strong></td>
<td><strong>$118.1</strong></td>
<td><strong>$456.2</strong></td>
<td><strong>$418.4</strong></td>
</tr>
</tbody>
</table>

| Adjusted net income margin | 6.9% | 7.4% | 7.9% | 7.5% |
| Adjusted diluted earnings per share | $0.26 | $0.30 | $1.12 | $1.08 |

<sup>(1)</sup> 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.

<sup>(2)</sup> Restructuring and related charges, severance and other, net include transaction and deal related costs, including acquisition and integration costs.

### Net Debt and Leverage ratio:

<table>
<thead>
<tr>
<th></th>
<th>November 24, 2019</th>
<th>November 25, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Most comparable GAAP measure:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total debt, excluding capital leases</td>
<td>$1,014.4</td>
<td>$1,052.2</td>
</tr>
<tr>
<td><strong>Non-GAAP measure:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total debt, excluding capital leases</td>
<td>$1,014.4</td>
<td>$1,052.2</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>(934.2)</td>
<td>(713.1)</td>
</tr>
<tr>
<td>Short-term investments in marketable securities</td>
<td>(80.7)</td>
<td>—</td>
</tr>
<tr>
<td><strong>Net debt</strong></td>
<td><strong>$0.5</strong></td>
<td><strong>$339.1</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>November 24, 2019</th>
<th>November 25, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total debt, excluding capital leases</td>
<td>$1,014.4</td>
<td>$1,052.2</td>
</tr>
<tr>
<td>Last twelve months adjusted EBITDA</td>
<td>$734.5</td>
<td>$709.9</td>
</tr>
<tr>
<td><strong>Leverage ratio</strong></td>
<td>1.4</td>
<td>1.5</td>
</tr>
</tbody>
</table>
Adjusted Free cash flow:

<table>
<thead>
<tr>
<th></th>
<th>Year Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>November 24, 2019</td>
</tr>
<tr>
<td>(Dollars in millions)</td>
<td></td>
</tr>
<tr>
<td>Most comparable GAAP measure:</td>
<td></td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>$ 412.2</td>
</tr>
<tr>
<td>Non-GAAP measure:</td>
<td></td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>$ 412.2</td>
</tr>
<tr>
<td>Underwriter commission paid on behalf of selling stockholders</td>
<td>24.9</td>
</tr>
<tr>
<td>Purchases of property, plant and equipment</td>
<td>(175.4)</td>
</tr>
<tr>
<td>Proceeds (Payments) on settlement of forward foreign exchange contracts not designated for hedge accounting</td>
<td>12.2</td>
</tr>
<tr>
<td>Repurchase of common stock, including shares surrendered for tax withholdings on equity award exercises</td>
<td>(44.0)</td>
</tr>
<tr>
<td>Dividend to stockholders</td>
<td>(113.9)</td>
</tr>
<tr>
<td><strong>Adjusted free cash flow</strong></td>
<td><strong>$ 116.0</strong></td>
</tr>
</tbody>
</table>
Net revenues in constant currency:

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th>Year Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>November 24, 2019</td>
<td>November 25, 2018</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As reported</td>
<td>$ 1,568.6</td>
<td>$ 1,591.8</td>
</tr>
<tr>
<td>Impact of foreign currency exchange rates</td>
<td>—</td>
<td>(16.1)</td>
</tr>
<tr>
<td>Constant-currency net revenues . . .</td>
<td>$ 1,568.6</td>
<td>$ 1,575.7</td>
</tr>
<tr>
<td><strong>Americas</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As reported</td>
<td>$ 876.2</td>
<td>$ 922.9</td>
</tr>
<tr>
<td>Impact of foreign currency exchange rates</td>
<td>—</td>
<td>(1.4)</td>
</tr>
<tr>
<td>Constant-currency net revenues - Americas</td>
<td>$ 876.2</td>
<td>$ 921.5</td>
</tr>
<tr>
<td><strong>Europe</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As reported</td>
<td>$ 441.8</td>
<td>$ 420.9</td>
</tr>
<tr>
<td>Impact of foreign currency exchange rates</td>
<td>—</td>
<td>(13.4)</td>
</tr>
<tr>
<td>Constant-currency net revenues - Europe</td>
<td>$ 441.8</td>
<td>$ 407.5</td>
</tr>
<tr>
<td><strong>Asia</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As reported</td>
<td>$ 250.6</td>
<td>$ 248.0</td>
</tr>
<tr>
<td>Impact of foreign currency exchange rates</td>
<td>—</td>
<td>(1.3)</td>
</tr>
<tr>
<td>Constant-currency net revenues - Asia</td>
<td>$ 250.6</td>
<td>$ 246.7</td>
</tr>
</tbody>
</table>

* Not meaningful

**Constant-currency Adjusted EBIT:**

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th>Year Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>November 24, 2019</td>
<td>November 25, 2018</td>
</tr>
<tr>
<td><strong>Adjusted EBIT</strong>(1)</td>
<td>$ 146.3</td>
<td>$ 150.9</td>
</tr>
<tr>
<td>Impact of foreign currency exchange rates</td>
<td>—</td>
<td>(2.1)</td>
</tr>
<tr>
<td>Constant-currency Adjusted EBIT . . .</td>
<td>$ 146.3</td>
<td>$ 148.8</td>
</tr>
<tr>
<td><strong>Constant-currency Adjusted EBIT margin</strong>(2)</td>
<td>9.3%</td>
<td>9.4%</td>
</tr>
</tbody>
</table>

(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:

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th>Year Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>November 24, 2019</td>
<td>November 25, 2018</td>
</tr>
<tr>
<td>Adjusted net income</td>
<td>$ 107.8</td>
<td>$ 118.1</td>
</tr>
<tr>
<td>Impact of foreign currency</td>
<td>—</td>
<td>(1.7)</td>
</tr>
<tr>
<td>exchange rates</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Constant-currency Adjusted</td>
<td>$ 107.8</td>
<td>$ 116.4</td>
</tr>
<tr>
<td>net income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Constant-currency Adjusted</td>
<td></td>
<td></td>
</tr>
<tr>
<td>net income margin</td>
<td>6.9%</td>
<td>7.4%</td>
</tr>
<tr>
<td>Adjusted diluted earnings per</td>
<td>$ 0.26</td>
<td>$ 0.30</td>
</tr>
<tr>
<td>share</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impact of foreign currency</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>exchange rates</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Constant-currency adjusted</td>
<td>$ 0.26</td>
<td>$ 0.30</td>
</tr>
<tr>
<td>diluted earnings per share</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(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