

A photograph of a modern, multi-story office building at night. The building has large glass windows and is illuminated from within. The Skechers logo is visible on the building's facade. In the foreground, there are palm trees, a street with light trails from passing vehicles, and a street lamp. The sky is dark blue.

SKECHERS[®]

Investor Presentation | September 2019

Safe Harbor

This presentation contains forward-looking statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, without limitation, Skechers' future domestic and international growth, financial results and operations including expected net sales and earnings, its development of new products, future demand for its products, its planned domestic and international expansion, opening of new stores and additional expenditures, and advertising and marketing initiatives. Forward-looking statements can be identified by the use of forward-looking language such as "believe," "anticipate," "expect," "estimate," "intend," "plan," "project," "will be," "will continue," "will result," "could," "may," "might," or any variations of such words with similar meanings. Any such statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected in forward-looking statements. Factors that might cause or contribute to such differences include international economic, political and market conditions including the challenging consumer retail markets in the United States; sustaining, managing and forecasting costs and proper inventory levels; losing any significant customers; decreased demand by industry retailers and cancellation of order commitments due to the lack of popularity of particular designs and/or categories of products; maintaining brand image and intense competition among sellers of footwear for consumers, especially in the highly competitive performance footwear market; anticipating, identifying, interpreting or forecasting changes in fashion trends, consumer demand for the products and the various market factors described above; sales levels during the spring, back-to-school and holiday selling seasons; and other factors referenced or incorporated by reference in the Company's annual report on Form 10-K for the year ended December 31, 2018, and its quarterly report on Form 10-Q for the three months ended June 30, 2019. The risks included here are not exhaustive. Skechers operates in a very competitive and rapidly changing environment. New risks emerge from time to time and the companies cannot predict all such risk factors, nor can the companies assess the impact of all such risk factors on their respective businesses or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, you should not place undue reliance on forward-looking statements as a prediction of actual results. Moreover, reported results should not be considered an indication of future performance.

Skechers' Differentiated Model

- Consumer-driven, product-focused organization with a highly agile and responsive product development model
- Global brand with established international infrastructure, industry-leading growth, and significant opportunity for worldwide expansion
- Direct-to-consumer business with an extensive global retail network and growing e-commerce presence
- U.S. brand ranked among the top three footwear companies and a leader in multiple categories

Skechers Q2 at a Glance

+3,000

Styles

+170

Countries

+3,170

Skechers Stores
Worldwide

\$1.3B

Sales

19

Product Lines

+19%

International Growth

+14%

Global Direct-to-
Consumer Growth

2%

Domestic Growth

170M

Pairs
Shipped Worldwide*

56%

of Sales are
International

+5%

Direct-to-Consumer
Comparable
Sales Increase

#1

In the U.S. for Walk,
Work, Casual Dress,
& Casual Lifestyle**

Note: Unless otherwise noted, data for the 3-months ended June 30, 2019

** For the year ended December 31, 2018*

*** For the year ended December 31, 2018, SportsOneSource*

Consumer-Driven, Product-Focused Agile Model

- We provide our consumers with stylish, high-quality, and comfortable products at a reasonable price
- We have a diverse product offering of 19 lines across all genders, age ranges and categories
- We are focused on innovation and have the ability to quickly adapt products in response to trends

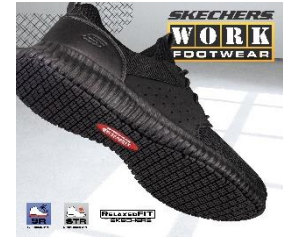


#1
WORK BRAND



#1
CASUAL LIFESTYLE BRAND

#1
WALK BRAND

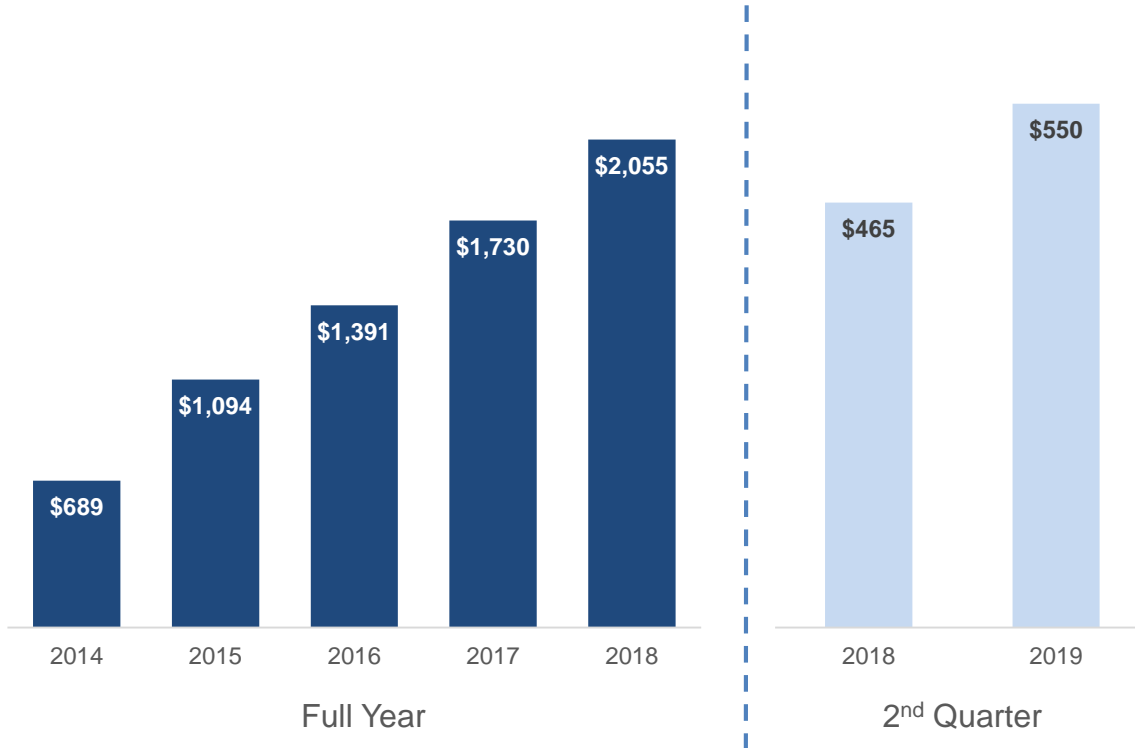


#1
CASUAL BRAND



Growing International Wholesale Business

(All \$ amounts in millions)



**31% Compound Annual
Sales Growth ('14 – '18)**

18.2% Sales Growth

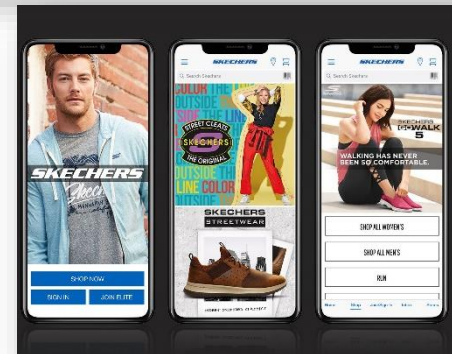
45.5% Gross Margin

2,404 Third-Party Owned Stores

Note: Unless otherwise noted, data for the period ended June 30, 2019

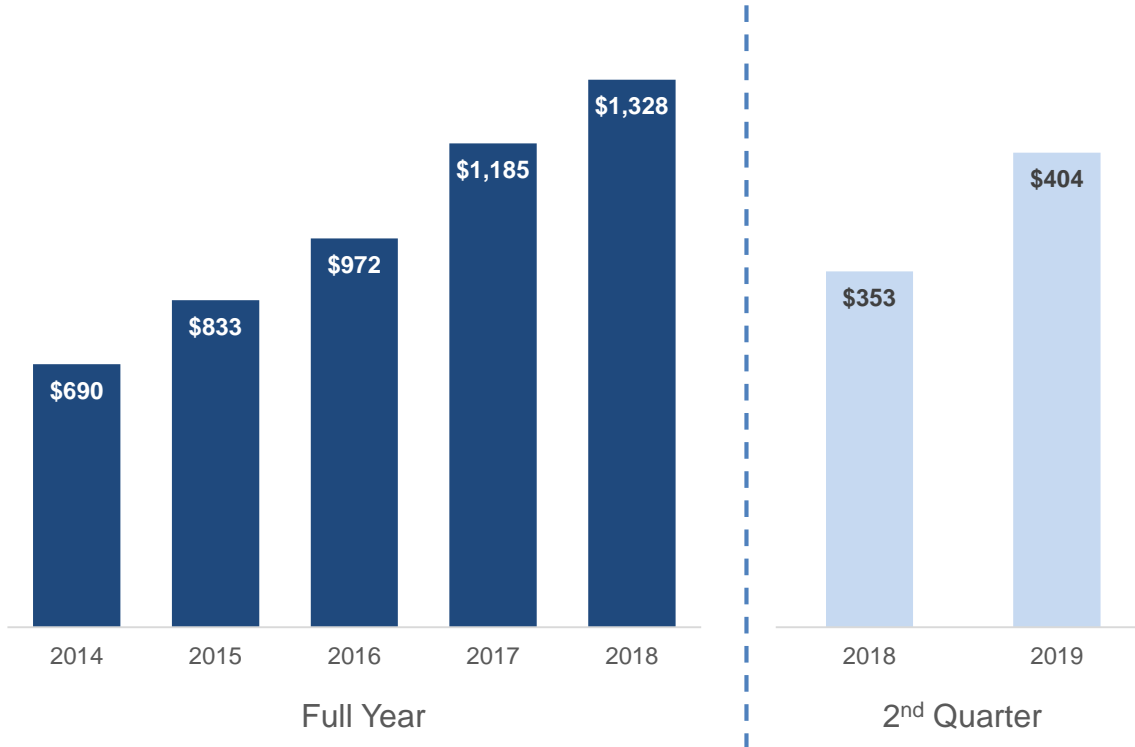
Growing Direct-to-Consumer Business

- We have a large and expanding global retail base of 3,170 Skechers stores worldwide in over 170 countries
- Direct-to-consumer complements our wholesale business and enhances Skechers' financial profile
- We gain valuable insight into consumer trends from our in-store and online test-and-react programs
- We are making meaningful investments in digital infrastructure, consumer loyalty and e-commerce to deliver a consumer-centric, omni-channel offering



Global Direct-to-Consumer Growth

(All \$ amounts in millions)



**18% Compound Annual
Sales Growth ('14 – '18)**

14.4% Sales Growth

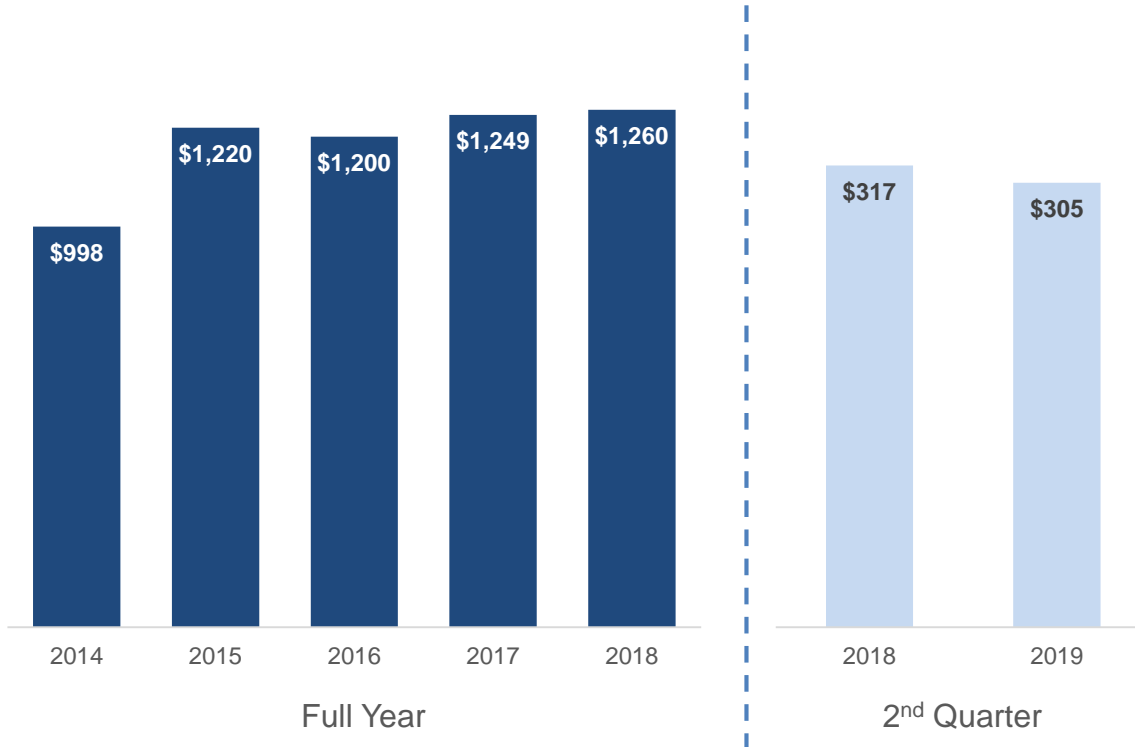
60.3% Gross Margin

**768 Company-Owned
Stores Worldwide**

Note: Unless otherwise noted, data for the period ended June 30, 2019

Domestic Wholesale

(All \$ amounts in millions)



**6% Compound Annual
Sales Growth ('14 – '18)**

**+0.6% Increase in
Average Price Per Pair**

38.2% Gross Margin

14.3M Pairs Shipped

Note: Unless otherwise noted, data for the period ended June 30, 2019

Brand Ambassadors

Howie Long



*Pro Football Hall of Famer
and Sportscaster*

Tony Romo



*Former Dallas Cowboys
Quarterback*

Brooke Burke

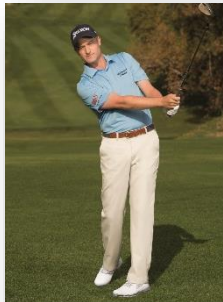


Spokesperson and actor

Brooke Henderson



Russel Knox



Matt Kuchar



Ed Chesereck



Financials



Company History and Growth

Net Sales in Billions

\$5.0

\$4.0

\$3.0

\$2.0

\$1.0

\$-

'92 '93 '94 '95 '96 '97 '98 '99 '00 '01 '02 '03 '04 '05 '06 '07 '08 '09 '10 '11 '12 '13 '14 '15 '16 '17 '18

SKECHERS
Established in
Manhattan Beach

First retail
store opens

Initial Public
Offering on
NYSE

European
Distribution
Center
Opens

100th Retail
Store
Opens

Surpasses
\$1 Billion in
Annual Sales

Established
China JV

Surpasses
\$2 Billion in
Annual Sales

New 1.8M ft²
US Distribution
Center Opens

1,000th Retail
Store Opens

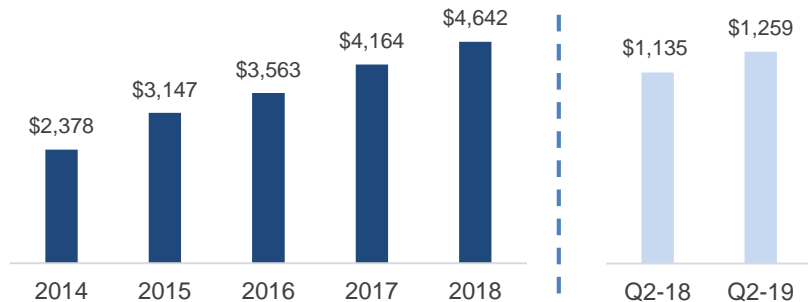
Surpasses
\$3 Billion in
Annual Sales

\$4.6 Billion in
Annual Sales

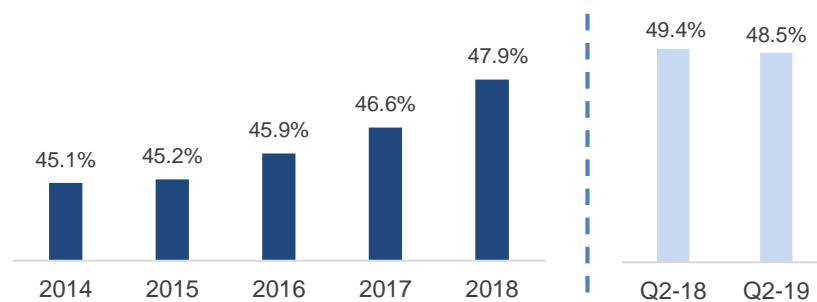
Historical Financials

(All \$ amounts in millions, except per share data)

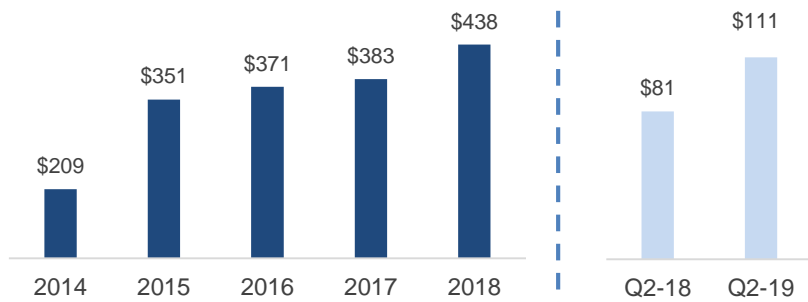
Sales



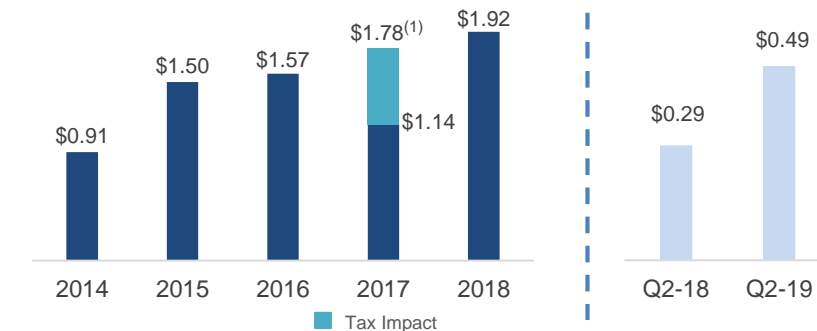
Gross Profit Margin



Operating Income






EPS



- (1) During the fourth quarter of 2017, the Company recorded a net tax expense of \$99.9 million, or \$0.64 per share, related to the enactment of the Tax Cuts and Jobs Act. For the twelve months ended December 31, 2017, earnings per share were \$1.14; adjusted for the tax impact, earnings per share were \$1.78.
- (2) Second quarter data represents the 3-months ended June 30, 2018 and June 30, 2019 respectively.

Q2 2019 Segment Snapshot

	International Wholesale 	Global Direct-to-Consumer 	Domestic Wholesale 
Net sales	\$550M	\$404M	\$305M
Sales growth	18.2%	14.4%	(3.8)%
Gross margin	45.5%	60.3%	38.2%

Note: Unless otherwise noted, data for the period ended June 30, 2019

Q2 2019 Financial Snapshot



\$973B

Cash &
Investments



\$856M

Total
Inventory



\$2B

Stockholders'
Equity



\$130M

Total Shares
Repurchased*

**In total, the Company has acquired almost 4.6 million shares of its Class A common stock at a cost of \$130 million, representing an average price of \$28.11 per share, through the second quarter of 2019. At June 30, 2019, approximately \$20.0 million remained available under the Company's existing repurchase authorization.*

Capital Allocation Philosophy

Our primary objective is to maintain a top-tier balance sheet to ensure maximum strategic and operational flexibility

