

REFINITIV

DELTA REPORT

10-Q

LEVI - LEVI STRAUSS & CO

10-Q - MAY 26, 2024 COMPARED TO 10-Q - FEBRUARY 25, 2024

The following comparison report has been automatically generated

TOTAL DELTAS 1310

█ CHANGES 293

█ DELETIONS 449

█ ADDITIONS 568

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended **February 25, 2024** **May 26, 2024**

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: 001-06631

LEVI STRAUSS & CO.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

94-0905160

(State or Other Jurisdiction of
Incorporation or Organization)

(I.R.S. Employer
Identification No.)

1155 Battery Street, San Francisco, California 94111

(Address of Principal Executive Offices) (Zip Code)

(415) 501-6000

(Registrant's Telephone Number, Including Area Code)

None

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of each class

Trading symbol(s)

Name of each exchange on which registered

Class A Common Stock, \$0.001 par value per share

LEVI

New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definition of "Large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Emerging growth company

Non-accelerated filer

Smaller reporting company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

As of **March 27, 2024** **June 18, 2024**, the registrant had **103,348,841** **105,137,324** shares of Class A common stock, \$0.001 par value per share and **294,680,391** **292,365,765** shares of Class B common stock, \$0.001 par value per share, outstanding.

LEVI STRAUSS & CO. AND SUBSIDIARIES

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WHERE YOU CAN FIND MORE INFORMATION

Investors and others should note that we announce material financial information to our investors using our corporate website, press releases, SEC filings and public conference calls and webcasts. We also use these channels and social media channels as a means of disclosing information about our company, products, planned financial and other announcements, attendance at upcoming investor and industry conferences and other matters, as well as for complying with our disclosure obligations under Regulation FD promulgated under the Securities Exchange Act of 1934, as amended. Our corporate website and social media channels can be found at:

- our Investor Relations page (<http://investors.levistrauss.com>);
- our Twitter account (<https://twitter.com/LeviStraussCo>);
- our company blog (<https://www.levistrauss.com/unzipped-blog/>);
- our Facebook page (<https://www.facebook.com/levistraussco/>);
- our LinkedIn page (<https://www.linkedin.com/company/levi-strauss-&-co->);
- our Instagram page (<https://www.instagram.com/levistraussco/>); and
- our YouTube channel (<https://www.youtube.com/user/levistraussvideo>).

The information we post through these channels may be deemed material. Accordingly, investors should monitor these channels in addition to following our press releases, SEC filings and public conference calls and webcasts. This list may be updated from time to time. The information we post through these channels is not a part of this Quarterly Report.

PART I — FINANCIAL INFORMATION

Item 1. CONSOLIDATED FINANCIAL STATEMENTS

LEVI STRAUSS & CO. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(Unaudited)

	February 25, 2024	February 25, 2024	February 25, 2024	February 26, 2024	November 26, 2023
ASSETS					
Current Assets:					
Cash and cash equivalents					
Cash and cash equivalents					
Cash and cash equivalents					
Trade receivables, net					
Trade receivables, net					
Trade receivables, net					
Inventories					
Other current assets					
Total current assets					
Property, plant and equipment, net					
Goodwill					
Other intangible assets, net					
Deferred tax assets, net					
Operating lease right-of-use assets, net					
Other non-current assets					
Total assets					
	LIABILITIES AND STOCKHOLDERS' EQUITY				
	LIABILITIES AND STOCKHOLDERS' EQUITY				
	LIABILITIES AND STOCKHOLDERS' EQUITY				

Current Liabilities:

Accounts payable	
Accounts payable	
Accounts payable	
Accrued salaries, wages and employee benefits	
Accrued sales returns and allowances	
Short-term operating lease liabilities	
Other accrued liabilities	
Total current liabilities	
Long-term debt	
Long-term operating lease liabilities	

Long-term operating lease liabilities	
Long-term operating lease liabilities	
Long-term employee related benefits and other liabilities	
Total liabilities	
Commitments and contingencies	
Commitments and contingencies	
Commitments and contingencies	
Stockholders' Equity:	
Stockholders' Equity:	
Stockholders' Equity:	
Common stock — \$0.001 par value; 1,200,000,000 Class A shares authorized, 102,412,794 shares and 102,104,670 shares issued and outstanding as of February 25, 2024 and November 26, 2023, respectively; and 422,000,000 Class B shares authorized, 295,616,438 shares and 295,243,353 shares issued and outstanding, as of February 25, 2024 and November 26, 2023, respectively	
Common stock — \$0.001 par value; 1,200,000,000 Class A shares authorized, 104,598,166 shares and 102,104,670 shares issued and outstanding as of May 26, 2024 and November 26, 2023, respectively; and 422,000,000 Class B shares authorized, 292,825,765 shares and 295,243,353 shares issued and outstanding, as of May 26, 2024 and November 26, 2023, respectively	
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Additional paid-in capital	
Retained earnings	
Accumulated other comprehensive loss	
Retained earnings	
Total stockholders' equity	
Total stockholders' equity	
Total stockholders' equity	
Total liabilities and stockholders' equity	

The accompanying notes are an integral part of these consolidated financial statements.

LEVI STRAUSS & CO. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

(Dollars in millions, except per share amounts)

(Unaudited)

(Dollars in millions, except per share amounts)

(Unaudited)

(Dollars in millions, except per share amounts)

(Unaudited)

Net revenues

Net revenues

Net revenues
Cost of goods sold
Cost of goods sold
Cost of goods sold
Gross profit
Gross profit
Gross profit
Selling, general and administrative expenses
Selling, general and administrative expenses
Selling, general and administrative expenses
Restructuring charges, net
Restructuring charges, net
Restructuring charges, net
Operating (loss) income
Operating (loss) income
Operating (loss) income
Operating income
Operating income
Operating income
Interest expense
Interest expense
Interest expense
Other expense, net
Other income (expense), net
Other expense, net
Other income (expense), net
Other expense, net
(Loss) income before income taxes
(Loss) income before income taxes
(Loss) income before income taxes
Other income (expense), net
Income (loss) before income taxes
Income (loss) before income taxes
Income (loss) before income taxes
Income tax (benefit) expense
Income tax (benefit) expense
Income tax (benefit) expense
Net (loss) income
Net (loss) income
Net (loss) income
Net income (loss)
Net income (loss)
Net income (loss)
(Loss) earnings per common share attributable to common stockholders:
Earnings (loss) per common share:
(Loss) earnings per common share attributable to common stockholders:
Earnings (loss) per common share:
(Loss) earnings per common share attributable to common stockholders:
Earnings (loss) per common share:
Basic
Basic
Basic
Diluted
Diluted

Diluted

Weighted-average common shares outstanding:

Weighted-average common shares outstanding:

Weighted-average common shares outstanding:

Basic

Basic

Basic

Diluted

Diluted

Diluted

The accompanying notes are an integral part of these consolidated financial statements.

LEVI STRAUSS & CO. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	Three Months Ended		Six Months Ended	
	May 26, 2024	May 28, 2023	May 26, 2024	May 28, 2023

(Dollars in millions)

(Unaudited)

(Dollars in millions)

(Unaudited)

(Dollars in millions)

(Unaudited)

Net (loss) income

Other comprehensive income (loss), before related income taxes:

Other comprehensive income (loss), before related income taxes:

Net income (loss)

Other comprehensive income (loss), before related income taxes:

Pension and postretirement benefits

Pension and postretirement benefits

Pension and postretirement benefits

Derivative instruments

Derivative instruments

Derivative instruments

Foreign currency translation (losses) gains

Foreign currency translation (losses) gains

Foreign currency translation (losses) gains

Foreign currency translation gains (losses)

Unrealized gains on marketable securities

Unrealized gains on marketable securities

Unrealized gains on marketable securities

Total other comprehensive income, before related income taxes

Total other comprehensive income, before related income taxes

Total other comprehensive income, before related income taxes

Income tax expense related to items of other comprehensive income (loss)

Income tax expense related to items of other comprehensive income (loss)

Income tax expense related to items of other comprehensive income (loss)

Comprehensive (loss) income, net of taxes
Comprehensive (loss) income, net of taxes
Comprehensive (loss) income, net of taxes
Total other comprehensive income (loss), before related income taxes
Income tax expense related to items of other comprehensive (loss) income
Comprehensive income (loss), net of taxes

The accompanying notes are an integral part of these consolidated financial statements.

LEVI STRAUSS & CO. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY													
Three Months Ended February 25, 2024			Three Months Ended February 25, 2024			Three Months Ended February 25, 2024							
Three Months Ended May 26, 2024			Three Months Ended May 26, 2024			Three Months Ended May 26, 2024							
Class A & Class B Common Stock (In Shares)	Class A & Class B Common Stock (In Shares)	Class A & Class B Common Stock (In Shares)	Class A Common Stock	Class A & Class B Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity	Class A & Class B Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
(Shares & Dollars in millions) (Unaudited)													
(Shares & Dollars in millions) (Unaudited)													
(Shares & Dollars in millions) (Unaudited)													
(Shares & Dollars in millions) (Unaudited)													
Balance at November 26, 2023													
Net loss													
Balance at February 25, 2024													
Net income													
Other comprehensive income, net of tax													
Stock-based compensation and dividends, net													
Employee stock purchase plan													
Repurchase of common stock													
Tax withholdings on equity awards													
Cash dividends declared (\$0.12 per share)													
Balance at February 25, 2024													
Balance at May 26, 2024													

	Three Months Ended February 26, 2023					Six Months Ended May 26, 2024				
	Three Months Ended February 26, 2023					Six Months Ended May 26, 2024				
	Three Months Ended February 26, 2023					Six Months Ended May 26, 2024				
	Class A & Class B Common Stock (In Shares)	Class A & Class B Common Stock (In Shares)	Class A & Class Common Stock (In Shares)							
	Class A & Class B Common Stock (In Shares)	Class A & Class Common Stock (In Shares)	Class A & Class Common Stock (In Shares)	Class A & Class Common Stock (In Shares)	Class A & Class Common Stock (In Shares)	Class A & Class Common Stock (In Shares)	Class A & Class Common Stock (In Shares)	Class A & Class Common Stock (In Shares)	Class A & Class Common Stock (In Shares)	Class A & Class Common Stock (In Shares)
Balance at November 27, 2022										
Net Income										
Balance at November 26, 2023										
Net income										
Other comprehensive income, net of tax										
Stock-based compensation and dividends, net										
Employee stock purchase plan										
Repurchase of common stock										
Tax withholdings on equity awards										
Cash dividends declared (\$0.12 per share)										
Balance at February 26, 2023										
Cash dividends declared (\$0.24 per share)										
Balance at May 26, 2024										

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Three Months Ended May 28, 2023						
Class A & Class B Common Stock (In Shares)	Class A & Class B Common Stock (In Shares)	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity	
(Shares & Dollars in millions) (Unaudited)						

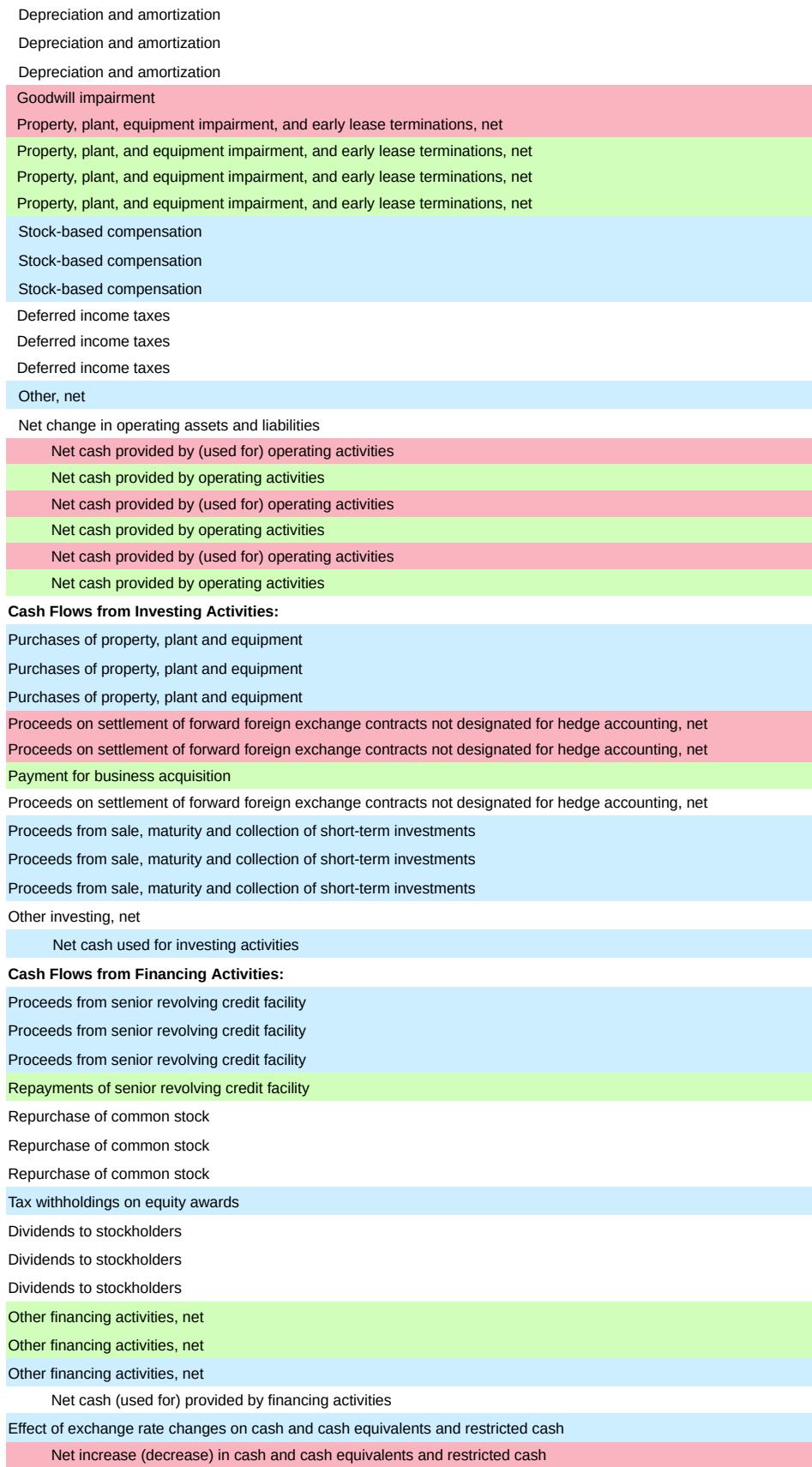
Balance at February 26, 2023	396.4	\$	0.4	\$	627.2	\$	1,758.4	\$	(418.5)	\$	1,967.5
Net loss	—		—		—		(1.6)		—		(1.6)
Other comprehensive loss, net of tax	—		—		—		—		(3.2)		(3.2)
Stock-based compensation and dividends, net	0.2		—		20.9		(0.1)		—		20.8
Employee stock purchase plan	0.1		—		2.2		—		—		2.2
Tax withholdings on equity awards	—		—		(0.4)		—		—		(0.4)
Cash dividends declared (\$0.12 per share)	—		—		—		(47.6)		—		(47.6)
Balance at May 28, 2023	396.7	\$	0.4	\$	649.9	\$	1,709.1	\$	(421.7)	\$	1,937.7

	Six Months Ended May 28, 2023										
	Class A & Class B Common Stock (In Shares)	Class A & Class B Common Stock		Additional Paid-In Capital		Retained Earnings		Accumulated Other Comprehensive Loss		Total Stockholders' Equity	
		(Shares & Dollars in millions) (Unaudited)									
Balance at November 27, 2022	393.7	\$	0.4	\$	625.6	\$	1,699.4	\$	(421.7)	\$	1,903.7
Net income	—		—		—		113.1		—		113.1
Stock-based compensation and dividends, net	3.2		—		38.5		(0.1)		—		38.4
Employee stock purchase plan	0.3		—		4.8		—		—		4.8
Repurchase of common stock	(0.5)		—		—		(8.1)		—		(8.1)
Tax withholdings on equity awards	—		—		(19.0)		—		—		(19.0)
Cash dividends declared (\$0.24 per share)	—		—		—		(95.2)		—		(95.2)
Balance at May 28, 2023	396.7	\$	0.4	\$	649.9	\$	1,709.1	\$	(421.7)	\$	1,937.7

The accompanying notes are an integral part of these consolidated financial statements.

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LEVI STRAUSS & CO. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CASH FLOWS									
	Three Months Ended			Six Months Ended			(Dollars in millions) (Unaudited)		
	February 25, 2024			February 26, 2023					
	May 26, 2024			May 28, 2023					
Cash Flows from Operating Activities:									
Net (loss) income									
Net (loss) income									
Net (loss) income									
Adjustments to reconcile net (loss) income to net cash provided by operating activities:									
Net income									
Net income									
Net income									
Adjustments to reconcile net income to net cash provided by operating activities:									



Net increase in cash and cash equivalents and restricted cash
Beginning cash and cash equivalents
Ending cash and cash equivalents
Noncash Investing Activity:
Noncash Investing Activity:
Noncash Investing Activity:
Property, plant and equipment acquired and not yet paid at end of period
Property, plant and equipment acquired and not yet paid at end of period
Property, plant and equipment acquired and not yet paid at end of period
Supplemental disclosure of cash flow information:
Supplemental disclosure of cash flow information:
Supplemental disclosure of cash flow information:
Cash paid for income taxes during the period, net of refunds
Cash paid for income taxes during the period, net of refunds
Cash paid for income taxes during the period, net of refunds

The accompanying notes are an integral part of these consolidated financial statements.

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LEVI STRAUSS & CO. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTERLY PERIOD ENDED FEBRUARY 25, MAY 26, 2024

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Levi Strauss & Co. (the "Company") is one of the world's largest brand-name apparel companies. The Company designs, markets and sells – directly or through third parties and licensees – products that include jeans, casual and dress pants, tops, shorts, skirts, dresses, jackets, activewear, footwear and related accessories for men, women and children around the world under the Levi's®, Signature by Levi Strauss & Co.™, Denizen®, Dockers® and Beyond Yoga® brands.

Basis of Presentation and Principles of Consolidation

The interim consolidated financial statements of the Company and its wholly-owned and majority-owned foreign and domestic subsidiaries, including the notes, have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission (the "SEC") applicable to interim period financial statements and do not include all of the information and disclosures required by generally accepted accounting principles in the United States ("U.S. GAAP") for complete financial statements. In the opinion of management, all adjustments necessary for a fair statement of the financial position and the results of operations for the periods presented have been included. The unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements of the Company for the year ended November 26, 2023, included in the Company's 2023 Annual Report on Form 10-K.

The unaudited consolidated financial statements include the accounts of the Company and its subsidiaries. All significant intercompany transactions have been eliminated. The results of operations for the three and six months ended February 25, 2024 May 26, 2024 may not be indicative of the results to be expected for any other interim period or the year ending December 1, 2024.

The Company's fiscal year ends on the Sunday that is closest to November 30 of that year, although the fiscal years of certain foreign subsidiaries end on November 30. Each quarter of both fiscal years 2024 and 2023 consists of 13 weeks, with the exception of the fourth quarter of 2024, which will consist of 14 weeks. All references to years and quarters relate to fiscal years and quarters rather than calendar years and quarters.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and the related notes to the consolidated financial statements. Estimates are based upon historical factors, current circumstances and the experience and judgment of the Company's management. Management evaluates its estimates and assumptions on an ongoing basis and may employ outside experts to assist in its evaluations. Changes in such estimates, based on more accurate future information, or different assumptions or conditions, may affect amounts reported in future periods.

Expofaro S.A.S Distributor Acquisition

In December 2023, the Company signed a purchase agreement to acquire all operating assets related to Levi's® brands from Expofaro S.A.S, the Company's former distributor in Colombia, for \$31.9 million in cash. This includes 40 Levi's® retail stores and one e-commerce site, distribution with the country's multi-brand retailers, and the logistical operations within these markets. The total fair value of assets acquired was \$31.9 million and include goodwill, inventory, intangible and fixed assets. The goodwill and definite-lived intangibles recognized as a result of the acquisition were \$15.9 million and \$10.3 million, respectively. The transaction closed in the second quarter of 2024.

Distribution Center Conversion

On May 24, 2024, the Company entered into an agreement with a third party logistics provider to manage all aspects of the Company's Dorsten, Germany distribution center. As of the second quarter of 2024, the Company received the first payment of \$77.9 million from the provider for use of the Company's warehouse equipment and technologies over the term of the agreement. The Company will maintain certain rights over the warehouse equipment and technologies and will retain the related equipment on the consolidated balance sheets. The upfront payment will be amortized as a reduction in the related distribution expenses over the expected term of the arrangement, which we expect to commence in the second half of the year. The upfront payment is recognized on the consolidated balance sheets in "Other accrued liabilities" and "Long-term employee

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LEVI STRAUSS & CO. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (continued)

FOR THE QUARTERLY PERIOD ENDED MAY 26, 2024

related benefits and other liabilities" and the proceeds are recorded as an operating activity in "Net change in operating assets and liabilities" on the consolidated statements of cash flows.

Long-Lived Assets

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may be impaired. Impairment losses are measured and recorded for the excess of carrying value over its fair value, estimated based on expected future cash flows and other quantitative and qualitative factors. Property, plant and equipment, net includes accumulated depreciation of \$1.3 billion \$1.4 billion and \$1.3 billion as of February 25, 2024 May 26, 2024 and November 26, 2023, respectively.

In

Supplier Finance Program

The Company adopted Accounting Standards Update No. 2022-04, *Liabilities - Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations* in the first quarter of 2023, the Company recorded \$18.6 million in charges primarily related to the impairment of capitalized internal-use software as a result of the decision to discontinue certain technology projects in connection with the restructuring initiative that began in the fourth quarter of 2022.

Supplier Finance Program 2024.

The Company offers a supplier financing program which enables the Company's suppliers, at their sole discretion, to sell their receivables (i.e., the Company's payment obligations to suppliers) to a financial institution on a non-recourse basis in order to be paid earlier than current payment terms provide.

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LEVI STRAUSS & CO. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (continued)

FOR THE QUARTERLY PERIOD ENDED FEBRUARY 25, 2024

The Company's obligations to its suppliers, including amounts due and scheduled payment dates, are not impacted by the supplier's participation in these arrangements. The Company's payment terms to the financial institutions, including the timing and amount of payments, are based on the original supplier invoices. Our current payment terms with a majority of our suppliers are typically 90 days. The Company has not pledged any assets and does not provide guarantees under the supplier finance program. As such, the outstanding payment obligations under the Company's supplier finance program are included within Accounts Payable in the Consolidated Balance Sheets.

The Company's outstanding payment obligations under this program were \$105.1 \$124.0 million as of February 25, 2024 May 26, 2024 and \$113.4 million as of November 26, 2023.

Share Repurchases

During the three and six months ended February 25, 2024 May 26, 2024, the Company repurchased 1.50.8 million and 2.3 million shares for \$24.9 \$17.0 million and \$41.9 million, plus broker's commissions, respectively, in the open market. This equates to an average repurchase price of approximately \$17.15 \$18.21 per share. share for the six months ended May 26, 2024. During the three six months ended February 26, 2023 May 28, 2023, the Company repurchased 0.5 million shares for \$8.1 million, plus broker's commissions, in the open market. market during the first quarter. This equates to an average repurchase price of approximately \$17.97 per share. During the second quarter of 2023, there were no shares repurchased.

The Company accounts for share repurchases by charging entirely to retained earnings the excess of the repurchase price over the repurchased Class A common stock's par value. All repurchased shares are retired and become authorized but unissued shares. The Company accrues for the shares purchased under the share repurchase plan based on the trade date. The Company may terminate or limit the share repurchase program at any time.

Reclassification

Certain amounts on the consolidated balance sheets, consolidated statements of operations and statements of cash flows have been conformed to the **February 25, 2024** **May 26, 2024** presentation.

Recently Issued Accounting Standards

In September 2022, the Financial Accounting Standards Board issued Accounting Standards Update No. 2022-04, *Liabilities - Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations*. This new guidance is designed to enhance transparency around supplier finance programs by requiring new disclosures that would allow a user of the financial statements to understand the program's nature, activity during the period, changes from period to period and potential magnitude. The guidance became effective for the Company in the first quarter of fiscal year 2024, with the exception of the rollforward information, which will be effective for annual periods beginning in fiscal year 2025 on a prospective basis. The Company adopted the guidance in the first quarter of 2024 and is evaluating the impact of adopting the guidance related to the rollforward information. See above for the Company's disclosures relating to the Company's supplier financing arrangements.

There have been no other developments to recently issued accounting standards, including the expected dates of adoption and estimated effects on the Company's consolidated financial statements and footnote disclosures, from those disclosed in the 2023 Annual Report on Form 10-K.

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LEVI STRAUSS & CO. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (continued)
FOR THE QUARTERLY PERIOD ENDED **FEBRUARY 25, MAY 26, 2024**

NOTE 2: FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table presents the Company's financial instruments that are carried at fair value:

	February 25, 2024		November 26, 2023		May 26, 2024		November 26, 2023		
	Fair Value Estimated Using		Fair Value Estimated Using		Fair Value Estimated Using		Fair Value Estimated Using		
	Fair Value	Level 1 Inputs ⁽¹⁾	Level 2 Inputs ⁽²⁾	Fair Value	Level 1 Inputs ⁽¹⁾	Level 2 Inputs ⁽²⁾	Fair Value	Level 1 Inputs ⁽¹⁾	
(Dollars in millions)					(Dollars in millions)				
Financial assets carried at fair value									
Rabbi trust assets									
Rabbi trust assets									
Rabbi trust assets									
Derivative instruments ⁽³⁾									
Derivative instruments ⁽³⁾									
Derivative instruments ⁽³⁾									
Total									
Financial liabilities carried at fair value									
Derivative instruments ⁽³⁾									
Derivative instruments ⁽³⁾									
Derivative instruments ⁽³⁾									
Total									

(1) Fair values estimated using Level 1 inputs are inputs that consist of quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date. Rabbi trust assets consist of marketable equity securities.

(2) Fair values estimated using Level 2 inputs are inputs, other than quoted prices, that are observable for the asset or liability, either directly or indirectly, and include among other things, quoted prices for similar assets or liabilities in markets that are active or inactive as well as inputs other than quoted prices that are observable. For forward foreign exchange contracts, inputs include foreign currency exchange and interest rates and, where

applicable, credit default swap prices.

(3) The Company's cash flow hedges are subject to International Swaps and Derivatives Association, Inc. master agreements. These agreements permit the net settlement of these contracts on a per-institution basis. Refer to Note 3 for more information.

The following table presents the carrying value, including related accrued interest, and estimated fair value of the Company's financial instruments that are carried at adjusted historical cost:

	February 25, 2024		November 26, 2023		May 26, 2024		November 26, 2023	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
	(Dollars in millions)				(Dollars in millions)			
Financial liabilities carried at adjusted historical cost								
3.375% senior notes due 2027 ⁽¹⁾								
3.375% senior notes due 2027 ⁽¹⁾								
3.375% senior notes due 2027 ⁽¹⁾								
3.50% senior notes due 2031 ⁽¹⁾								
Short-term borrowings								
Total								

(1) Fair values are estimated using Level 2 inputs and incorporate mid-market price quotes. Level 2 inputs are inputs other than quoted prices, that are observable for the liability, either directly or indirectly and include among other things, quoted prices for similar liabilities in markets that are active or inactive as well as inputs other than quoted prices that are observable.

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LEVI STRAUSS & CO. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (continued)

FOR THE QUARTERLY PERIOD ENDED **FEbruary 25, MAY 26, 2024**

NOTE 3: DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

As of **February 25, 2024** **May 26, 2024**, the Company had forward foreign exchange contracts derivatives to buy \$663.6 million \$630.4 million and to sell \$506.7 million \$535.7 million in various foreign currencies. These contracts are at various exchange rates and expire at various dates through **February** **May** 2025.

The table below provides data about the carrying values of derivative and non-derivative instruments:

	February 25, 2024		November 26, 2023		May 26, 2024		November 26, 2023	
	Assets (Liabilities)	Derivative Net Carrying Value	Assets	(Liabilities)	Derivative Net Carrying Value	Assets (Liabilities)	Derivative Net Carrying Value	Assets (Liabilities)
	(Dollars in millions)				(Dollars in millions)			
Derivatives designated as hedging instruments								
Foreign exchange risk cash flow hedges ⁽¹⁾								
Foreign exchange risk cash flow hedges ⁽¹⁾								
Foreign exchange risk cash flow hedges ⁽¹⁾								
Foreign exchange risk cash flow hedges ⁽²⁾								
Total								
Derivatives not designated as hedging instruments								
Derivatives not designated as hedging instruments								
Derivatives not designated as hedging instruments								
Forward foreign exchange contracts ⁽¹⁾								
Forward foreign exchange contracts ⁽¹⁾								

Forward foreign exchange contracts ⁽¹⁾
Forward foreign exchange contracts ⁽²⁾
Total
Non-derivatives designated as hedging instruments
Non-derivatives designated as hedging instruments
Non-derivatives designated as hedging instruments
Euro senior notes
Euro senior notes
Euro senior notes

(1) Included in "Other current assets" or "Other non-current assets" on the Company's consolidated balance sheets.

(2) Included in "Other accrued liabilities" or "Long-term employee related benefits and other liabilities" on the Company's consolidated balance sheets.

The Company's over-the-counter forward foreign exchange contracts are subject to International Swaps and Derivatives Association, Inc. master agreements. These agreements permit the net settlement of these contracts on a per-institution basis; however, the Company records the fair value on a gross basis on its consolidated balance sheets based on maturity dates, including those subject to master netting arrangements. The table below presents the gross and net amounts of these contracts recognized on the Company's consolidated balance sheets by type of financial instrument:

		February 25, 2024				February 25, 2024				November 26, 2023				November 26, 2023			
		February 25, 2024		May 26, 2024		May 26, 2024		May 26, 2024		November 26, 2023							
		Gross	Gross	Gross	Gross	Gross	Gross	Gross	Gross	Gross	Gross	Gross	Gross	Gross	Gross	Gross	
Amounts of	Amounts of	Amounts of	Amounts of	Amounts of	Amounts of	Amounts of	Amounts of	Amounts of	Amounts of	Amounts of	Amounts of	Amounts of	Amounts of	Amounts of	Amounts of	Amounts of	
Assets /	Assets /	Assets /	Assets /	Assets /	Assets /	Assets /	Assets /	Assets /	Assets /	Assets /	Assets /	Assets /	Assets /	Assets /	Assets /	Assets /	
(Liabilities)	(Liabilities)	(Liabilities)	(Liabilities)	(Liabilities)	(Liabilities)	(Liabilities)	(Liabilities)	(Liabilities)	(Liabilities)	(Liabilities)	(Liabilities)	(Liabilities)	(Liabilities)	(Liabilities)	(Liabilities)	(Liabilities)	
Presented in	Presented in	Presented in	Presented in	Presented in	Presented in	Presented in	Presented in	Presented in	Presented in	Presented in	Presented in	Presented in	Presented in	Presented in	Presented in	Presented in	
the Balance	the Balance	the Balance	the Balance	the Balance	the Balance	the Balance	the Balance	the Balance	the Balance	the Balance	the Balance	the Balance	the Balance	the Balance	the Balance	the Balance	
Sheet	Sheet	Sheet	Sheet	Sheet	Sheet	Sheet	Sheet	Sheet	Sheet	Sheet	Sheet	Sheet	Sheet	Sheet	Sheet	Sheet	
(Dollars in millions)																	
(Dollars in millions)																	
(Dollars in millions)																	

Foreign exchange risk contracts and forward foreign exchange contracts

Financial assets
Financial assets
Financial assets
Financial liabilities
Total

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LEVI STRAUSS & CO. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (continued)

FOR THE QUARTERLY PERIOD ENDED **FEbruary 25, May 26, 2024**

The table below provides data about the amount of gains and losses related to derivative instruments and non-derivative instruments designated as cash flow and net investment hedges included in "Accumulated other comprehensive loss" ("AOCL") on the Company's consolidated balance sheets, and in "Other expense, net" in the Company's consolidated statements of operations:

	Amount of (Loss) Gain			(Dollars in millions)	
	Amount of (Loss) Gain Recognized in AOCL (Effective Portion)				
	As of February 25, May 26, 2024	As of November 26, 2023	Three Months Ended February 25, May 26, 2024		
Foreign exchange risk contracts	\$ (5.0)	\$ (15.0)	\$ (11.3)	6.6	
Realized forward foreign exchange swaps ⁽²⁾	4.6	4.6	—	—	
Yen-denominated Eurobonds	(19.8)	(19.8)	—	—	
Euro-denominated senior notes	(27.0)	(26.6)	(30.8)	—	
Cumulative income taxes	16.9	16.0	19.0	—	
Total	\$ (30.3)	\$ (27.3)	\$ (42.0)		

(1) Amounts reclassified from AOCL were classified as net revenues or costs of goods sold on the consolidated statements of operations.

(2) Prior to and during 2005, 2006, the Company used foreign exchange currency swaps to hedge the net investment in its foreign operations. For hedges that qualified for hedge accounting, the net gains were included in AOCL.

There was no hedge ineffectiveness for the **three** **six** months ended **February 25, 2024** **May 26, 2024**. Within the next 12 months, a **\$5.9 million** **\$0.9 million** loss from cash flow hedges is expected.

The table below presents the effects of the Company's cash flow hedges of foreign exchange risk contracts on the consolidated statements of operations:

	Three Months Ended February 25, 2024	Three Months Ended February 25, 2024	Three Months Ended February 25, 2024	May 26, 2024
	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	

Amount of (Loss) Gain on Cash Flow Hedge Activity

Net revenues	12
Net revenues	13
Net revenues	12
Cost of goods sold	12
Cost of goods sold	13
Cost of goods sold	12
	12 13

LEVI STRAUSS & CO. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (continued) FOR THE QUARTERLY PERIOD ENDED FEBRUARY 25, **MAY 26, 2024**

The table below provides data about the amount of gains and losses related to derivatives instruments included in "Other expense, net" in the Company's consolidated statements of operations.

Three Months Ended

	May 26, 2024	May 28, 2023
(Dollars in millions)		
Realized gain ⁽¹⁾		
Unrealized loss		
Unrealized loss		
Unrealized loss		
Total		
Total		
Total		

(1) Realized gains related to derivatives instruments were classified as Other, net on the Company's consolidated statements of cash flows.

NOTE 4: OTHER ACCRUED LIABILITIES

The following table presents the Company's other accrued liabilities:

	F
(Dollars in millions)	
Other accrued liabilities	
Accrued non-trade payables	
Accrued non-trade payables	
Accrued non-trade payables	
Restructuring liabilities	
Accrued advertising and promotion	
Taxes other than income taxes payable	
Accrued property, plant and equipment	
Accrued income taxes	
Accrued advertising and promotion	
Accrued property, plant and equipment	
Fair value derivatives	
Accrued rent	
Accrued interest payable	
Accrued rent	
Fair value derivatives	
Short-term debt	
Other	
Total other accrued liabilities	
	1314

<p>LEVI STRAUSS & CO. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (continued) FOR THE QUARTERLY PERIOD ENDED FEBRUARY 25, MAY 26, 2024</p>
NOTE 5: DEBT

The following table presents the Company's debt:

	February 25, 2024	May 26, 2024	(Dollars in millions)
Long-term debt			
3.375% senior notes due 2027			
3.375% senior notes due 2027			
3.375% senior notes due 2027			
3.50% senior notes due 2031			
Total long-term debt			
Short-term debt			
Short-term borrowings			
Short-term borrowings			
Short-term borrowings			
Total debt			
Total debt			
Total debt			

Senior Revolving Credit Facility

As of February 25, 2024 May 26, 2024, the Company had no borrowings under the Credit Facility. The Company's unused availability under the Credit Facility was \$933 million \$809.3 million was reduced by \$17.2 million \$18.1 million of letters of credit and other credit usage allocated under the Credit Facility.

Interest Rates on Borrowings

The Company's weighted-average interest rate on average borrowings outstanding during the three and six months ended February 25, 2024 May 26, 2024 was 3.91% 4.06% a period of 2023.

NOTE 6: RESTRUCTURING ACTIVITIES

In the first quarter of 2024, our Board of Directors (the "Board") approved a multi-year global productivity initiative, "Project Fuel", designed to optimize accelerate the execution growth. The first phase of the global productivity initiative occurred in the first half of 2024. The two-year initiative is expected to continue through the end of 2025. As this initiative pr a future fiscal quarter or year.

During the three-month period and six-month periods ended February 25, 2024 May 26, 2024, we recognized restructuring charges of \$116.2 \$55.1 million and \$171.3 million, re benefit charges. As of May 26, 2024, the Company recorded \$154.0 million in restructuring liabilities. The liabilities and charges are included in "Other accrued liabilities" and "Lo sheet and selling, general, and administrative expenses ("SG&A")" "Restructuring charges, net" in the Company's consolidated statements of operations.

The Company also recognized \$10.1 million of restructuring related charges, primarily consulting fees, and \$5.5 million in goodwill impairment charges related to our footwear SG&A in the accompanying consolidated statements of operations.

For the three-month period and six-month periods ended February 26, 2023 May 28, 2023, the Company recognized net restructuring charges of \$11.4 million \$6.5 million and benefits provided by Company policy or statutory benefit plans. The plans as well as contract termination costs. During the six-month period ended May 28, 2023, the Company als software, as a result of the decision to discontinue certain technology projects. The impairment Both charges were recorded in SG&A "Restructuring charges, net" in the accompanyin

NOTE 7: COMMITMENTS AND CONTINGENCIES

Forward Foreign Exchange Contracts The following tables summarize the activities associated with restructuring liabilities for the three-month and six-month period restructuring activity as well as revisions of estimates related to severance and employee-related benefits and other, "Payments" consists of cash payments for se includes foreign currency fluctuations.

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LEVI STRAUSS & CO. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (continued)
FOR THE QUARTERLY PERIOD ENDED FEBRUARY 25, MAY 26, 2024

	Liabilities		Net Charges (Reversals)		Three Months Ended May 26, 2024
	February 25, 2024				
Severance and employee-related benefits	\$	123.0	\$	32.6	\$
Contract termination costs and other		—		22.5	
Total	\$	123.0	\$	55.1	\$

	Liabilities		Net Charges (Reversals)		Six Months Ended May 26, 2024
	November 26, 2023				
Severance and employee-related benefits	\$	17.8	\$	146.0	\$
Contract termination costs and other		0.2		22.5	
Total	\$	18.0	\$	168.5	\$

(1) Excludes \$2.0 million in stock compensation related charge recorded in Additional paid-in capital and \$0.8 million in operating lease termination for the six-month period ended May 26, 2024.

NOTE 7: COMMITMENTS AND CONTINGENCIES

Forward Foreign Exchange Contracts

The Company uses cash flow hedge derivative instruments to manage its exposure to foreign currencies. The Company is exposed to credit loss in the event of nonperformance of these instruments. The Company believes that its exposures are appropriately diversified across counterparties and that these counterparties are creditworthy financial institutions. See Note 3 for additional information.

Other Contingencies

Litigation. In the ordinary course of business, the Company has various claims, complaints and pending cases, including contractual matters, facility and employee bankruptcy preference matters, and tax and administrative matters. The Company establishes loss provisions for these ordinary course claims as well as other matters in which loss is probable. Pending claims, complaints and legal proceedings will have a material impact on its financial condition, results of operations or cash flows.

Customs Duty Audits. The Company imports both raw materials and finished garments into all of its geographic regions and, as such, is subject to numerous countries' complex customs regulations. The Company is subject to various pending audit assessments in connection with these activities. As of February 25, 2024 May 26, 2024, the Company has recorded certain reserves for these matters which will have a material impact on its financial condition, results of operations or cash flows.

NOTE 8: DIVIDENDS

Dividends are declared at the discretion of the Board. In January and April for both 2024 and 2023, the Company declared cash dividends, each \$0.12 per share, to holders of record of the Company's common stock. As of February 25, 2024 May 26, 2024, dividends were paid in the amount of \$47.9 million \$47.7 million and \$95.6 million, respectively, compared to \$47.6 million and \$95.2 million, respectively.

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LEVI STRAUSS & CO. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (continued)

FOR THE QUARTERLY PERIOD ENDED MAY 26, 2024

The Company does not have an established dividend policy. The Board reviews the Company's ability to pay dividends on an ongoing basis and establishes the dividend amount based on current and projected cash flows and other factors, and any restrictions related to the terms of the Company's debt agreements.

Subsequent to the Company's quarter end, a cash dividend of \$0.12 \$0.13 per share was declared to holders of record of its Class A and Class B common stock at the close of business on August 20, 2024, for a total quarterly dividend of approximately \$48 \$52 million.

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LEVI STRAUSS & CO. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (continued)
FOR THE QUARTERLY PERIOD ENDED FEBRUARY 25, MAY 26, 2024

NOTE 9: ACCUMULATED OTHER COMPREHENSIVE LOSS

The following is a summary of the components of "Accumulated other comprehensive loss," net of related income taxes:

	Pension and Postretirement Benefits ⁽¹⁾	Derivative Instrumen	Trans
Accumulated other comprehensive loss at November 26, 2023	\$ (153.2)	\$	
Other comprehensive income (loss) before reclassifications	(0.5)		
Amounts reclassified from accumulated other comprehensive loss	2.0		
Net increase (decrease) in other comprehensive income (loss)	1.5		
Accumulated other comprehensive loss at February 25, 2024	\$ (151.7)	\$	

	Pension and Postretirement Benefits ⁽¹⁾	Derivative Instrumen	Trans
Accumulated other comprehensive loss at February 25, 2024	\$ (151.7)	\$	
Other comprehensive income (loss) before reclassifications	(0.9)		
Amounts reclassified from accumulated other comprehensive loss	2.4		
Net increase (decrease) in other comprehensive income (loss)	1.5		
Accumulated other comprehensive loss at May 26, 2024	\$ (150.2)	\$	

	Pension and Postretirement Benefits ⁽¹⁾	Derivative Instrumen	Trans
Accumulated other comprehensive loss at November 26, 2023	\$ (153.2)	\$	
Other comprehensive (loss) income before reclassifications	(1.4)		
Amounts reclassified from accumulated other comprehensive (loss) income	4.4		
Net increase (decrease) in other comprehensive (loss) income	3.0		
Accumulated other comprehensive loss at May 26, 2024	\$ (150.2)	\$	

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(1) Amounts reclassified were recorded in other expense, net.

(2) Amounts reclassified were recorded within net revenues and cost of goods sold. For more information, refer to Note 3.

Accumulated other comprehensive loss at November 27, 2022

\$	(179.5)	\$
	(0.5)	
	2.3	
	1.8	
\$	(177.7)	\$

Accumulated other comprehensive loss at February 26, 2023

(1) Amounts reclassified were recorded in other expense, net.
 (2) Amounts reclassified were recorded within net revenues and cost of goods sold. For more information, refer to Note 3.

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LEVI STRAUSS & CO. AND SUBSIDIARIES**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (continued)**
FOR THE QUARTERLY PERIOD ENDED MAY 26, 2024**Accumulated other comprehensive loss at February 26, 2023**

		Trans:
	Pension and Postretirement Benefits ⁽¹⁾	Derivative Instruments
\$	(177.7)	\$
	(0.6)	
	2.3	
	1.7	
\$	(176.0)	\$

Accumulated other comprehensive loss at May 28, 2023**Accumulated other comprehensive loss at November 27, 2022**

		Trans:
	Pension and Postretirement Benefits ⁽¹⁾	Derivative Instruments
\$	(179.5)	\$
	(1.1)	
	4.6	
	3.5	
\$	(176.0)	\$

Accumulated other comprehensive loss at May 28, 2023

(1) Amounts reclassified were recorded in other expense, net.
 (2) Amounts reclassified were recorded within net revenues and cost of goods sold. For more information, refer to Note 3.

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LEVI STRAUSS & CO. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (continued)
FOR THE QUARTERLY PERIOD ENDED FEBRUARY 25, MAY 26, 2024

NOTE 10: NET REVENUES

Disaggregated Revenue

The table below provides the Company's revenues disaggregated by segment and channel.

Three Months Ended February 25, 2024

Levi's Brands				
Americas				
Americas				
Americas	Europe	Asia	Other Brands	Total
(Dollars in millions)	(Dollars in millions)	(Dollars in millions)		

Net revenues by channel:

Wholesale
Wholesale
Wholesale
Direct-to-consumer
Total net revenues

Levi's Brands	
Americas	Europe
\$ 839.5	\$ 359.6
608.5	417.6
\$ 1,448.0	\$ 777.2

Three Months Ended February 26, 2023

Levi's Brands				
Americas				
Americas				
Americas	Europe	Asia	Other Brands	Total
(Dollars in millions)	(Dollars in millions)	(Dollars in millions)		

Net revenues by channel:

Wholesale
Wholesale
Wholesale
Direct-to-consumer
Total net revenues

Levi's Brands	
Americas	Europe

	Americas	Europe
Net revenues by channel:		
Wholesale	\$ 897.3	\$ 416.6
Direct-to-consumer	534.6	399.8
Total net revenues	\$ 1,431.9	\$ 816.4

The Company did not have any material contract assets or contract liabilities recorded in the consolidated balance sheets as of February 25, 2024, May 26, 2024 and November 25, 2023.

NOTE 11: INCOME TAXES

The Company's effective income tax rate was 16.4% for the three months ended February 25, 2024, compared to 17.6% for the same prior-year period. The decrease in the effective income tax rate was primarily due to favorable resolution of state audit in the current year and the inclusion of discrete tax benefits recognized on \$7.2 million of loss before income tax in the prior year.

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LEVI STRAUSS & CO. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (continued)
FOR THE QUARTERLY PERIOD ENDED FEBRUARY 25, MAY 26, 2024

NOTE 11: INCOME TAXES

The Company's effective income tax rate was (49.4)% for the three months ended May 26, 2024, compared to 78.4% for the same prior-year period. The decrease in the effective income tax rate was primarily due to favorable resolution of state audit in the current year and the inclusion of discrete tax benefits recognized on \$7.2 million of loss before income tax in the prior year.

The Company's effective income tax rate was 1,126.3% for the six months ended May 26, 2024, compared to 14.3% for the same prior-year period. The increase in the effective income tax rate was primarily due to unfavorable resolution of state audit in the current year.

NOTE 12: EARNINGS (LOSS) EARNINGS PER SHARE ATTRIBUTABLE TO COMMON STOCKHOLDERS

The following table sets forth the computation of the Company's basic and diluted earnings (loss) earnings per share:

	(Dollars in millions)
Numerator:	
Net (loss) income	
Net (loss) income	
Net (loss) income	
Denominator:	
Denominator:	
Net income (loss)	
Net income (loss)	
Net income (loss)	
Denominator:	
Weighted-average common shares outstanding - basic	
Weighted-average common shares outstanding - basic	
Weighted-average common shares outstanding - basic	
Dilutive effect of stock awards	
Dilutive effect of stock awards	

Dilutive effect of stock awards
 Weighted-average common shares outstanding - diluted
 Weighted-average common shares outstanding - diluted
 Weighted-average common shares outstanding - diluted
 (Loss) earnings per common share attributable to common stockholders:
 (Loss) earnings per common share attributable to common stockholders:
 (Loss) earnings per common share attributable to common stockholders:

Earnings (loss) per common share:

Basic
 Basic
 Basic
 Diluted
 Diluted
 Diluted

Anti-dilutive securities excluded from calculation of diluted (loss) earnings per share attributable to common stockholders
 Anti-dilutive securities excluded from calculation of diluted (loss) earnings per share attributable to common stockholders
 Anti-dilutive securities excluded from calculation of diluted (loss) earnings per share attributable to common stockholders
 Anti-dilutive securities excluded from calculation of diluted earnings (loss) per share

Diluted net (loss) earnings loss per common share attributable to the Company for the three months ended **February 25, 2024** **May 28, 2023** excluded all potentially dilutive securities that would have been anti-dilutive. Potentially dilutive securities excluded from the calculation of diluted (loss) earnings loss per common share were **\$15.9** **\$16.1** million shares for the three months ended **February 25, 2024** **May 28, 2023**

NOTE 13: RELATED PARTIES

Michelle Gass (President and CEO), Tracy Layney (Executive Vice President and Chief Human Resources Officer) and David Jedrzejek (Senior Vice President and General Counsel) are officers and directors of our consolidated entities. Mr. David Jedrzejek also serves as a Vice President of the Levi Strauss Foundation. Ms. Gass, Ms. Layney and Mr. Jedrzejek began serving on the Board of Directors on September 26, 2023, respectively. Charles V. Bergh, former President and Chief Executive Officer, was a member of the board of directors of the Levi Strauss Foundation until January 26, 2024. The Company donated \$0.5 million in February 26, 2023, donations \$5.3 million, respectively, to the Levi Strauss Foundation were \$4.8 as compared to \$0.5 million and \$9.8 \$10.3 million in February 26, 2024, the Company recognized expenses related to their donation commitments of \$2.0 \$2.2 million and \$1.5 \$4.2 million, respectively, as compared to \$3.4 million and \$1.5 million, respectively, in February 26, 2023.

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LEVI STRAUSS & CO. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (continued)
FOR THE QUARTERLY PERIOD ENDED FEBRUARY 25, MAY 26, 2024

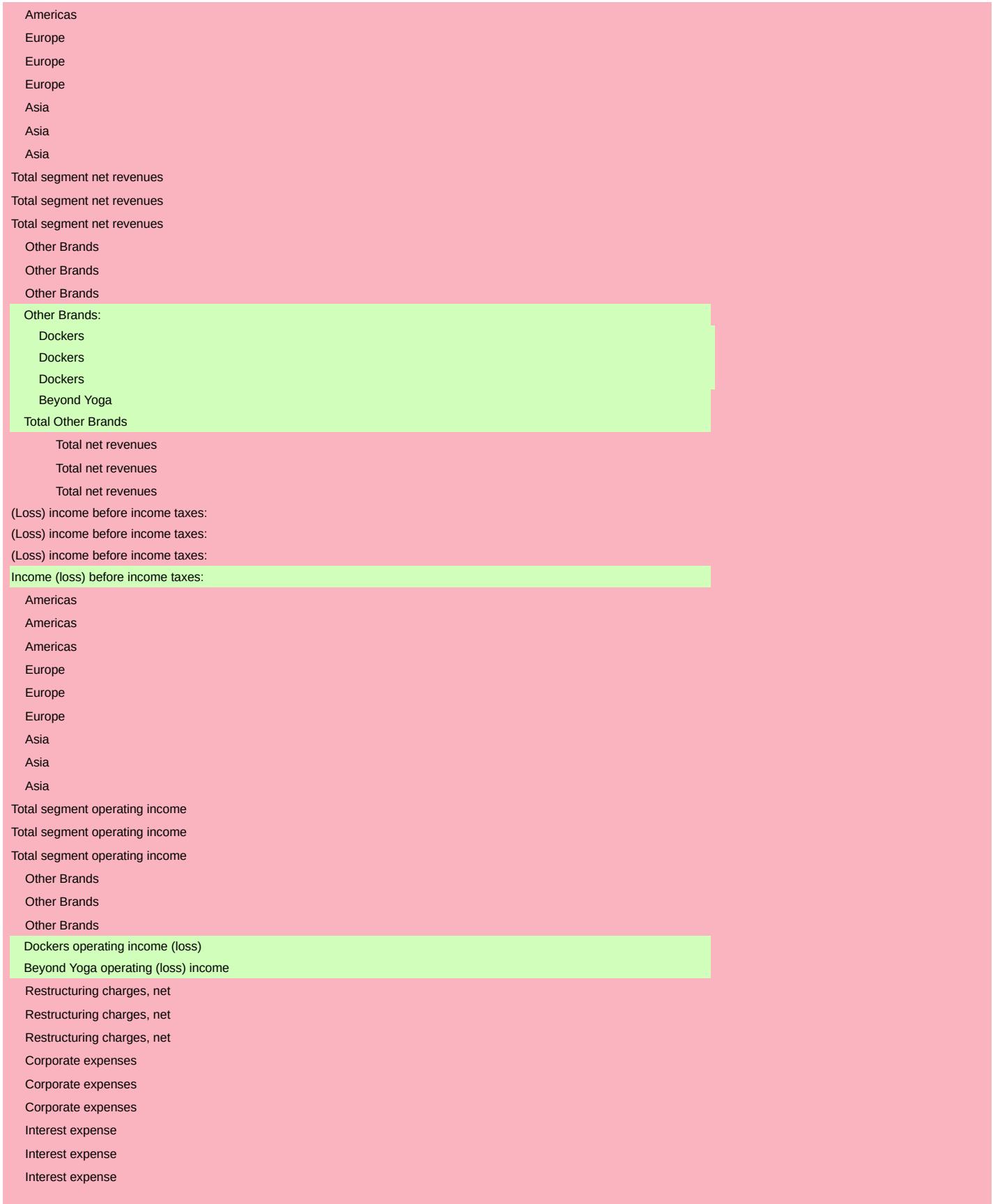
NOTE 14: BUSINESS SEGMENT INFORMATION

The Company manages its business according to three reportable segments: Americas, Europe, and Asia, collectively comprising the Company's Levi's Brands business, which include The Dockers® and Beyond Yoga® businesses. These businesses do not separately meet the quantitative thresholds for reportable segments and therefore are presented under the caption "Other Brands". The Company's other businesses are disclosed as separate lines under the caption "Other Brands" to increase transparency of performance. Prior periods were adjusted to reflect the change. Corporate expenses are not attributed to any of our operating segments and these expenses primarily relate to corporate administration, information and technology resources, finance and human resources functions.

The Company considers its chief executive officer to be the Company's chief operating decision maker. The Company's chief operating decision maker manages business operations and operating income.

Business segment information for the Company is as follows:

	Three Months Ended
	May 26, 2024
	(Dollars in millions)
Net revenues:	
Americas	
Americas	



Other expense, net
Other expense, net
Other expense, net
(Loss) income before income taxes
(Loss) income before income taxes
(Loss) income before income taxes
Income (loss) before income taxes

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LEVI STRAUSS & CO. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (continued)
FOR THE QUARTERLY PERIOD ENDED FEBRUARY 25, 2024

NOTE 15: SUBSEQUENT EVENTS

In December 2023, the Company signed a purchase agreement to acquire all operating assets related to Levi's® brands from the Company's former distributor in Colombia, for one e-commerce site, distribution with the region's leading multi-brand retailers, and the logistical operations within these markets. The transaction closed in the second quarter of 2024.

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Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our unaudited consolidated financial statements and related notes in our Annual Report on Form 10-K for the year ended November 26, 2023, filed with the Securities and Exchange Commission on January 25, 2024, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. See "Special Note Regarding and Important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements. We use a 52- or 53-week fiscal year. References to 2023 and 2024 below in this section are references to our fiscal years ending in November 2023 and December 2024, respectively. See "Financial Information Presented."

This Management's Discussion and Analysis of Financial Condition and Results of Operations is designed to provide a reader of our financial statements with a narrative from certain other factors that may affect our future results.

To supplement our consolidated financial statements prepared and presented in accordance with generally accepted accounting principles in the United States ("GAAP"), we below, to provide investors with additional useful information about our financial performance, to enhance the overall understanding of our past performance and future prospects for financial and operational decision-making. We are presenting these non-GAAP financial measures to assist investors in seeing our financial performance from management's comparing our core financial performance over multiple periods with other companies in our industry.

However, non-GAAP financial measures have limitations in their usefulness to investors because they have no standardized meaning prescribed by GAAP and are not 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 statements prepared and presented in accordance with GAAP. For more information on our calculation of non-GAAP measures and reconciliations of these in accordance with GAAP, see "Non-GAAP Financial Measures."

Overview

We are an iconic American company with a rich history of profitable growth, quality, innovation and corporate citizenship. Our story began in San Francisco, California, in 1853 we design, market and sell products that include jeans, casual and dress pants, activewear, tops, shorts, skirts, dresses, jackets, footwear and related accessories for men, women Denizen® and Beyond Yoga® brands. We service consumers through our global infrastructure, developing, sourcing and marketing our products around the world.

We recognize wholesale revenue from sales of our products through third-party retailers such as department stores, specialty retailers, third-party e-commerce sites and franchise-to-consumer" or "DTC" through a variety of formats, including our own company-operated mainline and outlet stores, company-operated e-commerce sites and select shop-in-shop. On February 25, 2024, our products were sold in over 45,000 retail locations in more than 110 countries, including approximately 3,200 3,300 brand-dedicated stores and shop-in-shops located in 37 38 countries and approximately 550 company-operated shop-in-shops. The remainder of our brand-dedicated stores and shop-in-shops were operated by franchisees a

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Across all of our brands, pants – including jeans, casual pants, dress pants, shorts, skirts and activewear – represented 67% and 68% of our total units sold in the first three months of 2024 and 2023, respectively. Dresses and jumpsuits – represented 27% and 25% of our total units sold in the first three months of 2024 and 2023, respectively. The remainder of our products are footware, represented 9% and 7% of our total units sold in the first three months of 2024 and 2023. Women's products generated 36% and 35% of our net revenues in the first three months of 2024 and 2023, respectively. The remainder of our products, excluding jeans, accessories and footwear – represented 38% and 40% of our net revenues in the first three months of both 2024 and 2023, respectively.

Our Europe and Asia businesses, collectively, contributed 46% 44% of our net revenues in the first three six months of 2024, as compared to 44% 45% of our net revenues in and Asia segments, as well as Canada and Latin America from our Americas segment, was 59% and 56% 58% in the first three six months of both 2024 and 2023, respectively. 2024 first three six months of 2024 and 2023, respectively.

Our wholesale channel generated 52% and 58% 56% of our net revenues in the first three six months of 2024 and 2023, respectively. Sales to franchise partners, included as a months of both 2024 and 2023. Our DTC channel generated 48% and 42% 44% of our net revenues in the first three six months of 2024 and 2023, respectively, with sales through net revenues in the first three six months of 2024 and 2023, respectively, and 11% and 9% of total net revenues in the first three six months of 2024 and 2023, respectively.

Supply Chain

Disruption of container shipping traffic through the Red Sea and surrounding waterways are affecting transit times and shipping costs for goods manufactured in Asia and destined for Europe. The company is negotiating with shipping companies on the cost impacts to minimize impacts on the business.

Additionally, inflationary pressures, competition for, and price volatility of, resources throughout the supply chain persist. Trends such as these have resulted in higher product costs and raise product prices, which could have a negative impact on demand. We continue to pursue mitigation strategies and create new efficiencies in our global supply chain.

Effects of Inflation

Inflationary pressures have negatively impacted our revenue, operating margins and net income in both of the three-month and six-month periods ended February 25, 2024, increasing labor and product costs.

Project Fuel

In the first quarter of 2024, our Board of Directors (the "Board") approved a multi-year global productivity initiative, "Project Fuel", designed to accelerate the execution of our 1-year initiative beginning in 2024, with a focus on optimizing our operating model and structure, redesigning business processes and identifying opportunities to reduce costs and simplify our operations.

The first phase of the global productivity initiative occurred in the first half of 2024, resulting in the Company recognizing \$116.2 million \$171.3 million in restructuring charges distribution strategy from an owned and operated model to a mix of owned and third-party operated distribution centers, which will result in the sale, lease or transfer of certain distribution centers. We also recognized \$10.1 million \$15.3 million of restructuring related charges in selling, general, and administrative expenses ("SG&A") in the Company's consolidated statements of operations. These charges relate primarily to our footwear business as a result of the decision to discontinue the category. We may incur additional significant restructuring charges as we progress our global productivity initiative.

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Other Factors Affecting Our Business

We believe the other key business and marketplace factors that are impacting our business include the following:

- Inflation and other macroeconomic pressures in the U.S. and the global economy such as rising interest rates, energy prices and recession fears are creating a complex environment. A decline in consumer spending has had and may continue to have an adverse effect on our revenues, operating margins and net income. Challenges for inventory levels both with us and our customers, resulting in fewer full-priced sales and a more promotional environment. These trends historically have impacted and may continue to impact our revenues, operating margins and net income.
- Consumer expectations and related competitive pressures have increased and are expected to continue to increase relative to various aspects of our e-commerce business. We continue to invest in our online platforms, information systems, digital, data and AI capabilities, as well as in personnel to support the creation of a fully integrated digital ecosystem. We will successfully meet these expectations, which may impact our financial results.
- The diversification of our business model across geographies, channels, brands and categories affects our gross margin. For example, if our sales in higher gross margin business geographies, channels, brands and categories, we would expect a favorable impact to aggregate gross margin over time. Gross margin in our Europe business is focused on the value-conscious consumer, generally generate lower gross margin. DTC sales generally have higher gross margins than sales through third parties, although we continue to execute on our strategic framework to be DTC first, we expect to see greater impact on our gross margins. Enhancements to our existing product offering will positively impact our gross margin.
- Foreign currencies continue to be volatile. Significant fluctuations of the U.S. Dollar against various foreign currencies, including the Euro and Mexican Peso, may negatively impact our revenues, operating margins and net income.
- The current domestic and international political environment, including volatile trade relations, the conflict involving Russia and Ukraine, Russia-Ukraine war, the Israel-Hamas conflict and the war in Ukraine, has resulted in uncertainty surrounding the future state of the global economy. There is greater uncertainty with respect to potential changes in trade regulations, changes in tax laws and regulations, and other legislative changes. This environment has affected and may continue to affect production and distribution lead times, increasing our costs and potentially affecting our ability to meet customer demand, which may impact our product costs, and, if not mitigated, could have a material adverse effect on our business and results of operations.
- The Organization for Economic Cooperation and Development reached agreement among various countries to implement a minimum 15% tax rate on certain multinational companies in their tax laws and regulations based on the Pillar Two proposals. We are continuing to evaluate the impact of these proposed and enacted legislative changes as new guidance is issued. The changes will affect our effective tax rate, tax liabilities and cash tax. Given the numerous proposed tax law changes and the uncertainty regarding such proposed legislative changes, the impact on our financial results is currently unknown.

- As climate change evolves, we expect an increase in both the frequency and severity of seasonal and severe weather events, which may affect our consumer traffic and demand. Such events, such as droughts, heatwaves, floods, wildfires and winter storms could impact store traffic and conversion as the timing for seasonal products may be unpredictable. A products, such as cotton.
- There has been increased focus from our stakeholders, including consumers, employees and investors and regulatory organizations on corporate environmental, social and governance impacts of climate change and corporate statements, practices or products related to a variety of social issues. We expect that stakeholder expectations and actions will reflect these factors.

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issues and regulatory requirements will continue to evolve rapidly, which may negatively impact our financial results, and which may necessitate additional resources to manage.

- Wholesaler/retailer dynamics and wholesale channels remain challenged by mixed growth prospects due to increased competition from e-commerce shopping, pricing pressure and store closures. Retailers, including our top customers, have in the past and may in the future decide to consolidate, undergo restructurings or rationalize their stores, which could result in store closures.

These factors contribute to a global market environment of intense competition, constant product innovation and continuing cost pressure, and combine with the continuing evolution of consumer shopping behaviors to evaluate these factors as we develop and execute our strategies.

For additional information regarding these risks, as well as other risks we face, see the risk factors discussed in Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K.

Seasonality of Sales

We typically achieve our largest quarterly revenues in the fourth quarter. In fiscal year 2023, our net revenues in the first, second, third and fourth quarters represented 27%, 22%, 23% and 28% of our annual net revenues, respectively.

Our First Second Quarter 2024 Results

- Net revenues.** Consolidated net revenues decreased 7.8% on a reported basis and 7.7% 9.0% on a constant-currency basis compared to the first second quarter of 2023. The decrease was primarily driven by a \$100 million shift in wholesale shipments negatively impacting the second quarter of 2023 primarily as the result of the U.S. ERP implementation.
- Operating income.** We recognized consolidated operating income of \$21.9 million, compared to \$9.9 million in the second quarter of 2023. The decrease was primarily driven by the recognition of \$55.1 million in restructuring charges recognized in the first quarter of 2023, as well as lower net revenues. Operating margin was negative 0.03% 1.5%, in part due to the recognition of \$55.1 million in restructuring charges of \$116.2 million, and lower net revenues higher gross margin, partially offset by higher gross margin restructuring charges.
- Net income (loss) income.** We recognized consolidated net income of \$18.0 million, compared to a consolidated net loss of \$10.6 million, compared to net income of \$114.7 million in the first second quarter of 2023. The decrease was primarily driven by lower higher operating income described above.
- Adjusted EBIT.** Compared to the first second quarter of 2023, Adjusted EBIT decreased 24.1% increased 176.2% to \$140.7 million \$87.0 million from \$185.3 million \$31.5 million described above, partially offset by higher Adjusted SG&A expenses in the current year. As a result, Adjusted EBIT margin was 9.0% 6.0%, 200 360 basis points lower higher on a constant-currency basis.
- Adjusted net income.** Compared to the first second quarter of 2023, Adjusted net income decreased 23.9% increased to \$102.7 million \$66.2 million from \$134.9 million \$15.2 million.
- Diluted earnings (loss) per share.** We recognized a diluted (loss) earnings per share of \$(0.03), compared to first quarter of 2023 diluted earnings per share of \$0.29. \$0.04, compared to \$0.25 in the first second quarter of 2023.
- Adjusted diluted earnings per share.** Compared to the first second quarter of 2023, Adjusted diluted earnings per share decreased increased to \$0.26 \$0.16 from \$0.34, \$0.08, which unfavorably affected Adjusted diluted earnings per share by \$0.01.
- Inventory.** Compared to the first second quarter of 2023, inventory decreased 14% 7% on a dollar basis primarily due to planned inventory reduction. Additionally, the first second quarter of 2023, we shifted ownership of our inventory from our suppliers to take ownership of our inventory near the point of shipment rather than destination, which contributed approximately \$100 million \$156 million, or 7% 12% of growth.

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Our Year-to-Date 2024 Results

- Net revenues.** Consolidated net revenues decreased 0.9% on a reported basis and 0.4% on a constant-currency basis compared to the first six months of 2023. Net revenues were primarily driven by a shift in wholesale.
- Operating income.** Compared to the first six months of 2023, operating income decreased 87.1% to \$21.5 million from \$167.3 million due to the recognition of \$171.3 million in restructuring charges. As a result, operating margin was 0.7%, 480 basis points lower than the first six months of 2023.
- Net income.** Compared to the first six months of 2023, consolidated net income decreased to \$7.3 million from \$113.1 million, primarily driven by the decreased operating income.
- Adjusted EBIT.** Compared to the first six months of 2023, Adjusted EBIT increased 5.0% to \$227.7 million from \$216.8 million, primarily due to higher gross profit in the current year, 50 basis points higher than the first six months of 2023 on a reported basis and 50 basis points higher on a constant-currency basis.
- Adjusted net income.** Compared to the first six months of 2023, Adjusted net income increased 12.5% to \$168.7 million from \$150.0 million, primarily due to higher Adjusted net income.

- **Diluted earnings per share.** Compared to the first six months of 2023, diluted earnings per share decreased to \$0.02 from \$0.28, mainly due to the lower net income described.
- **Adjusted diluted earnings per share.** Compared to the first six months of 2023, Adjusted diluted earnings per share increased to \$0.42 from \$0.37, due to the higher Adjusted earnings per share.

For more information on non-GAAP financial measures, our calculation of Adjusted EBIT, Adjusted net income, and Adjusted diluted earnings per share and reconciliation calculated in accordance with GAAP, see “— Non-GAAP Financial Measures.”

Financial Information Presentation

Fiscal year. We use a 52- or 53- week fiscal year, with each fiscal year ending on the Sunday that is closest to November 30 of that year. Certain of our foreign subsidiary quarters, with each quarter ending on the Sunday that is closest to the last day of the last month of that quarter. Each quarter of fiscal years 2024 and 2023 consists of 13 weeks, except

Segments. Our Levi's Brands business, which includes Levi's®, Signature by Levi Strauss & Co.™ and Denizen® brands, is defined by geographical regions into three segments. The remaining brands, which are not included in the Levi's Brands business, are not separately and separately do not meet the quantitative thresholds of a reportable segment and are reported in our financial statements under the caption of “Other Brands.” Effectively, these brands are reported on separate lines under the caption “Other Brands” to increase transparency of performance.

Classification. Our classification of certain significant revenues and expenses reflects the following:

- Net revenues comprise net sales and licensing revenues. Net sales include sales of products to wholesale customers, including franchised stores, and direct sales to consumers and other third-party locations, as well as company-operated e-commerce sites. Net revenues are recorded net of discounts, allowances for estimated returns and retailer promotional allowances in connection with the manufacturing, advertising and distribution of trademarked products by third-party licensees, are earned and recognized as products are shipped.
- Cost of goods sold primarily comprises product costs, labor and related overhead, sourcing costs, inbound freight, internal transfers and the cost of operating our remaining manufacturing facilities. Cost of goods sold reflects the transactional currency impact resulting from the purchase of products in a currency other than the functional currency.

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- Selling expenses include, among other things, all occupancy costs and depreciation associated with our company-operated stores and commissions associated with our company-operated stores.
- We reflect substantially all distribution costs in SG&A, including costs related to receiving and inspection at distribution centers, warehousing, shipping to our customers, handling and delivery.

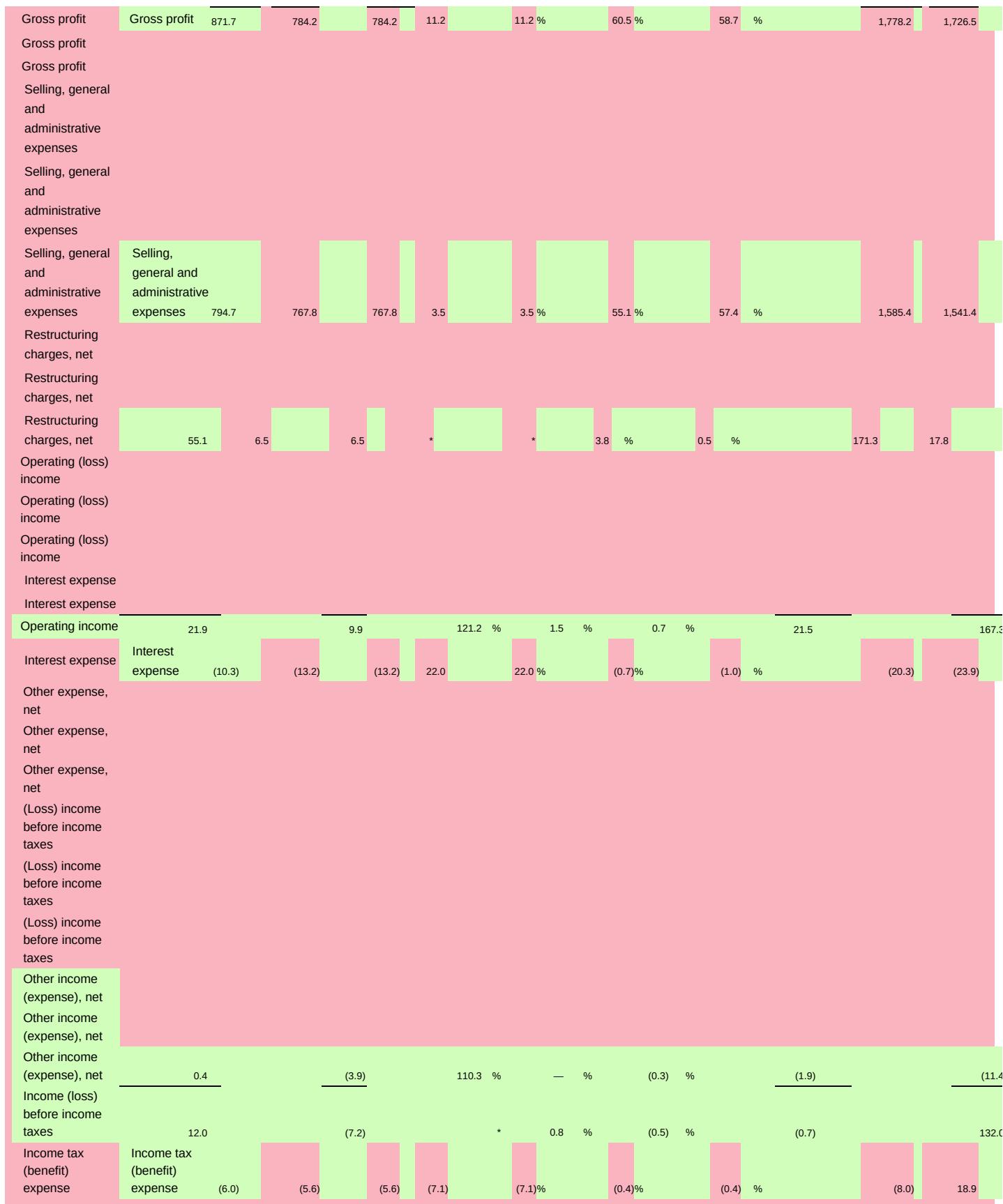
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Results of Operations

The following table presents, for the periods indicated, our consolidated statements of operations, the changes in these items from period to period and these items expressed in millions of dollars.

	Three Months Ended				Six Months Ended			
	May 26, 2024	May 28, 2023	% of Net Revenues	Increase (Decrease)	May 26, 2024	May 28, 2023	% of Net Revenues	% of May 26, 2024 Revenues
(Dollars and shares in millions, except per share amounts)								
Net revenues	\$ 1,441.2	\$ 1,336.8	7.8	7.8 %	\$ 100.0	\$ 100.0	100.0 %	\$ 2,998.8
Cost of goods sold	569.5	552.6	552.6	3.1	3.1 %	39.5 %	41.3 %	1,220.6
Cost of goods sold								1,299.2



Income tax (benefit) expense								
Income tax (benefit) expense								
Net (loss) income								
Net (loss) income								
Net (loss) income								
Net income (loss) \$	18.0	\$ (1.6)		*	1.2	%	(0.1)	%
(Loss) earnings per common share attributable to common stockholders:							\$ 7.3	\$ 113.1
Earnings (loss) per common share:								
Earnings (loss) per common share:								
(Loss) earnings per common share attributable to common stockholders:								
(Loss) earnings per common share attributable to common stockholders:								
Earnings (loss) per common share:								
Basic								
Basic								
Basic	\$0.05	\$ (0.00)	\$ (0.00)	*	\$0.02	\$0.29	\$0.29	(93.1)
Diluted	Diluted	\$0.04	\$ (0.00)	\$ (0.00)	*	\$0.02	\$0.28	\$0.28
Diluted								
Diluted								
Weighted- average common shares outstanding (in millions):								
Weighted- average common shares outstanding (in millions):								
Weighted- average common shares outstanding (in millions):								
Basic								
Basic								
Basic	398.8	397.5	397.5	0.3	0.3	%	398.9	396.7
								396.7

Diluted	Diluted	402.9	397.5	397.5	1.4	1.4	1.4 %	*	403.0	401.1
Diluted										
Diluted										
* Not meaningful										
26.29										
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<i>Net revenues</i>										
The following table presents net revenues for the periods indicated and the changes in net revenues on both reported and constant-currency basis from period to period.										
Three Months Ended Six Mo										
May 26, 2024 May 26, 2024										
May 28, 2023 As Reported										
(Dollars in millions) Constant Currency										
Net revenues:										
Levi's Brands:										
Levi's Brands:										
Levi's Brands:										
Americas										
Americas										
Americas										
\$ 712.2										
\$ 608.9										
17.0 %										
17.0 %										
16.3 %										
\$ 1,448.0										
Europe										
Europe										
353.7										
361.3										
361.3										
(2.1)										
(2.1)%										
(1.7)%										
Asia										
Asia										
260.0										
261.7										
261.7										
(0.7)										
(0.7)%										
Total Levi's Brands net revenues										
1,325.9										
1,231.9										
1,231.9										
7.6										
7.6 %										
8.8 %										
2,										
Total Levi's Brands net revenues										
Total Levi's Brands net revenues										
Total Levi's Brands net revenues										
Other Brands										
Other Brands										
Other Brands										
Other Brands:										
Dockers										
Dockers										
Dockers										
82.4										
75.8										
8.6 %										
9.1 %										
159.8										
Beyond Yoga										
32.9										
29.1										
13.0 %										
13.0 %										
65.0										
Total Other Brands										
115.3										
104.9										
9.9 %										
10.2 %										
224.8										
Total net revenues										
\$ 1,441.2										
\$ 1,336.8										
7.8										
7.8 %										
9.0 %										
\$ 2,9										
Net revenues by channel:										
Net revenues by channel:										
Net revenues by channel:										

Americas. On both a reported and constant-currency basis, net revenues decreased for the three-month period and six-month periods ended February 25, 2024 and decreased for the three-month period ended May 26, 2024 and decreased for the three-month period ended August 25, 2024. On a reported basis, net revenues decreased \$8 million, \$4 million and \$12 million, respectively.

Excluding the effects of currency, net revenues decreased for the three-month period ended February 25, 2024 May 26, 2024, due to driven by the decline in wholesale revenue decreased primarily as a result of the prior year quarter being negatively impacted by lower shipments as a result of the U.S. ERP implementation in the second quarter, partially offsetting the wholesale revenue channel increase.

The increase in DTC revenue for the three-month period ended February 25, 2024 as a result of less units sold in the United States compared to the prior year quarter, which net revenues in our Signature brand of \$17 million, as well as the impact of exiting our Denizen business of \$14 million contributed to the decline.

The increase in DTC revenue **May 26, 2024** was across all markets, led by the United States, **U.S.** as a result of higher units sold. Revenue growth was driven by both store experience and **May 26, 2024** as compared to **February 26, 2023** **May 28, 2023**, as well as store performance. E-commerce net revenues increased primarily due to higher order volume.

Net revenues increased for the six-month period ended May 26, 2024, as growth in our DTC channel was partially offset with a decline in wholesale channel revenue. The growth was driven by higher sales in our operated stores as well as store expansion. E-commerce revenue increased due to higher online traffic and conversion. The decrease in wholesale channel revenue was impacted by a decline in sales to our third-party distribution partners.

Europe. Net revenues in Europe decreased on both a reported and constant-currency basis for the three-month period and six-month periods ended **February 25, 2024** \$2 million and favorably by approximately **\$5.4 million**, respectively. Constant-currency net revenues for the three-month period, Constant-currency net revenues and six-month per-

Europe. Net revenues in Europe decreased on both a reported and constant-currency basis for the three-month period and six-month periods ended February 25, 2024 \$2 million and favorably by approximately \$5 \$4 million, respectively. Constant-currency net revenues for the three-month period. Constant-currency net revenues and six-month period growth in our DTC channel, which was more than offset by a channel. For the three-month period ended May 26, 2024, the decrease in wholesale channel revenue. The revenue was

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Excluding the effects of currency, the growth in our DTC channel was primarily driven by expansion to new markets, partially offset by the exit from Russia, which included there expansion. There were 1610 more company-operated stores in operation in Europe as of February 25, 2024 May 26, 2024 as compared to February 26, 2023 May 28, 2023.

Excluding For the effects of currency, six-month period ended May 26, 2024, the decrease in wholesale channel revenue was primarily driven by a decrease in orders as wholesale channel revenues of approximately \$8 million in the prior year quarter. The growth in DTC revenue was primarily driven by expansion, partially offset by the year.

Asia. Net revenues in Asia decreased on a reported basis and increased on a constant-currency basis for the three-month period and six-month periods ended **February 25, 2024** May \$14 million, **\$16 million** and **\$30 million**, respectively. Excluding the effects of currency, net revenues for the three-month period and six-month periods ended **February 25, 2024** May contributed approximately \$4 million to the decline.

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The growth in DTC revenue was across most markets, due to strong performance in our company-operated stores and e-commerce, as a result of increased volume driven by in Asia as of February 25, 2024 May 26, 2024 as compared to February 26, 2023 May 28, 2023. The increase in wholesale revenue was primarily due to an increase in units sold in c

Other Brands. Net revenues in Other Brands decreased on both a reported and constant-currency basis for the three-month period ended February 25, 2024 May 26, 2023.

Dockers. Net revenues in Dockers increased on a reported and constant-currency basis for the three-month period ended May 26, 2024 and decreased on a reported and constant-currency basis for the six-month period ended May 26, 2024. The decrease in net revenues was driven by Dockers for the three-month period ended May 26, 2024, which grew primarily due to higher unit shipments in advance as a result of our U.S. ERP implementation. The decrease for the six-month period ended May 26, 2024 was primarily due to lower volume in Dockers, which was partially offset by higher unit prices.

Beyond Yoga®. Net revenues in Beyond Yoga® increased on a reported and constant-currency basis for the three-month and six-month periods ended May 26, 2024. Current channels. The growth in our DTC channel was primarily due to an increase in growth in ecommerce and e-commerce as well as store expansion. The growth in our wholesale channel was primarily due to an increase in growth in ecommerce and e-commerce as well as store expansion. The growth in our wholesale channel was primarily due to an increase in growth in ecommerce and e-commerce as well as store expansion.

Net revenues by channel

Wholesale. Net revenues in our wholesale channel decreased on a reported and constant-currency basis, net revenues in our wholesale channel increased for the period ended May 26, 2024, with currency translation not having a significant impact on net revenues for the three-month period ended May 26, 2024 and affecting net revenues favorably by approximately \$4 million.

The decrease in net revenues for the three-month period ended May 26, 2024 was driven by the comparative prior year quarter's accelerated shipments in advance of the majority of the impact affecting our U.S. Levi's brand. Additionally, the impact of the exit of the Denizen and Russia business brand, which contributed approximately \$14 million to net revenues for the three-month period ended May 26, 2024 was driven primarily by lower volume. Additionally, the impact of the exit of the Denizen brand and Russia business contributed \$26 million and \$13 million to net revenues for the three-month period ended May 26, 2024.

DTC (Direct to Consumer). Net revenues in our DTC channel increased on both a reported and constant-currency basis for the three-month period and six-month period ended May 26, 2024, unfavorably by approximately \$4 million. The increase was driven by store performance across brick-and-mortar mainline and outlet stores, and e-commerce, respectively. For the three-month and six-month periods ended May 26, 2024 net revenues from e-commerce grew 13% and 16% on a reported basis, respectively. Net revenues from brick-and-mortar mainline and outlet stores increased 10% and 11%, respectively. For the three-month and six-month periods ended May 26, 2024 net revenues for three-month and six-month periods, DTC comprised 47% and 48% of total net revenues, respectively.

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Gross profit

The following table shows consolidated gross profit and gross margin for the periods indicated and the changes in these items from period to period:

	Three Months Ended				Six Months Ended			
	May 26, 2024		May 28, 2023		% Increase (Decrease)		May 26, 2024	
	(Dollars in millions)							
Net revenues	Net revenues	\$ 1,441.2	\$ 1,336.8	7.8	7.8	%	\$ 2,998.8	1.2
Cost of goods sold	Cost of goods sold	569.5	552.6	552.6	3.1	%	3.1	1.2
Cost of goods sold								
Cost of goods sold								
Gross profit								
Gross profit	Gross profit	\$ 871.7	\$ 784.2	11.2	11.2	%	\$ 1,778	1.2
Gross margin								
Gross margin								
Gross margin								

Currency translation impacted gross profit unfavorably by approximately \$2 million and \$12 million, respectively, for the three-month period and six-month periods ended February 25, 2024 and May 26, 2024.

For the three-month period and six-month periods ended February 25, 2024 and May 26, 2024, the increase in gross margin was primarily driven by lower product costs and implementation impacting margin favorably by approximately 40 basis points. product mix. Currency exchange, including transaction and translation impacts, unfavorably impacted gross margin for the three-month period and six-month periods ended May 26, 2024, respectively.

Selling, general and administrative expenses

The following table shows SG&A for the periods indicated, the changes in these items from period to period and these items expressed as a percentage of net revenues:

	Three Months Ended				Six Months Ended			
	May 26, 2024		May 28, 2023		% Increase (Decrease)		May 26, 2024	
	(Dollars in millions)							
Selling	Selling	\$ 337.0	\$ 328.6	2.6	2.6	%	23.4 %	24.6 %
Selling								\$ 687.9
Selling								
Selling								

Advertising and promotion	Advertising and promotion	132.4	133.4	133.4	(0.8)	(0.8) %	9.2	%	10.0 %	218.7	23
Advertising and promotion											
Advertising and promotion											
Administration	Administration	127.3	119.9	119.9	6.2	6.2 %	8.8	%	9.0 %	276.9	24
Administration											
Administration											
Other											
Other											
Other	Other	198.0	185.9	185.9	6.5	6.5 %	13.7	%	13.9 %	401.9	38
Total SG&A											
Total SG&A											
Total SG&A		\$ 794.7	\$ 767.8	3.5	3.5 %	55.1 %		57.4 %	\$ 1,585.4	\$ 1,585.4	

* Not meaningful

Currency translation did not have a significant impact on impacted SG&A favorably by approximately \$7 million and \$8 million for the three-month period and six-month periods.

Selling. Currency translation did not have a significant impact on impacted selling expenses favorably by approximately \$5 million for both the three-month and six-month periods ended February 25, 2024. The increase in selling expenses May 26, 2024 was primarily due to DTC business expansion in the current year as compared to the prior year.

Advertising and promotion. Currency translation did not have a significant impact on advertising and promotion expenses for the three-month period and six-month periods ended primarily due to decreased media spending in comparison to the prior year, which included expenses associated with the 150th anniversary of the 501® jean campaign, campaign, quarter.

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Administration. Administration expenses include functional administrative and organization costs. Currency translation did not have a significant impact on administration expenses. The increase in administration costs for the three months ended May 26, 2024, includes additional funding of employee incentive compensation of approximately \$14.5 million.

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The increase in administration costs for the six-month period ended May 26, 2024 was primarily due to higher additional funding of employee incentive costs, compensation and benefit costs, and \$5.5 million in goodwill impairment charges related to our footwear business as a result of the decision to sell the business.

The three-month six-month period ended February 26, 2023 included the recognition of \$18.2 million May 28, 2023 includes \$18.8 million in charges related to the impairment projects, in connection with net of a \$3.9 million gain on the restructuring initiative, early termination of certain store leases.

Other. Other costs include distribution, information resources and marketing organization costs. Currency translation did not have a significant impact on other costs for the three-month period and six-month periods ended February 25, 2024 May 26, 2024, the increase in other costs was primarily due to higher spend on distribution expenses, including

Restructuring charges, net

During the three-month period and six-month periods ended February 25, 2024 May 26, 2024, we recognized restructuring charges of \$116.2 million and \$55.1 million and \$171.3 million benefit charges.

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Operating (loss) income

The following table shows operating (loss) income, restructuring charges and corporate expenses for the periods indicated, the changes in these items from period to period and

	February 25, 2024	February 25, 2024						
	February 25, 2024							
	May 26, 2024	May 26, 2024						
	May 26, 2024							
	% of Net Revenues	% of Net Revenues	% of Net Revenues	% of Net Revenues				
Operating (loss) income:								
Operating (loss) income:								
Operating (loss) income:								
Operating income:								
Operating income:								
Operating income:								
Levi's Brands:								
Levi's Brands:								
Levi's Brands:								
Americas								
Americas								
Americas								
Europe								
Europe								
Europe								
Asia								
Asia								
Asia								
Total Levi's Brands operating income								
Total Levi's Brands operating income								
Total Levi's Brands operating income								
Other Brands:								
Other Brands:								
Other Brands:								
Dockers operating income (loss)								
Dockers operating income (loss)								
Dockers operating income (loss)								
Beyond Yoga operating (loss) income								
Beyond Yoga operating (loss) income								
Beyond Yoga operating (loss) income								
Total Other Brands operating (loss) income								
Total Other Brands operating (loss) income								
Total Other Brands operating (loss) income								
Restructuring charges, net								
Restructuring charges, net								
Restructuring charges, net	(55.1)	(6.5)	(6.5)	*		*	(3.8) %	v (0.5) % v (171.3)
Corporate expenses								
Corporate expenses								
Corporate expenses								
Corporate expenses	(134.9)	(121.7)	(121.7)	(10.9)	(10.9)	(9.4) %	v (9.1) % v (301.5)	
Total operating (loss) income								
Total operating (loss) income								
Total operating (loss) income								

Total operating income	\$ 21.9	\$ 9.9	121.2 %	1.5 % v	0.7 % v	\$ 21.5
Operating margin						
Operating margin						
Operating margin						

v Percentage of consolidated net revenues

* Not meaningful

Currency translation impacted total operating (loss) income unfavorably by approximately \$2 \$3 million and \$4 million for the three-month period and six-month periods ended February 25, 2024 May 26, 2024.

Levi's Brands operating income.

- **Americas.** Currency translation did not have a significant impact for the three-month period ended May 26, 2024 and had a favorable impact of approximately \$2 \$3 million and \$4 million for the three-month period ended February 25, 2024 May 26, 2024. The decrease in operating income for the three-month period ended was primarily due to lower increased net revenues partially offset by higher gross margin as compared to the prior year, as well as lower SG&A expense as a percent of revenue.
- **Europe.** Currency translation did not have a significant impact for the three-month period and six-month periods ended February 25, 2024 May 26, 2024. The decrease in higher SG&A expense as a percent of revenue and lower net revenues, revenue, partially offset by a higher gross margin as compared to the prior year.
- **Asia.** Currency translation had an unfavorable impact of approximately \$3 million and \$7 million for the three-month period and six-month periods ended February 25, 2024 May 26, 2024.

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February 25, 2024. May 26, 2024, respectively. The decrease increase in operating income for the three-month period and six-month periods ended February 25, 2024 May 26, 2024.

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six-month periods ended was primarily due to higher SG&A expenses as a percentage of revenue, net revenues and gross margin, partially offset by higher net revenues SG&A.

Other Brands. Currency translation did not have a significant impact for the three-month period and six-month periods ended February 25, 2024 May 26, 2024.

- **Dockers.** Currency translation did not have a significant impact for the three-month and six-month periods ended May 26, 2024. The increase in operating income for the three-month period ended was primarily due to higher SG&A expenses as a percentage of revenue partially offset by higher gross margin, revenue as compared to the prior year.
- **Beyond Yoga.** Currency translation did not have a significant impact for the three-month and six-month periods ended May 26, 2024. The decrease in operating income for the three-month period ended was primarily due to higher SG&A expenses as a percentage of revenue partially offset by higher gross margin, revenue as compared to the prior year.

Restructuring charges, net. During the three-month period and six-month periods ended February 25, 2024 May 26, 2024, we recognized restructuring charges of \$116.2 \$55.1 million and post-employment benefit charges.

Corporate. Corporate expenses represent costs that management does not attribute to any of our operating segments. Included in corporate expenses are other corporate expenses reported as a component of consolidated gross margin. Currency translation did not have a significant impact for the three-month period and six-month periods ended February 25, 2024 May 26, 2024.

The increase in corporate expenses for the three-month period and six-month periods ended February 25, 2024 May 26, 2024 is primarily due to higher employee incentives and higher employee incentives in comparison to \$15.3 million, for the prior year quarter as well as the three-month and six-month periods ended May 26, 2024. Additionally, a \$5.5 million quarter of 2024. This increase is partially offset by previous period charges of \$18.8 million related to the impairment of capitalized internal-use software, net of a \$3.9 million gain on

Interest expense

Interest expense was \$10.0 \$10.3 million and \$20.3 million for the three-month period and six-month periods ended February 25, 2024 May 26, 2024, respectively, as compared to \$200.0 million revolving credit facility paid off in 2023.

Our weighted-average interest rate on average borrowings outstanding during the three-month period and six-month periods ended February 25, 2024 May 26, 2024 was comparable to the prior year period in 2023.

Other expense, income (expense), net

For the three-month period and six-month periods ended February 25, 2024 May 26, 2024, we recorded Other other income of \$0.4 million and other expense of \$2.3 \$1.9 million for the year period. The decrease increase in net expense other income (expense) recognized was primarily due to the recognition of \$4.0 million \$1.4 million and \$5.4 million in for February 25, 2024 May 26, 2024, in comparison to transaction losses of \$10.6 million \$17.7 million and \$28.3 million in prior year. the prior-year periods.

Income tax (benefit) expense

Our effective income tax rate was 16.4% (49.4)% for the three months ended **February 25, 2024** May 26, 2024, compared to 17.6% 78.4% for the same prior-year period. The \$7.5 million related to a favorable resolution of a state audit in the current year was due to an unfavorable impact and the inclusion of stock-based compensation as a proportion to foreign operations before income tax in the prior year.

Our effective income tax rate was 1,126.3% for the six months ended May 26, 2024, compared to 14.3% for the same prior-year period. The increase in the effective tax rate is

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Liquidity and Capital Resources

Liquidity outlook

We believe we will have adequate liquidity over the next 12 months and in the longer term to operate our business and to meet our cash requirements. Over the long term, we our revenue in capital investments, including in high growth investment opportunities and initiatives, to grow our business organically; (2) to return capital to our stockholders in the form of high return on investment acquisitions, both organic and inorganic, that support our current strategies; and (4) to repurchase shares with the goal of offsetting dilution or opportunistic 55-65% of our Adjusted free cash flow to stockholders in the form of dividends and share repurchases. We will continue to concentrate our capital investments in new stores, dis information on our calculation of Adjusted free cash flow, a non-GAAP financial measure, see "Non-GAAP Financial Measures."

Future determinations regarding the declaration and payment of dividends, if any, will be at the discretion of our Board and will depend on then-existing economic conditions, prospects, contractual arrangements, any limitations on payment of dividends present in our current and future debt agreements and other factors that our Board may deem relevant.

Cash sources

We have historically relied primarily on cash flows from operations, borrowings under credit facilities, issuances of notes and other forms of debt financing. We regularly explore secured note issuances, equity financing, equipment and real estate financing, securitizations and asset sales.

Our Credit Agreement provides for an asset-based, senior secured revolving credit facility ("Credit Facility"), in which the borrowing availability is primarily based on the value of assets in the United States and Canada. The maximum availability under the facility is \$1.0 billion, of which \$950.0 million is available to us for revolving loans in U.S. Dollars and \$50.0 million is available for letters of credit.

As of **February 25, 2024** May 26, 2024, we had no borrowings under the Credit Facility. Unused availability under the facility was \$933.7 million \$791.2 million as our total available outstanding borrowings under the Credit Facility was reduced by \$17.2 million \$18.1 million from other credit-related instruments. We also had cash and cash equivalents (including restricted availability and cash and cash equivalents) of approximately \$1.5 billion \$1.4 billion. Of our \$516.7 million \$641.4 million in cash and cash equivalents, approximately \$319.6 \$433.1 million was restricted.

Cash uses

Our principal cash requirements include working capital, capital expenditures, payments of principal and interest on our debt, payments of taxes, contributions to our pension plan, equity incentive plans and, if market conditions warrant, occasional investments in, or acquisitions of, business ventures in our line of business. In addition, we regularly evaluate capital expenditures.

During the three and six months ended **February 25, 2024** May 26, 2024, we repurchased 1.5 0.8 million and 2.3 million shares for \$24.9 \$17.0 million and \$41.9 million, plus brokerage fees.

In April June 2024, a cash dividend of \$0.12 \$0.13 per share was declared to holders of record of our Class A and Class B common stock at the close of business on **May 9, 2024**, payable June 12, 2024, for a total quarterly dividend of approximately \$48 \$52 million.

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Cash flows

The following table summarizes, for the periods indicated, selected items in our consolidated statements of cash flows:

	Three Months Ended
	February 25, 2024
	(Dollars in millions)
Cash provided by (used for) operating activities	
Cash provided by operating activities	
Cash used for investing activities	
Cash (used for) provided by financing activities	
Cash and cash equivalents at period end	
<i>Cash flows from operating activities</i>	
Cash provided by operating activities was \$286.0 million \$548.8 million for the three-month six-month period ended February 25, 2024 May 26, 2024, as compared to cash used in cash provided by operating activities is primarily driven by lower spending on inventory higher collections on trade receivables, partially offset by higher spending on and \$	

the transition of our distribution center to a third-party logistics provider. See "Distribution Center Conversion" in Note 1 to our unaudited consolidated financial statements included in

Cash flows from investing activities

Cash used for investing activities was \$71.7 million \$141.4 million for the three-month six-month period ended February 25, 2024 May 26, 2024, as compared to \$19.1 \$81.5 primarily due to lower net proceeds from short-term investments and foreign exchange contracts, and higher payments mostly from the acquisition of our former Colombian distribu

Cash flows from financing activities

Cash used for financing activities was \$94.5 million \$162.9 million for the three-month six-month period ended February 25, 2024 May 26, 2024, as compared to cash provided t primarily reflects dividend payments of \$95.6 million and common stock repurchases of \$25.0 million and dividend payments of \$47.9 million \$41.9 million. Cash provided in 2023 p partially offset by dividend payments of \$47.6 million \$95.2 million, and repayment of the senior revolving credit facility of \$75.0 million.

Indebtedness

Of our total debt of \$1.0 billion as of February 25, 2024 May 26, 2024, we had fixed rate debt of \$1.0 billion (100% of total debt), net of capitalized debt issuance costs. A unsecured long-term debt were \$1.0 billion, with payments starting in 2027. Short-term borrowings of \$4.3 million \$2.4 million at various foreign subsidiaries are expected to be either

Our long-term debt agreements contain customary covenants restricting our activities as well as those of our subsidiaries. We were in compliance with all of these covenants as

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Non-GAAP Financial Measures

Adjusted SG&A, Adjusted SG&A margin, Adjusted EBIT, Adjusted EBIT Margin, Adjusted EBITDA, Adjusted Net Income, Adjusted Net Income Margin and Adjusted

We define the following non-GAAP measures as follows:

Most comparable GAAP measure	Non-GAAP measure	Non-GAAP measure definition
Selling, general and administration ("SG&A") expenses	Adjusted SG&A	SG&A expenses excluding acquisition and integration terminations, net and restructuring related charges, sev
SG&A margin	Adjusted SG&A margin	Adjusted SG&A as a percentage of net revenues
Net income (loss) income	Adjusted EBIT	Net income (loss) income excluding income tax (benel charges, property, plant, equipment, right-of-use asset charges, and restructuring and restructuring related cha
Net income (loss) income margin	Adjusted EBIT margin	Adjusted EBIT as a percentage of net revenues
Net income (loss) income	Adjusted EBITDA	Adjusted EBIT excluding depreciation and amortization
Net income (loss) income	Adjusted net income	Net income (loss) income excluding acquisition and int early lease terminations, net, goodwill and other intang other, net, adjusted to give effect to the income tax impa
Net income (loss) income margin	Adjusted net income margin	Adjusted net income as a percentage of net revenues
Diluted earnings (loss) earnings per share	Adjusted diluted earnings per share	Adjusted net income (loss) income per weighted-averag

We believe Adjusted SG&A, Adjusted SG&A margin, Adjusted EBIT, Adjusted EBIT margin, Adjusted EBITDA, Adjusted net income, Adjusted net income margin and Adjusted our business that could otherwise be masked by certain expenses that we include in calculating net income but that can vary from company to company depending on its fina significantly from period to period. Our management also uses Adjusted EBIT in conjunction with other GAAP financial measures for planning purposes, including as a measure of financial performance.

Adjusted SG&A, Adjusted SG&A margin, Adjusted EBIT, Adjusted EBIT margin, Adjusted EBITDA, Adjusted net income, Adjusted net income margin and Adjusted diluted ea as a substitute for an analysis of our results prepared and presented in accordance with GAAP. Some of these limitations include:

- Adjusted EBIT, Adjusted EBIT margin and Adjusted EBITDA do not reflect income tax payments that reduce cash available to us;
- Adjusted EBIT, Adjusted EBIT margin and Adjusted EBITDA do not reflect interest expense, or the cash requirements necessary to service interest or principal payments o
- Adjusted EBIT, Adjusted EBIT margin and Adjusted EBITDA exclude other expense (income), net, which includes realized and unrealized gains and losses on our fc balances, although these items affect the amount and timing of cash available to us when these gains and losses are realized;
- all of these non-GAAP financial measures exclude acquisition and integration related charges, impairment charges and early termination gains, and restructuring and rest requirements;

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- all of these non-GAAP financial measures exclude certain other SG&A expense items, which include severance, transaction and deal related costs, including acquisition and divestiture costs;
- all of these non-GAAP financial measures exclude certain other SG&A expense items, which include non-cash property and equipment and right-of-use asset impairment expenses of depreciation of property and equipment and right-of-use asset amortization. Although property and equipment impairment charges are non-cash expenses, they represent future cash requirements;
- the expenses and other items that we exclude in our calculations of all of these non-GAAP financial measures may differ from the expenses and other items, if any, that we include in our calculations of all of these non-GAAP financial measures;
- Adjusted EBITDA excludes the recurring, non-cash expenses of depreciation of property and equipment and, although these are non-cash expenses, the assets being depreciated are used in our operations;
- Adjusted net income, Adjusted net income margin and Adjusted diluted earnings per share do not include all of the effects of income taxes and changes in income taxes reflected in the financial statements.

Because of these limitations, all of these non-GAAP financial measures should be considered along with net income and other operating and financial performance measures presented in the financial statements. We encourage investors to compare these non-GAAP financial measures to their most comparable GAAP financial measure. A reconciliation of forward-looking non-GAAP information to the corresponding GAAP information is provided in the following table. The following table also provides a reconciliation of the various items included in the non-GAAP financial measures to the corresponding GAAP items. The following table also provides a reconciliation of the various items included in the non-GAAP financial measures to the corresponding GAAP items.

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Adjusted SG&A:

The following table presents a reconciliation of SG&A, the most directly comparable financial measure calculated in accordance with GAAP, to Adjusted SG&A for each of the periods presented.

	Three Months Ended December 31, 2023	Three Months Ended December 31, 2022	Three Months Ended December 31, 2021
	February 25, 2024	February 25, 2024	February 25, 2024
	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)
			(Unaudited)

Most comparable GAAP measure:

Selling, general and administrative expenses
Selling, general and administrative expenses
Selling, general and administrative expenses

Non-GAAP measure:

Non-GAAP measure:

Non-GAAP measure:

Selling, general and administrative expenses
Selling, general and administrative expenses
Selling, general and administrative expenses
Acquisition and integration related charges⁽¹⁾
Acquisition and integration related charges⁽¹⁾
Acquisition and integration related charges⁽¹⁾
Property, plant, equipment, right-of-use asset impairment, and early lease terminations, net⁽²⁾
Property, plant, equipment, right-of-use asset impairment, and early lease terminations, net⁽²⁾
Property, plant, equipment, right-of-use asset impairment, and early lease terminations, net⁽²⁾
Goodwill and other intangible asset impairment charges⁽³⁾
Goodwill and other intangible asset impairment charges⁽³⁾

Goodwill and other intangible asset impairment charges ⁽³⁾	
Restructuring related charges, severance and other, net ⁽⁴⁾	
Restructuring related charges, severance and other, net ⁽⁴⁾	
Restructuring related charges, severance and other, net ⁽⁴⁾	
Adjusted SG&A	
Adjusted SG&A	
Adjusted SG&A	
SG&A margin	
SG&A margin	
SG&A margin	
Adjusted SG&A margin	
Adjusted SG&A margin	
Adjusted SG&A margin	
	55.1
	Adjusted SG&A margin

(1) Acquisition and integration related charges includes acquisition-related compensation subject to the continued employment of certain Beyond Yoga® employees. In the first quarter of 2024, their employment ceased, resulting in a \$3.5 million gain on the early termination of store leases related to the Russia-Ukraine crisis.

(2) For the three-month period ended **February 26, 2023** **May 28, 2023**, property, plant, equipment, right-of-use asset impairment, and early lease terminations, net includes \$18.2 million in technology projects, net of a \$3.5 million gain on the early termination of store leases related to the Russia-Ukraine crisis.

(3) For the three-month period ended **February 25, 2024** **May 26, 2024**, goodwill and other intangible asset impairment charges includes the recognition of a \$5.5 million goodwill impairment charge related to our foot

(4) For the three-month period ended **February 25, 2024** **May 26, 2024**, restructuring related charges, severance, and other, net primarily relates to consulting costs associated with our restructuring initiative of \$10.1 million and deal related costs of \$1.0 million. The six-month period ended May 26, 2024 primarily relates to consulting costs associated with our restructuring initiative of \$15.3 million, other legal settlements and executive separation charges of \$10.7 million, costs associated with the wind-down of the Russia business of \$3.4 million and other transaction and deal related costs.

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Adjusted EBIT and Adjusted EBITDA:

The following table presents a reconciliation of net income, the most directly comparable financial measure calculated in accordance with GAAP, to Adjusted EBIT and Adjusted EBITDA.

	Three Months Ended	Three Months Ended	Three Months Ended	February 2
	May 26, 2024	May 26, 2024	May 26, 2024	2024
Most comparable GAAP measure:				
Net (loss) income				
Net (loss) income				
Net (loss) income				
Net income (loss)				
Net income (loss)				
Net income (loss)				
Non-GAAP measure:				
(Dollars in millions)				
(Dollars in millions)				
(Dollars in millions)				

Most comparable GAAP measure:

Net (loss) income

Net (loss) income

Net (loss) income

Net income (loss)

Net income (loss)

Net income (loss)

Non-GAAP measure:

Non-GAAP measure:**Non-GAAP measure:**

Net (loss) income

Net (loss) income

Net (loss) income

Net income (loss)

Net income (loss)

Net income (loss)

Income tax (benefit) expense

Income tax (benefit) expense

Income tax (benefit) expense

Interest expense

Other expense (income), net

Interest expense

Interest expense

Other (income) expense, net

Other (income) expense, net

Other (income) expense, net

Acquisition and integration related charges⁽¹⁾Acquisition and integration related charges⁽¹⁾Acquisition and integration related charges⁽¹⁾Property, plant, equipment, right-of-use asset impairment and early lease terminations, net⁽²⁾Property, plant, equipment, right-of-use asset impairment and early lease terminations, net⁽²⁾Property, plant, equipment, right-of-use asset impairment and early lease terminations, net⁽²⁾Goodwill and other intangible asset impairment charges⁽³⁾Goodwill and other intangible asset impairment charges⁽³⁾Goodwill and other intangible asset impairment charges⁽³⁾Restructuring and restructuring related charges, severance and other, net⁽⁴⁾Restructuring and restructuring related charges, severance and other, net⁽⁴⁾Restructuring and restructuring related charges, severance and other, net⁽⁴⁾

Adjusted EBIT

Adjusted EBIT

Adjusted EBIT

Depreciation and amortization

Depreciation and amortization

Depreciation and amortization

Adjusted EBITDA

Adjusted EBITDA

Adjusted EBITDA

Net (loss) income margin

Net (loss) income margin

Net (loss) income margin

Net income (loss) margin

Net income (loss) margin

Net income (loss) margin

Adjusted EBIT margin

Adjusted EBIT margin

Adjusted EBIT margin

(1) Acquisition and integration related charges includes acquisition-related compensation subject to the continued employment of certain Beyond Yoga® employees. In the first quarter of 2024, their employment ceased, resulting in a \$3.5 million charge.

(2) For the three-month six-month period ended February 26, 2023 May 28, 2023, property, plant, equipment, right-of-use asset impairment, and early lease terminations, net primarily includes \$18.2 million in charges related to projects, net of a \$3.5 million gain on the early termination of store leases related to the Russia-Ukraine crisis. war.

(3) For the three-month six-month period ended February 25, 2024 May 26, 2024, goodwill and other intangible asset impairment charges includes the recognition of a \$5.5 million goodwill impairment charge related to our foot

(4) For the three-month period ended **February 25, 2024** May 26, 2024, restructuring and restructuring related charges, severance, and other, net primarily includes net restructuring charges of **\$116.2** **\$55.1** million related to F executive separation charges and legal settlements of **\$3.7** **\$3.9** million and transaction and deal related costs of **\$1.0** **\$0.7** million. The six-month period ended May 26, 2024 primarily includes net restructuring charges of legal settlements and executive separation charges of **\$7.6** million and transaction and deal related costs of **\$1.7** million.

For the three-month period ended **February 26, 2023** May 28, 2023, restructuring and restructuring related charges, severance, and other, net primarily includes net restructuring charges of **\$11.4** **\$6.5** million recognis **\$10.7** million, costs associated with the wind-down of the Russia business of **\$2.9** million and other transaction and deal related costs. The six-month period ended May 28, 2023 primarily includes net restructuring separation charges of **\$10.7** million, costs associated with the wind-down of the Russia business of **\$3.4** million and other transaction and deal related costs.

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Adjusted Net Income:

The following table presents a reconciliation of net income, the most directly comparable financial measure calculated in accordance with GAAP, to Adjusted net income for each

	Three Months End	Three Months End	Three Months End
	February 25, 2024	February 25, 2024	February 25, 2024
			(Dollars in million)
			(Dollars in million)
			(Dollars in million)
			(Unaudited)

Most comparable GAAP measure:

Net (loss) income
Net (loss) income
Net (loss) income
Net income (loss)
Net income (loss)
Net income (loss)

Non-GAAP measure:

Non-GAAP measure:

Net (loss) income
Net (loss) income
Net (loss) income
Net income (loss)
Net income (loss)
Net income (loss)

Acquisition and integration related charges⁽¹⁾

Acquisition and integration related charges⁽¹⁾

Acquisition and integration related charges⁽¹⁾

Property, plant, equipment, right-of-use asset impairment and early lease terminations, net⁽²⁾

Property, plant, equipment, right-of-use asset impairment and early lease terminations, net⁽²⁾

Property, plant, equipment, right-of-use asset impairment and early lease terminations, net⁽²⁾

Goodwill and other intangible asset impairment charges⁽³⁾

Goodwill and other intangible asset impairment charges⁽³⁾

Goodwill and other intangible asset impairment charges ⁽³⁾	
Restructuring and restructuring related charges, severance and other, net ⁽⁴⁾	
Restructuring and restructuring related charges, severance and other, net ⁽⁴⁾	
Restructuring and restructuring related charges, severance and other, net ⁽⁴⁾	
Tax impact of adjustments ⁽⁵⁾	
Tax impact of adjustments ⁽⁵⁾	
Tax impact of adjustments ⁽⁵⁾	
Adjusted net income	
Adjusted net income	
Adjusted net income	
Net (loss) income margin	
Net (loss) income margin	
Net (loss) income margin	
Net income (loss) margin	
Net income (loss) margin	
Net income (loss) margin	
Adjusted net income margin	Adjusted net income margin
Adjusted net income margin	
Adjusted net income margin	

- (1) Acquisition and integration related charges includes acquisition-related compensation subject to the continued employment of certain Beyond Yoga® employees. In the first quarter of 2024, their employment ceased, resulting in a \$1.7 million charge.
- (2) For the three-month six-month period ended **February 26, 2023** May 28, 2023, property, plant, equipment, right-of-use asset impairment, and early lease terminations, net includes \$18.2 million primarily related to technology projects, net of a \$3.5 million gain on the early termination of store leases related to the Russia-Ukraine crisis.
- (3) For the three-month six-month period ended **February 25, 2024** May 26, 2024, goodwill and other intangible asset impairment charges includes the recognition of a \$5.5 million goodwill impairment charge related to our foot.
- (4) For the three-month period ended **February 25, 2024** May 26, 2024, restructuring and restructuring related charges, severance, and other, net primarily includes net restructuring charges of \$116.2 million related to executive separation charges and legal settlements of \$3.7 million and transaction and deal related costs of \$1.0 million. The six-month period ended May 26, 2024 primarily includes net restructuring charges of \$116.2 million related to executive separation charges of \$7.6 million and transaction and deal related costs of \$1.7 million.
- (5) For the three-month period ended **February 26, 2023** May 28, 2023, restructuring and restructuring related charges, severance, and other, net primarily includes net restructuring charges of \$11.4 million related to executive separation charges of \$10.7 million, costs associated with the wind-down of the Russia business of \$2.9 million and other transaction and deal related costs. The six-month period ended May 28, 2023 primarily includes net restructuring charges of \$11.4 million related to executive separation charges of \$10.7 million, costs associated with the wind-down of the Russia business of \$3.4 million and other transaction and deal related costs.

(5) Tax impact calculated using the annual effective tax rate excluding of 21.7%, which excludes discrete costs and benefits. benefits, primarily \$7.5 million of tax benefit related to the favorable resolution of a state audit.

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Adjusted Diluted Earnings per Share:

The following table presents a reconciliation of diluted earnings (loss) earnings per share, the most directly comparable financial measure calculated in accordance with GAAP,

Most comparable GAAP measure:
Diluted (loss) earnings per share ⁽¹⁾
Diluted (loss) earnings per share ⁽¹⁾
Diluted (loss) earnings per share ⁽¹⁾
Diluted earnings (loss) per share ⁽¹⁾
Diluted earnings (loss) per share ⁽¹⁾
Diluted earnings (loss) per share ⁽¹⁾
Non-GAAP measure:
Non-GAAP measure:
Non-GAAP measure:
Diluted (loss) earnings per share
Diluted (loss) earnings per share
Diluted (loss) earnings per share
Diluted earnings (loss) per share
Diluted earnings (loss) per share
Diluted earnings (loss) per share
Acquisition and integration related charges ⁽²⁾
Acquisition and integration related charges ⁽²⁾
Acquisition and integration related charges ⁽²⁾
Property, plant, equipment, right-of-use asset impairment and early lease terminations, net ⁽³⁾
Property, plant, equipment, right-of-use asset impairment and early lease terminations, net ⁽³⁾
Property, plant, equipment, right-of-use asset impairment and early lease terminations, net ⁽³⁾
Goodwill and other intangible asset impairment charges ⁽⁴⁾
Goodwill and other intangible asset impairment charges ⁽⁴⁾
Goodwill and other intangible asset impairment charges ⁽⁴⁾
Restructuring and restructuring related charges, severance and other, net ⁽⁵⁾
Restructuring and restructuring related charges, severance and other, net ⁽⁵⁾
Restructuring and restructuring related charges, severance and other, net ⁽⁵⁾
Tax impact of adjustments ⁽⁶⁾
Tax impact of adjustments ⁽⁶⁾
Tax impact of adjustments ⁽⁶⁾
Adjusted diluted earnings per share ⁽¹⁾
Adjusted diluted earnings per share ⁽¹⁾
Adjusted diluted earnings per share ⁽¹⁾

(1) For the three-month period ending **February 25, 2024** **May 28, 2023**, **398.9 million** **397.5 million** shares were used in the calculation of diluted loss per share and **402.6 million** **400.6 million** were used in the calculation of a calculation of diluted loss per share as the inclusion of these securities would have been anti-dilutive.

(2) Acquisition and integration related charges includes acquisition-related compensation subject to the continued employment of certain Beyond Yoga® employees. In the first quarter of 2024, their employment ceased, resulting in a charge of \$1.0 million.

(3) For the three-month six-month period ended **February 26, 2023** **May 28, 2023**, property, plant, equipment, right-of-use asset impairment, and early lease terminations, net includes \$18.2 million primarily include \$18.8 million in technology projects, net of a \$3.5 million gain on the early termination of store leases related to the Russia-Ukraine crisis.

(4) For the three-month six-month period ended **February 25, 2024** **May 26, 2024**, goodwill and other intangible asset impairment charges includes the recognition of a \$5.5 million goodwill impairment charge related to our foot and ankle business.

(5) For the three-month period ended **February 25, 2024** **May 26, 2024**, restructuring and restructuring related charges, severance, and other, net primarily includes net restructuring charges of \$116.2 million related to executive separation charges and legal settlements of \$3.7 million and transaction and deal related costs of \$1.0 million. The six-month period ended May 26, 2024 primarily includes net restructuring charges of \$116.2 million related to executive separation charges and legal settlements of \$3.7 million and transaction and deal related costs of \$1.0 million.

For the three-month period ended **February 26, 2023** **May 28, 2023**, restructuring and restructuring related charges, severance, and other, net primarily includes net restructuring charges of \$114 million related to executive separation charges and legal settlements of \$3.7 million and transaction and deal related costs of \$1.0 million. The six-month period ended May 28, 2023 primarily includes net restructuring charges of \$114 million related to executive separation charges and legal settlements of \$3.7 million and transaction and deal related costs of \$1.0 million.

(6) Tax impact calculated using the annual effective tax rate excluding of 21.7%, which excludes discrete costs and benefits, primarily \$7.5 million of tax benefit related to the favorable resolution of a state audit.

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Adjusted Free Cash Flow:

We define Adjusted free cash flow, a non-GAAP financial measure, as net cash flow from operating activities less purchases of property, plant and equipment. We believe Adjusted free cash flow is useful to investors because it measures our ability to generate or use balance sheet, invest in future growth and return capital to stockholders.

Our use of Adjusted free cash flow has limitations as an analytical tool and should not be considered in isolation or as a substitute for an analysis of our results under GAAP. Other companies may calculate Adjusted free cash flow or similarly titled non-GAAP financial measures differently or may use other measures to evaluate their performance. Additionally, the utility of Adjusted free cash flow is further limited as it does not reflect our future contractual commitments and does not represent the total increase or decrease in cash flow should be considered along with net cash flow from operating activities and other comparable financial measures prepared and presented in accordance with GAAP.

The following table presents a reconciliation of net cash flow from operating activities, the most directly comparable financial measure calculated in accordance with GAAP, to Adjusted free cash flow.

	Three Months Ended	Three Months Ended	Three Months Ended	
	February 25, 2024	February 25, 2024	February 25, 2024	May 26, 2024
(Dollars in millions)				
(Dollars in millions)				
(Dollars in millions)				
(Unaudited)				
Most comparable GAAP measure:				
Net cash provided by (used for) operating activities				
Net cash provided by (used for) operating activities				
Net cash provided by (used for) operating activities				
Net cash provided by operating activities				
Net cash provided by operating activities				
Net cash provided by operating activities				
Net cash used for investing activities				
Net cash used for investing activities				
Net cash used for investing activities				
Net cash (used for) provided by financing activities				
Net cash (used for) provided by financing activities				
Net cash (used for) provided by financing activities				
Net cash provided by (used for) financing activities				
Non-GAAP measure:				
Non-GAAP measure:				
Non-GAAP measure:				
Net cash provided by (used for) operating activities				
Net cash provided by (used for) operating activities				
Net cash provided by (used for) operating activities				
Purchases of property, plant and equipment				
Purchases of property, plant and equipment				
Net cash provided by operating activities				
Net cash provided by operating activities				
Net cash provided by operating activities				
Purchases of property, plant and equipment				
Adjusted free cash flow				
Adjusted free cash flow				
Adjusted free cash flow				

Constant-Currency:

We report our operating results in accordance with GAAP, as well as on a constant-currency basis in order to facilitate period-to-period comparisons of our results without exchange rates refers to the exchange rates we use to translate our operating results for all countries where the functional currency is not the U.S. Dollar into U.S. Dollars. Because significant effect on our reported results. In general, our reported financial results are affected positively by a weaker U.S. Dollar and are affected negatively by a stronger U.S. Dollar. operating results on a constant-currency basis mean our operating results without the impact of foreign currency translation fluctuations.

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We believe disclosure of constant-currency results is helpful to investors because it facilitates period-to-period comparisons of our results by increasing the transparency of our results. However, constant-currency results are non-GAAP financial measures and are not meant to be considered in isolation or as a substitute for comparable measures prepared in accordance with GAAP. These non-GAAP financial measures, which are not prepared under any comprehensive set of accounting rules or principles and should be read in conjunction with our consolidated financial statements prepared in accordance with GAAP, may be calculated differently from, and therefore may not be directly comparable to, similarly titled measures used by other companies.

We calculate constant-currency amounts by translating local currency amounts in the prior-year period at actual foreign exchange rates for the current period. Our constant 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 related to the procurement of inventory, primarily products sourced in U.S. Dollars, by our global sourcing organization on behalf of our foreign subsidiaries.

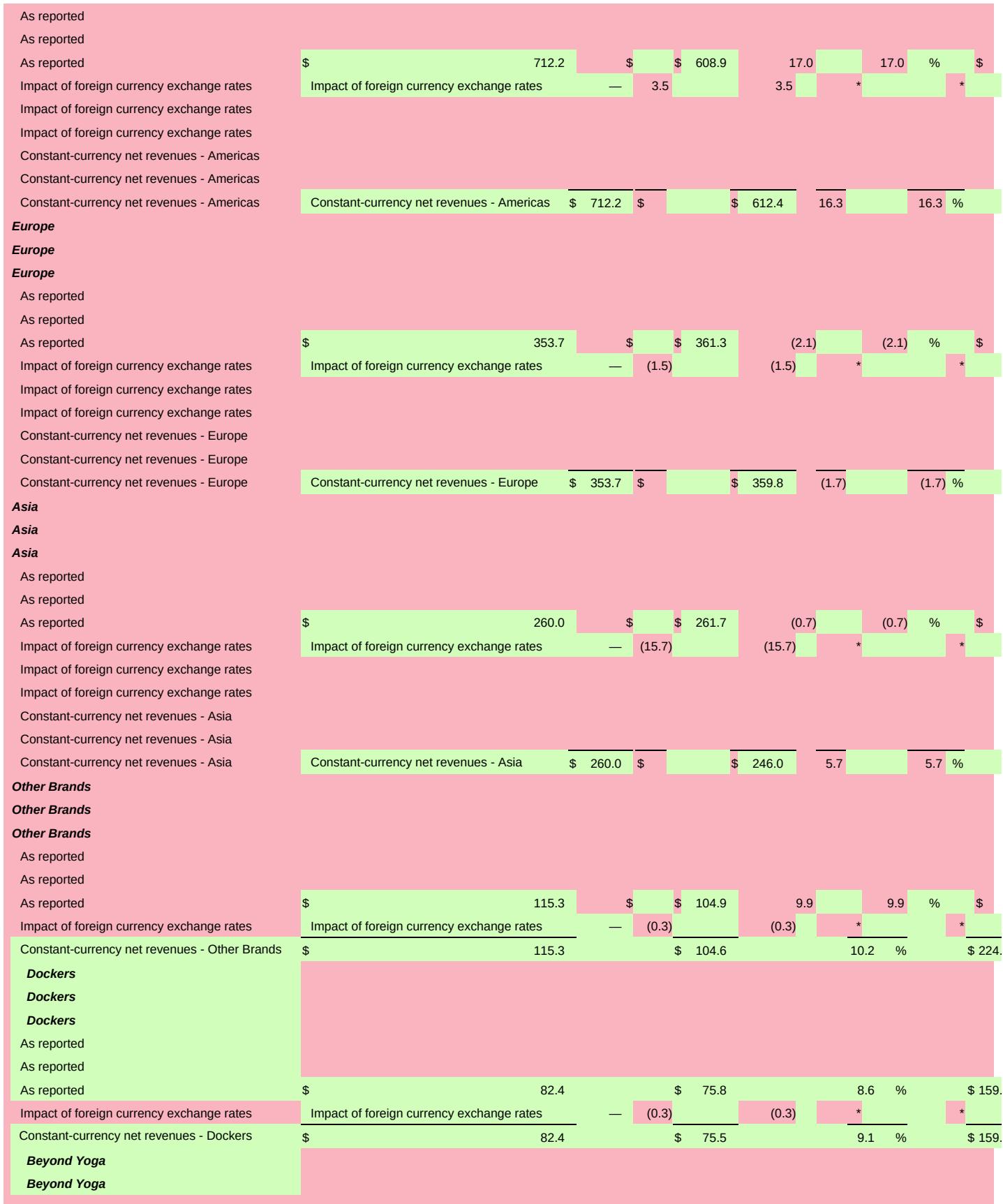
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Constant-Currency Net Revenues

The table below sets forth the calculation of net revenues by segment on a constant-currency basis for the comparison period applicable to the three-month period and six-month period.

	Three Months Ended	Three Months Ended	Three Months Ended	Three Months Ended
	February 25, 2024	February 25, 2024	February 25, 2024	May 26, 2024
				May 28, 2023
Total net revenues				
As reported				
As reported				
As reported	\$ 1,441.2	\$ 1,336.8	7.8	7.8 %
Impact of foreign currency exchange rates	—	(14.0)	(14.0)	*
Impact of foreign currency exchange rates				
Impact of foreign currency exchange rates				
Constant-currency net revenues				
Constant-currency net revenues				
Constant-currency net revenues	Constant-currency net revenues	\$ 1,441.2	\$ 1,322.8	9.0 9.0 %
Americas				
Americas				
Americas				



Beyond Yoga								
As reported								
As reported								
As reported	\$	32.9	\$	29.1	13.0	%	\$	65.
Impact of foreign currency exchange rates	Impact of foreign currency exchange rates	—	—	—	*	*		
Constant-currency net revenues - Other Brands								
Constant-currency net revenues - Other Brands								
Constant-currency net revenues - Other Brands								
Constant-currency net revenues - Beyond Yoga	\$	32.9	\$	29.1	13.0	%	\$	65.

* Not meaningful

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The table below sets forth the calculation of net revenues by channel on a constant-currency basis for the comparison period applicable to the three-month period and six-month period.

	Three Months Ended		Three Months Ended		Three Months Ended	
	February 25, 2024		February 25, 2024		February 25, 2024	
	May 26, 2024		May 28, 2023			% Increase (Decrease)
	(Dollars in millions)		(Dollars in millions)		(Dollars in millions)	
	(Unaudited)		(Unaudited)		(Unaudited)	
Total net revenues						
As reported						
As reported						
As reported	\$ 1,441.2		\$ 1,336.8		7.8	7.8 %
Impact of foreign currency exchange rates	—		(14.0)		(14.0)	*
Impact of foreign currency exchange rates						
Impact of foreign currency exchange rates						
Constant-currency net revenues						
Constant-currency net revenues						
Constant-currency net revenues	\$ 1,441.2		\$ 1,322.8		9.0	9.0 %
Wholesale						
Wholesale						
Wholesale						
As reported						
As reported						
As reported	\$ 768.7		\$ 715.3		7.4	7.4 %
Impact of foreign currency exchange rates	—		(1.1)		(1.1)	*
Impact of foreign currency exchange rates						

Impact of foreign currency exchange rates						
Constant-currency net revenues - Wholesale						
Constant-currency net revenues - Wholesale						
Constant-currency net revenues - Wholesale						
DTC						
DTC						
DTC						
As reported						
As reported						
As reported	\$ 672.5		\$ 621.5	8.2	8.2	%
Impact of foreign currency exchange rates	—	(12.9)	(12.9)	*		
Impact of foreign currency exchange rates						
Impact of foreign currency exchange rates						
Constant-currency net revenues - DTC	\$ 672.5		\$ 608.6	10.5	10.5	%
Constant-currency net revenues - DTC						
Constant-currency net revenues - DTC						

* Not meaningful

Constant-Currency Adjusted EBIT and Constant-Currency Adjusted EBIT margin:

The table below sets forth the calculation of Adjusted EBIT on a constant-currency basis for the comparison period applicable to the three-month period and six-month periods ended February 25, 2024.

			Three Months Ended			
			Three Months Ended			
			Three Months Ended			
			February 25, 2024			
			February 25, 2024			
			February 25, 2024			
				May 26, 2024	May 28, 2023	% Increase (Decrease)
				(Dollars in millions)		
				(Dollars in millions)		
				(Dollars in millions)		
				(Unaudited)		
Adjusted EBIT ⁽¹⁾	Adjusted EBIT ⁽¹⁾	\$ 87.0	\$ 31.5	176.2	176.2	%
Impact of foreign currency exchange rates	Impact of foreign currency exchange rates	— (2.9)	(2.9)	*		
Impact of foreign currency exchange rates						
Impact of foreign currency exchange rates						
Constant-currency Adjusted EBIT						
Constant-currency Adjusted EBIT						
Constant-currency Adjusted EBIT	Constant-currency Adjusted EBIT	\$ 87.0	\$ 28.6	204.2	204.2	
Adjusted EBIT margin						
Adjusted EBIT margin						
Adjusted EBIT margin		6.0 %	2.4 %	150.0	150.0	%
Impact of foreign currency exchange rates	Impact of foreign currency exchange rates	— (0.2)	(0.2)	*		
Impact of foreign currency exchange rates						
Impact of foreign currency exchange rates						
Constant-currency Adjusted EBIT margin ⁽²⁾	Constant-currency Adjusted EBIT margin ⁽²⁾	6.0 %	2.2 %	172.7	172.7	%
Constant-currency Adjusted EBIT margin ⁽²⁾						
Constant-currency Adjusted EBIT margin ⁽²⁾						

(1) Adjusted EBIT is reconciled from net income (loss) 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

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Constant-Currency Adjusted Net Income and Adjusted Diluted Earnings per Share:

The table below sets forth the calculation of Adjusted net income and Adjusted diluted earnings per share on a constant-currency basis for the comparison period applicable to the three months ended February 25, 2024.

			Three Months Ended			
			February 25,	2024	February 25,	2024
Adjusted net income ⁽¹⁾	Adjusted net income ⁽¹⁾	\$	66.2	\$ 15.2	(3.5)	(3.5) *
Impact of foreign currency exchange rates	Impact of foreign currency exchange rates		—	(3.5)	(3.5)	*
Impact of foreign currency exchange rates						
Impact of foreign currency exchange rates						
Constant-currency Adjusted net income		Constant-currency Adjusted net income	\$ 66.2	\$ 11.7		*
Constant-currency Adjusted net income						
Constant-currency Adjusted net income						
Constant-currency Adjusted net income margin ⁽²⁾						
Constant-currency Adjusted net income margin ⁽²⁾						
Constant-currency Adjusted net income margin ⁽²⁾						
Adjusted diluted earnings per share						
Adjusted diluted earnings per share						
Adjusted diluted earnings per share	\$	0.16	\$ 0.04	(0.01)	(0.01)	*
Impact of foreign currency exchange rates	Impact of foreign currency exchange rates		—	(0.01)	(0.01)	*
Impact of foreign currency exchange rates						
Impact of foreign currency exchange rates						
Constant-currency Adjusted diluted earnings per share		Constant-currency Adjusted diluted earnings per share	\$ 0.16	\$ 0.03		*
Constant-currency Adjusted diluted earnings per share						
Constant-currency Adjusted diluted earnings per share						

(1) Adjusted net income is reconciled from net income (loss) 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

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Off-Balance Sheet Arrangements, Guarantees and Other Contingent Obligations

As of **February 25, 2024** **May 26, 2024**, there had been no significant changes to our off-balance sheet arrangements or contractual commitments from those disclosed in our 2023 Annual Report on Form 10-K.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements. These estimates and assumptions are based on management's best judgment and are subject to significant uncertainty. The critical accounting policies from those disclosed in our 2023 Annual Report on Form 10-K.

Recently Issued Accounting Standards

See Note 1 to our unaudited consolidated financial statements included in this Quarterly Report for recently issued accounting standards, including the expected dates of adoption.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain matters discussed in this Quarterly Report, including (without limitation) statements under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K, our expectations are based on reasonable assumptions, any such statement may be influenced by factors that could cause actual outcomes and results to be materially different.

These forward-looking statements include statements relating to our anticipated financial performance and business prospects, including debt reduction, currency values, proceedings, adequate liquidity levels, dividends, share repurchases or other capital deployment initiatives and/or statements preceded by, followed by or that include the words "to", "anticipate", "intend", "estimate", "expect", "project", "aim", "could", "plans", "seeks" and similar expressions. These forward-looking statements speak only as of the date stated, and whether as a result of new information, future events or otherwise, even if experience or future events make it clear that any expected results expressed or implied by these forward-looking statements are reasonable, these expectations may not prove to be correct or we may not achieve the financial results, savings or other benefits anticipated reflecting the best judgment of our senior management and involve a number of risks and uncertainties, some of which may be beyond our control. These risks and uncertainties, in the fiscal year ended November 26, 2023, and in our other filings with the Securities and Exchange Commission, could cause actual results to differ materially from those suggested.

- changes in general economic and financial conditions, inflationary pressures and the resulting impact on the level of discretionary consumer spending for apparel and pricing;
- the conflict involving Russia and Ukraine **war**, the Israel-Hamas war and the potential impacts of these conflicts on global economic and geopolitical conditions;
- the risk of future non-cash asset impairment charges, including to goodwill, operating right-of-use assets and/or other store assets;
- our ability to execute on our business strategies, including our focus on elevating and strengthening our brand, the portion of our net revenues we aim to have represented by our wholesale business, our expectations regarding gross and Adjusted EBIT margins, and our plans and expectations for the benefits of investments in operational excellence including streamlining our procurement practices to maximize efficiency in our global operations, without business disruption or mitigation to such disruptions;
- our ability to effectively manage our inventory and supply chain and the potential strain on our U.S. distribution centers;
- consequences of impacts to the businesses of our wholesale customers, including significant store closures or a significant decline in a wholesale customer's financial condition, our wholesale customers, caused by factors such as, among other things, inability to secure financing, decreased discretionary consumer spending, inconsistent foot and online traffic, pricing fluctuations, general economic and financial conditions and changing consumer preferences;
- our ability to execute on our commitment to increasing total shareholder returns through our capital allocation priorities;
- our ability to achieve anticipated operating model optimization, simplified processes and cost savings from our global productivity initiative;
- our and our wholesale customers' decisions to modify strategies and adjust product mix and pricing, and our ability to manage any resulting product transition costs, including

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- our ability to purchase products through our independent contract manufacturers that are made with quality raw materials and our ability to mitigate the variability of costs related to such mitigating actions;
- our ability to gauge and adapt to changing U.S. and international retail environments and fashion trends and changing consumer preferences in product, price-points, as well

- our ability to respond to price, innovation and other competitive pressures in the global apparel industry, on and from our key customers and in our key markets and to increase our market share;
- our ability to increase the number of dedicated stores for our products, including through opening and profitably operating company-operated stores;
- our future business expectations, products, strategies, and goals, including our future financial, strategic, and operating performance and our long-term goals and targets;
- the extent to which wholesale customer forward demand signals result in actual sales;
- consequences of inflation, foreign currency exchange and interest rate fluctuations;
- the impact of foreign currency and exchange counterparty exposures;
- the impact of the effects of global supply chain disruptions on our business;
- the impact on our consumer traffic and demand, our business operations and the operations of our suppliers and manufacturers as climate change evolves and the frequency and intensity of extreme weather events increase;
- the impact of seasonality of our sales and our business;
- our ability to successfully prevent or mitigate the impacts of data security breaches;
- our ability to attract and retain key executives and other key employees;
- our ability to achieve our diversity, equity and inclusion, ESG and sustainability and climate change goals;
- our ability to protect our trademarks and other intellectual property;
- the impact of the variables that affect the net periodic benefit cost and future funding requirements of our postretirement benefits and pension plans;
- our dependence on key distribution channels, customers and suppliers;
- our ability to utilize our tax credits and net operating loss carryforwards;
- potential future paydowns of existing debt;
- future acquisitions of or investments in new businesses, including the Beyond Yoga integration;
- the adequacy of our liquidity position;
- the process and risks relating to the implementation of a new ERP system;
- the impact of pending, ongoing or future legal proceedings, litigation matters and disputes and regulatory developments;
- the impact of future shareholder returns, including share repurchases and dividends;
- changes in or application of trade and tax laws;
- potential increases in import tariffs or taxes, and the implementation of trade restrictions or sanctions; and
- political, social and economic instability, or natural disasters, in countries where we or our customers do business.

We have based the forward-looking statements contained in this Quarterly Report primarily on our current expectations and projections about future events and trends that we believe are likely to occur and on our current financial needs. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties, assumptions and other factors described in our Annual Report on Form 10-K for the fiscal year ended November 26, 2023, in our other filings with the SEC and in this Quarterly Report. These risks are not exhaustive. Other sections of this Quarterly Report include additional factors that we believe are important to understanding our business. Our business is subject to many factors that are beyond our control, including the impact of the current and future competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that we cannot anticipate.

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assure you that the results, events and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results, events or circumstances could differ materially from those reflected in the forward-looking statements.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available at the time they are made. Such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive investigation. Investors are cautioned not to unduly rely upon these statements.

The forward-looking statements made in this Quarterly Report relate only to events as of the date on which such statements are made. We undertake no obligation to update these forward-looking statements to actual results or revised expectations, except as required by law.

Additional information regarding factors that could cause results to differ can be found in our Annual Report on Form 10-K for the fiscal year ended November 26, 2023, in this Quarterly Report. Investors are cautioned not to unduly rely upon these statements.

As used herein, "Levi Strauss", "Levi", "Levi's", "the company", "the Company", "we", "us", "our" and similar terms include Levi Strauss & Co. and its subsidiaries, unless the context otherwise requires.

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Item 3.**QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

There have been no material changes in our primary market risk exposures or how those exposures are managed from the information disclosed in our 2023 Annual Report on Form 10-K.

Item 4.**CONTROLS AND PROCEDURES*****Evaluation of Disclosure Controls and Procedures***

We have evaluated, under the supervision and with the participation of management, including our chief executive officer and our chief financial officer, the effectiveness of the controls and procedures under the Securities Exchange Act of 1934 (the "Exchange Act") as of **February 25, 2024** **May 26, 2024**. Based on that evaluation, our chief executive officer and our chief financial officer have concluded that the Company's disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

We maintain a system of internal control over financial reporting that is designed to provide reasonable assurance that our books and records accurately reflect our transactions. As of **February 25, 2024** **May 26, 2024**, we completed the implementation of a global consolidation system that is built within the Company's existing ERP system. As a result, there were no material changes to the Company's internal control over financial reporting. We will continue to evaluate and monitor our internal control over financial reporting for **during this period of change**. Other than the implementation of the global consolidation system, there were no material changes to the Company's internal control over financial reporting that occurred during the three-month period ended **February 25, 2024** **May 26, 2024** that have materially affected, or are reasonably likely to affect, the Company's internal control over financial reporting.

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In the ordinary course of business, we have various claims, complaints and pending cases, including contractual matters, facility and employee-related matters, distribution in tax and administrative matters. We do not believe any of these pending claims, complaints and legal proceedings will have a material impact on our financial condition, results of operations or cash flows.

Item 1A.**RISK FACTORS**

For information regarding factors that could affect our results of operations, financial condition and liquidity, see the risk factors discussed in Part I, Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023.

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Table of Conte Contents**Item 2.****UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS****(a) Recent Sales of Unregistered Securities**

None.

(b) Use of Proceeds from Securities

None.

(c) Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Period	Total number of shares purchased ⁽¹⁾	Average price paid per share ⁽²⁾	Total number of shares purchased ⁽¹⁾
November 27, 2023 - December 31, 2023	—	\$ —	—
January 1, 2024 - January 28, 2024	—	\$ —	—
January 29, 2024 - February 25, 2024	1,451,753	\$ 17.15	1,451,753
Total	1,451,753	\$ 17.15	1,451,753

Period	Total number of shares purchased ⁽¹⁾	Average price paid per share ⁽²⁾	Total number of shares purchased ⁽¹⁾
February 26, 2024 - March 31, 2024	—	\$ —	—
April 1, 2024 - April 28, 2024	821,952	\$ 19.99	—
April 29, 2024 - May 26, 2024	26,347	\$ 20.96	—
Total	848,299	\$ 20.02	—

(1) We maintain a share repurchase program authorized by the Board. Under this program, we may repurchase shares from time to time. The timing and actual number of shares repurchased will depend on a variety of factors, including market conditions, capital requirements, and other corporate needs. Repurchases may be effected through Rule 10b5-1 plans, open market purchases or privately negotiated transactions, each in compliance with Rule 10b-18 under the Exchange Act. The program may be suspended or discontinued at any time. During the **first** **second** quarter of 2024, we repurchased **1.5** **0.8** million shares for **\$24.9** **\$17.0** million, excluding any broker commissions. Such repurchases were made pursuant to the Company's share repurchase program.

(2) The average price paid per share excludes any broker commissions.

Shares withheld related to the vesting or exercise of stock-based compensation awards are excluded from the disclosure.

Item 3. DEFAULTS UPON SENIOR SECURITIES

None.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

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Item 5. OTHER INFORMATION

During the three months **second quarter** ended **February 25, 2024** **May 26, 2024**, none of our directors or officers (as defined in Rule 16a-1(f) under the Securities Exchange Act) or "trading arrangement" or "non-Rule 10b5-1 trading arrangement," as those terms are defined in Item 408 of Regulation S-K, except as described in the table below:

Name and Title	Action	Applicable Date	Duration of Trading Arrangements	Rule 10b5-1
David Friedman Director ⁽¹⁾	Adopt	January 29, 2024	January 29, 2024 - April 29, 2025	
Harmit Singh Chief Financial and Growth Officer	Adopt	February 6, 2024	February 6, 2024 - January 25, 2025	

* Denotes whether the trading plan is intended, when adopted, to satisfy the affirmative defense of Rule 10b5-1(c).

(1) Consists of 200,000 shares controlled by Mr. Friedman through a revocable trust. The Rule 10b5-1 Trading Arrangement adopted by Mr. Friedman also includes 200,000 shares in certain accounts for which Mr. Friedman is a trustee.

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Item 6. EXHIBITS

Exhibit Number	Description of Document	Form
3.1	Amended and Restated Certificate of Incorporation of the Registrant.	8-K
3.2	Amended and Restated Bylaws.	8-K
10.1*	Second Amendment to Amended and Restated Deferred Compensation Plan for Executives and Outside Directors, dated March 14, 2019.	

10.2*	Third Amendment to Amended and Restated Deferred Compensation Plan for Executives and Outside Directors, dated October 2, 2023.
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. Filed herewith.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. Filed herewith.
32.1†	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. Furnished herewith.
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document. Filed herewith.
101.SCH	Inline XBRL Taxonomy Extension Schema Document. Filed herewith.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document. Filed herewith.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document. Filed herewith.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document. Filed herewith.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document. Filed herewith.
104	Cover Page Interactive Data File (formatted as inline XBRL and contained within Exhibit 101). Filed herewith.

Exhibit Number	Description of Document	For
3.1	Amended and Restated Certificate of Incorporation of the Registrant.	8-
3.2	Amended and Restated Bylaws.	8-
10.1	Employment Offer Letter between the Registrant and Gianluca Flore.	8-
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. Filed herewith.	
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. Filed herewith.	
32.1†	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. Furnished herewith.	
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document. Filed herewith.	
101.SCH	Inline XBRL Taxonomy Extension Schema Document. Filed herewith.	
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document. Filed herewith.	
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document. Filed herewith.	
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document. Filed herewith.	
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document. Filed herewith.	
104	Cover Page Interactive Data File (formatted as inline XBRL and contained within Exhibit 101). Filed herewith.	

† The certification attached as Exhibit 32.1 accompanies this Quarterly Report on Form 10-Q, is not deemed filed with the Commission and is not to be incorporated by reference into any filing under the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Quarterly Report on Form 10-Q, irrespective of any general incorporation language.

* Indicates management contract or compensatory plan or arrangement.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

By: _____

(P)

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Second Amendment

**Levi Strauss & Co.
Deferred Compensation Plan for
Executives and Outside Directors**

WHEREAS, Levi Strauss & Co. ("LS&Co.") maintains the Levi Strauss & Co. Deferred Compensation Plan for Executives and Outside Directors, amended and restated as management, highly compensated employees and directors;

WHEREAS, Section 8.2 of the Plan provides that LS&Co. may amend the Plan at any time and for any reason; and

WHEREAS, the last paragraph of the Purpose of the Plan provides that LS&Co. reserves the right to amend the Plan to comply with regulations or other guidance promulgated by the U.S. Department of Labor or the Internal Revenue Service;

WHEREAS, the amendment herein is within the delegated authority of the SVP and Chief HR Officer; and

WHEREAS, LS&Co. desires to amend the Plan to add language related to "specified employees" as defined under Section 409A of the Internal Revenue Code and to make certain administrative changes;

NOW THEREFORE, the Plan is hereby amended in the following respects effective as of the date LS&Co. has outstanding stock publicly traded on an established securities market:

1. A new Section 1.41A is hereby added to read as follows:

1.41A **"Specified Employee"** shall mean an employee who, as of the date of the employee's Separation from Service, is a "specified employee" within the meaning of Code Section 409A.

2. The second sentence of Section 5.3 of the Plan is hereby amended to read as follows:

Remaining installments, if any, shall be paid during each January following his or her Retirement Date or such later date during the year as would be administratively feasible.

3. A new Section 5.9 of the Plan is hereby amended in its entirety to read as follows:

5.9 **Six-Month Delay.** If the Participant is a Specified Employee on the date of the Participant's Separation from Service (including a Participant's Retirement), distribution of amounts otherwise payable to the Participant prior to the date of the Participant's Separation from Service (or upon the death of the Participant, if earlier). All amounts that would otherwise have been paid prior to such date shall be paid on the anniversary of the initial distribution under this Section 5.9 (or as soon as administratively practicable thereafter).

* * *

IN WITNESS WHEREOF, the undersigned has caused this Second Amendment to be executed this 14th day of March, 2019.

LEVI STRAUSS & CO.

By:

/s/ Elizabeth

Elizabeth

SVP and

Third Amendment

Levi Strauss & Co.
Deferred Compensation Plan for
Executives and Outside Directors

WHEREAS, Levi Strauss & Co. ("LS&Co.") maintains the Levi Strauss & Co. Deferred Compensation Plan for Executives and Outside Directors, amended and restated as management, highly compensated employees and directors;

WHEREAS, Section 8.2 of the Plan provides that LS&Co. may amend the Plan at any time and for any reason; and

WHEREAS, the amendment herein has been approved by the Compensation and Human Capital Committee of the LS&Co. Board of Directors; and

WHEREAS, LS&Co. desires to amend the Plan to add language related to recoupment of incentive compensation in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act.

NOW THEREFORE, the Plan is hereby amended in the following respects effective as of October 2, 2023:

1. A new Section 12.15 is hereby added to read as follows:

12.15 Recovery or Offset of Amounts Subject to Clawback. To the extent any contribution made by a Participant, the Company or any Employer under the Plan related to the Levi Strauss & Co. Amended and Restated Policy for Recoupment of Incentive Compensation, or any other clawback or compensation recoupment or recovery policy or program, is required to be forfeited or otherwise recouped in order to comply with any applicable law or exchange listing requirement (each, a "clawback policy"), such amount shall be forfeited as required to comply with such clawback policy. To the extent a Participant is required to forfeit amounts under a clawback policy, such amount may be offset against any compensation or other amount owed to the Participant. To the extent a Participant is subject to recoupment under a clawback policy, the balance in the Participant's Account may be forfeited to the extent necessary to effectuate such recoupment. The occurrence of a clawback or compensation under such a clawback policy will be an event giving rise to a Participant's right to voluntarily terminate employment by a resignation for "good reason" or by the Company or any Employer.

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CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michelle Gass, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Levi Strauss & Co.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, including an evaluation by our principal executive officer and our principal financial officer; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and our Board of Directors (or audit committee, if any):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's internal control over financial reporting, including, without limitation, any such deficiency or weakness which could be used by others in committing fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **April 3, 2024** June 26, 2024

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Harmit Singh, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Levi Strauss & Co.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information is made known to others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, including any tests we performed and our conclusions regarding the effectiveness of disclosure controls and procedures, based on our evaluations; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter, including any such change which has materially affected or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and our independent registered public accountants, any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's internal control over financial reporting, including, without limitation, any such deficiency or weakness which could be used by others in committing fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **April 3, 2024** June 26, 2024

Exe

CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

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**PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 Sarbanes-Oxley Act of 2002, Michelle Gass, Chief Executive Officer of Levi Strauss & Co. (the "Company"), and Harmit Singh, Chief Financial Officer of the Company, each hereby c

1. The Company's Quarterly Report on Form 10-Q for the period ended **February 25, 2024** **May 26, 2024**, to which this Certification is attached as Exhibit 32.1 (the "Report") ful
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of, and for, the periods pro

/s/ MICHELLE GASS

Michelle Gass
President and Chief Executive Officer
April 3, **June 26, 2024**

/s/ HARMIT SINGH

Harmit Singh
Executive Vice President and Chief Financial Officer
April 3, **June 26, 2024**

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