

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): February 2, 2023

**SKECHERS U.S.A., INC.**  
(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)  
  
**228 Manhattan Beach Boulevard,  
Manhattan Beach, California**  
(Address of principal executive offices)

**001-14429**  
(Commission  
File Number)

**95-4376145**  
(I.R.S. Employer  
Identification No.)

**90266**  
(Zip Code)

Registrant's telephone number, including area code: (310) 318-3100

Not Applicable  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

| Title of each class                                  | Trading Symbol(s) | Name of each exchange on which registered |
|--|-------------------|---|
| Class A Common Stock, par value of \$0.001 per share | SKX               | New York Stock Exchange                   |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth 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. ☐

**Item 2.02 Results of Operations and Financial Condition.**

On February 2, 2023, Skechers U.S.A., Inc. issued a press release announcing its results of operations and financial condition for the quarter ended December 31, 2022. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

The following exhibit is furnished as part of this report:

[99.1 Press Release dated February 2, 2023.](#)

104 Cover Page Interactive Data File (embedded within the inline XBRL document).

The information in this current report and the exhibit attached hereto is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. The Information in this Current Report shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended. The furnishing of the Information in this Current Report is not intended to, and does not, constitute a representation that such furnishing is required by Regulation FD or that the Information this Current Report contains is material investor information that is not otherwise publicly available.

| <u>Exhibit No.</u>   | <u>Description</u>   |
|----------------------|--|
| <a href="#">99.1</a> | <a href="#">Press Release dated February 2, 2023.</a>                        |
| 104                  | Cover Page Interactive Data File (embedded within the inline XBRL document). |

**SIGNATURES**

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 hereunto duly authorized.

SKECHERS U.S.A., INC.

*February 2, 2023*

*By: /s/ John Vandemore*

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*Name: John Vandemore*

*Title: Chief Financial Officer*

## SKECHERS ANNOUNCES RECORD FOURTH QUARTER SALES AND FULL YEAR 2022 FINANCIAL RESULTS

LOS ANGELES, CA – February 2, 2023 – Skechers U.S.A., Inc. (“Skechers” or the “Company”) (NYSE:SKX), The Comfort Technology Company™ and a global footwear leader, today announced financial results for the fourth quarter and year ended December 31, 2022.

## Fourth Quarter Highlights

- Record quarterly sales of \$1.88 billion, a year-over-year increase of 13.5%
- Wholesale sales grew 15.7%
- Direct-to-Consumer sales grew 10.8%
- Diluted earnings per share of \$0.48

“2022 was another milestone year for Skechers as we achieved record annual sales of \$7.4 billion. This increase of \$1.1 billion, or 18%, from the prior year was the result of four quarterly sales records, including fourth quarter sales of \$1.88 billion,” began David Weinberg, Chief Operating Officer of Skechers. “Fourth quarter growth was driven by increases of 16% in Wholesale combined with 11% in Direct-to-Consumer. Wholesale results were driven by double-digit growth in the U.S., international distributors, Germany, India, Mexico, and Spain. The strength in our Direct-to-Consumer business was primarily driven by domestic sales. The growth within the quarter was partially offset by a 23% decrease in our China sales, which were impacted by COVID-related restrictions, including the temporary closure of more than 1,000 Skechers stores in November. With the recent elimination of the zero-COVID policy, we believe that our business in China will improve throughout 2023. In addition, while the inventory challenges at our domestic distribution center have been difficult to navigate, we are seeing improvements and remain confident in the strength of our brand and the demand for our products. We ended the year strong and expect to see continued growth in 2023.”

“Starting our fourth decade of business as a \$7.4 billion company that grew over \$1 billion this past year is a phenomenal achievement and one that leaves me with overwhelming pride for the dedication, creativity and insight of the global Skechers team. With their flexibility and drive, along with the support of both our loyal partners and consumers, we expect to achieve continued success across all areas of the business,” added Robert Greenberg, Chief Executive Officer of Skechers. “With the goal of \$10 billion in sales by 2026, our aim is high, but we believe attainable due to several factors. Our range of comfort technology products is broader and more appealing than ever, and many new attention-grabbing collaborations are planned throughout this year. We are committed to our marketing strategy and will be revealing even more surprising star power in 2023, which we expect will enable us to reach a more diverse audience. And we have the global infrastructure and talented teams in place to deliver what consumers want – comfort, style, innovation, and quality at a reasonable price from a brand they trust. 2022 was an incredible year for us, and I’m looking forward to what 2023 will bring.”

## Fourth Quarter 2022 Financial Results

| (in millions, except per share data) | Three Months Ended December 31, |            | Change  |          |
|--------------------------------------|---------------------------------|------------|---------|----------|
|                                      | 2022                            | 2021       | \$      | %        |
| Sales                                | \$ 1,878.8                      | \$ 1,655.4 | 223.4   | 13.5     |
| Gross profit                         | 909.7                           | 808.2      | 101.5   | 12.6     |
| Gross margin                         | 48.4%                           | 48.8%      |         | (40)bps  |
| Operating expenses                   | 823.0                           | 715.1      | 107.9   | 15.1     |
| As a % of sales                      | 43.8%                           | 43.2%      |         | 60bps    |
| Earnings from operations             | 86.6                            | 93.1       | (6.5)   | (6.9)    |
| Operating margin                     | 4.6%                            | 5.6%       |         | (100)bps |
| Net earnings                         | 75.5                            | 402.4      | (326.9) | (81.2)   |
| Diluted earnings per share           | \$ 0.48                         | \$ 2.56    | (2.08)  | (81.3)   |
| Adjusted diluted earnings per share  | \$ 0.48                         | \$ 0.43    | 0.05    | 11.6     |

Fourth quarter sales increased 13.5% as a result of a 22.3% increase domestically and an 8.7% increase internationally, led by strength in wholesale sales. All segments experienced growth, with Wholesale increasing 15.7% and Direct-to-Consumer increasing 10.8%. On a constant currency basis, sales increased 19.1%.

Wholesale sales growth of \$142.4 million, or 15.7%, was led by increases in EMEA of 31.1% and AMER of 18.6%. Wholesale volume increased 9.4% and average selling price increased 6.3%.

Direct-to-Consumer sales growth of \$81.0 million, or 10.8%, was led by increases in AMER of 27.0% and EMEA of 19.1%. Direct-to-Consumer volume increased 14.8% and average selling price decreased 3.5%.

Gross margin was 48.4%, a decrease of 40 basis points, primarily the result of higher cost per unit and increased promotions, partially offset by average selling price increases.

Operating expenses increased \$107.9 million, or 15.1%, and as a percentage of sales increased 60 basis points to 43.8%. Selling expenses increased \$19.0 million, or 13.7%, due to higher global digital and brand demand creation expenditures. General and administrative expenses increased \$88.9 million, or 15.4%, and as a percentage of sales increased 60 basis points to 35.4%. Increased expenses were primarily driven by volume-driven labor and distribution expenses in addition to higher costs at the domestic distribution center due to supply chain and logistics challenges.

Earnings from operations decreased \$6.5 million, or 6.9%, to \$86.6 million.

Net earnings were \$75.5 million and diluted earnings per share were \$0.48 compared with prior year net earnings of \$402.4 million and earnings per share of \$2.56. Adjusted diluted earnings per share were \$0.48 compared with prior year adjusted diluted earnings per share of \$0.43, excluding certain items related to tax benefit and legal settlements.

In the fourth quarter, the Company's effective income tax rate was 9.6%.

"Skechers' record fourth quarter and full year sales, demonstrate the strength of our brand as the comfort technology leader and the robust demand for our innovative product portfolio, which drove global growth across channels despite volatile economic conditions," stated John Vandemore, Chief Financial Officer of Skechers. "We are making considerable progress on addressing the short-term challenges from elevated inventory levels and congestion in the supply chain, while staying keenly focused on executing against and investing in our long-term growth strategy."

#### Full Year 2022 Financial Results

| (in millions, except per share data) | Year Ended December 31, |              | Change  |                 |
|--------------------------------------|-------------------------|--------------|---------|-----------------|
|                                      | 2022                    | 2021         | \$      | %               |
| Sales                                | \$ 7,444.5              | \$ 6,310.2   | 1,134.3 | 18.0            |
| Gross profit                         | 3,515.4                 | 3,124.4      | 391.0   | 12.5            |
| <i>Gross margin</i>                  | <i>47.2%</i>            | <i>49.5%</i> |         | <i>(230)bps</i> |
| Operating expenses                   | 2,968.7                 | 2,526.2      | 442.5   | 17.5            |
| <i>As a % of sales</i>               | <i>39.9%</i>            | <i>40.0%</i> |         | <i>(20)bps</i>  |
| Earnings from operations             | 546.7                   | 598.2        | (51.5)  | (8.6)           |
| <i>Operating margin</i>              | <i>7.3%</i>             | <i>9.5%</i>  |         | <i>(210)bps</i> |
| Net earnings                         | 373.0                   | 741.5        | (368.5) | (49.7)          |
| Diluted earnings per share           | \$ 2.38                 | \$ 4.73      | (2.35)  | (49.7)          |
| Adjusted diluted earnings per share  | \$ 2.38                 | \$ 2.59      | (0.21)  | (8.1)           |

Full year sales increased 18.0% reflecting a 20.0% increase domestically and a 16.6% increase internationally with the largest contribution derived from wholesale sales. Both segments experienced increases, with Wholesale increasing 23.2% and Direct-to-Consumer increasing 10.2%. On a constant currency basis, the Company's sales increased 22.6%.

Wholesale sales growth of \$873.8 million, or 23.2%, was led by increases in AMER of 28.7% and EMEA of 33.9%. Wholesale volume increased 18.2% and average selling price increased 4.8%.

Direct-to-Consumer sales growth of \$260.5 million, or 10.2%, was led by increases in AMER of 13.8% and EMEA of 25.3%. Direct-to-Consumer volume increased 6.6% and average selling price increased 3.4%.

Gross margin was 47.2%, a decrease of 230 basis points, primarily the result of higher freight and logistics costs, partially offset by average selling price increases.

Operating expenses increased \$442.5 million or 17.5%. As a percentage of sales, operating expenses improved 20 basis points to 39.9%. Selling expenses increased \$84.1 million or 16.8%, primarily due to higher global demand creation expenditures. General and administrative expenses increased \$358.4 million or 17.7%, primarily due to supply chain and logistics challenges at the domestic distribution center in addition to increased labor and warehouse and distribution expenses, driven by higher unit volume.

Earnings from operations decreased \$51.5 million to \$546.7 million.

Net earnings were \$373.0 million and diluted earnings per share were \$2.38 compared with prior year net earnings of \$741.5 million and earnings per share of \$4.73. Adjusted diluted earnings per share were \$2.38 compared with prior year adjusted diluted earnings per share of \$2.59, excluding certain items related to tax benefit and legal settlements.

The Company's effective income tax rate was 17.8%.

#### Balance Sheet

Cash, cash equivalents and investments totaled \$788.4 million, a decrease of \$252.1 million, or 24.2% from December 31, 2021, primarily as a result of working capital investments, particularly inventory, capital expenditures, and completing \$74.2 million of share repurchases during 2022.

Inventory was \$1.82 billion, an increase of \$347.0 million or 23.6% from December 31, 2021. Increased inventory levels primarily reflect growth in AMER and EMEA.

#### Share Repurchase

In 2022, the Company repurchased 1.9 million shares of its Class A common stock at a cost of \$74.2 million. At December 31, 2022, approximately \$425.8 million remained available under the Company's share repurchase program.

#### Outlook

For the fiscal year 2023, the Company believes it will achieve sales between \$7.75 billion and \$8.0 billion and diluted earnings per share of between \$2.80 and \$3.00. The Company believes that for the first quarter of 2023, it will achieve sales between \$1.80 billion and \$1.85 billion and diluted earnings per share of between \$0.55 and \$0.60. Further, the Company believes that total capital expenditures will be between \$300 million and \$350 million in 2023.

This guidance considers but may not fully represent the significant uncertainty surrounding 2023.

#### Store Count

|  | Number of Stores  |            |                       |                   |
|--|-------------------|------------|-----------------------|-------------------|
|  | December 31, 2021 | Opened     | Closed <sup>(1)</sup> | December 31, 2022 |
| Domestic stores                            | 515               | 43         | (19)                  | 539               |
| International stores                       | 845               | 172        | (112)                 | 905               |
| Distributor, licensee and franchise stores | 2,946             | 529        | (382)                 | 3,093             |
| <b>Total Skechers stores</b>               | <b>4,306</b>      | <b>744</b> | <b>(513)</b>          | <b>4,537</b>      |

(1) Does not reflect temporary closures due to the COVID-19 pandemic.

#### Fourth Quarter 2022 Conference Call

The Company will host a conference call today at 4:30 p.m. ET / 1:30 p.m. PT to discuss its fourth quarter 2022 financial results. The call can be accessed on the Investor Relations section of the Company's website at [investors.skechers.com](https://investors.skechers.com). For those unable to participate during the live broadcast, a replay will be available beginning February 2, 2023 at 7:30 p.m. ET, through February 16, 2023, at 11:59 p.m. ET. To access the replay, dial 844-512-2921 (U.S.) or 412-317-6671 (International) and use passcode: 13735418.

## About Skechers U.S.A., Inc.

Skechers U.S.A., Inc., The Comfort Technology Company™ based in Southern California, designs, develops and markets a diverse range of lifestyle and performance footwear, apparel and accessories for men, women and children. The Company's collections are available in over 180 countries and territories through department and specialty stores, and direct to consumers through digital stores and 4,537 Company- and third-party-owned physical retail stores. The Company manages its international business through a network of wholly-owned subsidiaries, joint venture partners, and distributors. For more information, please visit [about.skechers.com](https://about.skechers.com) and follow us on Facebook, Instagram, Twitter and TikTok.

*Reference in this press release to "Sales" refers to Skechers' net sales reported under GAAP. This announcement contains forward-looking statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements may include, without limitation, Skechers' future domestic and international growth, financial results and operations including expected net sales and earnings, its development of new products, future demand for its products, its planned domestic and international expansion, opening of new stores and additional expenditures, and advertising and marketing initiatives. Forward-looking statements can be identified by the use of forward-looking language such as "believe," "anticipate," "expect," "estimate," "intend," "plan," "project," "will," "could," "may," "might," or any variations of such words with similar meanings. Any such statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected in forward-looking statements. Factors that might cause or contribute to such differences include the disruption of business and operations due to the COVID-19 pandemic; delays or disruptions in our supply chain; international economic, political and market conditions including the effects of inflation and foreign currency exchange rate fluctuations around the world, the challenging consumer retail markets in the United States and the impact of Russia's invasion of Ukraine; sustaining, managing and forecasting costs and proper inventory levels; losing any significant customers; decreased demand by industry retailers and cancellation of order commitments due to the lack of popularity of particular designs and/or categories of products; maintaining brand image and intense competition among sellers of footwear for consumers, especially in the highly competitive performance footwear market; anticipating, identifying, interpreting or forecasting changes in fashion trends, consumer demand for the products and the various market factors described above; sales levels during the spring, back-to-school and holiday selling seasons; and other factors referenced or incorporated by reference in Skechers' annual report on Form 10-K for the year ended December 31, 2021 and its quarterly reports on Form 10-Q in 2022. Taking these and other risk factors associated with the COVID-19 pandemic into consideration, the dynamic nature of these circumstances means that what is stated in this press release could change at any time, and as a result, actual results could differ materially from those contemplated by such forward-looking statements. The risks included here are not exhaustive. Skechers operates in a very competitive and rapidly changing environment. New risks emerge from time to time and we cannot predict all such risk factors, nor can we assess the impact of all such risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, you should not place undue reliance on forward-looking statements as a prediction of actual results. Moreover, reported results should not be considered an indication of future performance.*

## Investor Relations

Eunice Han

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## Press

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**SKECHERS U.S.A., INC. AND SUBSIDIARIES**  
**Condensed Consolidated Balance Sheets**  
**(Unaudited)**

| (in thousands)                               | As of<br>December 31, 2022 | As of<br>December 31, 2021 |
|--|----------------------------|----------------------------|
| <b>ASSETS</b>                                |                            |                            |
| Current assets                               |                            |                            |
| Cash and cash equivalents                    | \$ 615,733                 | \$ 796,283                 |
| Short-term investments                       | 102,166                    | 98,580                     |
| Trade accounts receivable, net               | 848,287                    | 732,793                    |
| Other receivables                            | 86,036                     | 80,043                     |
| Inventory                                    | 1,818,016                  | 1,470,994                  |
| Prepaid expenses and other                   | 176,035                    | 193,547                    |
| Total current assets                         | 3,646,273                  | 3,372,240                  |
| Property, plant and equipment, net           | 1,345,370                  | 1,128,909                  |
| Operating lease right-of-use assets          | 1,200,565                  | 1,224,580                  |
| Deferred tax assets                          | 454,190                    | 451,355                    |
| Long-term investments                        | 70,498                     | 145,590                    |
| Goodwill                                     | 93,497                     | 93,497                     |
| Other assets, net                            | 83,094                     | 75,109                     |
| Total non-current assets                     | 3,247,214                  | 3,119,040                  |
| <b>TOTAL ASSETS</b>                          | <b>\$ 6,893,487</b>        | <b>\$ 6,491,280</b>        |
| <b>LIABILITIES AND EQUITY</b>                |                            |                            |
| Current liabilities                          |                            |                            |
| Accounts payable                             | \$ 957,384                 | \$ 876,342                 |
| Accrued expenses                             | 294,143                    | 265,420                    |
| Operating lease liabilities                  | 238,694                    | 225,658                    |
| Current installments of long-term borrowings | 103,184                    | 76,967                     |
| Short-term borrowings                        | 19,635                     | 1,195                      |
| Total current liabilities                    | 1,613,040                  | 1,445,582                  |
| Long-term operating lease liabilities        | 1,063,672                  | 1,094,748                  |
| Long-term borrowings                         | 216,488                    | 263,445                    |
| Deferred tax liabilities                     | 8,656                      | 11,820                     |
| Other long-term liabilities                  | 120,045                    | 133,613                    |
| Total non-current liabilities                | 1,408,861                  | 1,503,626                  |
| Total liabilities                            | 3,021,901                  | 2,949,208                  |
| Stockholders' equity                         |                            |                            |
| Preferred Stock                              | —                          | —                          |
| Class A Common Stock                         | 134                        | 135                        |
| Class B Common Stock                         | 21                         | 21                         |
| Additional paid-in capital                   | 403,799                    | 429,608                    |
| Accumulated other comprehensive loss         | (84,897)                   | (48,323)                   |
| Retained earnings                            | 3,250,931                  | 2,877,903                  |
| Skechers U.S.A., Inc. equity                 | 3,569,988                  | 3,259,344                  |
| Noncontrolling interests                     | 301,598                    | 282,728                    |
| Total stockholders' equity                   | 3,871,586                  | 3,542,072                  |
| <b>TOTAL LIABILITIES AND EQUITY</b>          | <b>\$ 6,893,487</b>        | <b>\$ 6,491,280</b>        |



**SKECHERS U.S.A., INC. AND SUBSIDIARIES**  
**Condensed Consolidated Statements of Earnings**  
**(Unaudited)**

| (in thousands, except per share data)  | Three Months Ended December 31, |              | Year Ended December 31, |              |
|--|---------------------------------|--------------|-------------------------|--------------|
|  | 2022                            | 2021         | 2022                    | 2021         |
| Sales  | \$ 1,878,785                    | \$ 1,655,385 | \$ 7,444,550            | \$ 6,310,187 |
| Cost of sales  | 969,105                         | 847,228      | 3,929,193               | 3,185,816    |
| Gross profit   | 909,680                         | 808,157      | 3,515,357               | 3,124,371    |
| Operating expenses   |                                 |              |                         |              |
| Selling  | 157,951                         | 138,892      | 583,626                 | 499,532      |
| General and administrative   | 665,092                         | 576,203      | 2,385,061               | 2,026,652    |
| Total operating expenses   | 823,043                         | 715,095      | 2,968,687               | 2,526,184    |
| Earnings from operations   | 86,637                          | 93,062       | 546,670                 | 598,187      |
| Other income (expense)   | 15,731                          | (8,365)      | (24,413)                | (28,430)     |
| Earnings before income taxes   | 102,368                         | 84,697       | 522,257                 | 569,757      |
| Income tax expense (benefit)   | 9,866                           | (337,902)    | 93,095                  | (245,875)    |
| Net earnings   | 92,502                          | 422,599      | 429,162                 | 815,632      |
| Less: Net earnings attributable to noncontrolling interests  | 16,987                          | 20,177       | 56,134                  | 74,129       |
| Net earnings attributable to Skechers U.S.A., Inc.   | \$ 75,515                       | \$ 402,422   | \$ 373,028              | \$ 741,503   |
| Net earnings per share attributable to Skechers U.S.A., Inc.   |                                 |              |                         |              |
| Basic  | \$ 0.49                         | \$ 2.58      | \$ 2.40                 | \$ 4.77      |
| Diluted  | \$ 0.48                         | \$ 2.56      | \$ 2.38                 | \$ 4.73      |
| Weighted-average shares used in calculating net earnings per share attributable to Skechers U.S.A., Inc. |                                 |              |                         |              |
| Basic  | 155,162                         | 155,909      | 155,627                 | 155,539      |
| Diluted  | 156,278                         | 157,340      | 156,608                 | 156,794      |

**SKECHERS U.S.A., INC. AND SUBSIDIARIES**  
**Supplemental Financial Information**  
**(Unaudited)**

As previously announced, during the first quarter of 2022 Skechers refined the way it views its business operations and decision-making and now presents its reportable segment results as Wholesale and Direct-to-Consumer. Prior period results have been recast to reflect current reportable segments. There was no impact to the consolidated financial results of the Company as a result of this change.

**Segment Information**

| (in millions)            | Three Months Ended December 31, |            | Change  |          |
|--------------------------|---------------------------------|------------|---------|----------|
|                          | 2022                            | 2021       | \$      | %        |
| Wholesale sales          | \$ 1,049.2                      | \$ 906.8   | 142.4   | 15.7     |
| Gross profit             | 375.2                           | 326.7      | 48.5    | 14.9     |
| Gross margin             | 35.8%                           | 36.0%      |         | (30)bps  |
| Direct-to-Consumer sales | \$ 829.6                        | \$ 748.6   | 81.0    | 10.8     |
| Gross profit             | 534.4                           | 481.5      | 52.9    | 11.0     |
| Gross margin             | 64.4%                           | 64.3%      |         | 10bps    |
| Total sales              | \$ 1,878.8                      | \$ 1,655.4 | 223.4   | 13.5     |
| Gross profit             | 909.7                           | 808.2      | 101.4   | 12.6     |
| Gross margin             | 48.4%                           | 48.8%      |         | (40)bps  |
| (in millions)            | Year Ended December 31,         |            | Change  |          |
|                          | 2022                            | 2021       | \$      | %        |
| Wholesale sales          | \$ 4,632.4                      | \$ 3,758.6 | 873.8   | 23.2     |
| Gross profit             | 1,669.3                         | 1,437.5    | 231.8   | 16.1     |
| Gross margin             | 36.0%                           | 38.2%      |         | (220)bps |
| Direct-to-Consumer sales | \$ 2,812.1                      | \$ 2,551.6 | 260.5   | 10.2     |
| Gross profit             | 1,846.1                         | 1,686.9    | 159.2   | 9.4      |
| Gross margin             | 65.6%                           | 66.1%      |         | (50)bps  |
| Total sales              | \$ 7,444.5                      | \$ 6,310.2 | 1,134.3 | 18.0     |
| Gross profit             | 3,515.4                         | 3,124.4    | 391.0   | 12.5     |
| Gross margin             | 47.2%                           | 49.5%      |         | (230)bps |

## Additional Sales Information

| (in millions)                       | Three Months Ended December 31, |            | Change  |        |
|-------------------------------------|---------------------------------|------------|---------|--------|
|                                     | 2022                            | 2021       | \$      | %      |
| <b>Geographic sales</b>             |                                 |            |         |        |
| Domestic                            |                                 |            |         |        |
| Wholesale                           | \$ 365.4                        | \$ 315.5   | 49.9    | 15.8   |
| Direct-to-Consumer                  | 345.4                           | 265.7      | 79.7    | 30.0   |
| Total domestic sales                | 710.8                           | 581.2      | 129.6   | 22.3   |
| International                       |                                 |            |         |        |
| Wholesale                           | 683.8                           | 591.3      | 92.5    | 15.6   |
| Direct-to-Consumer                  | 484.2                           | 482.9      | 1.3     | 0.3    |
| Total international sales           | 1,168.0                         | 1,074.2    | 93.8    | 8.7    |
| Total sales                         | \$ 1,878.8                      | \$ 1,655.4 | 223.4   | 13.5   |
| <b>Regional sales</b>               |                                 |            |         |        |
| Americas (AMER)                     | \$ 925.6                        | \$ 755.7   | 169.9   | 22.5   |
| Europe, Middle East & Africa (EMEA) | 413.7                           | 320.9      | 92.8    | 28.9   |
| Asia Pacific (APAC)                 | 539.5                           | 578.8      | (39.3)  | (6.8)  |
| Total sales                         | \$ 1,878.8                      | \$ 1,655.4 | 223.4   | 13.5   |
| China sales                         | \$ 308.0                        | \$ 402.4   | (94.4)  | (23.4) |
| Distributor sales                   | \$ 160.7                        | \$ 118.2   | 42.5    | 35.9   |
| (in millions)                       | Year Ended December 31,         |            | Change  |        |
|                                     | 2022                            | 2021       | \$      | %      |
| <b>Geographic sales</b>             |                                 |            |         |        |
| Domestic                            |                                 |            |         |        |
| Wholesale                           | \$ 1,831.6                      | \$ 1,448.3 | 383.3   | 26.5   |
| Direct-to-Consumer                  | 1,243.5                         | 1,115.1    | 128.4   | 11.5   |
| Total domestic sales                | 3,075.1                         | 2,563.4    | 511.7   | 20.0   |
| International                       |                                 |            |         |        |
| Wholesale                           | 2,800.8                         | 2,310.3    | 490.5   | 21.2   |
| Direct-to-Consumer                  | 1,568.6                         | 1,436.5    | 132.1   | 9.2    |
| Total international sales           | 4,369.4                         | 3,746.8    | 622.6   | 16.6   |
| Total sales                         | \$ 7,444.5                      | \$ 6,310.2 | 1,134.3 | 18.0   |
| <b>Regional sales</b>               |                                 |            |         |        |
| Americas (AMER)                     | \$ 3,854.4                      | \$ 3,152.3 | 702.1   | 22.3   |
| Europe, Middle East & Africa (EMEA) | 1,699.2                         | 1,282.9    | 416.3   | 32.5   |
| Asia Pacific (APAC)                 | 1,890.9                         | 1,875.0    | 15.9    | 0.9    |
| Total sales                         | \$ 7,444.5                      | \$ 6,310.2 | 1,134.3 | 18.0   |
| China sales                         | \$ 1,062.7                      | \$ 1,247.9 | (185.2) | (14.8) |
| Distributor sales                   | \$ 557.1                        | \$ 387.2   | 169.9   | 43.9   |

**SKECHERS U.S.A., INC. AND SUBSIDIARIES**  
**Reconciliation of GAAP Earnings Financial Measures to Corresponding Non-GAAP Financial Measures**  
**(Unaudited)**

***Adjusted Diluted Earnings Per Share (Non-GAAP Financial Measure)***

We believe that adjusted diluted earnings per share provide meaningful supplemental information to investors in evaluating our business performance for the quarter and year ended December 31, 2022. Adjusted diluted earnings per share is not a measure of financial performance under GAAP and should be considered in addition to, and not a substitute for, diluted earnings per share which is the most comparable GAAP measure. We believe that this non-GAAP measure provides useful information to investors regarding our results of operations and that when this non-GAAP financial information is viewed with our GAAP financial information, investors are provided with valuable supplemental information regarding our results of operations, facilitating period-to-period comparisons of our business performance consistent with how management evaluates the Company's operating performance. Our method of determining non-GAAP financial measures may differ from other companies' methods and therefore may not be comparable to those used by other companies. The table below includes prior-year adjustments for a tax benefit due to the establishment of net deferred tax assets related to an intra-entity transfer of certain intellectual property rights, as well as charges related to the settlement of multiple legal matters and the related tax benefit.

|   | <b>Three Months Ended December 31,</b> |             | <b>Year Ended December 31,</b> |             |
|---|--|-------------|--------------------------------|-------------|
|   | <b>2022</b>                            | <b>2021</b> | <b>2022</b>                    | <b>2021</b> |
| Diluted earnings per share, as reported | \$ 0.48                                | \$ 2.56     | \$ 2.38                        | \$ 4.73     |
| Less: Income tax benefits               | —                                      | (2.23)      | —                              | (2.24)      |
| Plus: Settlement of legal matters       | —                                      | 0.10        | —                              | 0.10        |
| Adjusted diluted earnings per share     | \$ 0.48                                | \$ 0.43     | \$ 2.38                        | \$ 2.59     |

### Constant Currency Adjustment (Non-GAAP Financial Measure)

We evaluate our results of operations on both an as reported and a constant currency basis. The constant currency presentation, which is a non-GAAP measure, excludes the impact of period-over-period fluctuations in foreign currency exchange rates. We believe providing constant currency information provides valuable supplemental information regarding our results of operations, thereby facilitating period-to-period comparisons of our business performance and is consistent with how management evaluates the Company's performance. We calculate constant currency percentages by converting our current period local currency financial results using the prior-period exchange rates and comparing these adjusted amounts to our prior period reported results.

|                                      | Three Months Ended December 31, |                              |                                |                       |         |        |
|--------------------------------------|---------------------------------|------------------------------|--------------------------------|-----------------------|---------|--------|
|                                      | 2022                            |                              |                                | 2021                  |         | Change |
|                                      | Reported GAAP Measure           | Constant Currency Adjustment | Adjusted for Non-GAAP Measures | Reported GAAP Measure | \$      | %      |
| (in millions, except per share data) |                                 |                              |                                |                       |         |        |
| Sales                                | \$ 1,878.8                      | \$ 92.8                      | \$ 1,971.6                     | \$ 1,655.4            | 316.2   | 19.1   |
| Cost of sales                        | 969.1                           | 52.6                         | 1,021.7                        | 847.2                 | 174.5   | 20.6   |
| Gross profit                         | 909.7                           | 40.2                         | 949.9                          | 808.2                 | 141.7   | 17.5   |
| Operating expenses                   | 823.0                           | 33.7                         | 856.7                          | 715.1                 | 141.6   | 19.8   |
| Earnings from operations             | 86.6                            | 6.5                          | 93.2                           | 93.1                  | 0.1     | 0.1    |
| Other income (expense)               | 15.8                            | (21.4)                       | (5.6)                          | (8.4)                 | 2.8     | (33.3) |
| Income tax expense (benefit)         | 9.9                             | 1.4                          | 11.3                           | (337.9)               | 349.2   | n/m    |
| Less: Noncontrolling interests       | 17.0                            | 1.5                          | 18.5                           | 20.2                  | (1.7)   | (8.4)  |
| Net earnings                         | \$ 75.5                         | \$ (17.8)                    | \$ 57.8                        | \$ 402.4              | (344.6) | (85.6) |
| Diluted earnings per share           | \$ 0.48                         | \$ (0.11)                    | \$ 0.37                        | \$ 2.56               | (2.19)  | (85.5) |

|                                      | Year Ended December 31, |                              |                                |                       |         |        |
|--------------------------------------|-------------------------|------------------------------|--------------------------------|-----------------------|---------|--------|
|                                      | 2022                    |                              |                                | 2021                  |         | Change |
|                                      | Reported GAAP Measure   | Constant Currency Adjustment | Adjusted for Non-GAAP Measures | Reported GAAP Measure | \$      | %      |
| (in millions, except per share data) |                         |                              |                                |                       |         |        |
| Sales                                | \$ 7,444.5              | \$ 291.6                     | \$ 7,736.1                     | \$ 6,310.2            | 1,425.9 | 22.6   |
| Cost of sales                        | 3,929.1                 | 176.0                        | 4,105.1                        | 3,185.8               | 919.3   | 28.9   |
| Gross profit                         | 3,515.4                 | 115.6                        | 3,631.0                        | 3,124.4               | 506.6   | 16.2   |
| Operating expenses                   | 2,968.7                 | 97.0                         | 3,065.7                        | 2,526.2               | 539.5   | 21.4   |
| Earnings from operations             | 546.7                   | 18.6                         | 565.3                          | 598.2                 | (32.9)  | (5.5)  |
| Other income (expense)               | (24.5)                  | 6.8                          | (17.7)                         | (28.5)                | 10.8    | (37.9) |
| Income tax expense (benefit)         | 93.1                    | 4.3                          | 97.4                           | (245.9)               | 343.3   | n/m    |
| Less: Noncontrolling interests       | 56.1                    | 2.2                          | 58.3                           | 74.1                  | (15.8)  | (21.3) |
| Net earnings                         | \$ 373.0                | \$ 18.9                      | \$ 391.9                       | \$ 741.5              | (349.6) | (47.1) |
| Diluted earnings per share           | \$ 2.38                 | \$ 0.12                      | \$ 2.50                        | \$ 4.73               | (2.23)  | (47.1) |