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Caleres Inc.

Fourth Quarter and Full-Year 2024 Earnings Call

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CORPORATE PARTICIPANTS

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Ashley Owens, *KeyBanc Capital Markets*

Laura Champine, *Loop Capital*

Mitch Kummetz, *Seaport Research*

Dana Telsey, *Telsey Advisory Group*

PRESENTATION

Operator

Greetings and welcome to the Caleres Inc. Fourth Quarter 2024 Earnings Conference Call.

At this time, all participants are in a listen-only mode. A question-and-answer session will follow the formal presentation. If anyone should require operator assistance during the conference, please press star, zero on your telephone keypad. As a reminder, this conference is being recorded.

I would now like to turn the conference over to your host, Liz Dunn, Senior Vice President, Corporate Development and Strategic Communications. Thank you. You may begin.

Liz Dunn

Good morning and thank you for joining our fourth quarter and full-year 2024 earnings call and webcast. A press release with detailed financial tables as well as our quarterly slide presentation are available at caleres.com.

Please be aware today's discussion contains forward-looking statements which are subject to several risks and uncertainties. Actual results may differ materially due to various risk factors, including those disclosed in the Company's Form 10-K and other filings with the U.S. Securities and Exchange Commission. Please refer to today's press release and our SEC filings for more information on risk factors and other factors which could impact forward-looking statements. Copies of these reports are available online.

In discussing our operational results, we will be providing and referring to certain non-GAAP financial measures. Additional details on these measures as well as others featured in today's earnings release and presentation are available at caleres.com. The Company undertakes no obligation to update any information discussed on this call at any time.

Joining me today are Jay Schmidt, President and CEO, and Jack Calandra, Senior Vice President and CFO. Our call will begin with prepared remarks followed by a Q&A session to address any questions you have.

With that, I will now turn the call over to Jay. Jay?

Jay Schmidt

Good morning and thank you for joining us today.

I've just returned from Seattle where Caleres was honored with the Nordstrom Vendor Partner in Excellence Award for Footwear in 2024. I'm proud of this recognition and it underscores the powerful brands and innovative products, all fueled by our Caleres capabilities, and our talented team members that led to this win.

Our fourth quarter earnings were at the high end of our recent guidance. We gained market share in women's fashion footwear according to Circana. Our lead brands, including Sam Edelman, Allen Edmonds, Naturalizer and Vionic outperformed. We grew our sneaker penetration and we invested to support our long-term growth while reducing expense elsewhere to align with our areas of strategic focus. And while business in the shoe chain segment softened overall in the quarter, Famous Footwear was able to maximize key selling periods.

Also in the quarter, we accelerated the evolution of our supply chain and further mitigated the impact of additional tariffs. By the end of second quarter in 2025, we now expect about 75% of our direct product sourcing to be outside of China with our lead brands even further along in this transition. This is higher than the goal we communicated last quarter.

For the remaining portion of our business still sourced from China, we are well positioned to manage additional tariffs through a combination of factory negotiations, selective price increases and modest gross margin pressure which has been incorporated into our forward outlook.

While 2024 overall was disappointing relative to our initial expectations, we made meaningful progress in advancing our strategic priorities and positioning our brands for sustainable growth. We also laid the foundation for new brands and strategies that support future growth, while returning approximately $75 million to shareholders through buybacks and our longstanding dividend.

Now, turning to our results, in total we delivered fourth quarter adjusted earnings per share of $0.33 and full-year adjusted earnings per share of $3.30, at the high end of our most recent guidance. Fourth quarter sales were down approximately 4% to last year, excluding the impact of the 53rd week, reflecting continued weak boot sales, softer wholesale demand and cautious consumer spending in some portions of our business. However, we ended the quarter with more current inventory in the Brand Portfolio and more core in Famous Footwear, and are poised for improved trends in 2025.

Our Brand Portfolio sales declined 7.2% in the fourth quarter, or 5% excluding the impact of the 53rd week. Strength in contemporary brands, continued growth in sneakers, and standout performance from Allen Edmonds and Vionic was offset by weakness in boots and softness in demand among our more valueoriented brands and wholesale customers. Despite the challenges in the quarter, Brand Portfolio delivered solid adjusted operating margins of 9.4%.

Now, let's take a look at our lead brands' performance. As a reminder, these four brands represent over 50% of the segment's sales and profit.

For the quarter and the year, lead brand performance outpaced the overall Brand Portfolio, reinforcing our strategy that these brands will continue powering the future of Caleres.

During the fourth quarter ,Sam Edelman declined modestly year-over-year with strength in tall boots, Mary Janes and sneakers offset by weakness in booties. Internationally, we continued to make progress on our strategic growth agenda. Over the last six months our team activated new premium wholesale partnerships in Europe with Printemps, Selfridges and John Lewis adding to the existing partnerships with Level Shoes, Palacio and Lane Crawford.

In China and Southeast Asia, we continued to focus on expansion. We added three net new owned stores in the quarter through our international joint venture, and seven franchise stores, bringing our total to 56 owned stores by year end and 47 international franchise stores.

At Allen Edmonds, we had a strong fourth quarter. Excluding the impact of the 53rd week, the brand delivered growth on a comparable basis across all channels of the business. Performance was strongest in sport and in dress loafers, while boots saw a meaningful recovery. The recently launched Reserve collection continues to perform well, creating a new level of luxury footwear in the brand and attracting new consumers. Allen Edmonds ended the quarter with 56 retail stores including 12 in the elevated Port Washington Studio format.

Also, we were excited to announce earlier this week that Nick Wooster has joined the brand as a creative consultant. Nick brings decades of experience in design and branding, having worked at Barney's New York, Nieman Marcus, Thom Browne and many others. His expertise will be instrumental in evolving Allen Edmonds while staying true to its heritage.

Naturalizer had a more challenged quarter with strength in sneakers offset by weakness in casual and dress shoes. While dress boots continued to be strong, especially in wide shaft, short boots remained weak. We are seeing good early selling in spring in sneakers, including the new Bendita (phon) sneaker with colorful suede uppers and casual sandals, as well as improved ecommerce metrics. In the coming months we will announce new brand ambassadors and new collaborations that will move the brand forward.

Vionic delivered a strong quarter with sales driven by hybrid and casual sport styles, including the Uptown Loafer and Winny Lace Up Sneaker. Vionic continues to grow at Nordstrom where the brand was prominently featured in the successful January Make Room for Shoes Event.

During the quarter, Vionic led with product innovation, launching the Walk Max Sneaker and the 23 Walk Loafer, further expanding the brand's position in the walking category.

We also launched VioLab during the quarter, a team of brand partners who will work with the Vionic team on research and development, product innovation and advancing brand advocacy with podiatrists and the broader wellness community.

Beyond the performance of our lead brands, we saw tremendous results from Vince and Veronic Beard. These two brands operate at the top of our current price architecture and each has a unique point of view in the marketplace. The performance with we are seeing from these brands gives us confidence to further expand into the contemporary segment. To that end, we recently announced the launch of Favorite

Daughter Footwear under license for Fall 2025. Founders Erin and Sara Foster bring a distinctive fashion perspective and have built a fresh new brand at the intersection of content and commerce.

As you are also aware, we announced our Definitive Agreement to acquire Stuart Weitzman from Tapestry. While we will not be able to share our detailed plans at this time, it is clear to us that this iconic brand fits extremely well into our company as our newest lead brand. The acquisition will give us more exposure to the contemporary segment, premium price points, direct-to-consumer and international markets. We look forward to providing more details once the transaction closes this summer.

Turning now to Famous Footwear, comp store sales were down 2.9% with the brick and mortar comp sales down 4.1% and comparable web sales up 3.1%. During the quarter, key holiday weeks performed well but overall business was otherwise soft. Men's performed best, Kids performed about in line with the overall comp trend, and Women's saw the biggest decline. Total athletics declined low single digits, albeit with solid growth from Adidas and New Balance, and total fashion declined mid high single digits. As expected, the boot category saw high single digit sales declines. And finally, sales of Caleres owned brands increased 1.5 points in penetration in the quarter and were up year-over-year.

On the inventory side, Famous effectively cleared through excess seasonal inventory and is positioned well with fresh product introductions in Spring 2025.

We finished the year with 34 Flair stores and our newest generation of Flair stores outperformed the rest of brick and mortar stores by almost 10 points in the quarter. We will continue improving and expanding our Flair stores with plans to upgrade 25 more stores to the Flair format in 2025 and open 1 additional new Flair store. The Flair concept continues to be a powerful way for us to showcase strongly demanded brands and elevated styles while also attracting new premium products and brands.

For Back-to-School in 2025, we have secured several new strongly demanded brands and products at Famous Footwear. While we can't reveal the details yet, these exceptional additions to the Famous brand family will add some major heat during a vital season while positioning us long term to better reach our target customer segment.

We also recently announced that we bolstered our merchandising leadership and expertise, hiring industry veteran Brian Costello as Famous Footwear's Chief Merchandising Officer. Brian most recently led Nordstrom Rack's footwear and accessories business. His success on both the fashion and the athletic sides of the business in an open-sell retail environment makes him an ideal fit for Famous and we look forward to his impact on the business.

Jack will walk through the guidance in more detail, but as we move forward to 2025 and the current macroeconomic environment with persistent inflation and newer tariffs, we believe it is prudent to take a conservative view for the year.

At both Famous Footwear and across the Brand Portfolio, we are seeing signs indicating continued headwinds with the value-based consumer and challenges for the brands that service them. In addition, the latest feedback from key retail partners indicates that they will be more cautious with receipts and inventory in light of the current economic environment.

After a difficult year in 2024, we are focused on improving sales trends and delivering on our guidance in 2025. We will continue to our strategic investment spending while staying disciplined on overall expense levels, and we will remain nimble with product strategies and sourcing to maximize our wins and minimize the impact of tariffs.

So despite this posture, I remain optimistic about what we have in store for 2025. Our lead brands remain strong and are collectively gaining market share, and we have expanded our customer reach with greater focus on the significant opportunity we see in contemporary at premium price points.

The hard work of our talented team and the impact of new leadership across several areas of our business, along with strategic brand partnerships and the planned acquisition of Stuart Weitzman position us well to drive significant value in 2025 and beyond.

With that, I will now hand it over to Jack for a more detailed view of our financial performance and our outlook. Jack?

Jack Calandra

Thanks Jay, and good morning everyone.

During today's call, I'll review both our fourth quarter and full-year 2024 results and share our outlook for 2025, including how we factored recent tariff increases into our guidance. Please note my comments will be on an adjusted basis and comparisons to 2023 will include the impact of the 53rd week unless otherwise indicated. We've included a table in the release outlining the sales impact of the extra week for each segment and total company.

Turning to the results, fourth quarter consolidated sales were $639.2 million, down 8.3%. On a dollar basis, sales were down $57.9 million which included an unfavorable $30.3 million impact related to the 53rd week and one less Back-to-School week in the quarter. Brand Portfolio sales were down 7.2%, Famous sales were down 9.6% in total and down 2.9% on a comparable basis.

Full-year consolidated sales were $2.72 billion, down 3.4% to last year and in line with our latest guidance.

Fourth quarter consolidated gross margin was 43%, an 80 basis point decrease to last year with declines of 40 basis points at Famous and 100 basis points at Brand Portfolio. The decrease at Famous was primarily due to an increase in BOGO days and lower clearance margins. Brand Portfolio's decrease was due to higher discounts and markdown allowances as well as higher freight expense.

Full-year consolidated gross margin was 44.9%, up approximately 10 basis points to last year. This was driven by an 80 basis point increase in Brand Portfolio offset by a 60 basis point decline at Famous.

SG&A for the fourth quarter was $261.7 million and 40.9% of sales. SG&A dollars declined $11.2 million versus last year as a result of the restructuring actions we took earlier in the year and lower variable expenses.

Full-year SG&A was $1.07 billion and 39.1% of sales. Restructuring savings and lower incentive compensation were offset by increased investment in IT in stores, as well as incremental marketing spending in the first half of the year.

Fourth quarter operating earnings were $13.4 million and 2.1% of sales.

Full-year operating earnings were $157 million and 5.8% of sales, down 140 basis points due to expense deleverage on lower sales.

Fourth quarter net interest expense was $3.9 million, down slightly to last year. The weighted average borrowing rate in Q4 was 5.7% compared to 7.2% last year.

Full-year net interest expense was $14 million, down $5.4 million to last year. The weighted average borrowing rate in 2024 was 6.2% versus 6.7% last year.

Fourth quarter earnings per diluted share were $0.33.

Full-year earnings per diluted share were $3.30, at the high end of our latest guidance.

EBITDA for the trailing 12 months was $216.6 million and 8% of sales.

Inventory at year-end was $565 million, up 4.5% versus last year. Inventory was up 2% at Famous and up 7.4% at Brand Portfolio. At Brand Portfolio, the increase was due to higher levels of current fall inventory and higher in transit for Allen Edmonds as we increased our externally sourced sneaker assortments. Aged inventory in Brand Portfolio was down as a percent of total.

We ended the year with $219.5 million in borrowings and with a debt-to-trailing 12-month EBITDA ratio of 1 times.

Regarding cash flow from operations, we generated $105 million and deployed cash for strategic investments in the business, paid our quarterly dividend and repurchased 1.9 million shares.

Now turning to our outlook, given the challenging start to the year and the anticipation of continued economic uncertainty due to inflation and tariffs, we are providing the following guidance for 2025. Please note that this guidance excludes any impact for the Stuart Weitzman acquisition which we expect to close this summer. We will update our guidance for Stuart Weitzman after the acquisition closes.

For 2025, we expect consolidated sales to be down 1% to up 1% with Famous sales down low single digits and Brand Portfolio sales up 1% to 2%. Famous sales include the expected net closure of 10 stores.

We expect consolidated operating margin of 5.1% to 5.6%, an effective tax rate of about 23%, earnings per diluted share of $2.80 to $3.20, and capital expenditures of $50 million to $55 million.

With regard to the two new tranches of tariffs imposed on imports from China, based on discussions and decisions to date, we have assumed that equal shares of the tariff increases will be absorbed by our factory partners and by the Company, the latter in the form of lower gross margins, and a smaller share will be passed on to the consumer through selective price increases. Our guidance does not assume any further increases in tariffs on imports from China or any new reciprocal tariffs on other countries from which we source product.

We are also providing the following guidance for Q1. We expects sales to be down 5% to 6%, which reflects the very challenging business we experienced in February, and earnings per diluted share of $0.35 to $0.40.

With that, we can open the line for questions. Operator?

Operator

Thank you. If you would like to ask a question, please press star, one on your telephone keypad. A confirmation tone will indicate your line is in the question queue. You may press star, two if you would like to remove your question from the queue. For participants using speaker equipment, it may be necessary to pick up your handset before pressing the star keys.

Our first question is coming from the line of Ashley Owens with KeyBanc Capital Markets. Please proceed with your question.

Ashley Owens

Good morning. Thanks for taking the questions. I want to start by touching on the EPS guide a little bit. I guess, could you elaborate on some of the assumptions you're making within that guide for the balance of the year as we look 2Q, 3Q and 4Q? Each quarter last year also had some headwinds that were at the time considered onetime, so are those embedded at all in your assumptions? Then, additionally, how do you think about the path and timeline back to that $4 threshold from here without any of the store contributions being baked in? Is that something that can be achieved in the near term? Thanks.

Jack Calandra

Hi Ashley, it's Jack. Thanks for your questions.

Just in terms of the assumptions for the quarterly phasing for the year, we do expect sequential quarterly improvement throughout the year and let me just break that down into the two segments. For Famous, we expect this improvement to come from new product introductions that Jay referenced in his comments, as well as the impact of new leadership. We also believe the very challenging February business was an outlier and this is supported by the significant improvement we've seen in the March month-to-date results.

Then for Brand Portfolio, we expect this improvement throughout the year to come from a couple of those things that you sort of alluded to in your comments: one, you'll remember we will be anniversarying the SAP upgrade challenges we had in Q2 last year to which we attributed a $15 million sales impact. We have growth in international, which continues to ramp up as we go through the year. We have the launch of Favorite Daughter in the back half. We have the continued momentum in our contemporary brands, in particular Vince and Veronica Beard. And then we have wholesale door growth for our Allen Edmonds. All of those, all of those items, those discrete items and initiatives give us confidence in the sequential improvement that we built into our guidance for the balance of the year.

Ashley Owens

Okay, great. Then maybe just to dial down on contemporary a little bit because it sounds like it's been a bright spot for you, if you could just discuss the trends you're seeing within that and maybe why—or your thoughts as to why it's been holding given it is a higher price point. There's a couple of different things I think could be driving this, but do you think the consumer there isn't as at risk? Is there a shift down maybe from luxury to more affordable but still elevated footwear? Dress shoes making a come back at all? Just anything you could maybe comment on to just to shed some light on as to the resilience there would be helpful.

Jay Schmidt

Hi Ashley, it's Jay. You did hit many of them, so I'm going to just reinforce those. First off, we do believe fully and we've seen some data from Circana supporting this, that as designer has gotten weaker, key contemporary brands are trending. We happen to have two of them currently, so that is something that we believe is a consumer choice in how they are prioritizing their spend. In addition, we have seen a real movement I think more toward fashion and it's really broad-based in those brands but we are seeing seasonal work well. We have great items within the flat and casual moment. Interestingly enough, the fashion sneaker business in both those brands has been outstanding and it's been running that way for a long time. So a combination of our capabilities along with these great brands and working across several categories has been very, very strong. So we're excited about it, and again, now we're seeing more scale coming through there which gives us a lot of confidence.

It also seems that with this desire towards newness being very, very important, certainly those contemporary brands lead in that way. We're also seeing similar trend lines coming through in our Sam Edelman business and others.

So, there's a lot to work with here but it does seem all pointing into one direction, which is great. We plan to lean into it.

Ashley Owens

Okay. Great. Thanks. I'll pass it along.

Jay Schmidt

Thank you.

Operator

Thank you. Our next questions comes from the line of Laura Champine with Loop Capital Markets. Please proceed with your questions.

Laura Champine

Thanks for taking my question. It's a follow-up on the expectation that the Brand Portfolio improves throughout the year. Jack, I think you mentioned lots of sort of small things, the international growth, the Allen Edmonds and so forth. Can you hit your full-year guidance without seeing an improvement in trend in the sort of same doors business or sort of same-store sales equivalent in the Brand Portfolio group?

Jack Calandra

Hi Laura, it's Jack. Thanks for the question. As we've modeled this, those initiative we've talked about, I would say some of them are on the larger side. So, the two larger ones are obviously the SAP upgrade challenges we had last year was $15 million. The international sales growth we expect is also of a similar type of magnitude, and then there are those other things. So when we look at these initiatives and what we think they will add, we can, if you will, accommodate a decline, if you will, in maybe the base business outside of those things and still hit our guidance. So we do feel comfortable with the quarterly cadence and the growth there.

Laura Champine

Got it. Then the Q1—I know you don't guide to gross margin, but it does seem like perhaps the EPS are being impacted by not just the tariffs but also markdowns. Can you comment on how you expect your markdowns to progress through the year from what seems like it's going to be a pretty tough base in Q1?

Jay Schmidt

Laura, it's Jay. I think we have some of that behind us as we come out of Q1, but as we mentioned in the commentary, our inventory in Brand Portfolio is more current as a percentage to total and in Famous with more core coming through, so we think the future is better. We did take a lot of pressure and then we feel like we're adequately reserved for those periods coming out of the fourth quarter.

Jack Calandra

Laura, I would just add, so we have contemplated some gross margin decline in the business in Q1. With that sales forecast or guidance of down 5% to 6%, obviously, there's also some SG&A deleverage just on that lower sales.

Laura Champine

Got it. Thank you.

Jay Schmidt

Thank you.

Operator

Thank you. Our next question comes from the line of Mitch Kummetz with Seaport Research. Please proceed with your question.

Mitch Kummetz

Yes, thanks for taking my questions. I guess I just have a few around the guide. Maybe starting with, Jack, you gave us the full-year outlook kind of by operating group, Famous versus BP in terms of the sales. Is there anything more you can say in terms of the split for 1Q?

Jack Calandra

No, Mitch. I guess what I would say is, within the guidance of the down 5% to 6% in sales, I think Brand Portfolio will likely be a little bit on the better end of that range and Famous will likely be at the lower end of that range. Again, we are anticipating some gross margin pressure in both businesses in the first quarter—that's reflected in the guide—as well as again some SG&A deleverage just on those lower sales.

Mitch Kummetz

Okay. Then also on the first quarter, on the year you're giving us the op margin of 5.1% to 5.6%. Unless I missed it, you haven't said anything about op margin in the first quarter; you're just giving us sales and earnings. Is there anything you can say on the op margin for the first quarter?

Jack Calandra

Yes. Generally, when we give quarterly guidance, Mitch, we usually don't comment on op margin; we usually just give the sales and EPS, but certainly the op margin in Q1 will be the lowest of the year. Again, we will be building back as we go through the year based on those other initiatives and things that we are lapping from last year that will provide benefit.

Mitch Kummetz

Then on the earnings guide for both the year and the full year, in the press release, it's characterized as GAAP EPS. I don't recall if that's how you've done it in the past. Should pro forma basically be the same? Is there anything happening in those numbers that would make your pro forma earnings different than your GAAP earnings?

Jack Calandra

No. The guidance that we've given at this point, because we don't have any adjusting items that we know about, so the GAAP guide and the adjusted guide are basically the same.

Mitch Kummetz

Okay. Then maybe one last one, just on the tariffs. Because you said—this was I think in the presentation, that you're passing some of this to the consumer, but then you're also absorbing some of it yourself in terms of gross margin. Is there any way to maybe kind of parse that out a little bit? Are you thinking about sort of low single-digit price increases? Can you say kind of what sort of hit you expect to take on gross margin? Is it 10 , 20, 30 basis points?

Jay Schmidt

Well, a couple of things. We think that the—Mitch, it's Jay—the retail price increases will be as you suggested on the lower side, and they are select by certain opening price brands that remain in China. Remember, this is 25% we feel or less of our total as we look at that. Jack will give you some of the backup for that, but we do—we on the first round of tariffs, we felt like we accomplished most of the coverage on it. Then on the second round, a little more difficult and we want to make sure that we don't price things so far out that it's unattainable for the consumer.

Jack Calandra

Yes. Mitch, on the gross margin impact to Brand Portfolio on the year, the strategy that we put forth would call for about 30 basis points to 40 basis points of gross margin hit from absorbing that share of the tariffs at the Company.

Mitch Kummetz

All right. Thanks again and good luck.

Operator

Thank you. Our next question comes from the line of Dana Telsey with Telsey Advisory Group. Please proceed with your question.

Dana Telsey

Hi, good morning everyone. Just following up on the gross margins. As you look at the other levers in gross margins like freight or discount, how are you planning for those as we go through the year and what you're seeing?

Jay, you mentioned the weakness in Sam Edelman with booties. What are you seeing from the brands overall in terms of category performance going forward and how are you planning? Then just lastly on the wholesale—two things, wholesale accounts, how are order trends going? Then in your remodeled stores with Famous Footwear, is there any performance differential versus the base, and how many remodels will you do this year? Thank you.

Jay Schmidt

I think starting off, just to reference the Sam Edelman piece, is that they had a lot of best sellers but we did record a booty—we're just relating to the volume decrease for fourth quarter. How do I feel about that? I actually feel very good about it. I think that what we saw in the Sam Edelman brand is that they leaned strongly into fashion and that's where Sam and his team are all focused on in terms of driving that newness. It was just really that moment that I would say we had there. Then in some cases, we did sell through some of the tall boots so strongly in Sam that we were out of them in fourth quarter. Those things are really there, but I do feel like that's actually coming back to us again – more fashion, more newness, and less of what I would say are core, and that really responds to the whole company in their boot assortment for them.

And then…

Jack Calandra

Dana, in terms of gross margin, I'll just go back to in terms of the operating margin guidance that we gave, we are expecting the operating margin obviously with the guidance we gave to be down a bit from where we finished 2024. Some of that is in gross margin and coming through the pressure on the tariffs in Brand Portfolio, and then the remainder is the SG&A pressure, depending on where in that sales range that we fall. I would say in terms of the levers to hopefully offset some of that is, in Famous we continue to sort of utilize an AI pricing tool on promotions which we launched last year, saw some I think some good results on and that's now more fully burning in.

Then just in terms of the mix of the business in Brand Portfolio, direct-to-consumer is obviously margin-accretive versus the wholesale business, so as that grows faster, we get some mix benefit. There's some benefit from international. Then, some of those contemporary brands that we talked about, Vince and Veronica Beard, we're able to get some really nice gross margins on as well. Those are some of the offsets, if you will.

Jay Schmidt

Then just to pick up you one Flair store comment, Dana, we did finish with 34. We plan to upgrade 25 more to the format and open one additional new store, so that will take the total to 60, which we think is a continuing solid number. And again, we're seeing really strong performance even in difficult selling periods as we really refine and improve that performance, and we think there's opportunity to even get better as we continue to work with the merchandising assortments in there with the new team that's rallying around that.

Dana Telsey

Got it. Thank you.

Jay Schmidt

Thank you.

Operator

Thank you. Ladies and gentlemen, that concludes our question-and-answer session. For final comments, I'll turn the floor back to Jay Schmidt.

Jay Schmidt

Thank you everyone. Before we close today, it wouldn't be right without thanking the entire Caleres team for their focus and dedication. Our team worked extremely hard during this 2024 that we had, while really spending a lot of time laying the groundwork for a stronger 2025. I look forward to updating you on our progress along the way.

Thank you all of us for joining us this morning, and thank you for your continued interest in Caleres. Have a good day.

Operator

Thank you. This concludes today's conference call. You may disconnect your lines at this time. Thank you for your participation.