



Caleres Inc.

Second Quarter 2025 Earnings Conference Call

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C O R P O R A T E P A R T I C I P A N T S

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C O N F E R E N C E C A L L P A R T I C I P A N T S

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P R E S E N T A T I O N

Operator

Greetings, and welcome to the Caleres Inc. Second Quarter 2025 Earnings Call.

At this time, all participants will be in listen-only mode. A question-and-answer session will follow the formal presentation. If anyone should require Operator assistance during today's conference, please press star, zero from your telephone keypad.

Please note, this conference is being recorded.

At this time, I'll turn the conference over to Liz Dunn, Senior Vice President, Corporate Development and Strategic Communications. You may begin, Liz.

Liz Dunn

Thanks, Rob.

Good morning, and thank you for joining our Second Quarter 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 operating 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 in 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 turn the call over to Jay. Jay?

Jay Schmidt

Thank you, and good morning, everyone.

Earlier today, we reported second quarter sales and earnings. While we did experience headwinds due to market uncertainty, we demonstrated the strength and the resilience of our Company this quarter. Sales trends improved sequentially in both segments of our business, and we saw market share gains in both women's fashion footwear and in shoe chains.

Highlights of the second quarter include: our Lead Brands, which, in total, delivered sales growth in the quarter; we experienced strength in our Brand Portfolio direct-to-consumer channels; international sales

increased by double-digits; and we saw solid improvement in July at Famous Footwear, and that improvement continued into August.

During the quarter, we worked closely with our factory partners to mitigate as much of the tariffs as possible, while leaning into our supply chain agility and passing through moderate price increases. It is important to note that while tariff changes can occur quickly, our mitigation efforts require planning and implementation, which can lag the tariff impact in the short term, and given the new tariffs enacted in August, the work here is ongoing. Jack will speak to tariffs in more detail shortly.

As we look to address the changes in the operating environment, we completed our previously announced structural cost savings initiatives that will deliver annualized savings of \$15 million, with about half of that coming this year. As I indicated last quarter, we engaged a consulting partner to ensure that as we integrate Stuart Weitzman, we capture all the synergistic opportunities. This partner has examined points of efficiency across our entire portfolio to ensure we are leveraging our greatest capabilities. These efforts are expected to result in additional structural cost savings in 2026, and beyond.

As previously announced, we did complete the acquisition of Stuart Weitzman shortly after quarter end, adding a new Lead Brand to our portfolio. Stuart Weitzman is an iconic brand with unique resonance with consumers. It aligns very well with our areas of strategic focus, having premium contemporary positioning, strong direct-to-consumer penetration, and an established international footprint. We see clear opportunities to improve its operational efficiency, while honoring the brand's legacy of design, fit and quality.

As we have said, our focus is on running this business profitably after a transition period. Once the business is fully integrated, we expect immediate expense savings in areas such as distribution, logistics and media buying, with further structural actions to follow. We look forward to providing more detail when we report our third quarter.

Turning now to the results for the second quarter, in total, for the second quarter, we achieved adjusted earnings per share of \$0.35. Our second quarter sales declined 3.6% year-over-year. Sales trends improved, but were still negative in both segments of our business, while gross margins were under continued pressure due to tariff disruption added inventory reserves and higher clearance promotions at Famous Footwear.

Now, let's review each of our business segments.

Brand Portfolio sales declined 3.5% in the quarter. While our Lead Brands outperformed in both sales and operating margin, our value-priced brands experienced ongoing pressure, which was exacerbated by cancellations related to China manufacturing. Our international and direct-to-consumer businesses were both up in the quarter, as was our retail trends from our wholesale partners. According to Circana, our Brand Portfolio gained market share in women's fashion footwear during the period. Consumer demand rates remain solid in key categories, including flats, sandals, sneakers and dress, all feeding the consumers' desire for newness.

Sales for our Lead Brands, which include Sam Edelman, Allen Edmonds, Naturalizer and Vionic, increased in total and represented well over 50% of sales and operating earnings in the quarter.

Sam Edelman delivered a very strong quarter, marked by sales growth domestically and strong double-digit growth internationally. We saw improvement in our China trend and we saw expansion in the brand's global footprint through new marketplace partnerships and growth in the Middle East. Sam Edelman's innovative marketing broke through in the quarter, with the Nantucket influencer event becoming one of the most talked about events of the season and successfully driving new customers. From a product perspective, strappy dress, casual sandals and sneakers were strong in the quarter. Early boot selling is encouraging heading into fall, and we are well positioned in tall fashion boots. At quarter end, we had 111 Sam Edelman stores, 57 owned and 54 franchised, with 107 of them internationally.

Allen Edmonds also delivered a strong quarter, with growth across all retail and wholesale channels. Reduced promotions lead to increased gross margins, an outlier for a brand that notably has limited foreign sourcing exposure. From a product perspective, the largest growth came from sneakers, dress and casual loafers. In the second quarter, Allen Edmonds opened another Port Washington studio store, bringing the total to 15. These locations continue to outperform the broader 59-store fleet by 700 basis points.

Naturalizer had a down quarter due to some sourcing shifts in their wholesale business segment. However, the brand's North American direct-to-consumer business posted growth, benefiting from the strength of casual sandals and newness in dress. The brand's retail sales performance for the quarter was strong, delivering double-digit growth, and increasing market share rankings by one spot, as measured by Circana. Early reads on fall are especially encouraging, particularly newness in flats, detailed dress and tall boots. The upcoming tall boot campaign will be Naturalizer's boldest and most inclusive offering yet, with new styles across several categories and proprietary calf width options from narrow to extra wide.

In Vionic, sales were down modestly in the quarter, as the brand cleared through older legacy products into newer, better performing styles. Sandals selling was strong in the quarter, with the new Evie Knit Foodbed finishing as the top sandal style in second quarter and becoming a new icon style for the brand. The walking category was strong and saw continued growth, driven by the Walk Max and the Walk Strider, our top two styles. The international business for Vionic was up double-digits in the quarter. Shortly after quarter end, Vionic introduced Gabby Reece as its newest Wellness Ambassador. Gabby's authentic connections to wellness reinforces Vionic's brand positioning, and we look forward to our special edition collaboration dropping in early spring 2026.

Beyond our Lead Brands, we see continued strength in our premium contemporary brands, Vince and Veronica Beard, which reinforces our conviction around the premium contemporary space.

As we look at the balance of the year for the Brand Portfolio, the tariff environment is clearly still uncertain. While we did selectively raise prices, the new increased Southeast Asia tariffs will require us to focus on additional mitigation efforts. We do expect our inventory position to be more aligned with our sales trends, but expect gross margin pressure from tariffs to continue into the back half. Beyond that, we will continue to focus on speed, agility and controlling what we can control to drive improved financial performance.

Moving on to Famous Footwear, total sales were down 4.9% during the second quarter, while comp sales declined 3.4%. We gained share in shoe chains and with kids during the quarter, according to Circana. As has been our recent trend, the Famous consumer responded strongly during peak shopping periods. E-commerce sales were up double-digits in the quarter, particularly in May and July. Of course, the big news for back-to-school at Famous was the launch of Jordan, which we have exclusively in our channel this fall across all stores and online. It quickly became a top-10 brand. This performance reinforces Famous' ability to launch leading brands successfully and deliver powerful results, and we will continue to drive Joran, and other trending and highly demanded brands, as we move forward into fall.

During the quarter, men's performed best, kids was about in line with the overall trend, and women's underperformed. By category, athletics was nearly flat on a comp basis and fashion declined. Jordan, Adidas, Birkenstock, New Balance, Asics, Reef and Brooks were top growth brands in the quarter, while Caleres brands outperformed Famous Footwear with flat comp sales. Within the strategically important kids category, penetration was 21% in the quarter, and Famous gained 0.3 points of kids market share in shoe chains, while total Famous gained 0.1 point.

Famous continues to enhance its consumer experience through the Flare format. We ended second quarter with 55 Flare locations, which generated a 3-point sales lift overall and a 6-point sales lift for stores converted in the last year. We plan to expand to 57 Flare locations by year end. This success underscores Famous' ability to amplify elevated brands and products.

In addition to Jordan, for back-to-school, we added expanded four new assortments from Nike, Adidas, Birkenstock, New Balance, Brooks, Timberland and Frye. These brands, and our other top national brands, drove back-to-school comp sales up 1% in August, on top of a high-single-digit comp in August of last year. The Famous footwear consumer continues to shift their shopping to peak selling periods, and back-to-school is one of them, so we are pleased with our performance overall as the season comes to an end.

In summary, our near-term strategic focuses are ongoing tariff mitigation, expense and capital discipline, structural cost savings, and integrating Stuart Weitzman, all while continuing to fuel our Lead Brands and Famous Footwear. Longer term, our priorities are international growth and direct-to-consumer growth for the Brand Portfolio, and Flare stores and new powerful brand and product additions at Famous Footwear. We are confident that executing our strategic plans will result in improved financial performance and drive sustained value for our shareholders.

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

Jack Calandra

Thanks, Jay, and good morning, everyone.

During today's call, I'll provide additional details on our second quarter results and some color on third quarter performance to date and expectations. Please note my comments will be on an adjusted basis.

For the second quarter, sales were \$658.5 million, down 3.6%. Sales were lower in both Brand Portfolio and Famous, but the trend improved in both segments versus 1Q. Brand Portfolio sales were down 3.5%. Lead Brands grew about 1% in North America and 3.6% on a global basis. Segment sales were weighed down by declines in our more value-oriented brands. We estimate that tariffs negatively impacted 2Q sales by \$10 million, due to order cancellations and delayed receipts that pushed sales into 3Q. Famous sales were down 4.9%, with comparable sales down 3.4%. Comparable sales declined mid-single-digits in May and June, and improved by a 1% decline in July. As Jay noted, the improving trends continued in August, in which we delivered a positive 1% comp.

Consolidated gross margin was 43.4%, down 210 basis points versus last year, and was driven by lower margins in both segments. Brand Portfolio gross margin was 40.3%, down 240 basis points to last year, due to higher tariff-related costs and additional markdown reserves on excess spring product, somewhat offset by favorable channel mix and other variances. The gross margin impact of tariffs was about 250 basis points, while the impact of markdown reserves was about 120 basis points. Famous gross margin was 43.7%, down 130 basis points to last year, due to more days on promotion, a deeper promotional offer, and an unfavorable channel mix.

For promotions, we continue to lean into our BOGO offer versus last year's Buy More, Save More program. We also had more BOGO clearance during the quarter, as compared with last year. In 3Q, we will anniversary the move to BOGO, and so expect less gross margin headwind from this promotional change going forward.

SG&A expenses increased \$1.4 million to \$269.7 million. As a percentage of sales, SG&A was 41% and deleveraged 170 basis points. On a dollar basis, continued investment in our international business and higher depreciation for store and IT investments were offset by lower incentive compensation expense.

Operating earnings were \$16 million and operating margin was 2.4%. Operating margin was 3.1% at Brand Portfolio and 4.7% at Famous.

Net interest expense was \$4.5 million, up \$1.2 million to last year, due to higher average borrowings. The weighted average borrowing rate was down about 50 basis points.

The tax rate was 3.7%, and included a \$2.5 million discrete tax benefit.

Earnings per diluted share were \$0.35, versus \$0.85 last year. The aforementioned discrete tax benefit added \$0.07 to EPS.

Trailing 12-month EBITDA was \$162.7 million and 6.1% of sales.

Turning to the balance sheet, we ended the second quarter with \$191.5 million in cash, up \$139.7 million versus last year, and \$387.5 million in borrowings, up \$241 million to last year. We borrowed \$120 million just prior to quarter end to complete the Stuart Weitzman acquisition. As a reminder, last year's end of quarter borrowings were favorably impacted by a deferred \$49 million vendor payment that pushed into Q3.

Inventory at quarter end was \$693 million, up \$32 million, or 4.9%, to last year. Inventory was up 2% in Famous and up 8.6% in Brand Portfolio.

Now, I'd like to give an update on tariffs. As I mentioned in our last earnings call, we continue to employ several strategies to mitigate the impact of tariffs on gross margin. These include the mix of sourcing countries, concessions from our factory partners, select price increases, and other strategies to reduce the dutiable value of our goods. That said, there is a lag between when the higher tariffs have taken effect and when these mitigating actions become effective. This was the case with the first round of tariffs in the spring, and will also be with the second round of tariffs that went into effect in August. As a result, we expect continued pressure on Brand Portfolio gross margin in the second half.

Given the continued uncertainty from tariffs, we are not providing annual guidance at this time. That said, we are sharing the following information about 3Q.

For Famous, as mentioned earlier, comparable sales for August were a positive 1%, and August is the biggest month of the quarter. While we are pleased with our back-to-school results, we expect comparable sales in the largely non-promotional months of September and October to be down low-single-digits.

For Brand Portfolio, August sales, excluding Stuart Weitzman, were up low-single-digits versus last year. While sales in September and October are difficult to predict in this environment, we do expect continued pressure on gross margin. Specifically, we expect Brand Portfolio 3Q gross margin, excluding Stuart Weitzman, to be down a similar amount to 2Q, with improvement in the trend in 4Q, as we realize more of the benefit of our mitigation strategies.

For SG&A, excluding Stuart Weitzman, we expect a modest increase in 3Q versus last year, with more of the benefit in 4Q from the restructuring we just completed. In addition, we are actively exploring other cost savings opportunities.

Finally, we are working to finalize the purchase accounting for Stuart Weitzman. We look forward to giving more information on its impact to our 2025 financial results on our 3Q earnings call.

With that, I'd like to turn the call over to the Operator for questions. Operator?

Operator

Thank you. We will now be conducting a question-and-answer session. If you would like to ask a question at this time, you may press star, one from your telephone keypad, and a confirmation tone will indicate your line is in the question queue. You may press star, two if you'd like to withdraw your question from the queue. For participants using speaker equipment, it may be necessary to pick up your handset before pressing the star key. One moment, please, while we poll for the first question. Thank you.

Thank you, and the first question comes from the line of Ashley Owens with KeyBanc Capital Markets. Please proceed with your question.

Ashley Owens

Hi, good morning, and thanks for taking our questions. Just first on maybe the Famous quarter-to-date stats that you gave us, with that growing in August, just any additional color on some of the dynamics at play with that. I know compares get easier in the back half of the year, but you've also shifted the assortment around a little bit, adding in some of those brands that you called out. So, with back-to-school, was it really traffic, AUR, maybe better performance in Flare, anything you could say there, and then, additionally, if there's been any shift in the softness in the women's business that you mentioned? Thanks.

Jack Calandra

Yes, hi, Ashley. This is Jack. Thanks for your question. I'll start, and I'm sure Jay will fill in some additional comments, but in terms of Famous' August performance, that plus-1% comp, what we saw by channel, is in brick-and-mortar, we saw improved traffic and conversion, with AURs basically flat, and then on the web part of the business, we saw there, also, improved traffic. AURs were also higher there, and conversion was flat.

Jay Schmidt

Yes, and I think, Ashley, we did see the good effect of our product assortment shift that you highlighted, with all the brands that we did mention having, again, new or expanded assortments, that really did pay off, and then, obviously, while we don't publish the results, for sure, the Jordan piece continued to trend as we launched it all the way through back-to-school. We're very, very pleased with what we saw there, and, again, it became a top-10 brand very quickly as we launched it. We'll continue to work on maximizing all of those brands as we move into third quarter, and beyond, as we try to really make the most out of the assortments that the consumers are demanding for.

Ashley Owens

Okay, great, and then just a follow-up really quickly on some of the gross margins. One, for Famous, you mentioned less headwind as we annualize BOGO. Do you anticipate any other changes from 3Q to 4Q, such as deeper discounts or longer promo periods, which took place in 2Q, just what's embedded there? Then, on the Brand Portfolio, as we think about the balance of the year, just what's going to be the biggest weight. Is it tariffs, or are you anticipating a need for further markdowns or elevated markdowns in promos alongside those tariff-related costs? Just puts and takes for both of those would be helpful. Thank you.

Jay Schmidt

I think, at this point, with Famous, we do believe that we've gotten through that promotional cycle. That said, we will be—as we go into Q4, we'll continue to take markdowns on clearance, but we don't have any plans to change our promotional cycle from last year. Over on the Brand Portfolio, we do think that as inventory becomes more aligned with sales, we're going to see less headwind on that inventory markdown piece of the business, but as we've kind of documented, again, we see more gross margin pressure earlier on and then that kind of more normalizing as we get into fourth quarter with the results of tariff mitigation effects. That would be probably, I think, the best guidance we can give right now on that subject.

Jack Calandra

Yes, I think the only thing I would add to that, Ashley, is on Famous, while certainly the promotional cadence won't have that headwind in the back half, we are starting to see some price increases from our

vendors in Famous, and so, obviously, we plan to pass on those price increases to hold, basically, the IMUs. I think the big question there is what, if any, impact will that have on consumer demand. That would be, I think, the only difference I would also just highlight.

Ashely Owens

Got it, that's super-helpful. I'll pass it along. Thank you.

Jay Schmidt

Thank you.

Operator

The next question is from the line of Mitch Kummetz with Seaport Research. Please proceed with your question.

Mitch Kummetz

Yes, thanks for taking my questions. I guess, first off, just on the Stuart acquisition, is there any kind of color you can provide in terms of its impact on sales and EBIT, and even on your interest expense, for the back half of the year?

Liz Dunn

Yes, Mitch, this is Liz. We're not providing that detail at this time. There's just a number of things that are still in flux. As Jack mentioned, we're still finalizing our purchase accounting, which will have implications for how it flows through our P&L, but we will provide a breakout of Stuart through the end of the year, certainly, so that you can see from a comparability standpoint what our underlying business reflects, or what the organic growth and trends are in our business, and I would also say there will be a number of things that are exceptional, and so we'll be reporting the GAAP and non-GAAP view. As, I think, we've discussed in the past, purchase accounting requires us to step up some of the value of the inventory. You can read in our documents that a decent amount of working capital came over, about \$90 million in inventory, and so there'll be, as I'm sure you can imagine, some need to move through some of that. So, there will be a lot going on as we move through the back half, but our goal, really, is to enter 2026 clean, get through the transition and get the business onto our system, so that we can begin to really make significant improvement in their operating performance, operating margin.

Jack Calandra

Yes, Mitch, and just with regard to interest expense, as I mentioned, we borrowed about \$120 million to close the acquisition. I should point out that net of the cash we acquired as part of the business, the price was \$108 million. But, obviously, if you think about that, that borrowing over the back half, I'd call it, probably, around a 5.7%, 5.8% borrowing rate, you can do the math there to understand what that interest expense would be.

Mitch Kummetz

Yes, and then just as a follow-up on Stuart, Jay, I think in your prepared remarks you mentioned a return to profitability after this transition/integration period, which kind of sounds like might be done by the end of this year, so do you expect the acquisition to be accretive to earnings next year?

Jay Schmidt

While we're not getting that far through, that would be our goal. As we said, we're going through this transition period, which we expect to complete by the end of January, and then we said that those

immediate expenses would come through. Where exactly that will come out, we're not ready to guide to yet, but I think that is the goal right now.

Mitch Kummetz

Then, maybe, just real quick, on BP, it was mentioned that there were some cancellations and delayed receipts in the quarter, can you quantify that, and those delayed receipts, is that having a benefit to the third quarter? Then, also, just quickly on margins for BP, I think you said that the tariff impact was 250 basis points. I know that, overall, you expect gross margins to be comparable in the third quarter, but is that kind of how we should think about tariffs, as well, in 3Q?

Jack Calandra

Yes, Mitch, let me take the last question first. What we said was there was the 250-basis-point impact in Q2, versus last year, and we expect that overall gross margins of the Brand Portfolio to be down similar to what they were in Q2, which was down that 240 basis points. Obviously, within that, there should be less of an issue around markdown reserves, obviously, that we took on the spring product, but I think, as we mentioned, part of the issue with these new tariffs is, again, that lag effect between when tariffs are effective and when these mitigating actions and strategies take hold, and so what you tend to see—and you saw a little bit in the first half—was a little bit more pressure in the first quarter on gross margin when those tariffs went into effect and then some improvement in the second quarter. I would expect to see sort of the same in the third and the fourth quarter, where more of that pressure in the third quarter is there, and then the fourth quarter, you see some of that trend improvement as those mitigating actions take effect.

With regard to that \$10 million sales impact on BP from tariffs, the split between what was cancelled orders and what was delayed sales, that we should recover in Q3, it's about 50/50. So, about \$5 million of cancellations and about \$5 million in delayed receipts, which we should benefit from in Q3.

Mitch Kummetz

Great, thanks, and good luck.

Jay Schmidt

Thank you.

Operator

The next question is from the line of Dana Telsey with Telsey Advisory Group. Please proceed with your question.

Dana Telsey

Hi, good morning, everyone. As you think just broadly about the consumer health of the Famous Footwear customer and the BP customer, has anything changed, or what are you seeing from them; and then brand performance at Famous, how did that look compared to previous quarters, and then I have a follow-up?

Jay Schmidt

Hi, Dana. First of all, I'd say, in Famous Footwear, when we talk about these brands that had the most growth in the quarter, and then continuing that in Q2, we're continuing to see our consumer want those highly demanded national brands that really have, you know, great meaning to them, and they are purchasing those over others, so we're continuing to see that as a trend. We're going to be watching the

consumer health very closely. As we've said, we had a nice back-to-school, and that was on top of a very, very successful back-to-school a year ago. Clearly, Jordan was a big component to that, as were many of these other brands that we mentioned. What we're really seeing is they continue to want the brands they want first, and that seems to bring the desire into them, and some of our most and newest and more elevated brands and products are growing faster.

Over on the Brand side, we're kind of seeing a similar approach, is our Lead Brands are outperforming, and then some of our premium brands, particularly in what I would say is in the premium contemporary position, are growing quite a bit, so we're continuing to see a lot of action there. Then, also, a lot of interest in fashion right now, which is really helping drive that, including a return to dress and an early good start to boots.

So, again, the consumer seems to want what they want, they're very informed, they continue to vote for the brands and products that they want, and then I think they find value as they shop across the landscape. That's what I have to say on that subject.

Dana Telsey

Thank you. Then, on the mitigation tactics for tariffs, where are you on those, how do you see that progressing going forward, and as you wrap to 2026, does it anniversary, or how are you thinking about it? I think you mentioned, Jack, about potentially more cost savings, did I hear that right, or are there other things that you're looking at? Thank you.

Jay Schmidt

I think, as previously we had mentioned, we are selective in passing through price increases. We're continuing to negotiate with factory partners on all types of cost savings there. Then, finally, when we look at it, there's also this whole piece of really looking at our whole company and coming up with additional structural cost savings as we look at efficiency in this back half. We don't think we're going to get it from one place, we think it's going to be a combination of things, and then, also, we are continuing to look at the mix of sourcing countries as we go forward, also. I think those are the big ones. The other ones get highly detailed and probably could solve that piece of it.

Jack Calandra

Yes, Dana, just to add to Jay's comments on the savings, we did—and I think we mentioned this—we brought a partner in to help us with the integration of Stuart Weitzman. They've validated, and in some cases increased, what are probably the expense opportunities that we can realize upon the integration, but we've also asked them to look more broadly at the Company's cost structure to look for other structural opportunities and ways for us to work more efficiently. So, that is work that is in progress and we're optimistic that should generate additional savings that will likely come in 2026.

Dana Telsey

Got it, and then just wholesale order trends going forward as you look towards the holidays, how is that going on wholesale order trends, and what are you seeing there?

Jay Schmidt

As we go forward with our—what I'd say, half of our Brand Portfolio business is dynamic, as you know, between rapid reorders and speed, between dropship and direct-to-consumer, and then—so, it really is very much demanded, so we're measuring it in real time. What I can say is that our sell-through has been consistently better than sell-in, and so we're optimistic about that. Then, in this quarter, we did outperform in direct-to-consumer channels in the Brand Portfolio, and, in fact, D2C was up year-over-year. So, we think that's where we're going. But, for sure, people do want the turns more quickly, and that's true of

ourselves, as well. Everyone is out working it and really trying to find all the opportunities right now, but I will say, with a good retail trend, it gives people a little more to work with, and obviously out in the space there, amongst the retail partners, there is a little more optimism as they look forward.

Dana Telsey

Thank you.

Operator

Thank you. At this time, we've reached the end of the question-and-answer session and I'll hand the call over to Jay Schmidt for closing remarks.

Jay Schmidt

Thank you.

Before we close, I want to acknowledge the dedication of our entire team during what has proven to be a dynamic and demanding period. Across all functions, our associates have demonstrated resilience and adaptability as we navigated operational challenges and worked to sustain momentum amidst shifting market conditions, and remain focused on our long-term strategies.

Operator

Thank you. This does conclude today's conference, you may disconnect your lines at this time. We thank you for your participation and have a wonderful day.