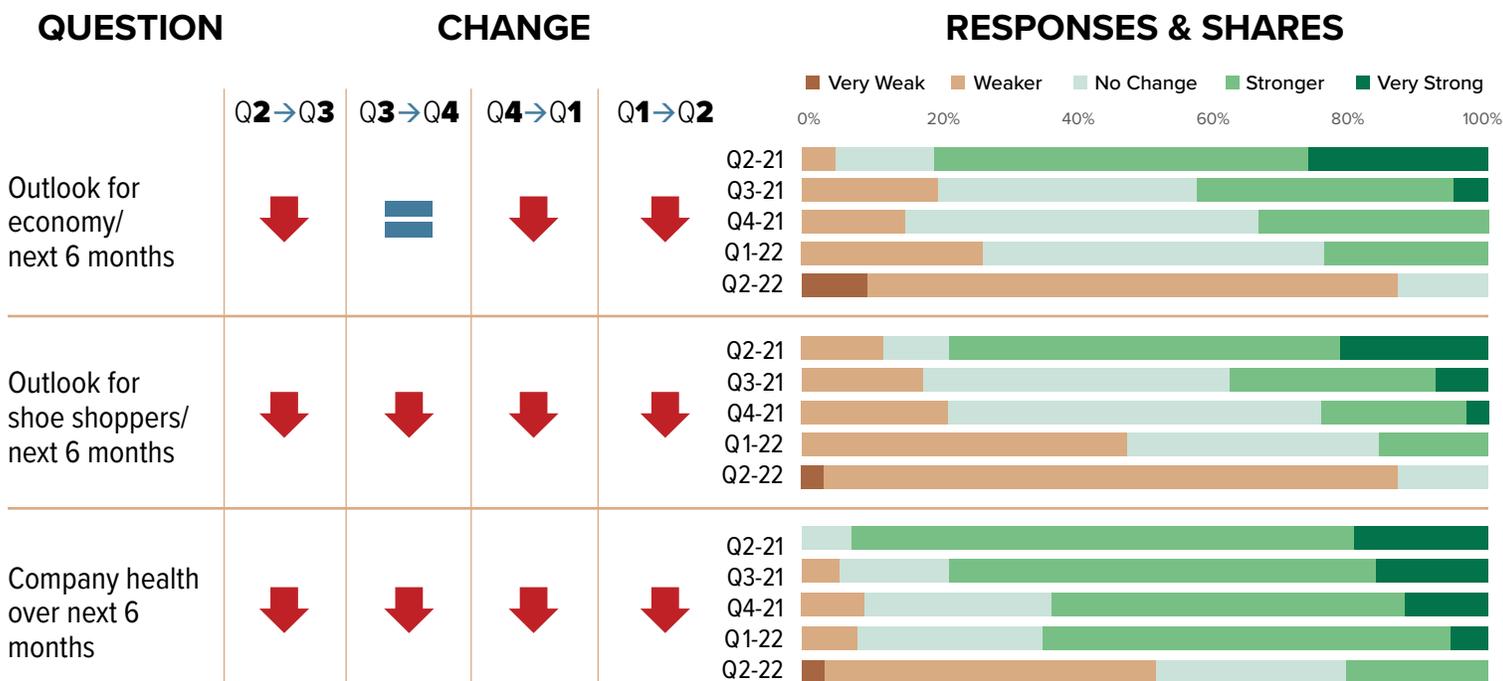


# SHOE EXECUTIVE BUSINESS OUTLOOK SURVEY

## OBSERVATIONS

- In Q2 respondents pared their 6-month outlooks for the broader economy, shoe shoppers, and their company health, with all 3 eroding to their weakest levels in the 6-quarter history of the survey
- In particular, 87.1% of respondents see a 6-month outlook for shoe shoppers turning weaker or very weak, the 4th straight quarter of eroding sentiment and nearly double the share noted in Q1
- Hiring plans paused, switching from nearly 2/3 of respondents in Q1 expecting hiring to increase over the next 6 months to nearly 2/3 in Q2 seeing no change
- While most respondents continue to see operating costs higher from 6 months ago and likely to rise further over the next 6 months, the respective shares retreated from recent quarters
- Similarly, while over half look for landed costs to increase over the next 6 months, the share shrank to its lowest in the 6-quarter history of the survey
- 1/3 of respondents look for inventories to decrease over the next 6 months, a record high
- Record shares of respondents see sales lower versus 6 months ago and likely to decrease over the next 6 months
- A record share (46.7%) of respondents looks for flat to lower landed costs over the next 6 months.
- A comparable 43.3% similarly looks for flat to lower retail footwear prices over the same period, reversing the 86% share in Q1 that expected higher prices over the next 6 months
- Those seeing their company sales higher from 6 months ago fell by half from Q1 to just 37.4%, mirroring a halving of the share (to 31.0%) that expect company sales to rise over the next 6 months
- Still less than half (48.3%) of respondents see their company's sales exceeding pre-COVID levels
- After dwindling to none the previous 2 quarters, the share of respondents citing new consumer behavior shifts as their company's biggest issue over the next 6 months jumped to 34.5%, a record share
- Over 1/3 of respondents cited inflation as their company's biggest issue over the next 6 months, a record share

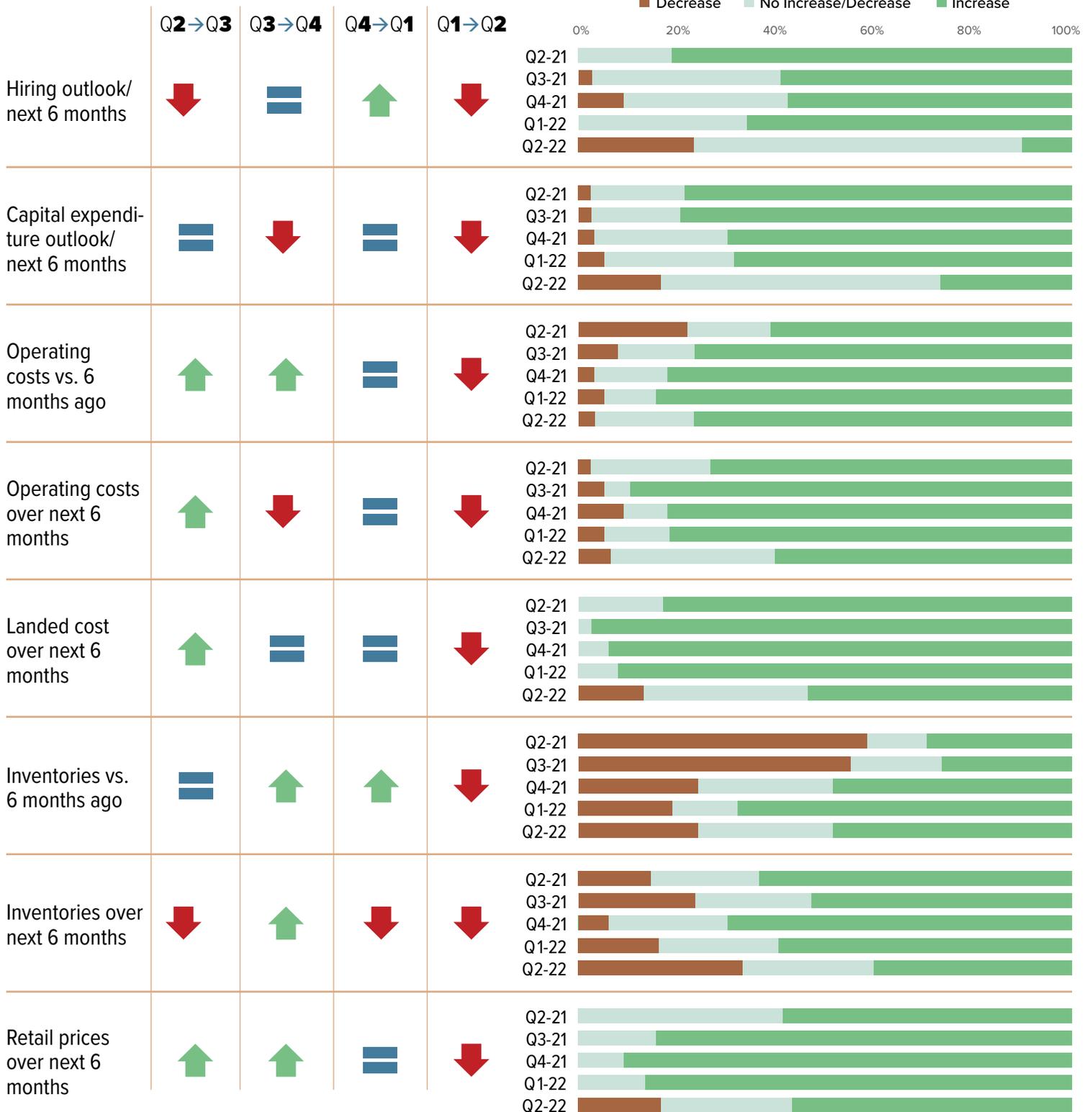


# SHOE EXECUTIVE BUSINESS OUTLOOK SURVEY

## QUESTION

## CHANGE

## RESPONSES & SHARES



# SHOE EXECUTIVE BUSINESS OUTLOOK SURVEY

## QUESTION

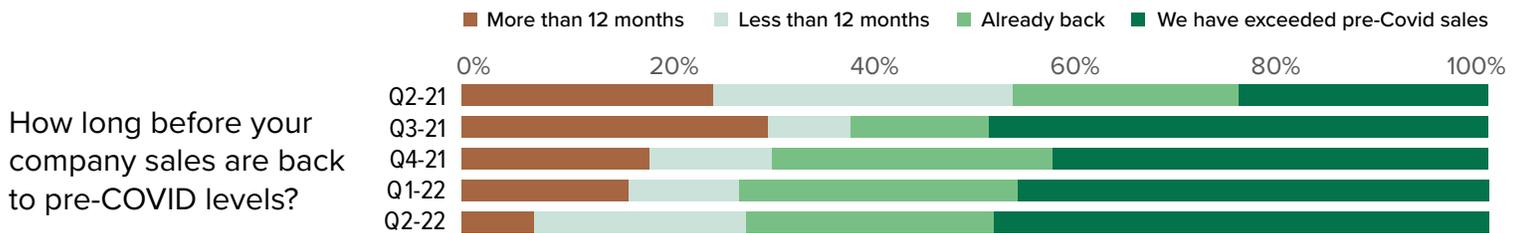
## CHANGE

## RESPONSES & SHARES



## QUESTION

## RESPONSES & SHARES



## YOUR COMPANY'S BIGGEST ISSUE OVER THE NEXT 6 MONTHS

