



THE CHILDREN'S
PLACE

GYMBOREE | **sugar & jade** | **PJ PLACE**

COMPANY OVERVIEW

FOURTH QUARTER FISCAL 2023 RESULTS



- **Omni-channel** children's specialty **portfolio of brands** with an industry-leading **digital-first model**
- Strength of design, merchandising, and sourcing teams delivers an on-trend **superior product offering**, with a **strong value proposition**, across our portfolio of brands
- Industry-leading digital penetration, with focus on **mobile-first enabled transactions** and **optimizing interactions** with our customers through **enhanced brand marketing and personalization**
- **Customer centric Omni-channel focus**, supported by digital delivery, and driven by customer insights and strategy
- **Experienced and talented management team**, with an average tenure of over seven years, focused on execution and operational excellence



#1 PURE-PLAY CHILDREN'S SPECIALTY APPAREL RETAILER IN NORTH AMERICA

\$1.6B
in Annual Revenue

50%+ Planned
Digital Penetration

523 Stores in the
U.S. and Canada

Less than 30% of
Revenue from
Traditional Malls

Distribution in 16
Countries

Accelerated Amazon
Opportunity



THE CHILDREN'S
PLACE



GYMBOREE



sugar
&jade



PJ
PLACE



FINANCIAL HIGHLIGHTS

	Q4 2023		Q4 2022		Q4 2019		23 vs. 22		23 vs. 19	
		% of Sales		% of Sales		% of Sales	Increase/(Decrease) %	BPS	Increase/(Decrease) %	BPS
Net Sales	\$455		\$456		\$513		0%		-11%	
Gross Profit	99	21.7%	80	17.5%	167	32.5%	24%	420	-41%	(1,080)
SG&A	119	26.1%	129	28.2%	113	22.0%	-8%	(210)	5%	410
Depreciation	11	2.4%	12	2.7%	19	3.7%	-9%	(30)	-42%	(130)
Operating Income	(31)	-6.8%	(61)	-13.4%	35	6.8%	49%	660	-189%	(1,360)
Interest	9	1.9%	5	1.1%	1	0.2%	65%	80	752%	170
Income Before Taxes	(39)	-8.7%	(66)	-14.5%	34	6.6%	40%	580	-216%	(1,530)
Income Tax	53		(18)		6		389%		846%	
Net Income	(\$93)	-20.4%	(\$48)	-10.5%	\$28	5.5%	-94%	(990)	-429%	(2,590)
Diluted EPS	(\$7.38)		(\$3.87)		\$1.85		-91%		-499%	
Shares	12.556		12.332		15.102		2%		-17%	
EBITDA	(\$20)	-4.4%	(\$49)	-10.7%	\$54	10.5%	59%	630	-137%	(1,490)

Net Sales flat to last year, +4.8% on comp basis:

- Impact of lower store count and traffic declines to stores partially offset by continued strength in e-commerce

Operating margin -6.8%, +660 bps to last year

- Reductions in product input costs, including cotton and supply chain costs
- Reductions in equity based compensation, significant reductions in store payroll and home office payroll
- Lower merchandise margins due to promotional activity

*Adjusted measures are non-GAAP and exclude expenses and income which we believe are not indicative of the performance of the core business. A reconciliation of GAAP and non-GAAP measures is provided in the Company's earnings releases which are available at <http://investor.childrensplace.com>.

	FY 2023		FY 2022		FY 2019		23 vs. 22		23 vs. 19	
		% of Sales		% of Sales		% of Sales	Increase/(Decrease) %	BPS	Increase/(Decrease) %	BPS
Net Sales	\$1,603		\$1,708		\$1,871		-6%		-14%	
Gross Profit	446	27.8%	514	30.1%	655	35.0%	-13%	(230)	-32%	(720)
SG&A	433	27.0%	456	26.7%	472	25.2%	-5%	30	-8%	180
Depreciation	45	2.8%	51	3.0%	72	3.8%	-11%	(20)	-37%	(100)
Operating Income	(32)	-2.0%	7	0.4%	111	6.0%	-564%	(240)	-129%	(800)
Interest	30	1.9%	13	0.8%	8	0.4%	127%	110	278%	150
Income Before Taxes	(62)	-3.9%	(6)	-0.4%	103	5.5%	-903%	(350)	-160%	(940)
Income Tax	41		(5)		19		903%		115%	
Net Income	(\$103)	-6.4%	(\$1)	-0.1%	\$84	4.5%	-8896%	(630)	-222%	(1,090)
Diluted EPS	(\$8.26)		(\$0.08)		\$5.36		-10231%		-254%	
Shares	12.501		13.041		15.653		-4%		-20%	
EBITDA	\$13	0.8%	\$58	3.4%	\$183	9.8%	-78%	(260)	-93%	(900)

Net Sales –6% to last year, -4.7% on comp basis:

- Impact of lower store count and traffic declines to stores partially offset by continued strength in e-commerce

Operating margin -2.0%, -240 bps to last year

- Higher than planned distribution and fulfillment costs due to growth in our e-commerce business
- Fixed costs de-leverage on lower net sales
- Higher planned marketing spending, partially offset by permanent reductions in store payroll and home office payroll, and reductions in variable performance-based equity compensation

*Adjusted measures are non-GAAP and exclude expenses and income which we believe are not indicative of the performance of the core business. A reconciliation of GAAP and non-GAAP measures is provided in the Company's earnings releases which are available at <http://investor.childrensplace.com>.

Q4 DIGITAL PENETRATION **57%**

DIGITAL HIGHLIGHTS

+20%
Digital
Penetration
Growth YOY

+16%
Digital Traffic
Growth YOY

60%
Total US
Acquisition

81%
Mobile
Transaction
Penetration

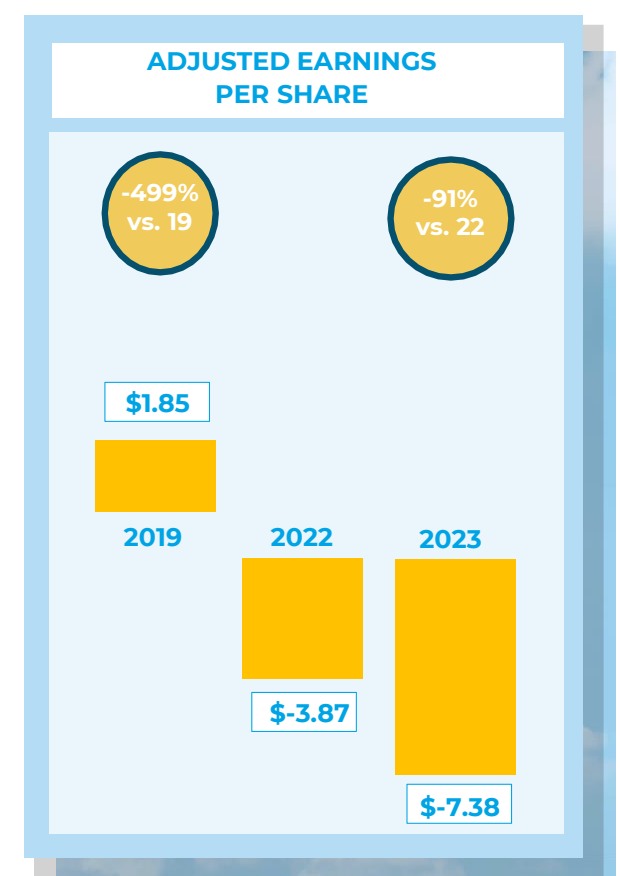
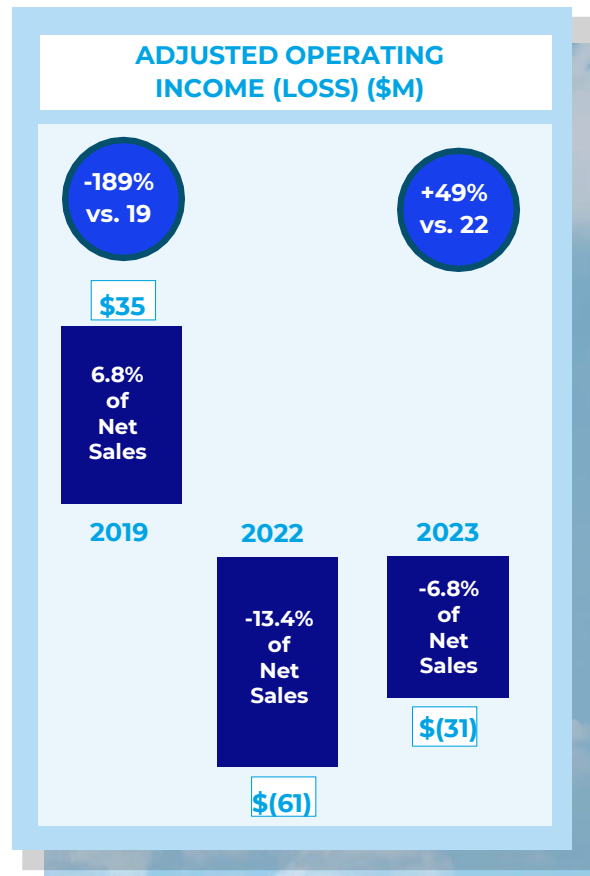
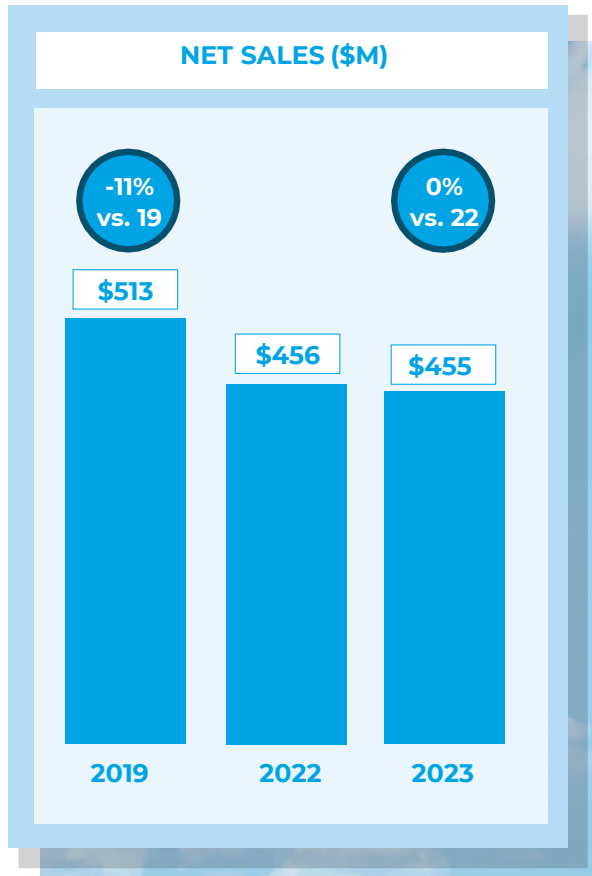
MOBILE APP HIGHLIGHTS

+31%
US Mobile App
Sales Growth
YOY

+32%
US Mobile App
Traffic Growth
YOY

+27%
Mobile App
Unique
Customers
Growth YOY



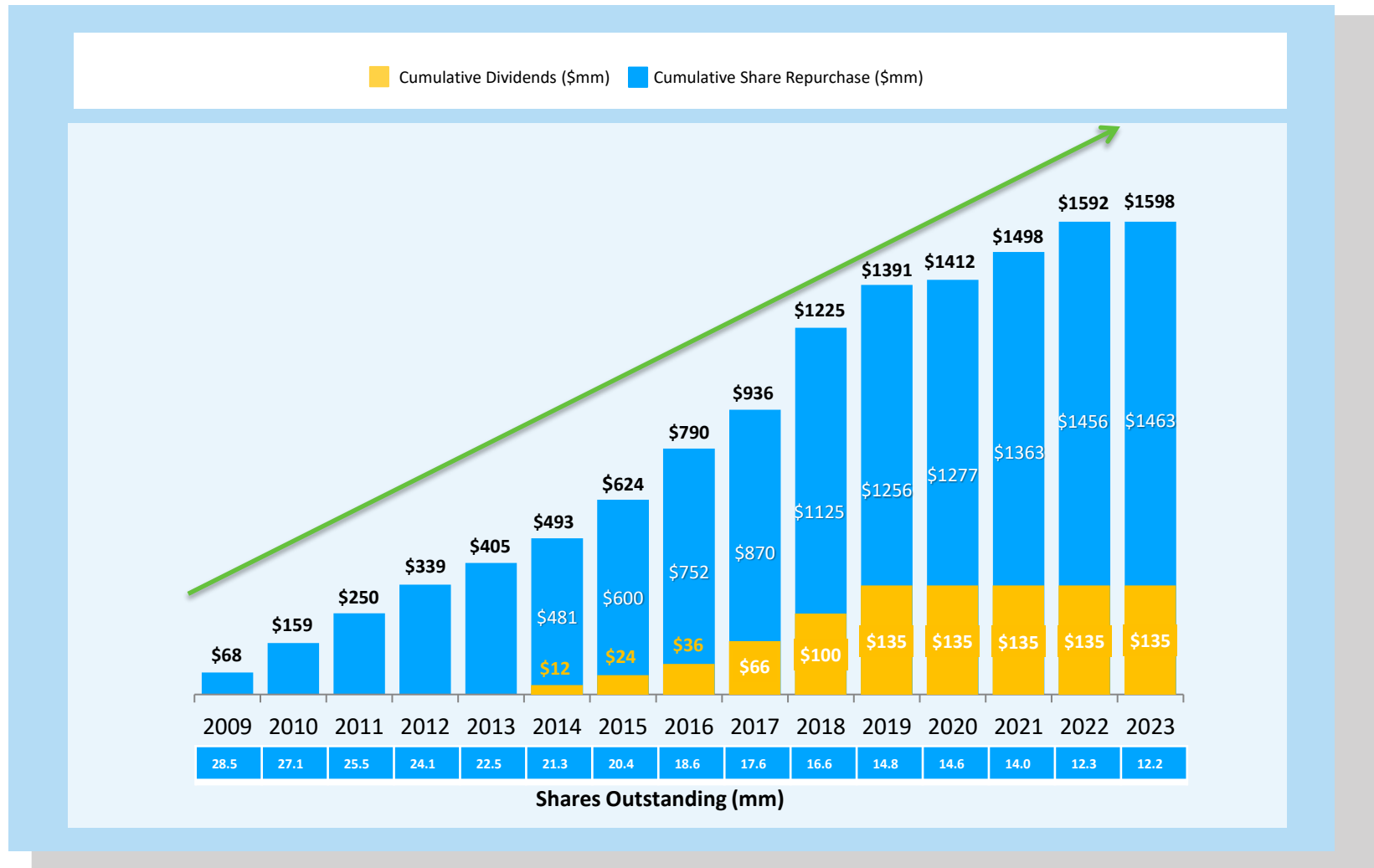


BALANCE SHEET (4 th QTR)	2023	2022
Cash	\$14	\$17
Accounts Receivable	33	50
Inventory	362	448
Revolver	227	287
Accounts Payable	226	177
Term Loan	50	50

CASH FLOW (4 th QTR)	2023	2022
Operating Cash Flow	\$135	\$9
Capital Expenditures	(3)	(14)
Free Cash Flow	\$132	(\$5)
Share Repurchases	-	\$19

- Inventory **decreased 19%** as a result of lower average cost and inventory reduction initiatives
- Accounts Payable **increased 27%**, as a result of working capital management
- Cash and short-term investments of **\$14 million** with **\$227 million** outstanding on our Revolver
- Generated **\$135 million** in operating cash flow in Q4 2023

Consistent track record returning excess cash to shareholders





DIGITAL FIRST

Q4 FY23 DIGITAL PENETRATION 57%



+5%

US Mobile App
ADS vs Non-App
ADS

81%

US Mobile
Transaction
Penetration

+9%

US Mobile App
Sales
Penetration
Growth YOY

+31%

US Mobile App
Sales Growth
YOY

+27%

US Mobile App
Unique
Customers
Growth YOY

+16%

US Mobile App
Traffic Growth
YOY

amazon



Q4 Results

- We entered the season with strong in-stock positions, a commitment to delivering customer-favorite product and a focus on advertising
- Glance views actualized **+41% to LY**
- TCP's full funnel Ad strategy drove an incredible amount of **New to Brand customers, driving triple digit increases YOY**
- We participated in the **T11** promotional period on Amazon - traffic from this event lead to **TCP's largest week on Amazon in our history**
- Christmas campaigns featuring **Mariah Carey** delivered strong engagement. Celebrity assets have proven to be an important touch point that builds brand value for customers.
- We have found success in the **Gymboree brand** on Amazon through targeting highly engaged **premium audiences**.

FY23 Results

- 2023 closed with **total Brand Traffic +62% to LY.**, while holding strong in conversion
- **Ad attributed sales contributed to 51%** of site sales with basics being a main driver of total performance





SPRING 2024 COLLECTIONS





THE CHILDREN'S
PLACE
SPRING 2024 COLLECTION





GYMBOREE
SPRING 2024 COLLECTION







PJ
PLACE

SPRING 2024 COLLECTION





















ESG

**ENVIRONMENTAL, SOCIAL &
GOVERNANCE**

Strategy: ESG Focus Areas

Our **2030 ESG roadmap** encompasses our **16 key focus areas** across environment, social and governance. We utilize international frameworks and recognized standards such as the Sustainability Accounting Standards Board (SASB) guidelines for apparel and footwear, Global Reporting Initiative (GRI) standards, Task Force on Climate-related Financial Disclosures (TCFD) and UN Sustainable Development Goals (SDGs) to guide our areas of focus.

Environment							
	Climate & Energy	Raw Materials	Chemical Management	Water Stewardship	Waste	Circularity	
	Reducing GHG emissions across our operations and global supply chain	Increasing the use of more sustainable materials in our products	Supporting implementation of responsible chemical management and wastewater systems	Working with vendors to reduce water consumption in manufacturing and processing	Diverting the amount of our waste sent to landfill	Helping to avert product and material disposal through reuse and recycling	
	Social						
		Workplace Health & Safety	Talent	Diversity, Equity & Inclusion	Community	Supply Chain Compliance	Worker Well-Being
		Safeguarding our associates and customers	Investing in the people that make our business possible	Building an inclusive environment where all people feel welcome and valued	Supporting children and families in need	Helping to improve the lives of third-party factory workers and to protect their rights in the workplace	Moving beyond the factory walls to improve the well-being of workers and their families
Governance							
		Board Composition	Board Oversight & Risk Management	Ethics & Integrity	Cybersecurity & Privacy		
		Continuing Board refreshment, prioritizing relevant experience and diversity	Operationalizing expanded Committee responsibilities to enhance oversight of ESG	Operating in an ethical and responsible manner in all aspects of our business	Protecting our proprietary information and the information we receive about our customers, associates and other third-party partners		

Recognition: CDP Climate Change 2023

Sharing environmental data through disclosure is a critical first step in taking meaningful climate action. We are proud to be among 23,000+ companies that have committed to environmental transparency by disclosing through CDP, a global nonprofit that runs the world's leading environmental disclosure platform.

We disclosed for the first time in 2023 by completing [CDP's Climate Change questionnaire](#) and are pleased to have **received a score of B- in our first year.**

Name	Response	Year	Status	Score
The Children's Place, Inc.	Climate Change 2023	2023	Submitted	B-



Community: Helping Children and Families in Need

Since 2008, The Children's Place has fulfilled holiday **Winter Wishes** through one of our longstanding charitable partners, **YCS (Youth Consultation Service)**. YCS supports thousands of New Jersey families – some have children at YCS' group homes and are separated from their loved ones and have been affected by trauma, while others have behavioral difficulties as a result of intellectual and developmental disabilities.



Through this campaign, our associates purchase gifts from the wish lists of children who may not otherwise get a gift or wish fulfilled during the holiday season. Through 2023's Winter Wishes campaign, **our associates fulfilled all 100 wishes** we received from YCS for children in 14 therapeutic homes across New Jersey.

We are proud of the generosity of our associates who continue to support this impactful tradition every year and have helped make the holidays brighter for over 1,000 children since the start of the program.





THANK YOU

FORWARD LOOKING STATEMENTS

Forward Looking Statements

This presentation contains or may contain forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including but not limited to statements relating to the Company's strategic initiatives and results of operations, including adjusted net income (loss) per diluted share. Forward-looking statements typically are identified by use of terms such as "may," "will," "should," "plan," "project," "expect," "anticipate," "estimate" and similar words, although some forward-looking statements are expressed differently. These forward-looking statements are based upon the Company's current expectations and assumptions and are subject to various risks and uncertainties that could cause actual results and performance to differ materially. Some of these risks and uncertainties are described in the Company's filings with the Securities and Exchange Commission, including in the "Risk Factors" section of its annual report on Form 10-K for the fiscal year ended February 3, 2024. Included among the risks and uncertainties that could cause actual results and performance to differ materially are the risk that the Company will be unable to achieve operating results at levels sufficient to fund and/or finance the Company's current level of operations and repayment of indebtedness, the risk that the Company will be unsuccessful in gauging fashion trends and changing consumer preferences, the risks resulting from the highly competitive nature of the Company's business and its dependence on consumer spending patterns, which may be affected by changes in economic conditions (including inflation), the risk that the Company's strategic initiatives to increase sales and margin are delayed or do not result in anticipated improvements, the risk of delays, interruptions, disruptions and higher costs in the Company's global supply chain, including resulting from disease outbreaks, foreign sources of supply in less developed countries, more politically unstable countries, or countries where vendors fail to comply with industry standards or ethical business practices, including the use of forced, indentured or child labor, the risk that the cost of raw materials or energy prices will increase beyond current expectations or that the Company is unable to offset cost increases through value engineering or price increases, various types of litigation, including class action litigations brought under securities, consumer protection, employment, and privacy and information security laws and regulations, the imposition of regulations affecting the importation of foreign-produced merchandise, including duties and tariffs, risks related to the existence of a controlling shareholder, and the uncertainty of weather patterns. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they were made. The Company undertakes no obligation to release publicly any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

