

SECURITIES AND EXCHANGE COMMISSION

FORM 10-K

Annual report pursuant to section 13 and 15(d)

Filing Date: **2023-03-16** | Period of Report: **2023-01-28**
SEC Accession No. [0001319947-23-000014](#)

[\(HTML Version on secdatabase.com\)](#)

FILER

Designer Brands Inc.

CIK: [1319947](#) | IRS No.: **310746639** | State of Incorp.: **OH** | Fiscal Year End: **0129**
Type: **10-K** | Act: **34** | File No.: **001-32545** | Film No.: **23738779**
SIC: **5661** Shoe stores

Mailing Address
*810 DSW DRIVE
COLUMBUS OH 43219*

Business Address
*810 DSW DRIVE
COLUMBUS OH 43219
(614) 872-1473*

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

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended January 28, 2023

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-32545



DESIGNER
BRANDS

DESIGNER BRANDS INC.

(Exact name of registrant as specified in its charter)

Ohio

(State or other jurisdiction of incorporation or organization)

31-0746639

(I.R.S. Employer Identification No.)

810 DSW Drive, Columbus, Ohio

(Address of principal executive offices)

43219

(Zip Code)

Registrant's telephone number, including area code: **(614) 237-7100**

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A Common Shares, without par value	DBI	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes

No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the registrant's Class A common shares held by non-affiliates of the registrant as of July 30, 2022, was \$703,163,424.

Number of shares outstanding of each of the registrant's classes of common stock, as of March 9, 2023: 55,920,671 Class A common shares and 7,732,743 Class B common shares.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Definitive Proxy Statement on Schedule 14A for the 2023 Annual Meeting of Shareholders, which statement will be filed pursuant to Regulation 14A no later than 120 days after the end of the fiscal year covered by this report, are incorporated by reference into Part III of this Annual Report on Form 10-K.

DESIGNER BRANDS INC.
TABLE OF CONTENTS

PART I		
Item 1	Business	1
Item 1A	Risk Factors	9
Item 1B	Unresolved Staff Comments	19
Item 2	Properties	19
Item 3	Legal Proceedings	19
Item 4	Mine Safety Disclosures	19
PART II		
Item 5	Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	19
Item 6	[Reserved]	21
Item 7	Management's Discussion and Analysis of Financial Condition and Results of Operations	21
Item 7A	Quantitative and Qualitative Disclosures About Market Risk	31
Item 8	Financial Statements and Supplementary Data	32
	Report of Independent Registered Public Accounting Firm	32
	Consolidated Statements of Operations	34
	Consolidated Statements of Comprehensive Income (Loss)	35
	Consolidated Balance Sheets	36
	Consolidated Statements of Shareholders' Equity	37
	Consolidated Statements of Cash Flows	38
	Notes to the Consolidated Financial Statements	39
Item 9	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	63
Item 9A	Controls and Procedures	63
Item 9B	Other Information	63
Item 9C	Disclosures Regarding Foreign Jurisdictions that Prevent Inspections	63
PART III		
Item 10	Directors, Executive Officers and Corporate Governance	63
Item 11	Executive Compensation	64
Item 12	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	64
Item 13	Certain Relationships and Related Transactions, and Director Independence	64
Item 14	Principal Accounting Fees and Services	64
PART IV		
Item 15	Exhibits, Financial Statements Schedules	64
Item 16	Form 10-K Summary	67
	SIGNATURES	68

All references to "we," "us," "our," "Designer Brands," "Designer Brands Inc.," or the "Company" in this Annual Report on Form 10-K for the fiscal year ended January 28, 2023 (this "Form 10-K") mean Designer Brands Inc. and its subsidiaries.

We own many trademarks and service marks. This Form 10-K may contain trademarks, trade dress, and tradenames of other companies. Use or display of other parties' trademarks, trade dress or tradenames is not intended to and does not imply a relationship with the trademark, trade dress or tradename owner.

We have included certain website addresses throughout this Form 10-K as inactive textual references only. The information contained on the websites referenced herein is not incorporated into this Form 10-K.

Cautionary Statement Regarding Forward-Looking Information for Purposes of the "Safe Harbor" Provisions of the Private Securities Litigation Reform Act of 1995

Certain statements in this Form 10-K may constitute forward-looking statements and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements reflect our current views with respect to, among other things, future events and financial performance. You can identify these forward-looking statements by the use of words such as "outlook," "could," "believes," "expects," "potential," "continues," "may," "will," "should," "would," "seeks," "approximately," "predicts," "intends," "plans," "estimates," "anticipates," or the negative version of those words or other comparable words. Any forward-looking statements contained in this Form 10-K are based upon current plans, estimates, expectations and assumptions relating to our operations, results of operations, financial condition, and liquidity. The inclusion of any forward-looking statements should not be regarded as a representation by us or any other person that the future plans, estimates or expectations contemplated by us will be achieved. Such forward-looking statements are subject to numerous risks, uncertainties and other factors that may cause actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. In addition to other factors discussed elsewhere in this Form 10-K, including those factors described under Part I, Item 1A. *Risk Factors*, there are a number of important factors that could cause actual results, performance, or achievements to differ materially from those discussed in forward-looking statements that include, but are not limited to, the following:

- uncertain general economic conditions, including inflationary pressures and rising interest rates, and the related impacts to consumer discretionary spending, as well as supply chain disruptions and pressures;
- risks and uncertainties related to the ongoing coronavirus ("COVID-19") pandemic, any future COVID-19 resurgence, and any other adverse public health developments;
- our ability to anticipate and respond to fashion trends, consumer preferences and changing customer expectations;
- our ability to maintain strong relationships with our vendors, manufacturers, licensors, and retailer customers;
- risks related to losses or disruptions associated with our distribution systems, including our distribution centers and stores, whether as a result of the COVID-19 pandemic, reliance on third-party providers, or otherwise;
- our ability to manage our Chief Executive Officer ("CEO") transition, retain our existing management team, and continue to attract qualified new personnel;
- risks related to cyber security threats and privacy or data security breaches or the potential loss or disruption of our information technology ("IT") systems;
- risks related to the implementation of an enterprise resource planning system ("ERP") software solution and other IT systems;
- our reliance on our loyalty programs and marketing to drive traffic, sales, and customer loyalty;
- our ability to protect our reputation and to maintain the brands we license;
- our competitiveness with respect to style, price, brand availability, and customer service;
- risks related to our international operations, including international trade, our reliance on foreign sources for merchandise, exposure to political, economic, operational, compliance and other risks, and fluctuations in foreign currency exchange rates;
- our ability to comply with privacy laws and regulations, as well as other legal obligations;
- domestic and global political and social conditions and the potential impact of geopolitical turmoil or conflict;
- risks associated with climate change and other corporate responsibility issues; and
- uncertainties related to future legislation, regulatory reform, policy changes, or interpretive guidance on existing legislation.

If one or more of these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results, performance, or achievements may vary materially from what we have projected. Furthermore, new factors emerge from time to time and it is not possible for management to predict all such factors, nor can management assess the impact of any such factor on the

business or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by law, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events.

PART I

M 1. BUSINESS

OVERVIEW

Designer Brands Inc., originally founded as DSW Inc., is one of the world's largest designers, producers, and retailers of footwear and accessories. We operate in three reportable segments: the U.S. Retail segment, the Canada Retail segment, and the Brand Portfolio segment. The U.S. Retail segment operates the DSW Designer Shoe Warehouse ("DSW") banner through its direct-to-consumer U.S. stores and e-commerce site. The Canada Retail segment operates The Shoe Company and DSW banners through its direct-to-consumer Canada stores and e-commerce sites. Together, the U.S. Retail and Canada Retail segments are referred to as the "retail segments." The Brand Portfolio segment earns revenue from the wholesale of products to retailers and international distributors, commissions for serving retailers as the design and buying agent for products under private labels (referred to as "First Cost"), and the sale of branded products through our direct-to-consumer e-commerce sites at www.vincecamuto.com and www.topoathletic.com.

Our fiscal year ends on the Saturday nearest to January 31. References to a fiscal year (e.g., "2022") refer to the calendar year in which the fiscal year begins. This reporting schedule is followed by many national retail companies and typically results in a 52-week fiscal year, but occasionally will contain an additional week resulting in a 53-week fiscal year (including 2023).

RETAIL SEGMENTS

BANNERS

We offer a wide assortment of dress, casual, and athletic footwear and accessories for women, men and kids, with a significant number of our products geared toward athletic and kids.

- ***DSW Designer Shoe Warehouse-*** Our DSW banner, which is offered both in the United States ("U.S.") and in Canada, is the destination for on-trend and fashion-forward footwear and accessory brands at a great value every single day, offering a wide assortment of dress, casual, and athletic footwear and accessories for women, men and kids.
- ***The Shoe Company-*** The Shoe Company banner in Canada offers on-trend footwear and accessory brands that target every-day family styles at a great value every single day.

Our e-commerce platforms offer customers convenient, 24/7 access to our products through our websites, www.dsw.com, www.dsw.ca, and www.theshoecompany.ca, with mobile-optimized sites, and our mobile DSW application. Our omni-channel capabilities allow customers to order a wide range of styles, sizes, widths and categories. Online orders in the U.S. and Canada can be fulfilled from any one of our stores. Online orders from the U.S. can also be fulfilled from our distribution center located in New Jersey, which is a shared facility with the Brand Portfolio segment ("East Coast Logistics Center"), or directly from our vendors (referred to as "drop ship"). Our order routing optimization system determines the best location to fulfill digitally-demanded products, which allows us to optimize our operating profit. To further meet customer demand of how they receive products, we provide our customers options to Buy Online Pick Up in Store, Buy Online Ship to Store, and Curbside Pickup in the majority of our locations. Likewise, returns may be shipped to us or brought back to any of our locations.

ASSORTMENT

We sell a large assortment of national brands and brands we have rights to sell through ownership or license arrangements, which we refer to as "Owned Brands." During 2022, we made progress in our long-term goal of doubling the net sales from our Owned Brands by

2026 (using 2021 net sales as a baseline), while maintaining our net sales from national brands. We expect this long-term goal will result in approximately one-third of our total net sales coming from Owned Brands by 2026. We believe that increasing net sales from our Owned Brands products will not only drive growth and expand our gross margin, but will also elevate our presence as a brand builder. In addition to disaggregating our net sales between Owned Brands and national brands, we disaggregate our net sales into four primary categories: women's footwear, men's footwear, kids' footwear, and accessories and other. Refer to Note 3, *Revenue*, of the Consolidated Financial Statements of this Form 10-K, for the disaggregation of total net sales.

[Table of contents](#)

The following table presents certain data about the sourcing of our merchandise:

	2022	2021
Number of unrelated third-party merchandise vendors at end of fiscal year	420	440
Percentage of purchases from:		
Brand Portfolio segment, including wholesale purchases and First Cost sourced Owned Brands	8 %	9 %
Top three national brand vendors	22 %	20 %

LOYALTY PROGRAMS

We invite customers to join our VIP rewards programs, which enable members to earn points toward discounts on future purchases. Our VIP rewards programs provides timely customer insights and creates stronger customer engagement, while driving a higher-than-average level of customer spend.

The following table presents the number of members enrolled in our loyalty programs that have made a purchase over the prior two years and the percentage of retail segments' net sales generated from these members:

	2022	2021
Number of VIP members at end of fiscal year (in millions)	32.1	28.2
Percentage of retail segments' net sales generated from VIP members	89 %	87 %

DISTRIBUTION AND FULFILLMENT

For our U.S. Retail segment operations, the majority of our inventory is shipped directly from suppliers to our distribution center, which is located in Columbus, Ohio, and a West Coast facility that is operated by a third party, where the inventory is then processed, sorted, and shipped to one of our pool locations located throughout the country, and then on to the stores. Our inventory can also be shipped directly to our customers from our East Coast Logistics Center. For our Canada Retail segment, we engage a logistics service provider to receive and distribute inventory to our stores. Through our ship-from-store capability, both in the U.S. and in Canada, inventory is shipped directly from our stores to customers. Through our U.S. drop ship program, inventory is shipped from our vendors' warehouses directly to our customers.

Inventory management is important to our business, we manage our inventory levels based on anticipated sales and the delivery requirements of our customers. Our inventory management strategy is focused on continuing to meet consumer demand, while improving our efficiency over the long term by enhancing systems and processes.

BRAND PORTFOLIO SEGMENT

Our Brand Portfolio segment designs, develops, and sources in-season fashion footwear and accessories for the sale of wholesale merchandise to our retail segments and our other retailer customers. Our First Cost model earns commission-based income for serving retailers as their design and buying agent, while leveraging our overall design and sourcing infrastructure. In addition, we sell our branded products on a direct-to-consumer e-commerce site at www.vincecamuto.com. Refer to Note 3, *Revenue*, of the Consolidated Financial Statements of this Form 10-K, for the Brand Portfolio segment's total net sales attributable to each channel. The Brand Portfolio segment has four customers that make up approximately 53% of its total net sales, excluding intersegment net sales. The loss of any or all of these customers could have a material adverse effect on the Brand Portfolio segment.

LICENSING RIGHTS

Our equity investments in ABG-Camuto, LLC ("ABG-Camuto") and Le Tigre 360 Global LLC ("Le Tigre") are an integral part of the Brand Portfolio segment. In partnership with Authentic Brands Group LLC, a global brand management and marketing company, we have a 40% ownership interest in ABG-Camuto, a joint venture that owns the intellectual property rights of Vince Camuto and others. ABG-Camuto is responsible for the growth and marketing of the brands held by the joint venture. We have entered into a licensing agreement with ABG-Camuto, whereby we pay royalties to ABG-Camuto based on the sales of licensed products, subject to guaranteed minimums. ABG-Camuto also earns royalties on sales from third parties that license the brand names to produce non-footwear product categories. In July 2022, we acquired a 33.3% ownership interest in Le Tigre, which manages the Le Tigre brand, for \$8.2 million. We entered into a license agreement with Le Tigre, whereby we pay royalties on our net sales from the Le Tigre brand, subject to guaranteed minimums. The license agreement provides for the exclusive right to design, source, and sell Le Tigre branded footwear. We recognize equity investments and earnings under the equity method within the Brand Portfolio segment. In addition, we own the licensing rights for footwear of the Jessica Simpson brand and for footwear and handbags of the Lucky Brand.

SOURCING AND DISTRIBUTION

We source each of our product lines based on the individual design, style and quality specifications of the products. Our Brand Portfolio segment does not own or operate manufacturing facilities; rather, we use our sourcing offices in China and Brazil to procure our products from third-party manufacturers. Prior to production, our sourcing offices inspect samples and prototypes of each style and monitor the quality of the production process. We manage our inventory levels based on existing orders and anticipated sales.

The manufacturers of our products are required to meet our quality, human rights, local compliance, safety, and other standard requirements. These vendors are expected to respect local laws, rules, and regulations of the countries in which they operate and have pledged to follow the standards set forth in the Company's Vendor Code of Conduct, which details our dedication to human rights, labor rights, environmental responsibility, and workplace safety. The majority of our wholesale inventory is shipped directly from factories in foreign countries to our East Coast Logistics Center, where the inventory is then processed, sorted, and provided to our customers' shipping carriers.

The following table presents the percentages of the Brand Portfolio segment's merchandise units sourced by country:

	2022	2021
China	76 %	75 %
Vietnam	9 %	9 %
Brazil	9 %	11 %
All other foreign locations	6 %	5 %

ACQUISITIONS

On December 13, 2022, we acquired a 79.4% ownership interest in Topo Athletic LLC ("Topo") for \$19.1 million. Topo is a designer of specialty athletic footwear that sells its Topo branded products at wholesale to retailers and international distributors and through its direct-to-consumer e-commerce site at www.topoathletic.com. The Topo acquisition provides us with expanded capabilities within the athletic footwear market.

On February 4, 2023, we acquired the Keds business, including the Keds brand, inventory, and inventory-related accounts payable, from Wolverine World Wide, Inc. for \$123.3 million. The Keds business designs, sources, and sells branded footwear and earns revenue from

the wholesale of products to retailers in the U.S. and Canada, the wholesale of products to international distributors, and the sale of branded products through direct-to-consumer e-commerce sites in the U.S. and Canada. We will account for the acquisition and include the results of the Keds business in our Brand Portfolio segment beginning with our first quarter of 2023.

COMPETITION

The footwear market is highly competitive with few barriers to entry. We compete against a diverse group of manufacturers and retailers, including department stores, mall-based shoe stores, national chains, independent shoe retailers, single-brand specialty retailers, online shoe retailers, brand-oriented discounters, multi-channel specialty retailers, and brand suppliers. In addition, our wholesale retailer customers sell shoes purchased from competing footwear suppliers with brands that are well known.

CHIEF EXECUTIVE OFFICER TRANSITION

In January 2023, we announced our planned succession process relating to the Company's CEO role, whereby our current CEO, Roger Rawlins, will step down from his role as CEO and as a member of the Board of Directors effective April 1, 2023, or such earlier date as determined by the Board of Directors, at which time Doug Howe, who currently serves as Executive Vice President of the Company and President of DSW, will assume the CEO role and join the Board of Directors as a Class II director. To assist in facilitating a smooth transition, Mr. Rawlins will remain employed under the terms of a transition and consulting agreement through April 1, 2023 and, for the 12-month period thereafter, will serve as a strategic advisor to the Company and the Board of Directors.

HUMAN CAPITAL MANAGEMENT

We believe the strength of our workforce is critical to our success. Our associates strive every day to create a welcoming and inclusive environment for themselves and our customers. One of our core strategies is to invest in and support our associates who are key to differentiating our products and experiences in the competitive footwear market. We monitor and adapt as necessary to maintain our competitive position, including the following areas of focus:

WORKFORCE

Our key human capital management objectives are to attract, develop, advance, and retain the highest quality talent. To support these objectives, our human resources programs aim to:

- develop associates to prepare them for critical roles and leadership positions for the future;
- reward and support associates through competitive pay, benefits, and perquisite programs;
- enhance our culture through efforts aimed at making the workplace more engaging and inclusive;
- acquire talent and facilitate internal talent mobility to create a high-performing, diverse workforce;
- embrace hybrid and remote work arrangements where possible to utilize flexibility as a competitive advantage; and
- evolve and invest in technology, tools, and resources to support our associates at work.

As of January 28, 2023, we employed approximately 14,000 people worldwide, 12,000 of whom are employed in the U.S.

TOTAL REWARDS

To remain an employer of choice and maintain the strength of our workforce, we continually assess the current business environment and labor market to refine our compensation practices, benefit programs, and other associate resources. We have a history of investing in our workforce and offer comprehensive, relevant, and innovative benefits to eligible associates in the U.S.

Compensation

- We strive to provide market competitive wages and salaries, targeting the middle of the market in most cases.

- We establish a minimum starting pay rate for each U.S. store that exceeds applicable minimum wage requirements.
- To compete for local distribution center talent, we provide a peak season incentive bonus and continually monitor local pay practices.
- Our incentive plans provide additional cash compensation upon the achievement of results that exceed defined Company goals and are available to eligible store management, distribution center, and corporate support center associates.
- We provide stock-based, long-term incentives for senior executives through the director level that align with the interests of shareholders.
- We provide retirement benefits through our 401(k) plan, with employer matching contributions up to 4% of associate contributions.

Health & Wellness

- For most of 2022, we continued the COVID-19 paid leave policy that provided up to one week of pay for associates who contracted the virus, were involuntarily quarantined, were experiencing side effects from obtaining a vaccine, or were without work due to changes in store hours because of direct or indirect impacts of the virus. The policy was deemed to no longer be necessary in October 2022; however, we continue to follow all applicable COVID-19 local paid leave regulations.
- In 2022, we added a new paid time off benefit for our approximately 9,000 U.S. part-time associates that enables them to take time off with pay if sick, to care for a family member, or to enjoy a break from work.
- In 2022, we added a medical access travel benefit that reimburses up to \$4,000 per year for eligible travel expenses when it is necessary for an associate or dependent enrolled in a medical plan to travel 100 miles or more from home to obtain access to covered medical care.
- Comprehensive health insurance coverage is available to all full-time associates through multiple medical plans, which also include prescription and vision insurance. Dental coverage is also available.
- Other benefits provided to associates and their dependents who are enrolled in a medical plan include the following:
 - Concierge care coordinators and nurses who can assist with clinical support for health conditions, locate high quality doctors, advocate to resolve insurance billing issues, connect members to available community resources, and answer member benefit questions.
 - Free unlimited telemedicine access to U.S. board-certified physicians, via phone or video, for general medical, dermatology, and mental health services.
 - Specialty prescription drug medications with most at no cost to enrolled associates and their dependents.
 - Fertility services that provide concierge support and access to leading fertility centers of excellence across the nation. Our medical plan covers up to two cycles of IVF or other fertility services in addition to necessary fertility medication and testing.
 - Maternity program that provides resources and support to expecting mothers through expert nurse care coordinators throughout their pregnancies.
- Multiple types of paid leave are provided at no cost to associates. Full-time associates receive short-term disability income replacement pay, as well as paid parental leave, and jury duty pay. All associates are eligible for military pay and bereavement pay.
- Voluntary benefits (long-term disability, accident, hospital indemnity, and critical illness) and flexible spending accounts are available to full-time associates to support their financial needs.
- Free counseling is available to all associates, their dependents, and their family members 24/7/365, including access to licensed counselors, work/life balance support, and bereavement specialists.
- Free legal help is available to all associates in areas such as civil/criminal needs, family disputes, immigration law, landlord/tenant issues, and basic document preparation.
- Free financial help, including debt counseling, lease/purchase guidance, taxes, financial planning, and college funding, is available to all associates.
- Adoption assistance is available to all full-time associates with reimbursement up to \$10,000 of eligible expenses for each adoption.
- Free accredited, general education college courses, as well as discounted tuition offerings through multiple partner schools, are available to all associates.
- Up to \$5,250 in tuition reimbursement per year is available to all full-time associates to provide the opportunity to take classes or earn a degree.

- Up to seven days of free backup childcare per year is provided to all full-time associates who need emergency childcare services for any reason.
- All associates are provided free access to a national resource network to locate babysitters and nannies, who have been cleared by a background check, as well as discounts on tutoring, day care centers, and pet sitters.
- Discounts on DSW, American Eagle Outfitters/Aerie, and American Signature/Value City Furniture products are available to all associates.
- Associate accomplishments and work anniversaries, starting with one year of service, are recognized and rewarded through our "Inspire Greatness" recognition program.

TALENT DEVELOPMENT

To help our associates succeed in their roles, we emphasize continuous learning and development opportunities. Training provided through our online learning platform includes nearly 250 resources such as videos, self-paced on-demand learning, and virtual instructor-led sessions. A wide variety of resources are designed to address the needs of our entire workforce, from entry-level associates to our most senior executives. During 2022, 11,500 associates completed approximately 100,000 learning experiences through our online learning platform. We invest resources in professional development and growth as a means of improving associate performance, engagement, and retention. We believe that our continued focus on frequent and constructive performance feedback, talent reviews, succession planning, and retention, have contributed to a strong internal promotion rate.

PHILANTHROPY THROUGH DBI GIVES

The Company is committed to good corporate citizenship. Not only do we strive to create positive impacts within our organization, but we aim to better the communities in which we conduct business through DBI Gives, our philanthropic community interest group. DBI Gives' mission is to inspire community involvement and enhance associate engagement and has three main areas of focus:

1. ***Empowerment***- Support organizations that prioritize empowerment and build self-confidence without discrimination.
2. ***Diversity, Equity & Inclusion***- Support organizations whose key constituents align with the diversity dimensions represented by our Business Resource Groups ("BRGs").
3. ***Community***- As the places where our associates live and work mean everything to us, we support the organizations that put our local communities first and provide opportunities for our associates to give back through volunteering and donations.

DBI Gives has three primary areas of partnership:

1. ***Soles4Souls***- Soles4Souls creates sustainable jobs and provides relief through the distribution of shoes and clothing around the world, while giving shoes and garments a second life and keeping them out of landfills. Since partnering with Soles4Souls in 2018, we are proud to have donated over 7 million pairs of shoes, including 1.6 million pairs donated in 2022. In 2022, we focused our register donation efforts to support Soles4Souls, generating over \$600,000 in customer-funded donations.
2. ***Two Ten Footwear Foundation***- Two Ten provides scholarships and financial aid to people working in the footwear industry, as well as free counseling and community resources. Many of our own associates have been beneficiaries of Two Ten's programs. We support Two Ten with corporate financial donations and subject matter expertise to continue to enrich their community program offerings.
3. ***Hometown Partnerships***- From annual United Way fundraisers, American Red Cross blood drives, local nonprofit partnerships, and associate volunteering efforts, we always look for ways to support and better the communities in which we operate. During the 2022 holiday season, with the cost of food on the rise, our associates helped address hunger and food insecurity by collecting and donating food items to their local food banks and packing meals for those in need. Altogether, our associates collected/packed over 74,000 meals.

DIVERSITY, EQUITY, AND INCLUSION ("DE&I")

We support diversity, equity, and inclusion and believe that:

- ***diversity*** is the celebration of the ways we are alike and different, as well as unique;
- ***equity*** compels us to be fair, while also recognizing the need to treat others differently to mitigate the risk of inadvertently perpetuating systemic barriers; and
- ***inclusion*** is the act of ensuring our differences are welcomed, valued, respected, and heard.

[Table of contents](#)

We strive to inspire self-expression, authenticity, and empowerment to drive the best possible experiences for our associates, customers, and communities in alignment with our business objectives. Formal ways for associates, on a voluntary basis, to get involved include:

- BRGs, which are associate-led groups organized around a common diversity dimension to foster an inclusive, engaging work environment for all.
- Community Interest Groups ("CIGs"), which are associate-led groups based on a common passion or interest to drive a sense of community and shared purpose.
- Councils, which are associate-led groups organized to create a sense of inclusion and belonging for those who work in our stores, distribution centers, and fulfillment center.

All groups are inclusive and open to any associate who wants to join. Associates can be members of as many groups as they want. Our BRGs, CIGs, and Councils provide a unique strategic perspective based on shared experience, background, and allyship, while promoting diversity in our workplace and community in alignment with our business goals.

Our DE&I principles are also reflected in our associate training programs, which address our policies against harassment, bullying, and bias in the workplace. We strive to maintain a diverse and inclusive workforce. As of January 28, 2023, nearly 79% of our U.S. based associates self-identified as female and over 55% of our U.S. associate population self-identified as people of color. Additionally, as of the end of 2022, 36% of the Company's Board of Directors and 46% of executives in vice president and above positions self-identified as female.

Mr. Rawlins, Designer Brands' current CEO, is a proud signatory of the CEO Action for Diversity & Inclusion Pledge, the largest CEO-driven business commitment to advance diversity and inclusion in the workplace. This demonstrates our top-down approach to furthering our goals of cultivating open dialogue, expanding diversity training, sharing best practices with other companies, and engaging our Board of Directors in the evaluation of our progress. For the fourth consecutive year, Designer Brands has been recognized for its LGBTQ+ inclusion efforts with a 100 score on the Human Rights Campaign's ("HRC") Corporate Equality Index, which places us on HRC's "Best Places to Work for LGBT Equality" list. Designer Brands has also been recognized by *Forbes* as one of "The Best Employers for Diversity," "The World's Best Employers" and "The World's Top Female-Friendly Companies."

In 2022, Designer Brands announced an investment of \$2.0 million into advancing action-oriented DE&I through a partnership with Pensole and legendary footwear designer Dr. D'Wayne Edwards, President of Pensole Lewis College of Business & Design ("PLC"). Located in Detroit, PLC is the first and only Historically Black College & University ("HBCU") in Michigan and the first HBCU with a focus on design. In this new partnership, Designer Brands invested in the first Black-owned footwear factory in the U.S. – JEMS by Pensole – to produce shoes designed by PLC graduate students, to be sold exclusively at DSW. Together with Pensole, we will provide designers with opportunities to offer new products directly to consumers. Ultimately, the partnership is aimed at creating careers and investing in diverse, talented, aspiring designers to become the future of our industry.

We believe that paying our people fairly, regardless of gender, race, ethnicity, or any other status, enables us to deliver on our goal of creating an inclusive environment where we can all be ourselves, contribute ideas and do our best work. To this end, we have invested in pay equity processes that allow us to assess whether associates with similar roles and experience earn equal pay for comparable work. Based on our belief that equality and diversity makes our organization stronger, we continue to focus on and invest in pay equity processes.

We are on a journey to promote greater levels of DE&I in everything we do and recognize that there is still a long way to go. We will continue to challenge our own biases, engage in difficult conversations in meaningful ways, foster diverse perspectives to drive innovation, and intentionally evolve our operating strategies to advance this important work.

ASSOCIATE ENGAGEMENT

We provide all associates with the opportunity to share their opinions and feedback on their employment experience through engagement surveys performed on a regular basis across all business segments. Results of the surveys are measured and analyzed with a goal of enhancing the associate experience, strengthening engagement and retention, and driving change. In addition to Company-led surveys, leaders are encouraged to conduct "skip level" touch bases, host round table chats, and conduct follow-up activities to better understand associate feedback. We are embracing a flexible work environment by rolling out the option for our corporate associates to work where they choose to, whether that be in the office, at home or elsewhere, to best meet their individual needs. Upon exiting the Company, associates who voluntarily leave the business are provided an exit survey to help us measure satisfaction and engagement and identify the factors that may have contributed to pursuing another opportunity. We continue to develop opportunities for associate connection and engagement in the evolving workplace environment by listening to our associates and taking actions on what is most important and impactful to them.

GOVERNMENT REGULATIONS

Our business activities are global and subject to various federal, state, local, and foreign laws, rules, and regulations. For example, substantially all of our import operations are subject to complex trade and customs laws, regulations, and tax requirements, such as sanctions orders or tariffs set by governments through mutual agreements or unilateral actions. In addition, the countries where our products are manufactured or imported from may from time to time impose additional duties, tariffs, or other restrictions on our imports or adversely modify existing restrictions. Changes in tax policy or trade regulations, the disallowance of tax deductions on imported merchandise, or the imposition of new tariffs on imported products, could have an adverse effect on our business, results of operations, and competitive position. Compliance with these laws, rules, and regulations has not had, and is not expected to have, a material effect on our capital expenditures, results of operations, and competitive position as compared to prior periods. For more information on the potential impacts of government regulations affecting our business, see Item 1A. *Risk Factors*.

INTELLECTUAL PROPERTY

We have registered a number of trademarks, service marks, and domain names in the U.S., Canada, and internationally, including DSW[®], DSW Shoe Warehouse[®], and DSW Designer Shoe Warehouse[®]. We also have a 40% interest in ABG-Camuto, which holds the intellectual property rights of Vince Camuto[®] and others. ABG-Camuto licenses to us the rights to certain of its trademarks in specific categories, such as footwear and handbags, which, as of January 28, 2023, have six years remaining on the initial license term and are indefinitely renewable on five-year terms. We believe our trademarks and service marks have significant value and are important to building our name recognition.

SEASONALITY

Our business consists of two principal selling seasons: the spring season, which includes the first and second fiscal quarters, and the fall season, which includes the third and fourth fiscal quarters. Historically, net sales have been slightly higher in the fall season than in the spring season; however, during 2022, net sales in the fall season were slightly lower than the spring season due to the decline in overall global economic conditions and unseasonably warm weather. Our seasonal results of operations may fluctuate based on global economic conditions, changes in weather conditions, and our customers' interest in new seasonal styles.

AVAILABLE INFORMATION

Information about Designer Brands, including its reports filed with or furnished to the Securities and Exchange Commission ("SEC"), is available through our website at www.designerbrands.com. Such reports are accessible at no charge through our website and are made

available as soon as reasonably practicable after such material is filed with or furnished to the SEC. The SEC also maintains a website that contains reports, proxy statements, and other information regarding issuers that file electronically with the SEC at www.sec.gov.

M 1A. RISK FACTORS

Investing in our Class A common shares involves a high degree of risk. In addition to the other information in this Form 10-K and in our other public filings, investors should carefully consider the following risk factors. The risks described below are not the only risks we face or may face. The occurrence of any of the following risks, or the occurrence of additional risks and uncertainties not presently known to us or that we currently believe to be immaterial, could materially and adversely affect our business, financial condition or results of operations. In such case, the trading price of our Class A common shares could decline, and investors may lose all or part of their original investment. This Form 10-K also contains forward-looking statements and estimates that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements and estimates as a result of specific factors, including the risks and uncertainties described below.

RISKS RELATING TO MACROECONOMIC AND INDUSTRY CONDITIONS

A global economic downturn and other macroeconomic conditions or trends may adversely affect discretionary consumer spending, which could have a material adverse effect on our business and financial performance.

A downturn in global economic conditions, most notably inflationary pressures, rising interest rates, changes in employment levels, significant foreign currency volatility, and the growing concerns of a potential recession, may adversely impact discretionary consumer income levels and spending. Consumer spending on discretionary items, including our products, generally declines during periods of economic uncertainty, when disposable income is reduced, or when there is a reduction in consumer confidence. Competitive pricing pressure has been exacerbated by a more promotional retail environment as the industry experienced a shift from tighter inventory positions to excess inventory and as macroeconomic conditions impact discretionary consumer spending. During the second half of 2022, our net sales declined, partially as a result of the aforementioned overall global economic conditions.

In 2022, the U.S. experienced significantly heightened inflationary pressures, which we expect to continue into 2023. We are subject to inflationary pressures, including increases in the costs of merchandise, transportation, and compensation, which we may not be able to offset with cost savings or pricing increases on the products we sell, especially given the competitive pricing pressures. As a result of this more promotional retail environment, in 2022, we experienced a decline in gross profit as a percentage of net sales. Should this trend continue, we may need to enact mitigating operating efficiency measures that could have a material adverse effect on business, operations, and results of operations.

The continuation of these trends could have a material adverse effect on our business or operating results. Moreover, we are unable to predict the severity of macroeconomic uncertainty, whether or when such circumstances may improve or worsen, or the full impact such circumstances could have on our business.

The ongoing COVID-19 pandemic has had, and may continue to have, a material adverse impact on our business, operations, liquidity, financial condition, and results of operations.

The COVID-19 pandemic has had an adverse effect on our results of operations, and continues to cause disrupted global supply chain operations, temporary factory closures, labor shortages, vessel, container and other transportation shortages, increased freight cost at various stages of the pandemic, and port congestion. Such disruptions have at times reduced the availability of inventory, while at other times have caused excess inventory as the timing of inventory receipts has been disrupted.

The COVID-19 pandemic also has the potential to exacerbate supply chain issues if the factories that manufacture our products, the distribution systems we use to manage our inventory, or the operations of our logistics and other service providers are disrupted,

temporarily closed, or experience worker shortages. All of the products manufactured through the Brand Portfolio segment come from third-party facilities outside of the U.S., with 76% sourced from China during 2022. Our U.S. Retail segment and Canada Retail segment merchandise is purchased from both domestic and foreign vendors. Many of our domestic vendors import a large portion of their merchandise from abroad, with the majority manufactured in China. If the severity and reach of the COVID-19 pandemic continues or worsens, there may be significant and material disruptions to our supply chain and operations, which could have a material adverse effect on our financial position, results of operations, and cash flows.

The COVID-19 pandemic has resulted, and may likely continue to result, in social, economic, and labor instability in the markets in which we and our third-party vendors operate. The long-term economic impact and near-term financial impacts of COVID-19 on our business and results of operations cannot be reliably estimated at this time due to the uncertainty of future developments.

RISKS RELATING TO OUR BUSINESS AND OPERATIONS

We may be unable to anticipate and respond to consumer preferences, changing customer expectations, and fashion trends, which could have a material adverse effect on our business.

Demand for our products fluctuates according to changes in consumer preferences and trends, which are dictated by lifestyle, fashion and season, and may shift quickly. A variety of factors will affect our ability to maintain the proper mix of products, including economic conditions impacting discretionary consumer spending; unanticipated fashion trends; our ability to provide timely access to popular brands at attractive prices; our success in distributing merchandise to our stores, online customers, and our wholesale retailer customers in an efficient manner; and changes in weather patterns, which, in turn, may affect consumer preferences. If we are unable to anticipate trends and fulfill the merchandise needs of our customers, we may experience decreases in our net sales and/or may be forced to increase markdowns in relation to slow-moving merchandise, either of which could have a material adverse effect on our business.

We rely on our strong relationships with vendors to purchase products. If these relationships were to be impaired, we may be unable to obtain a sufficient assortment of merchandise at attractive prices or respond promptly to changing fashion trends, either of which could have a material adverse effect on our business and financial performance.

Our success depends, to a significant extent, on the willingness and ability of our vendors to supply us with merchandise that meets our changing customer expectations. If we fail to maintain strong relationships with these vendors or if they fail to ensure the quality of merchandise that they supply to us, our ability to provide our customers with merchandise they want at favorable prices may be limited, which could have a material adverse effect on our business. In addition, any negative brand image, widespread product defects, financial distress, or negative publicity related to our vendors could have a material adverse effect on our reputation and on our business.

Decisions by vendors not to sell to us or to limit the availability of the products they sell to us could have a negative impact on our business. In addition, our inability to stock our sales channels with desired merchandise at attractive prices could result in lower net sales and decreased customer interest in our sales channels, which could have a material adverse effect on our business. During 2022, three key third-party vendors together supplied approximately 22% of our retail merchandise, with no individual vendor providing more than 10% of our retail merchandise. The loss of, or a reduction in, the amount and quality of merchandise supplied by any of our high-volume vendors could have an adverse effect on our business. If we are unable to offer suitable alternatives to satisfy product demand, sales could decline, which could have a material adverse effect on our operating results.

Losses or disruptions associated with our distribution systems, including our distribution centers and stores, could have a material adverse effect on our business and operations.

Our operating results depend on the orderly operation of our receiving, distribution, and fulfillment processes, which in turn depends on vendors' adherence to shipping schedules and our effective management of our facilities. We may not anticipate all the changing demands on our operations, and events beyond our control may occur, including disruptions in operations due to public health threats, such as the COVID-19 pandemic, catastrophic events, shortages in labor, or shipping problems, any of which may result in delays in the delivery of merchandise to our stores and customers. We rely on the flow of goods through ports worldwide on a consistent basis from factories and suppliers. Disruptions at ports could create significant risks for our business, particularly if these disruptions occur during peak importing times. If we experience significant delays in receiving product, this could result in canceled orders by retailer customers, unanticipated inventory shortages or receipt of seasonal product after the peak selling season, which could have a material adverse effect on our business and operations.

In addition, if our merchandise is not delivered to customers in a timely fashion or is damaged or lost during the delivery process, our customers could become dissatisfied and cease shopping on our websites, which could adversely affect our business and operating results. If we encounter issues with our ability to timely and satisfactorily fulfill customer orders, meet customer expectations, manage inventory, and complete sales, our business may be adversely affected. While we maintain business interruption and property insurance, in the event any of our points within our distribution systems were to shut down for any reason or if we were to incur higher costs and longer lead times in connection with a disruption, our insurance may not be sufficient to cover the impact to our business.

Our failure to manage the transition associated with our Chief Executive Officer, retain our existing senior management team, or continue to attract qualified new personnel could have a material adverse effect on our business.

On January 4, 2023, we announced our planned succession process relating to the Company's CEO role, whereby our current CEO, Roger Rawlins, will step down from his role as CEO and as a member of the Board of Directors effective April 1, 2023, or such earlier date as determined by the Board of Directors, at which time Doug Howe, who currently serves as Executive Vice President of the Company and President of DSW, will assume the CEO role and join the Board of Directors as a Class II director. The CEO transition and any related uncertainty regarding our future business direction may be disruptive to our business and our relationships with associates and customers. Additionally, the departure of Mr. Rawlins as our CEO and as a member of the Board will result in a loss of institutional knowledge and there can be no assurances that we will be able to mitigate that loss through our transition arrangement. If we are unable to execute an orderly transition, our business may be adversely affected. Furthermore, the success of our business is dependent on the continuation of an experienced and talented management team. If we were to lose the benefit of the experience, efforts, and abilities of any of our key executives or members of senior management, our business could be adversely affected.

We have entered into employment agreements with certain of our key executives and also offer compensation packages designed to attract and retain talent. In addition, our ability to manage our business will require us to continue to train, motivate, and develop our associates to maintain a high level of talent for future challenges and succession planning. Competition for these types of personnel is intense, and we may not be successful in attracting and retaining the personnel required to grow and operate our business.

The success of our business is dependent on our third-party manufacturers and other business partners.

The success of our business depends on our ability to obtain products from our third-party manufacturers on a timely basis, on acceptable terms, and to our specifications. We do not exert direct control over the manufacturers' operations and cannot guarantee that any third-party manufacturer will have sufficient production capacity, meet our production deadlines, or meet our product safety, social compliance, or quality standards. We typically do not have long-term supply contracts with our manufacturers, and the loss of any of our major manufacturers could disrupt our operations and adversely affect our business. In addition, we cannot predict the impact of global events, such as inclement weather, natural disasters, public health threats, or acts of terrorism, on our third-party manufacturers. If these third-party manufacturers do not perform their obligations, cease working with us, fail to meet our product safety, social compliance or quality standards, or are unable to provide us with the materials and services we need at prices and terms that are acceptable to us, then we could experience product delays and shortages. Failure to deliver quality products to our customers on a timely basis and any associated damage to our reputation could have a material adverse impact on our business and results of operations.

Future acquisitions of and investments in new businesses, such as our recent acquisitions of Topo and the Keds business, could disrupt our ongoing business and adversely impact our financial condition and results of operations.

From time to time, we may acquire or invest in businesses or partnerships that we believe could complement our business or offer growth opportunities. For example, in the fourth quarter of 2022, we acquired a 79.4% ownership interest in Topo, and in the first quarter of 2023, we acquired the Keds business, which includes the use of a transition services arrangement as we work toward integrating the Keds business into our existing infrastructure. The expected synergies and contributions to our business as a result of these and other acquisitions or investments may not materialize. Further, such acquisitions or investments may disrupt our business or divert the attention of our management. Achieving the expected benefits depends in large part on our successful integration of any newly acquired operations, systems, and personnel in a timely and efficient manner. We cannot ensure that all of our integration efforts will be completed on a timely basis, as planned, or without substantial expense, delay, or other operational problems. Until we make substantial progress with our integration efforts, we also face the risk that we may not be able to effectively manage the business and achieve planned results. In addition, the integration process may strain our financial and managerial controls and reporting systems and procedures and may also result in the diversion of management and financial resources from core business objectives. There can be no

assurance that we will successfully integrate our businesses or that we will realize the anticipated benefits of the acquisitions after we complete our integration efforts.

In addition, we may, from time to time, evaluate and pursue other strategic investments or acquisitions. These involve various inherent risks and the benefits sought may not be realized. The acquisitions of Topo and the Keds business, or other strategic investments or acquisitions, may not create value and may harm our brand and adversely affect our business, financial condition, and results of operations.

Our growth strategies could strain our resources and have a material adverse effect on our business and financial performance.

We have a long-term goal of doubling the net sales from our Owned Brands by 2026 (using 2021 net sales as a baseline), while also maintaining our sales levels of national brands. We expect this long-term goal will result in approximately one-third of our total net sales coming from our Owned Brands by 2026. Achieving these priorities depends in part on us executing our strategies successfully, and the initiatives that we implement in connection with these strategies may not resonate with our customers. We may not be able to realize, in whole or in part, the anticipated benefits of these strategies or within the expected time frames. In the event that our strategies do not meet customer expectations or are not differentiated from our competitors' offerings, it may have a material adverse effect on our business. In addition, these efforts could place increased demands on our financial, managerial, operational, and administrative resources. We are investing in additional resources, both capital and personnel, and will be implementing new systems and processes or changes to existing systems and processes. These investments could cost more than anticipated, divert resources from other areas of our business, and fail to yield the anticipated benefits, any of which could have a material adverse effect on our business. We could also experience downtime or other technical issues as we make changes to our systems and processes, which could have a material adverse effect on our business.

The success of our Brand Portfolio segment is dependent on the strength of our relationships with our retailer customers, and reductions in or loss of sales to such customers could have a material adverse effect on our financial performance.

Our major retailer customers may experience a significant downturn in their businesses as a result of macroeconomic conditions, and, in turn, these customers may reduce their purchases from us, which may have a material adverse effect on the Brand Portfolio segment.

The loss or disruption of IT services could affect our ability to implement our strategies and have a material adverse effect on our business.

Our IT systems are an integral part of our strategies in efficiently operating our business, managing operations, and protecting against security risks related to our electronic processing and transmitting of confidential customer and associate data. The requirements to keep our IT systems operating at peak performance may be higher than anticipated and could strain our capital resources, as well as impact our ability to manage any system upgrades, implement new systems, make management process changes for newly implemented systems, and prevent any information security breaches. In addition, any significant disruption of our data center could have a material adverse effect on those operations dependent on those systems, specifically, our store and e-commerce operations, our distribution centers, and our merchandising team. While we maintain business interruption and property insurance, in the event of a data center shutdown, our insurance may not be sufficient to cover the impact to our business.

Our e-commerce operations are important to our business and are subject to various risks of operating online and mobile selling capabilities, such as the failure of our IT infrastructure, including any third-party hardware or software, resulting in downtime or other technical issues; inability to respond to technological changes; credit card fraud; or other information security breaches. Failure to mitigate these risks could reduce e-commerce sales, damage our reputation, and have a material adverse effect on our business.

Our implementation of an ERP software solution and other IT systems could result in significant disruptions to our operations.

We are in the process of implementing certain financial modules of a new ERP and other IT systems. The interdependence of our systems creates significant risk to the successful completion of implementing new systems or upgrading existing systems, and the failure of any one system could have a material adverse effect on our overall IT infrastructure. We may experience difficulties as we transition to these new or upgraded systems and processes, including loss or corruption of data, decreases in productivity as our associates and third-party providers become familiar with new systems, and increased costs. Difficulties in implementing new or upgraded information systems or significant system failures could disrupt our operations and have a material adverse effect on our

business and results of operations. As a result of the implementation of this new ERP system, we will undergo significant changes in our processes and internal controls. If we are unable to successfully manage these changes as we implement these systems, including harmonizing our systems, data, processes and reporting analytics, our ability to conduct, manage, and control routine business functions could be adversely affected. In addition, we could incur material unanticipated expenses, including additional costs related to implementation.

We face risks related to our electronic processing of sensitive and confidential personal and business data. If such data is lost or disclosed in an unauthorized manner, or if we or our third-party vendors are subject to cyberattacks, data breaches, other security incidents, or disruption of IT systems or software, we could be exposed to liability, experience reputational harm, and have a material adverse effect on our business.

Given the nature of our business, we, together with third parties acting on our behalf, receive, collect, process, use, and retain sensitive and confidential customer and associate data and proprietary business information. Our business relies on IT networks and systems to market and sell our products, process financial and personal information, manage a variety of business processes, and comply with regulatory, legal and tax requirements. We also depend on a variety of information systems to effectively process customer orders and other data, for digital marketing activities and for electronic communications among our associates, customers, prospective customers, and vendors. Some of our third-party service providers, such as identity verification and payment processing providers, also regularly have access to customer data. Additionally, we maintain other confidential, proprietary, or otherwise sensitive information relating to our business and our third parties.

The IT networks and systems owned, operated, controlled or used by us or our vendors may be susceptible to damage, disruptions or shutdowns, software or hardware vulnerabilities, data breaches, security incidents, supply-side attacks, failures during the process of upgrading or replacing software, databases or components, power outages, natural disasters, hardware failures, attacks by computer hackers, telecommunication failures, user errors, user malfeasance, computer viruses, unauthorized access, phishing or social engineering attacks, ransomware attacks, distributed denial-of-service attacks, brute force, robocalls, and other real or perceived cyberattacks or catastrophic events, all of which may not be prevented by our efforts to secure our computer systems. Any of these incidents could lead to interruptions or shutdowns of our platform, disruptions in our ability to process customer orders or to track, record or analyze the sale of our products, loss or corruption of data or unauthorized access to or acquisition of personal information or other sensitive information, such as our intellectual property. We utilize security tools and controls, which include reasonable efforts to ensure that our third-party vendors maintain sufficient security measures, including encryption and authentication technology, in an effort to reduce our cyber risk and protect personal and other sensitive information. However, none of these or our vendors' security measures can provide absolute security. Advances in computer capabilities, increasingly sophisticated tools and methods used by hackers and cyber terrorists, new discoveries in the field of cryptography or other developments may result in our or our vendors' failure or inability to adequately protect personal or other sensitive information, and there can be no assurance that we or our vendors will not suffer a cyberattack, that hackers or other unauthorized parties will not gain access to or exfiltrate personal information or other sensitive data, or that any such data compromise or unauthorized access will be discovered in a timely fashion.

We rely on associates, contractors and other third parties who may attempt to circumvent our security measures in order to obtain such information and may purposefully or inadvertently cause a breach involving such information. Actual or anticipated attacks may cause us to incur increasing costs, including costs to deploy additional personnel and protection technologies, train associates, pay higher insurance premiums, and engage third-party specialists for additional services. An information security breach involving confidential and personal data could damage our reputation, our customers' willingness to purchase from us, and our vendors' willingness to supply or provide services to us. In addition, we may incur material liabilities and remediation costs as a result of an information security breach, including potential liability for stolen customer or associate data, repairing system damage or providing credit monitoring or other benefits to customers or associates affected by the breach. In the event we experience an information security breach, our insurance may not be sufficient to cover the impact to our business. Although we have developed mitigating security controls to reduce our cyber risk and protect our data from loss or disclosure due to a security breach, including processes designed to reduce the impact of a security breach at a third-party vendor, such measures cannot provide absolute security.

We, and our third-party vendors, regularly experience cyberattacks aimed at disrupting services. Our third-party vendors have been and may be the victim of cyber-related attacks that could lead to operational disruptions that could have an adverse effect on our ability to fulfill customer orders. Security incidents such as ransomware attacks are becoming increasingly prevalent and severe, as well as

increasingly difficult to detect. We, and our third-party vendors, have been subject to cyber, phishing, and social engineering attacks and other security incidents in the past and may continue to be subject to such attacks in the future. Security breaches can also occur as a result of non-technical issues, including intentional or inadvertent actions by our associates, our third-party vendors or their personnel or other parties. If we or our third-party service providers experience security breaches that result in a decline in marketplace performance, availability problems, or the loss, corruption of, unauthorized access to, or disclosure of personal data or confidential information, people may become unwilling to provide us the information necessary to make purchases on our e-commerce sites, and our reputation and market position could be harmed. Existing customers may also decrease their purchases or close their accounts altogether. We could also face potential claims, investigations, regulatory proceedings, liability and litigation, and bear other substantial costs in connection with remediating and otherwise responding to any data security breach, all of which may not be adequately covered by insurance, and which may

[Table of contents](#)

result in an increase in our costs for insurance or insurance not being available to us on economically feasible terms, or at all. Insurers may also deny us coverage as to any future claim. Any of these results could harm our growth prospects, financial condition, business, and reputation.

We are dependent on our customer loyalty programs and marketing to drive traffic, sales and loyalty, and any decrease in membership or purchases from members could have a material adverse effect on our business.

Customer traffic is influenced by our marketing and our loyalty programs. We rely on our loyalty programs to drive customer traffic, sales, and purchase frequency. Loyalty members earn points toward discounts on future purchases through our VIP rewards programs in the U.S. and Canada. We employ a variety of marketing methods, including email, direct mail, and social media, to communicate exclusive offers to our rewards members. As of January 28, 2023, we had over 32 million members enrolled in our loyalty programs who have made at least one purchase over the last two years. In 2022, shoppers in the loyalty programs generated approximately 89% of the combined U.S. Retail and Canada Retail segments' net sales. In the event that our rewards members do not continue to shop, we fail to add new members, the number of members decreases, or our marketing is not effective in driving customer traffic, such event could have a material adverse effect on our business.

Our failure to protect the value of our brands, owned or licensed, and our reputation could have a material adverse effect on our brands.

The value of our brands is largely dependent on the success of our merchandise assortment and our ability to provide a consistent, high-quality customer experience. We also believe that maintaining and enhancing the reputation and recognition of our banners and our Owned Brands are critical to our ability to expand and retain our customer base. Any negative publicity about us or the significant brands we offer may reduce demand for our merchandise. Failure to comply with ethical, social, product, labor, health and safety, accounting, or environmental standards could also jeopardize our reputation and potentially lead to various adverse consumer actions. In addition, negative claims or publicity, including social media, regarding celebrities we have license and endorsement arrangements with could adversely affect our reputation and sales regardless of whether such claims are accurate. Consumer actions could include boycotts and negative publicity through social or digital media. Negative public perception about us or the products we carry, whether justified or not, could impair our reputation, involve us in litigation, damage our brands, and have a material adverse effect on our business.

We hold exclusive licensing rights that allow us to design, source and sell footwear for certain of our key Owned Brands, including Vince Camuto, Jessica Simpson, Lucky Brand, and Le Tigre. We rely on our ability to retain and maintain good relationships with the licensors and their ability to maintain strong, well-recognized brands and trademarks. The terms of our license agreements vary and are subject to renewal with various termination provisions. There can be no assurance that we will be able to renew these licenses. Even our longer-term or renewable licenses are typically dependent upon our ability to market and sell the licensed products at specified levels, and our failure to meet such levels may result in the termination or non-renewal of such licenses. Furthermore, many of our license agreements require minimum royalty payments, and if we are unable to generate sufficient sales and profitability to cover these minimum royalty requirements, we may be required to make additional payments to the licensors, which could have a material adverse effect on our business and results of operations.

The value of our brands may also depend on the success of our corporate social responsibility ("CSR") and sustainability initiatives, which require Company-wide coordination and alignment. Risks associated with these initiatives include any increased public focus, including by governmental and nongovernmental organizations, new laws and regulations, increased costs associated with sustainability efforts and/or compliance with laws and regulations, as well as increased pressure to expand our CSR and sustainability disclosures in these areas, make commitments, set targets or establish additional goals and take actions to such targets and goals. All of the foregoing could expose us to market, operational and execution costs or risks. Any CSR or sustainability metrics that we currently or may in the future disclose, whether based on the standards we set for ourselves or those set by others, and our failure to achieve any CSR or

sustainability metrics that we currently or may in the future disclose, may influence our reputation and the value of our brands. There is also increased focus, including by investors, customers, and other stakeholders, on CSR and other sustainability matters, including the use of plastic, energy, waste, and worker safety. Our reputation could be damaged if we do not, or are perceived to not, act responsibly with respect to sustainability matters, which could also have a material adverse effect on our business, results of operations, financial position, and cash flows.

Our senior secured asset-based revolving credit facility ("ABL Revolver") has restrictions that could limit our ability to fund operations, which could adversely affect our business.

Our ABL Revolver, as amended on February 28, 2023, may be used to provide funds for working capital, capital expenditures, share repurchases, other expenditures, and permitted acquisitions as defined by the credit facility agreement. The amount of credit available is limited to a borrowing base formulated on, among other things, a percentage of the book value of eligible inventory and credit card receivables, as reduced by certain reserves. Consequently, it is possible that, should we need to access any additional funds from our ABL Revolver, it may not be available in full. The ABL Revolver, as amended, requires us to maintain a fixed charge coverage ratio covenant of not less than 1:1 when availability is less than the greater of \$47.3 million or 10.0% of the maximum credit amount. The ABL Revolver also contains customary covenants restricting our activities, including limitations on the ability to sell assets, engage in acquisitions, enter into transactions involving related parties, incur additional debt, grant liens on assets, pay dividends, or repurchase stock, and make certain other changes. There are specific exceptions to these covenants including, in some cases, upon satisfying specified payment conditions. The ABL Revolver contains customary events of default, including failure to comply with certain financial and other covenants. Upon an event of default that is not cured or waived within the cure periods, in addition to other remedies that may be available to the lenders, our obligations under the ABL Revolver may be accelerated, outstanding letters of credit may be required to be cash collateralized and remedies may be exercised against the collateral.

RISKS RELATING TO EXTERNAL FACTORS

We may be unable to compete in the highly competitive footwear market, which could have a material adverse effect on our business.

The footwear market is highly competitive with few barriers to entry. We compete against a diverse group of manufacturers and retailers, including department stores, mall-based shoe stores, national chains, independent shoe retailers, single-brand specialty retailers, online shoe retailers, brand-oriented discounters, multi-channel specialty retailers, and brand suppliers. In addition, our wholesale retailer customers sell shoes purchased from competing footwear suppliers with brands that are well known. Our success depends on our ability to remain competitive with respect to assortment, quality, convenience, and value. The performance of our competitors, as well as a change in their promotional and pricing approaches as a result of the current economic environment, marketing activities, and other business strategies, could have a material adverse effect on our business.

E-commerce networks have rapidly evolved and consumer receptiveness to shopping online has substantially increased. Competition from e-commerce players has significantly increased due to their ability to provide improved user experience, greater ease of buying goods, low or no shipping fees, faster shipping times, and more favorable return policies. Businesses, including our suppliers, can easily launch e-commerce sites and mobile platforms at nominal costs by using commercially available software or partnering with any of a number of successful digital marketplace providers. Some of our suppliers use such platforms to compete with us by allowing consumers to purchase products directly through the supplier. Competitors with other revenue sources may also be able to devote more resources to marketing and promotional campaigns, adopt more aggressive pricing policies, and devote more resources to websites, mobile platforms and applications, and systems development.

We rely on foreign sources for our merchandise, and our business is therefore subject to risks associated with international trade.

We face risks inherent in purchasing from suppliers with foreign operations, such as: public health threats, including the COVID-19 pandemic; economic and political instability in countries where these suppliers are located; international hostilities or acts of war or terrorism affecting the U.S. or foreign countries from which our merchandise is sourced; increases in shipping costs; transportation delays and interruptions, including increased inspections of import shipments by domestic authorities; work stoppages; expropriation or nationalization; changes in foreign government administration and governmental policies; changes in import duties or quotas; compliance with trade and foreign tax laws; and local business practices, including compliance with foreign laws and with domestic and

international labor standards. Such events may increase our costs and disrupt our operations, which could have a material adverse effect on our business, financial condition, and results of operations.

We require our business partners to operate in compliance with applicable laws and regulations and our internal requirements. However, we do not control such third parties or their labor and business practices. The violation of labor or other laws by one of our vendors could have a material adverse effect on our business. In addition, we rely on manufacturers that operate outside of North America, including China, Vietnam, and Brazil, that may disclose our intellectual property or other proprietary information to competitors or third parties, which could result in the distribution and sale of counterfeit versions of our products.

Our international operations expose us to political, economic, operational, compliance, and other risks.

We have international operations in various locations, including China, Canada, and Brazil. The success of our international operations may be adversely affected by political, economic, and social conditions beyond our control, local laws and customs, and legal and regulatory constraints, including compliance with applicable anti-bribery, anti-corruption, labor, and currency laws and regulations. Risks inherent in our existing and future operations also include, among others, public health threats, such as the COVID-19 pandemic, the cost and difficulties of managing operations outside of the U.S., possible adverse tax consequences from changes in tax laws or the unfavorable resolution of tax assessments or audits, and greater difficulty in enforcing intellectual property rights. Additionally, foreign currency exchange rates and fluctuations may negatively impact our financial results. Any of these events could have a material adverse effect on our business, financial condition, or results of operations.

Our business may be adversely affected if we are unable to provide our customers with cost-effective shopping platforms that are able to respond and adapt to rapid changes in technology.

The number of people who access the Internet through devices other than personal computers, including mobile phones, smartphones, handheld computers such as notebooks and tablets, video game consoles, and television set-top devices, has increased dramatically in the past few years. The smaller screen size, functionality, and memory associated with smartphones, laptops, and tablets may make the use of our websites and purchasing our products online more difficult. The versions of our sites developed for these devices and our mobile app may not be compelling to consumers.

In addition, it is time-consuming and costly to keep pace with rapidly changing and continuously evolving technology. We cannot be certain that our mobile applications or our mobile-optimized sites will be successful in the future. As existing mobile devices and platforms evolve and new mobile devices and platforms are released, it is difficult to predict the problems we may encounter in adjusting and developing applications for changes to alternative devices and platforms, and we may need to devote significant resources to the creation, support, and maintenance of such applications. If we are unable to attract customers to our websites through these devices or are slow to develop versions of our websites that are more compatible with alternative devices or a mobile application, we may fail to capture a significant share of customers, which could have a material adverse effect on our business.

Further, we continually upgrade existing technologies and business applications, and we may be required to implement new technologies or business applications in the future. The implementation of upgrades and changes requires significant investments. Our results of operations may be affected by the timing, effectiveness, and costs associated with the successful implementation of any upgrades or changes to our systems and infrastructure. In the event that it is more difficult for our customers to buy products from us on their mobile devices, or if our customers choose not to buy products from us on their mobile devices or to use mobile products that do not offer access to our websites, our customer growth could be harmed, which could have a material adverse effect on our business, financial condition, and results of operations.

We also are dependent on the interoperability of our sites with popular mobile operating systems that we do not control, such as iOS and Android, and any changes in such systems that degrade the functionality of our sites or mobile app, limit or discontinue our access to a particular platform, or give preferential treatment to competitive products or services, could adversely affect the usage of our sites on mobile devices. We are also subject to the policies and terms of service of the providers of such operating systems and mobile

application download stores, which govern the promotion, distribution, content, and operation of our mobile applications. Each provider has broad discretion to change and interpret its terms of service and other policies with respect to us and other developers, and those changes may be unfavorable to us. Additionally, mobile application download stores have imposed, and are likely to continue imposing, certain privacy- and security-related restrictions and controls on the providers and applications within their marketplaces. For example, Apple released a software update in 2021 that, by default, blocks advertisers from tracking certain mobile device activity unless affirmative consent is obtained.

We are subject to stringent and changing privacy laws, regulations, and standards, as well as policies, contracts, and other obligations related to data privacy and security. Our failure to comply with privacy laws and regulations, as well as other legal obligations, could have a material adverse effect on our business.

State, federal, and foreign governments have enacted and are continuing to enact laws and regulations governing the collection, use, retention, sharing, transfer, and security of personally identifiable information and data. Our business is subject to a variety of federal, state, local, and foreign laws and regulations, orders, rules, codes, regulatory guidance and certain industry standards regarding privacy, data protection, consumer protection, information security and the processing of personal information and other data. For example, the California Consumer Privacy Act of 2018 ("CCPA"), which took effect on January 1, 2020, imposes certain restrictions and disclosure obligations on businesses that collect personal information about California residents and provides for a private right of action, as well as penalties for noncompliance. The CCPA provides for civil penalties for violations and creates a private right of action for certain data breaches that is expected to increase data breach litigation. It remains unclear how various provisions of the CCPA will be interpreted and enforced. The California Privacy Rights Act ("CPRA"), which was passed in November 2020 and took effect in January 2023 (with a look-back for certain requirements to January 2022), amends and expands the CCPA and places additional restrictions on the "sharing" of personal information for purposes of cross-context behavioral advertising. We may be subject to additional privacy regulations in the future, including the Virginia Consumer Data Protection Act and the Colorado Privacy Act, both of which regulate the processing of "personal data" regarding their respective residents and grant residents certain rights with respect to their personal data. State laws are changing rapidly, and new legislation proposed or enacted in a number of other states imposes, or has the potential to impose, additional obligations on companies that process confidential, sensitive and personal information, and will continue to shape the data privacy environment nationally. The U.S. federal government is also significantly focused on privacy matters.

We are subject to other consumer protection laws, including California's Consumer Legal Remedies Act and unfair competition and false advertising laws, the Fair and Accurate Credit Transactions Act and the Telephone Consumer Protection Act, Canada's Anti-Spam Law, the CCPA, the CPRA and other recently enacted consumer data protection laws. Additionally, the regulatory environment is increasingly demanding with frequent new and changing requirements concerning cybersecurity, information security and privacy, which may be inconsistent from one jurisdiction to another. Any failure by us or any of our business partners to comply with applicable laws, rules, and regulations may result in investigations or actions against us by governmental entities, private claims and litigation, fines, penalties or other liabilities. Such events may increase our expenses, expose us to liabilities and harm our reputation, which could have a material adverse effect on our business.

While we aim to comply with applicable data protection laws and obligations in all material respects, there is no assurance that we will not be subject to claims that we have violated such laws and obligations, will be able to successfully defend against such claims, or will not be subject to significant fines and penalties in the event of non-compliance. Additionally, to the extent multiple state-level laws are introduced with inconsistent or conflicting standards and there is no federal law to preempt such laws, compliance with such laws could be difficult and costly to achieve, or impossible to achieve, and we could be subject to fines and penalties in the event of non-compliance.

Legislative or regulatory initiatives related to climate change could have a material adverse effect on our business.

Greenhouse gases may have an adverse effect on global temperatures, weather patterns, and the frequency and severity of extreme weather and natural disasters. Such events could have a negative effect on our business. Concern over climate change may result in new or additional legislative and regulatory requirements to reduce or mitigate the effects of climate change on the environment, which could result in future tax, transportation cost, and utility increases. Moreover, natural disasters and extreme weather conditions may impact the productivity of our facilities, the operation of our supply chain, or consumer buying patterns and the predictability thereof. Any of these risks could have a material adverse effect on our business.

Uncertainty in future changes to legislation, regulatory reform, or policies, other than those previously discussed, could have a material adverse effect on our business.

Laws, regulations, and policies in various jurisdictions may be subject to significant change due to economic, political, and other conditions. Such changes, including additional taxes and tariffs, may result in additional costs to our business and could require us to increase prices to our customers or, if unable to do so, result in a material adverse effect on our financial performance.

RISKS RELATING TO OUR COMMON SHARES

Our amended and restated articles of incorporation, amended and restated code of regulations, and Ohio state law contain provisions that may have the effect of delaying or preventing a change in control of Designer Brands. This could adversely affect the value of our Class A common shares.

Our amended and restated articles of incorporation authorize our Board of Directors to issue up to 100 million preferred shares and to determine the powers, preferences, privileges, rights, including voting rights, qualifications, limitations, and restrictions on those shares, without any further vote or action by the shareholders. The rights of the holders of our Class A common shares will be subject to, and may be adversely affected by, the rights of the holders of any preferred shares that may be issued in the future. The issuance of preferred shares could have the effect of delaying, deterring, or preventing a change in control and could adversely affect the voting power of our common shares.

In addition, provisions of our amended and restated articles of incorporation, amended and restated code of regulations, and Ohio law, together or separately, could discourage potential acquisition proposals, delay, or prevent a change in control, or limit the price that certain investors might be willing to pay in the future for our common shares. Among other things, these provisions establish a staggered board, require a super-majority vote to remove directors, and establish certain advance notice procedures for nomination of candidates for election as directors and for shareholder proposals to be considered at shareholders' meetings.

We do not expect a trading market for the Company's Class B common shares to develop and, therefore, any investment in the Class B common shares may be effectively illiquid, unless such shares are converted into the Company's Class A common shares.

There is currently no public market for the Company's Class B common shares. We do not intend to list the Class B common shares on any securities exchange or any automated quotation system. As a result, there can be no assurance that a secondary market will develop, and we do not expect any market makers to participate in a secondary market. Because the Class B common shares are not listed on a securities exchange or an automated quotation system, it may be difficult to obtain pricing information with respect to the shares. Accordingly, there may be a limited number of buyers if a holder decides to sell its Class B common shares. This may affect the price a holder would receive upon such sale. Alternatively, a holder of such shares could convert them into Class A common shares, on a share-for-share basis, prior to selling. However, such conversion could affect the timing of any such sale, which may in turn affect the price a holder may receive upon such sale.

Entities owned by or controlled by Jay L. Schottenstein, the Executive Chairman of our Board of Directors, and members of his family (the "Schottenstein Affiliates") directly control or substantially influence the outcome of matters submitted for shareholder votes, and their interests may differ from other shareholders.

As of January 28, 2023, the Schottenstein Affiliates beneficially owned approximately 23% of the Company's outstanding common shares, representing approximately 58% of the combined voting power, consisting of, in the aggregate, 7.0 million Class A common shares (which are entitled to one vote per share) and 7.7 million Class B common shares (which are entitled to eight votes per share). The Schottenstein Affiliates directly control or substantially influence the outcome of matters submitted to our shareholders for approval, including the election of directors, approval of mergers or other business combinations, and acquisitions or dispositions of assets. The interests of the Schottenstein Affiliates may differ from or be opposed to the interests of other shareholders, and their level of ownership and voting power in the Company may have the effect of delaying or preventing a subsequent change in control that may be favored by other shareholders.

The Schottenstein Affiliates engage in a variety of businesses, including, but not limited to, business and inventory liquidations, apparel companies, and real estate investments. Opportunities may arise in the area of potential competitive business activities that may be

attractive to the Schottenstein Affiliates and us. Our amended and restated articles of incorporation provide that the Schottenstein Affiliates are under no obligation to communicate or offer any corporate opportunity to us. In addition, the Schottenstein Affiliates have the right to engage in similar activities as us, do business with our suppliers and customers, and, except as limited by agreement, employ or otherwise engage any of our executives or associates.

Furthermore, as a "controlled company" within the meaning of the New York Stock Exchange (the "NYSE") rules, the Company qualifies for, and in the future may opt to rely on, exemptions from certain corporate governance requirements, including having a majority of independent directors, as well as having nominating and corporate governance and compensation committees composed entirely of independent directors.

M 1B. UNRESOLVED STAFF COMMENTS

None.

M 2. PROPERTIES

The following table summarizes the location and general use of our principal properties as of January 28, 2023 that we consider to be material to our business and that we believe will meet our operational needs for the foreseeable future:

Facility	Location	Owned/ Leased	Segment	Approximate Square Feet
Principal corporate office	Columbus, Ohio	Owned	Corporate, U.S. Retail and Other	178,000
Distribution center	Columbus, Ohio	Owned	U.S. Retail and Other	625,000
East Coast Logistics Center	Westampton, New Jersey	Leased	U.S. Retail and Brand Portfolio	683,000
U.S. retail stores ⁽¹⁾	501 various U.S. locations	Leased	U.S. Retail	10,092,000
Canada retail stores ⁽²⁾	138 various Canadian locations	Leased	Canada Retail	1,093,000
Showrooms	6 various U.S. locations	Leased	Brand Portfolio	94,000
Foreign sourcing offices	1 location in China and 1 location in Brazil	Leased	Brand Portfolio	117,000

- (1) Our DSW U.S. stores average approximately 20,100 square feet. Most of the store leases are for a fixed term with options for extension periods, exercisable at our option.
- (2) The Shoe Company and DSW stores in Canada average approximately 7,900 square feet. Most of the store leases are for a fixed term with options for extension periods, exercisable at our option.
-

M 3. LEGAL PROCEEDINGS

The information set forth in Note 14, *Commitments and Contingencies - Legal Proceedings*, of the Consolidated Financial Statements of this Form 10-K is incorporated herein by reference.

M 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

M 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

COMMON SHARES

Our Class A common shares are listed for trading on the NYSE under the ticker symbol "DBI." There is currently no public market for the Company's Class B common shares, but the Class B common shares can be converted into the Company's Class A common shares at the election of the holder on a share-for-share basis. Holders of Class A common shares are entitled to one vote per share and holders of Class B common shares are entitled to eight votes per share on matters submitted to shareholders for approval. As of March 9, 2023, there were 201 holders of record of our Class A common shares and 13 holders of record of our Class B common shares. The number of holders of record is based upon the actual number of holders registered at such date and does not include holders of shares in "street names" or persons, partnerships, associates, corporations, or other entities identified in security position listings maintained by depositories.

DIVIDENDS

The payment of any future dividends is at the discretion of our Board of Directors and is based on our future earnings, cash flow, financial condition, capital requirements, changes in taxation laws, general economic condition, and any other relevant factors. It is anticipated that dividends will be declared on a quarterly basis.

On March 15, 2023, the Board of Directors declared a quarterly cash dividend payment of \$0.05 per share for both Class A and Class B common shares. The dividend will be paid on April 14, 2023 to shareholders of record as of the close of business on March 31, 2023.

SHARE REPURCHASE PROGRAM

On August 17, 2017, the Board of Directors authorized the repurchase of an additional \$500 million of Class A common shares under our share repurchase program, which was added to the \$33.5 million remaining from the previous authorization. As of January 28, 2023, \$187.4 million of Class A common shares remained available for repurchase under the program. The share repurchase program may be suspended, modified or discontinued at any time, and we have no obligation to repurchase any amount of our Class A common shares under the program. Shares will be repurchased in the open market at times and in amounts considered appropriate based on price and market conditions.

<i>(in thousands, except per share amounts)</i>	(a)	(b)	(c)	(d)
	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Programs
October 30, 2022 to November 26, 2022 ⁽¹⁾	6	\$ 14.61	—	\$ 187,386
November 27, 2022 to December 31, 2022	—	\$ —	—	\$ 187,386
January 1, 2023 to January 28, 2023 ⁽¹⁾	1	\$ 9.09	—	\$ 187,386
	7	\$ 14.36	—	

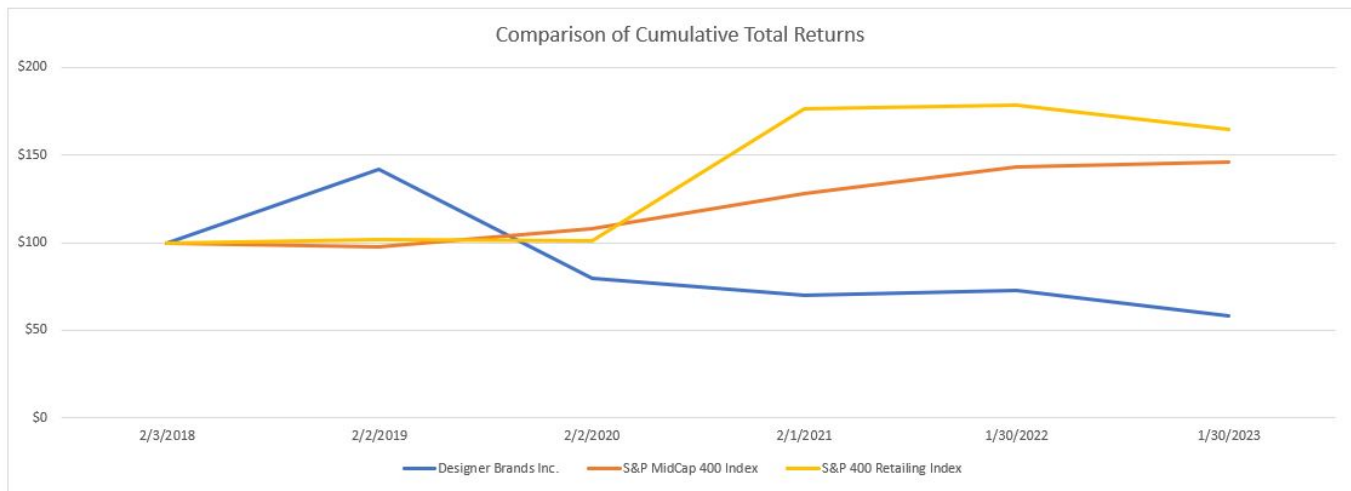
(1) The total number of shares repurchased represents shares withheld in connection with tax payments due upon vesting of employee restricted stock awards.

RESTRICTIONS

The ABL Revolver contains customary covenants restricting our activities, including limitations on the ability to pay dividends or repurchase stock. There are specific exceptions to these covenants including, in some cases, upon satisfying specified payment conditions based on availability.

PERFORMANCE GRAPH

The following graph compares our cumulative total shareholder return on our Class A common shares with the cumulative total returns of the Standard and Poor's ("S&P") MidCap 400 Index and the S&P MidCap 400 Retail Index, both of which are published indices. The comparison of the cumulative total returns for each investment assumes that \$100 was invested on February 3, 2018 and that all dividends were reinvested. This comparison includes the period beginning February 3, 2018 and ended January 28, 2023.



Company / Index	February 3, 2018	February 2, 2019	February 1, 2020	January 30, 2021	January 29, 2022	January 28, 2023
Designer Brands Inc.	\$ 100.00	\$ 142.06	\$ 79.84	\$ 69.80	\$ 72.88	\$ 57.85
S&P MidCap 400 Index	\$ 100.00	\$ 97.58	\$ 108.18	\$ 128.14	\$ 142.95	\$ 145.97
S&P MidCap 400 Retailing Index	\$ 100.00	\$ 102.05	\$ 101.01	\$ 176.31	\$ 178.58	\$ 164.63

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This management's discussion and analysis of financial condition and results of operations contains forward-looking statements that involve various risks and uncertainties. See *Cautionary Statement Regarding Forward-Looking Information for Purposes of the "Safe Harbor" Provisions of the Private Securities Litigation Reform Act of 1995* on page ii for a discussion of the uncertainties, risks, and assumptions associated with these statements. This discussion is best read in conjunction with our Consolidated Financial Statements, including the notes thereto, set forth in Item 8. *Financial Statements and Supplementary Data* of this Form 10-K. The results of operations for the periods reflected herein are not necessarily indicative of results that may be expected for future periods, and our actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including but not limited to those listed under Item 1A. *Risk Factors* of this Form 10-K and included elsewhere in this Form 10-K.

The following discussion includes a comparison of our results of operations and liquidity and capital resources for 2022 and 2021. Except where it may be useful in understanding 2022 results, we have omitted discussion of results for 2020, which may be found in

Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations* of our Annual Report on Form 10-K for the year ended January 29, 2022, filed with the SEC on March 21, 2022.

EXECUTIVE OVERVIEW AND TRENDS IN OUR BUSINESS

For 2022, net sales increased 3.7% and comparable sales increased 4.4% over last year. During 2022, net sales from our Owned Brands increased 32.1% over last year, with Owned Brands representing 24.4% of consolidated net sales as compared to 19.2% for last year. The increase in net sales from our Owned Brands demonstrates progress toward our long-term goal of doubling net sales from our Owned Brands by 2026 (using 2021 net sales as a baseline). Gross profit as a percentage of sales for 2022 was lower when compared to last year's record-setting results. This decrease is primarily attributable to a more promotional retail environment in 2022, as the industry experienced a shift from tighter inventory positions to excess inventory, resulting in us also being more promotional. In addition, we strategically increased our clearance assortment in order for us to attract customers who are more value-oriented, and this allowed us to manage our inventory more effectively and proactively. However, gross profit as a percentage of sales for 2022 was higher than the pre-COVID-19 rate in 2019; this increase was primarily driven by the increased Owned Brands penetration.

At the beginning of 2023, we completed the acquisition of the Keds business from Wolverine World Wide, Inc. This expands our Owned Brands' reach into casual and athleisure footwear in the wholesale and direct-to-consumer e-commerce channels, supplementing the additions of Le Tigre and Topo during 2022. This acquisition also marks our first Owned Brand wholesale business within the kids' footwear segment and supports our Owned Brand strategy.

EFFECTS OF INFLATION AND GLOBAL ECONOMIC CONDITIONS

A downturn in global economic conditions, most notably inflationary pressures, rising interest rates, changes in employment levels, significant foreign currency volatility, and the growing concerns of a potential recession, may adversely impact discretionary consumer income levels and spending. Consumer spending on discretionary items, including our products, generally declines during periods of economic uncertainty, when disposable income is reduced, or when there is a reduction in consumer confidence. Moreover, we are unable to predict the severity of macroeconomic uncertainty, whether or when such circumstances may improve or worsen, or the full impact such circumstances could have on our business.

In 2022, the U.S. experienced significantly heightened inflationary pressures, which we expect to continue into 2023. We are subject to inflationary pressures, including increases in the costs of merchandise, transportation, and compensation, which we offset in the first half of 2022 with pricing increases and being less promotional. However, competitive pricing pressure has been exacerbated by a more promotional retail environment as the industry experienced a shift from tighter inventory positions to excess inventory and as macroeconomic conditions impact discretionary consumer spending. During the second half of 2022, our net sales and gross profit declined as we became more promotional under this competitive landscape. These factors could require us to enact mitigating operating efficiency measures that could have a material adverse effect on business, operations, and results of operations.

IMPACT OF COVID-19

The COVID-19 pandemic has had an adverse effect on our results of operations and may continue to impact the global economy, including disrupted supply chain operations globally, temporary factory closures, vessel, container and other transportation shortages, and port congestion. Such disruptions have at times reduced our availability of inventory while at other times have caused excess inventory as the timing of inventory receipts has been disrupted. Disruptions may continue especially in geographic locations where government responses may result in mandated quarantines and closures of facilities and operations we depend on. The COVID-19 pandemic has and is likely to continue to result in social, economic, and labor instability in the markets in which we and our third-party vendors operate. The long-term economic impact and near-term financial impacts of COVID-19, including, but not limited to, possible impairment, restructuring, or other charges, as well as the overall business on our business and results of operations, cannot be reliably estimated at this time due to the uncertainty of future developments.

FINANCIAL SUMMARY AND OTHER KEY METRICS

- Net sales increased to \$3.3 billion for 2022 from \$3.2 billion for 2021.
- Gross profit as a percentage of net sales was 32.6% for 2022, a decrease from 33.4% in 2021, but an increase from the 2019 pre-COVID-19 rate of 28.6%.
- Net income attributable to Designer Brands Inc. for 2022 was \$162.7 million, or \$2.26 per diluted share, which included net after-tax benefits of \$29.0 million, or \$0.41 per diluted share, primarily related to the change in valuation allowance on deferred tax assets, partially offset by the loss on extinguishment of debt and write-off of debt issuance costs, restructuring and termination costs, CEO transition costs, impairment charges, and acquisition costs. Net income for 2021 was \$154.5 million, or \$2.00 per diluted share, which included net after-tax benefits of \$23.2 million, or \$0.30 per diluted share, primarily related to the change in valuation allowance on deferred tax assets, partially offset by restructuring charges and target acquisition costs.

Comparable Sales Performance Metric- The following table presents the percent change in comparable sales for each segment and in total:

	2022	2021
Change in comparable sales:		
U.S. Retail segment	2.0 %	55.0 %
Canada Retail segment	28.8 %	20.1 %
Brand Portfolio segment - direct-to-consumer channel	34.5 %	30.9 %
Total	4.4 %	51.6 %

We consider the percent change in comparable sales from the same previous year period, a primary metric commonly used throughout the retail industry, to be an important measurement for management and investors of the performance of our direct-to-consumer businesses. We include in our comparable sales metric sales from stores in operation for at least 14 months at the beginning of the applicable year. Stores are added to the comparable base at the beginning of the year and are dropped for comparative purposes in the quarter in which they are closed. Comparable sales include stores temporarily closed as a result of the COVID-19 pandemic as management believes that this metric is meaningful to monitor our performance. Comparable sales also include e-commerce sales. Comparable sales for the Canada Retail segment exclude the impact of foreign currency translation and are calculated by translating current period results at the foreign currency exchange rate used in the comparable period of the prior year. Comparable sales for the Brand Portfolio segment include the direct-to-consumer e-commerce site www.vincecamuto.com. The calculation of comparable sales varies across the retail industry and, as a result, the calculations of other retail companies may not be consistent with our calculation.

Number of Stores- At the end of the last two fiscal years, we had the following number of stores:

	January 28, 2023	January 29, 2022
U.S. Retail segment - DSW stores	501	508
Canada Retail segment:		
The Shoe Company stores	113	115
DSW stores	25	25
	138	140
Total number of stores	639	648

RESULTS OF OPERATIONS

The following table presents our consolidated results of operations with associated percentages of net sales:

(amounts in thousands, except per share amounts)

	2022		2021		Change	
	Amount	% of Net Sales	Amount	% of Net Sales	Amount	%
Net sales	\$ 3,315,428	100.0 %	\$ 3,196,583	100.0 %	\$ 118,845	3.7 %
Cost of sales	(2,236,203)	(67.4)	(2,127,946)	(66.6)	(108,257)	5.1 %
Gross profit	1,079,225	32.6	1,068,637	33.4	10,588	1.0 %
Operating expenses	(896,382)	(27.1)	(870,682)	(27.2)	(25,700)	3.0 %
Income from equity investments	8,864	0.3	8,986	0.3	(122)	(1.4)%
Impairment charges	(4,317)	(0.1)	(1,720)	(0.1)	(2,597)	151.0 %
Operating profit	187,390	5.7	205,221	6.4	(17,831)	(8.7)%
Interest expense, net	(14,874)	(0.5)	(32,129)	(1.0)	17,255	(53.7)%
Loss on extinguishment of debt and write-off of debt issuance costs	(12,862)	(0.4)	—	—	(12,862)	NM
Non-operating expenses, net	(130)	—	(67)	—	(63)	94.0 %
Income before income taxes	159,524	4.8	173,025	5.4	(13,501)	(7.8)%
Income tax benefit (provision)	3,142	0.1	(18,544)	(0.6)	21,686	NM
Net income	162,666	4.9	154,481	4.8	8,185	5.3 %
Net loss attributable to redeemable noncontrolling interest	10	—	—	—	10	NM
Net income attributable to Designer Brands Inc.	\$ 162,676	4.9 %	\$ 154,481	4.8 %	\$ 8,195	5.3 %
Earnings per share attributable to Designer Brands Inc.:						
Basic earnings per share	\$ 2.41		\$ 2.12		\$ 0.29	13.7 %
Diluted earnings per share	\$ 2.26		\$ 2.00		\$ 0.26	13.0 %
Weighted average shares used in per share calculations:						
Basic shares	67,603		73,024		(5,421)	(7.4)%
Diluted shares	72,101		77,268		(5,167)	(6.7)%

NM - Not meaningful

NET SALES

The following table summarizes net sales by segment:

<i>(dollars in thousands)</i>	2022		2021		Change		Comparable Sales %
	Amount	% of Total Segment Net Sales	Amount	% of Total Segment Net Sales	Amount	%	
Segment net sales:							
U.S. Retail	\$ 2,791,513	82.0 %	\$ 2,769,706	84.2 %	\$ 21,807	0.8 %	2.0%
Canada Retail	283,241	8.3 %	234,809	7.1 %	48,432	20.6 %	28.8%
Brand Portfolio	327,715	9.7 %	286,024	8.7 %	41,691	14.6 %	34.5%
Total segment net sales	3,402,469	100.0 %	3,290,539	100.0 %	111,930	3.4 %	4.4%
Elimination of intersegment net sales	(87,041)		(93,956)		6,915	(7.4)%	
Consolidated net sales	\$ 3,315,428		\$ 3,196,583		\$ 118,845	3.7 %	

The increase in net sales during 2022 over last year was primarily due to the increase in comparable sales across all segments, primarily related to the prolonged COVID-19 pandemic in 2021 that resulted in significantly reduced store traffic in the U.S. Retail and Canada Retail segments, with the Canada Retail segment also impacted by mandated closures and restrictions in certain key markets. In addition, wholesale sales in the Brand Portfolio segment were higher during 2022, as compared to last year, due to increased orders as our retailer customers had similar results as our retail segments. These increases were partially offset by the impact of a shift towards being more promotional in the U.S. Retail and Brand Portfolio segments during the second half of 2022, net store closures since the end of 2021, and the unfavorable impact from foreign currency translation of the Canada Retail segment net sales.

GROSS PROFIT

The following table summarizes gross profit by segment:

<i>(dollars in thousands)</i>	2022		2021		Change		Basis Points
	Amount	% of Segment Net Sales	Amount	% of Segment Net Sales	Amount	%	
Segment gross profit:							
U.S. Retail	\$ 904,583	32.4 %	\$ 933,555	33.7 %	\$ (28,972)	(3.1)%	(130)
Canada Retail	99,121	35.0 %	76,728	32.7 %	22,393	29.2 %	230
Brand Portfolio	72,006	22.0 %	66,774	23.3 %	5,232	7.8 %	(130)
Total segment gross profit	1,075,710	31.6 %	1,077,057	32.7 %	(1,347)	(0.1)%	(110)
Net recognition (elimination) of intersegment gross profit	3,515		(8,420)		11,935		
Consolidated gross profit	\$ 1,079,225	32.6 %	\$ 1,068,637	33.4 %	\$ 10,588	1.0 %	(80)

The increase in consolidated gross profit was primarily driven by increased sales during 2022 over last year, partially offset by higher freight and distribution costs and a shift towards being more promotional in the U.S. Retail and Brand Portfolio segments during the second half of 2022. For the Canada Retail segment, the shift toward being more promotional happened later in 2022 resulting in less of an impact to the full fiscal year. Higher distribution costs within the U.S. Retail segment were primarily driven by moving our digital fulfillment activities from our Ohio location to our New Jersey location, which resulted in recognizing approximately \$16.0 million of additional distribution costs, including accelerated depreciation and termination costs.

The net recognition (elimination) of intersegment gross profit consisted of the following:

<i>(in thousands)</i>	2022	2021
Recognition (elimination) of intersegment activity:		
Net sales recognized by Brand Portfolio segment	\$ (87,041)	\$ (93,956)
Cost of sales:		
Cost of sales recognized by Brand Portfolio segment	58,234	62,039
Recognition of intersegment gross profit for inventory previously purchased that was subsequently sold to external customers during the current period	32,322	23,497
	\$ 3,515	\$ (8,420)

OPERATING EXPENSES

Operating expenses increased by \$25.7 million during 2022 as compared to last year, primarily driven by an increase in store payroll and costs as a result of severance activity, the dissolution of a joint venture, and the CEO transition. Operating expenses as a percentage of net sales slightly improved to 27.1% in 2022 compared to 27.2% in 2021, due to the improvement in net sales over last year as we leveraged our fixed costs.

IMPAIRMENT CHARGES

During 2022, we recorded impairment charges of \$4.3 million, primarily in the Brand Portfolio segment resulting from subleases of abandoned leased spaces. During 2021, we recorded impairment charges of \$1.7 million, including \$1.2 million in the U.S. Retail segment for abandoned equipment we replaced and \$0.5 million in the Brand Portfolio segment for the sublease of an abandoned leased space.

INTEREST EXPENSE, NET

For 2022, interest expense, net, decreased by \$17.3 million over last year, primarily due to the termination of the senior secured term loan ("Term Loan") in the first quarter of 2022, which had a higher interest rate than the ABL Revolver. The decrease was partially offset by a higher average debt balance during 2022 over 2021.

LOSS ON EXTINGUISHMENT OF DEBT AND WRITE-OFF OF DEBT ISSUANCE COSTS

In connection with the settlement of our Term Loan on February 8, 2022, we incurred a \$12.7 million loss on extinguishment of debt, composed of a \$6.9 million prepayment premium and a \$5.7 million write-off of unamortized debt issuance costs. As a result of the replacement of the ABL Revolver during 2022, we also wrote off \$0.2 million of debt issuance costs.

INCOME TAXES

The effective tax rate was negative 2.0% for 2022, as compared to a positive 10.7% for 2021. The rate for 2022 was the result of releasing \$55.7 million of the valuation allowance partially offset by the permanent tax adjustments, primarily non-deductible compensation. The rate for 2021 was the result of maintaining a full valuation allowance on deferred tax assets, while also recording net discrete tax benefits, primarily as a result of adjustments to our estimated 2020 return reflecting implemented tax strategies.

LIQUIDITY AND CAPITAL RESOURCES

OVERVIEW

Our primary ongoing operating cash flow requirements are for inventory purchases, payments on lease obligations and licensing royalty commitments, other working capital needs, and capital expenditures. Our working capital and inventory levels fluctuate seasonally.

During 2022, we repurchased 10.7 million Class A common shares at an aggregate cost of \$147.5 million. As of January 28, 2023, \$187.4 million of Class A common shares remained available for repurchase under the share repurchase program. During 2021, we did not repurchase any Class A common shares.

In the fourth quarter of 2022, we received \$120.3 million of our income tax receivable from the Internal Revenue Service as a result of the Coronavirus Aid, Relief, and Economic Security Act. We expect to receive the remaining income tax receivable of \$44.0 million within the next 12 months.

On December 13, 2022, we acquired a 79.4% ownership interest in Topo for \$19.1 million in cash. We have an exclusive call option to purchase the remaining 20.6% ownership interest in Topo upon the occurrence of certain events or after a period of two years following the close of the transaction. The noncontrolling interest holders also have a put option with respect to the remaining 20.6% ownership interest in Topo upon the occurrence of certain events or after a period of three years following the close of the transaction. The redemption price is defined in the operating agreement and is based primarily on a fixed multiple of Topo's trailing 12 months of adjusted earnings before interest, taxes, depreciation, amortization, and other agreed upon adjustments. On February 4, 2023, we completed the acquisition of the Keds business from Wolverine World Wide, Inc. for \$123.3 million, funded with available cash and borrowings on the ABL Revolver.

The following table summarizes our material undiscounted cash requirements for 2023 and future fiscal years thereafter, and provides reference for each item to the relevant note of the Consolidated Financial Statements of this Form 10-K:

<i>(in thousands)</i>	Note Reference	2023	Future Fiscal Years Thereafter	Total
Debt maturities	Note 12	\$ —	\$ 281,035	\$ 281,035
Fixed minimum lease payments	Note 13	\$ 215,908	\$ 718,801	\$ 934,709
Noncancelable purchase obligations	Note 14	\$ 13,831	\$ 10,589	\$ 24,420
Guaranteed minimum royalty payments	Note 14	\$ 31,159	\$ 195,496	\$ 226,655

We are committed to a cash management strategy that maintains liquidity to adequately support the operation of the business, pursue our growth strategy, and withstand unanticipated business volatility, including the impacts of the global economic conditions on our results of operations. We believe that cash generated from our operations, together with our current levels of cash, as well as the availability of our ABL Revolver, are sufficient to maintain our ongoing operations, support seasonal working capital requirements, fund acquisitions and capital expenditures, and repurchase common shares under our share repurchase program over the next 12 months and beyond.

The following table presents the key categories of our consolidated statements of cash flows:

<i>(in thousands)</i>	2022	2021	Change
Net cash provided by operating activities	\$ 201,426	\$ 171,429	\$ 29,997
Net cash used in investing activities	(88,117)	(35,028)	(53,089)
Net cash used in financing activities	(128,479)	(121,490)	(6,989)
Effect of exchange rate changes on cash balances	(523)	(33)	(490)
Net increase (decrease) in cash, cash equivalents, and restricted cash	\$ (15,693)	\$ 14,878	\$ (30,571)

OPERATING CASH FLOWS

The increase in net cash provided by operations was largely driven by the receipt of \$120.3 million of our income tax receivable from the Internal Revenue Service during 2022. This was partially offset by higher spend on working capital due to earlier receipts with normal vendor payment terms this year compared to last year when we experienced shipping delays and extended vendor payment terms as a result of the impacts of the COVID-19 pandemic. In addition, net income recognized during 2022 was lower than last year after adjusting for non-cash activity, including changes in deferred income taxes, depreciation and amortization, stock-based compensation expense, and the loss from extinguishment of debt and write-off of debt issuance costs.

INVESTING CASH FLOWS

For 2022, net cash used in investing activities was primarily due to capital expenditures of \$55.0 million relating to infrastructure and IT projects, new stores, store improvements, the acquisition of Topo for \$19.1 million, and our investment in Le Tigre for \$8.2 million. For 2021, the net cash used in investing activities was primarily due to capital expenditures of \$33.0 million relating to infrastructure and IT projects, new stores, and store improvements.

FINANCING CASH FLOWS

During 2022, the net cash used in financing activities was due to the payment of \$238.2 million for the settlement of the Term Loan, the repurchase of 10.7 million Class A common shares at an aggregate cost of \$147.5 million, and the payment of dividends of \$13.5 million, partially offset by the net receipts of \$281.0 million from our revolving lines of credit. During 2021, the net cash used in financing activities was due to net payments of \$100.0 million from our revolving lines of credit and payments of \$12.5 million on the Term Loan.

DEBT

ABL Revolver- On March 30, 2022, we replaced our previous senior secured asset-based revolving credit facility with our current ABL Revolver, which provides a revolving line of credit of up to \$550.0 million, including a Canadian sub-limit of up to \$55.0 million, a \$75.0 million sub-limit for the issuance of letters of credit, a \$55.0 million sub-limit for swing-loan advances for U.S. borrowings, and a \$5.5 million sub-limit for swing-loan advances for Canadian borrowings. Our ABL Revolver matures in March 2027 and is secured by a first-priority lien on substantially all of our personal property assets, including credit card receivables and inventory. The ABL Revolver may be used to provide funds for working capital, capital expenditures, share repurchases, other expenditures, and permitted acquisitions as defined by the credit facility agreement. The amount of credit available is limited to a borrowing base formulated on, among other things, a percentage of the book value of eligible inventory and credit card receivables, as reduced by certain reserves. As of January 28, 2023, the ABL Revolver had a borrowing base of \$529.9 million, with \$281.0 million in outstanding borrowings and \$5.0 million in letters of credit issued, resulting in \$243.9 million available for borrowings.

Debt Covenants- As of January 28, 2023, the ABL Revolver required us to maintain a fixed charge coverage ratio covenant of not less than 1:1 when availability is less than the greater of \$41.3 million or 10.0% of the maximum borrowing amount. The ABL Revolver also contains customary covenants restricting certain activities, including limitations on our ability to sell assets, engage in acquisitions, enter into transactions involving related parties, incur additional debt, grant liens on assets, pay dividends or repurchase stock, and make certain other changes. There are specific exceptions to these covenants including, in some cases, upon satisfying specified payment conditions based on availability. As of January 28, 2023, we were in compliance with all financial covenants contained in the ABL Revolver.

ABL Revolver Amendment- On February 28, 2023, the ABL Revolver was amended to increase the available capacity under the revolving line of credit from \$550.0 million to \$600.0 million and to add a first-in last-out term loan (the "FILO Term Loan") of up to \$30.0 million, which was drawn in full on the date of the amendment, subject to a borrowing base. The FILO Term Loan may be repaid in full, but not in part, so long as certain payment conditions are satisfied. Once repaid, no portion of the FILO Term Loan may be reborrowed. The maturity date of the ABL Revolver did not change and is applicable to the FILO Term Loan. The ABL Revolver was also amended to change the period during which we are required to maintain a fixed charge coverage ratio of not less than 1:1 when availability is less than the greater of \$47.3 million or 10% of the maximum borrowing amount.

Termination of Term Loan- On February 8, 2022, we settled in full the \$231.3 million principal amount outstanding on that date under our Term Loan. In connection with this settlement, we incurred a \$12.7 million loss on extinguishment of debt, composed of a \$6.9 million prepayment premium and a \$5.7 million write-off of unamortized debt issuance costs.

[Table of contents](#)

Refer to Note 12, *Debt*, of the Consolidated Financial Statements of this Form 10-K for further information about our debt arrangements.

CAPITAL EXPENDITURE PLANS

We expect to spend approximately \$50.0 million to \$70.0 million for capital expenditures in 2023. Our future investments will depend primarily on the number of stores we open and remodel, infrastructure and IT projects that we undertake, and the timing of these expenditures.

RECENT ACCOUNTING PRONOUNCEMENTS

There are no recent accounting pronouncements that are expected to have a material impact to our consolidated financial statements when adopted.

CRITICAL ACCOUNTING ESTIMATES

As discussed in Note 1, *Description of Business and Significant Accounting Policies*, of the Consolidated Financial Statements included in this Form 10-K, the preparation of our consolidated financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of commitments and contingencies at the date of the consolidated financial statements and reported amounts of revenue and expenses during the reporting period. We base these estimates and judgments on factors we believe to be relevant, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. The process of determining significant estimates is fact-specific and takes into account factors such as historical experience, current and expected economic conditions, product mix, and, in some cases, actuarial and valuation techniques. We constantly reevaluate these significant factors and make adjustments where facts and circumstances dictate. While we believe that the factors considered provide a meaningful basis for the accounting policies applied in the preparation of the consolidated financial statements, we cannot guarantee that our estimates and assumptions will be accurate. As the determination of these estimates requires the exercise of judgment, actual results may differ from those estimates, and such differences may be material to our consolidated financial statements.

We believe the following represent the most significant accounting policies, critical estimates and assumptions, among others, used in the preparation of our consolidated financial statements:

Policy	Judgments and Estimates	Effect if Actual Results Differ from Assumptions
<p>Inventories- The U.S. Retail segment inventory is accounted for using the retail inventory method, which is stated at the lower of cost or market. Under the retail inventory method, the valuation of inventories at cost and the resulting gross profits are determined by applying a calculated cost-to-retail ratio to the retail value of inventories. The cost basis of inventories reflected on the balance sheet is decreased by charges to cost of sales at the time that the retail value of the inventory is lowered by markdowns. The Canada Retail and Brand Portfolio segments account for inventory using the moving average cost method and is stated at the lower of cost or net realizable value. For all inventories, we also monitor excess and obsolete inventories that may need to be liquidated at amounts below cost. We perform physical inventory counts or cycle counts on all inventory on hand throughout the year and adjust the recorded balance to reflect the results. We record estimated shrink between physical inventory counts, based on historical experience and recent results, less amounts realized.</p>	<p>Inherent in the calculation of inventories are certain significant judgments and estimates, including setting the original merchandise retail value, markdowns, shrink, and liquidation values. The shrink reserve is calculated as a percentage of sales from the last physical inventory date, based on both historical experience and recent physical inventory results, less amounts realized. Aged inventory may be written down using estimated liquidation values and cost of disposal based on historical experience.</p>	<p>If the reduction to inventories for markdowns, shrink, and aged inventories were to increase by 10%, cost of sales would increase by approximately \$4.1 million.</p>

[Table of contents](#)

Policy	Judgments and Estimates	Effect if Actual Results Differ from Assumptions
<p>Asset Impairment of Long-Lived Assets- We periodically evaluate the carrying amount of our long-lived assets, primarily property and equipment and operating lease assets, when events and circumstances warrant such a review to ascertain if any assets have been impaired. The carrying amount of a long-lived asset or asset group is considered impaired when the carrying value of the asset or asset group exceeds the expected future cash flows from the asset or asset group. The impairment loss recognized is the excess of the carrying value of the asset or asset group over its fair value.</p>	<p>Our reviews are conducted at the lowest identifiable level, which typically is at the store level for the majority of our long-lived assets. Fair value at the store level is typically based on projected discounted cash flows over the remaining lease term. We also review construction-in-progress projects, including internal-use software under development, for recoverability when we have a strategic shift in our plans.</p>	<p>A 10% change in our projected cash flows for our store fleet would not result in a material amount of additional impairment charges. To the extent that these future projections or our strategies change, the conclusion regarding impairment may differ from our current estimates.</p>
<p>Impairment of Goodwill and Other Indefinite Lived Intangible Assets- We evaluate goodwill and other indefinite lived intangible assets for impairment annually during our fourth quarter, or more frequently if an event occurs or circumstances change, such as material deterioration in performance or a significant and sustained decline in our stock price, that would indicate that impairment may exist. When evaluating for impairment, we may first perform a qualitative assessment to determine whether it is more likely than not that there is an impairment. If we do not perform a qualitative assessment, or if we determine that it is more likely than not that the carrying value exceeds its fair value, we will calculate the estimated fair value. Fair value is the price a willing buyer would pay and is typically calculated using a discounted cash flow analysis. Where deemed appropriate, we may also utilize a market approach for estimating fair value. Impairment charges are calculated as the amount by which the carrying amount exceeds its fair value, but not to exceed the carrying value.</p>	<p>When assessing goodwill and other indefinite lived intangible assets for impairment, our decision to perform a qualitative impairment assessment is influenced by a number of factors, including the significance of the excess of the estimated fair value over carrying value at the last assessment date and the amount of time since the last quantitative fair value assessments. Our quantitative impairment calculations contain uncertainties, as we are required to make assumptions and to apply judgment when estimating future cash flows, including projected revenue and operating results, as well as selecting appropriate discount rates and an assumed royalty rate. Estimates of revenue and operating results are based on internal projections considering past performance and forecasted changes, strategic initiatives, and the business environment impacting performance. Discount rates and a royalty rate are selected based on market participant assumptions. These estimates are highly subjective, and our ability to realize the future cash flows used in our fair value calculations is affected by factors such as the success of strategic initiatives, changes in economic conditions, changes in our operating performance and changes in our business strategies.</p>	<p>As of January 28, 2023, we had \$93.7 million of goodwill within the U.S. Retail segment, which is also the reporting unit, and \$14.9 million in indefinite-lived tradenames within the Canada Retail segment. In addition, we have an immaterial amount of goodwill as a result of the Topo acquisition in the fourth quarter of 2022 that is based on certain preliminary valuations and analysis. We performed a qualitative impairment assessment for the goodwill in the U.S. Retail segment and determined it is not more likely than not that there is an impairment. In addition, we determined that the fair values of the indefinite-lived intangibles were in excess of their carrying values and a 10% decrease in fair values would not result in a material impairment charge. As we periodically reassess estimated future cash flows and asset fair values, changes in our estimates and assumptions may cause us to realize material impairment charges in the future.</p>
<p>Leases- We recognize lease liabilities based on the present value of the future fixed lease commitments over the lease term with corresponding lease assets. The majority of our</p>	<p>We determine the discount rate for each lease by estimating the rate that we would be required to pay on a secured borrowing for an amount equal to the lease payments</p>	<p>As of January 28, 2023, a change in our discount rate of 100 basis points would have changed the recorded operating lease assets and liabilities by approximately</p>

Policy	Judgments and Estimates	Effect if Actual Results Differ from Assumptions
<p>Income Taxes- We determine the aggregate amount of income tax provision or benefit to accrue and the amount that will be currently receivable or payable based upon tax statutes of each jurisdiction in which we do business. Deferred tax assets and liabilities, as a result of these timing differences, are reflected on our balance sheet for temporary differences that are expected to reverse in subsequent years. A valuation allowance is established against deferred tax assets when it is more likely than not that some or all of the deferred tax assets will not be realized. We review and update our tax positions as necessary to add any new uncertain tax positions taken, or to remove previously identified uncertain positions that have been adequately resolved. Additionally, uncertain positions may be remeasured as warranted by changes in facts or law.</p>	<p>Our ability to recover deferred tax assets depends on several factors, including the amount of net operating losses we can carry back and our ability to project future taxable income. In evaluating future taxable income, significant weight is given to positive and negative evidence that is objectively verifiable. In addition, tax laws, regulations, and policies in various jurisdictions may be subject to significant change due to economic, political and other conditions, and significant judgment is required in estimating amounts for income taxes. There may be transactions that occur during the ordinary course of business for which the ultimate tax determination is uncertain. The U.S. Treasury Department, the U.S. Internal Revenue Service, and other standard-setting bodies could interpret or issue guidance on how provisions of tax laws, regulations, and policies will be applied or otherwise administered that is different from our interpretation. In addition, state, local or foreign jurisdictions may enact tax laws that could result in further changes to taxation and materially affect our financial position and results of operations.</p>	<p>As of January 28, 2023, our deferred tax assets were reserved with a valuation allowance of \$14.0 million. We also had gross unrecognized tax benefits of \$15.8 million. However, we may have material adjustments in the future that may impact our income tax amounts based on additional information, additional guidance or revised interpretations.</p>

M 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We have market risk exposure related to interest rates and foreign currency exchange rates. Market risk is measured as the potential negative impact on earnings, cash flows, or fair values resulting from a hypothetical change in interest rates or foreign currency exchange rates over the next year. We currently do not utilize hedging instruments to mitigate these market risks.

INTEREST RATE RISK

As of January 28, 2023, we had \$281.0 million outstanding on our revolving line of credit under our ABL Revolver. Borrowings and letters of credit issued under the ABL Revolver accrue interest based on variable rates of interest, which expose us to interest rate market risks, particularly during a period of rising interest rates. The impact of a hypothetical 100 basis point increase in interest rates on our revolving line of credit would not result in a material amount of additional expense over a 12-month period based on the balance as of January 28, 2023.

FOREIGN CURRENCY EXCHANGE RISK

We are exposed to the impact of foreign exchange rate risk primarily through our operations in Canada, where the functional currency is the Canadian dollar, as well as foreign-denominated cash accounts. A hypothetical 10% movement in the exchange rates could result in a change of \$4.2 million of foreign currency revaluation, which would be recorded in non-operating income (expenses), net, within the consolidated statements of operations and an immaterial impact to other comprehensive loss.

M 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Designer Brands Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Designer Brands Inc. and subsidiaries (the "Company") as of January 28, 2023 and January 29, 2022, the related consolidated statements of operations, comprehensive income (loss), shareholders' equity, and cash flows, for each of the three years in the period ended January 28, 2023, and the related notes (collectively referred to as the "financial statements"). We also have audited the Company's internal control over financial reporting as of January 28, 2023, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of January 28, 2023 and January 29, 2022, and the results of its operations and its cash flows for each of the three years in the period ended January 28, 2023, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of January 28, 2023, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by COSO.

Basis for Opinions

The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on these financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the financial statements included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Valuation of Inventories – Refer to Note 1 to the financial statements

Critical Audit Matter Description

The U.S. Retail segment, which includes stores operated in the U.S. under the DSW Designer Shoe Warehouse banner and its related e-commerce site, accounts for inventory using the retail inventory method and is stated at the lower of cost or market. Under the retail inventory method, the valuation of inventories at cost and the resulting gross profits are determined by applying a calculated cost-to-retail ratio to the retail value of inventories. The cost basis of inventories reflected on the balance sheet is decreased by charges to cost of sales at the time the retail value of the inventory is lowered by markdowns.

Inherent in the valuation of inventory are certain significant judgments and estimates, including estimating inventory markdowns, which can significantly impact the ending inventory valuation and the resulting gross profit. Earnings are negatively impacted as the merchandise is marked down prior to sale.

Given the significant estimates and assumptions management utilizes to measure inventory markdowns at period end, a high degree of auditor judgment and an increased extent of effort is required when performing audit procedures to evaluate the reasonableness of estimates and assumptions. Such estimates are based on the timing and completeness of recorded markdowns.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the completeness of estimated inventory markdowns included the following, among others:

- We tested the design and effectiveness of controls over the timing and completeness of estimated inventory markdowns, including management's controls over the valuation of the estimated inventory markdown reserves, and the approval of lowering the retail value of inventory through markdowns.
- We evaluated management's ability to accurately estimate inventory markdowns by comparing estimated inventory markdowns as of January 28, 2023 to subsequent sales of clearance inventory.
- We observed physical inventory counts throughout the fiscal year, including merchandise designated for clearance. We assessed inventory aging and sell through as of March 2023.
- We tested the amount of estimated inventory markdowns by evaluating management's calculation.
- We developed an independent expectation for inventory markdowns based on historical inventory balances and compared our expectation to the amount recorded by management.

/s/ DELOITTE & TOUCHE LLP

Columbus, Ohio

March 16, 2023

We have served as the Company's auditor since 1997.

CONSOLIDATED STATEMENTS OF OPERATIONS

<i>(in thousands, except per share amounts)</i>	2022	2021	2020
Net sales	\$ 3,315,428	\$ 3,196,583	\$ 2,234,719
Cost of sales	(2,236,203)	(2,127,946)	(1,923,478)
Gross profit	1,079,225	1,068,637	311,241
Operating expenses	(896,382)	(870,682)	(753,278)
Income from equity investments	8,864	8,986	9,329
Impairment charges	(4,317)	(1,720)	(153,606)
Operating profit (loss)	187,390	205,221	(586,314)
Interest expense, net	(14,874)	(32,129)	(23,694)
Loss on extinguishment of debt and write-off of debt issuance costs	(12,862)	—	—
Non-operating income (expenses), net	(130)	(67)	1,361
Income (loss) before income taxes	159,524	173,025	(608,647)
Income tax benefit (provision)	3,142	(18,544)	119,928
Net income (loss)	162,666	154,481	(488,719)
Net loss attributable to redeemable noncontrolling interest	10	—	—
Net income (loss) attributable to Designer Brands Inc.	\$ 162,676	\$ 154,481	\$ (488,719)
Earnings (loss) per share attributable to Designer Brands Inc.:			
Basic earnings (loss) per share	\$ 2.41	\$ 2.12	\$ (6.77)
Diluted earnings (loss) per share	\$ 2.26	\$ 2.00	\$ (6.77)
Weighted average shares used in per share calculations:			
Basic shares	67,603	73,024	72,198
Diluted shares	72,101	77,268	72,198

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

<i>(in thousands)</i>	2022	2021	2020
Net income (loss)	\$ 162,666	\$ 154,481	\$ (488,719)
Other comprehensive income (loss), net of income taxes:			
Foreign currency translation loss	(1,733)	(331)	(618)
Unrealized net gain on debt securities	—	—	195
Reclassification adjustment for net gains realized in net income (loss)	—	—	(368)
Total other comprehensive loss, net of income taxes	(1,733)	(331)	(791)
Comprehensive income (loss)	160,933	154,150	(489,510)
Comprehensive loss attributable to redeemable noncontrolling interest	10	—	—
Comprehensive income (loss) attributable to Designer Brands Inc.	\$ 160,943	\$ 154,150	\$ (489,510)

The accompanying notes are an integral part of the consolidated financial statements.

[Table of contents](#)

CONSOLIDATED BALANCE SHEETS

<i>(in thousands)</i>	January 28, 2023	January 29, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 58,766	\$ 72,691
Receivables, net	77,763	199,826
Inventories	605,652	586,429
Prepaid expenses and other current assets	47,750	55,270
Total current assets	789,931	914,216
Property and equipment, net	235,430	256,786
Operating lease assets	700,373	647,221
Goodwill	97,115	93,655
Intangible assets, net	31,866	15,527
Deferred tax assets	48,285	356
Equity investments	63,820	55,578
Other assets	42,798	31,295
Total assets	\$ 2,009,618	\$ 2,014,634
LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST, AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 255,364	\$ 340,877
Accrued expenses	190,676	215,812
Current operating lease liabilities	190,086	202,228
Total current liabilities	636,126	758,917
Long-term debt	281,035	225,536
Non-current operating lease liabilities	631,412	593,429
Other non-current liabilities	24,989	24,356
Total liabilities	1,573,562	1,602,238
Commitments and contingencies		
Redeemable noncontrolling interest	3,155	—
Shareholders' equity:		
Common shares paid in-capital, no par value	1,018,872	1,005,382
Treasury shares, at cost	(662,614)	(515,065)
Retained earnings (deficit)	81,993	(74,304)
Accumulated other comprehensive loss	(5,350)	(3,617)
Total shareholders' equity	432,901	412,396
Total liabilities, redeemable noncontrolling interest, and shareholders' equity	\$ 2,009,618	\$ 2,014,634

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

<i>(in thousands, except per share amounts)</i>	Number of Shares			Amounts					Total
	Class A	Class B	Treasury	Common	Treasury	Retained	Accumulated Other		
	Common	Common		Shares Paid		Earnings		Comprehensive Loss	
	Shares	Shares	Shares	in Capital	Shares	(Deficit)			
Balance, February 1, 2020	64,033	7,733	22,169	\$ 971,380	\$ (515,065)	\$ 267,094	\$ (2,495)	\$ 720,914	
Net loss attributable to Designer Brands Inc.	—	—	—	—	—	(488,719)	—	(488,719)	
Stock-based compensation activity	633	—	—	18,773	—	—	—	18,773	
Dividends paid (\$0.10 per share)	—	—	—	—	—	(7,160)	—	(7,160)	
Other comprehensive loss	—	—	—	—	—	—	(791)	(791)	
Balance, January 30, 2021	64,666	7,733	22,169	990,153	(515,065)	(228,785)	(3,286)	243,017	
Net income attributable to Designer Brands Inc.	—	—	—	—	—	154,481	—	154,481	
Stock-based compensation activity	958	—	—	15,229	—	—	—	15,229	
Foreign currency translation adjustment	—	—	—	—	—	—	(331)	(331)	
Balance, January 29, 2022	65,624	7,733	22,169	1,005,382	(515,065)	(74,304)	(3,617)	412,396	
Net income attributable to Designer Brands Inc.	—	—	—	—	—	162,676	—	162,676	
Stock-based compensation activity	1,010	—	—	20,587	—	—	—	20,587	
Repurchase of Class A common shares	(10,713)	—	10,713	—	(147,549)	—	—	(147,549)	
Dividends paid (\$0.20 per share)	—	—	—	(7,097)	—	(6,379)	—	(13,476)	
Foreign currency translation adjustment	—	—	—	—	—	—	(1,733)	(1,733)	
Balance, January 28, 2023	55,921	7,733	32,882	\$ 1,018,872	\$ (662,614)	\$ 81,993	\$ (5,350)	\$ 432,901	

The accompanying notes are an integral part of the consolidated financial statements.

[Table of contents](#)

CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>(in thousands)</i>	2022	2021	2020
Cash flows from operating activities:			
Net income (loss)	\$ 162,666	\$ 154,481	\$ (488,719)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	81,315	77,923	88,026
Stock-based compensation expense	28,502	23,923	20,236
Deferred income taxes	(51,891)	(1,001)	34,485
Income from equity investments	(8,864)	(8,986)	(9,329)
Distributions received from equity investments	8,850	12,006	8,491
Impairment charges	4,317	1,720	153,606
Loss on extinguishment of debt and write-off of debt issuance costs	12,862	—	—
Gain on settlement	—	—	(8,990)
Other	2,017	2,775	695
Change in operating assets and liabilities, net of acquired amounts:			
Accounts receivables	7,962	8,703	23,179
Income tax receivable	118,219	(12,415)	(149,824)
Inventories	(15,995)	(113,248)	160,312
Prepaid expenses and other current assets	(5,398)	(3,859)	17,166
Accounts payable	(92,728)	92,894	(47,014)
Accrued expenses	(20,098)	10,735	30,144
Operating lease assets and liabilities, net	(30,310)	(74,222)	13,743
Net cash provided by (used in) operating activities	201,426	171,429	(153,793)
Cash flows from investing activities:			
Cash paid for property and equipment	(54,974)	(33,030)	(31,114)
Equity investment in Le Tigre	(8,228)	—	—
Sales of available-for-sale investments	—	—	24,755
Proceeds from settlement	—	—	8,990
Cash paid for business acquisition	(19,062)	—	—
Other	(5,853)	(1,998)	—
Net cash provided by (used in) investing activities	(88,117)	(35,028)	2,631
Cash flows from financing activities:			
Borrowing on revolving lines of credit	1,705,235	349,653	426,000
Payments on revolving lines of credit	(1,424,200)	(449,653)	(516,000)
Proceeds from issuance of Term Loan	—	—	250,000
Payments for borrowings and prepayment premium under Term Loan	(238,196)	(12,500)	(6,263)
Payments of debt issuance costs	(2,316)	—	(21,422)
Cash paid for treasury shares	(147,549)	—	—
Dividends paid	(13,476)	—	(7,160)
Cash paid for income taxes for stock-based compensation shares withheld	(7,915)	(8,694)	(1,463)
Other	(62)	(296)	(738)
Net cash provided by (used in) financing activities	(128,479)	(121,490)	122,954
Effect of exchange rate changes on cash balances	(523)	(33)	1,225
Net increase (decrease) in cash, cash equivalents, and restricted cash	(15,693)	14,878	(26,983)

The accompanying notes are an integral part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1	Description of Business and Significant Accounting Policies	40
Note 2	Acquisition	47
Note 3	Revenue	48
Note 4	Related Party Transactions	51
Note 5	Earnings (Loss) Per Share	51
Note 6	Stock-Based Compensation	52
Note 7	Shareholders' Equity	53
Note 8	Receivables	54
Note 9	Property & Equipment	54
Note 10	Goodwill and Intangible Assets	55
Note 11	Accrued Expenses	56
Note 12	Debt	56
Note 13	Leases	57
Note 14	Commitments and Contingencies	58
Note 15	Income Taxes	58
Note 16	Segment Reporting	61
Note 17	Subsequent Events	62

1. DESCRIPTION OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF BUSINESS

Business Operations- Designer Brands Inc. ("we," "us," "our," and the "Company") is one of the world's largest designers, producers, and retailers of footwear and accessories. We operate in three reportable segments: the U.S. Retail segment, the Canada Retail segment, and the Brand Portfolio segment. The U.S. Retail segment operates the DSW Designer Shoe Warehouse ("DSW") banner through its direct-to-consumer U.S. stores and e-commerce site. The Canada Retail segment operates The Shoe Company and DSW banners through its direct-to-consumer Canada stores and e-commerce sites. The Brand Portfolio segment earns revenue from the wholesale of products to retailers and international distributors, commissions for serving retailers as the design and buying agent for products under private labels (referred to as "First Cost"), and the sale of our branded products through direct-to-consumer e-commerce sites at www.vincecamuto.com and www.topoathletic.com. Our equity investments in ABG-Camuto, LLC ("ABG-Camuto") and Le Tigre 360 Global LLC ("Le Tigre") are an integral part of the Brand Portfolio segment. In partnership with Authentic Brands Group LLC, a global brand management and marketing company, we have a 40% ownership interest in ABG-Camuto, a joint venture that owns the intellectual property rights of Vince Camuto and others. ABG-Camuto is responsible for the growth and marketing of the brands held by the joint venture. We have entered into a licensing agreement with ABG-Camuto, whereby we pay royalties to ABG-Camuto based on the sales of licensed products, subject to guaranteed minimums. ABG-Camuto also earns royalties on sales from third parties that license the brand names to produce non-footwear product categories. In July 2022, we acquired a 33.3% ownership interest in Le Tigre, which manages the Le Tigre brand. We entered into a license agreement with Le Tigre, whereby we pay royalties to Le Tigre based on the sales of the Le Tigre brand, subject to guaranteed minimums. The license agreement provides us the exclusive right to design, source, and sell Le Tigre branded footwear. We recognize equity investments and earnings under the equity method within the Brand Portfolio segment. In addition, we own the licensing rights for footwear of the Jessica Simpson brand and for footwear and handbags of the Lucky Brand. Our other operating segment, which we exited during 2020, is below the quantitative and qualitative thresholds for a reportable segment and is aggregated into Other for segment reporting purposes.

On December 13, 2022, we acquired a 79.4% ownership interest in Topo Athletic LLC ("Topo"), a designer of specialty athletic footwear that sells its Topo branded products at wholesale to retailers and international distributors and through its direct-to-consumer e-commerce site at www.topoathletic.com. The Topo acquisition provides us with expanded capabilities within the athletic footwear market. Topo is included within our Brand Portfolio segment.

Fiscal Year- Our fiscal year ends on the Saturday nearest to January 31. References to a fiscal year (e.g., "2022") refer to the calendar year in which the fiscal year begins. This reporting schedule is followed by many national retail companies and typically results in a 52-week fiscal year, but occasionally will contain an additional week resulting in a 53-week fiscal year (including 2023). The periods presented in these consolidated financial statements each consisted of 52 weeks.

SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation- The consolidated financial statements include the accounts of Designer Brands Inc. and its subsidiaries, including any variable interest entities. All intercompany accounts and transactions have been eliminated in consolidation. All amounts are in United States ("U.S.") dollars.

Use of Estimates- The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and reported amounts of net sales and expenses during the reporting periods. Certain estimates and assumptions use forecasted financial information based on information reasonably available to us. Significant estimates and assumptions are required as a part of accounting for sales returns allowances, customer allowances and

discounts reserve, gift card breakage income, deferred revenue associated with loyalty programs, valuation of inventories, depreciation and amortization, impairments of long-lived assets, intangibles and goodwill, lease accounting, redeemable noncontrolling interest, income taxes and valuation allowances on deferred tax assets, self-insurance reserves, and valuations used to account for an acquisition. Although we believe these estimates and assumptions are reasonable, they are based on management's knowledge of current events and actions we may undertake in the future. Changes in facts and circumstances may result in revised estimates and assumptions, and actual results could differ from these estimates.

Revenue Recognition- Sales from the U.S. Retail and Canada Retail segments are recognized upon customer receipt of merchandise, net of estimated returns and exclude sales tax. Customers can purchase products from one of our stores, online, or from our mobile application. For products shipped directly to our customers, we recognize the sale upon the estimated customer receipt date based on historical delivery transit times. Revenue from shipping and handling is recorded in net sales while the related costs are included in cost of sales on the consolidated statements of operations. For products shipped directly to our customers from our vendors (referred to as "drop ship"), we record gross sales upon customer receipt based on the price paid by the customers as we have determined that we are the principal party responsible for the sale transaction.

Sales from the Brand Portfolio segment are recognized upon transfer of control. Generally, our wholesale customers arrange their own transportation of merchandise, and control is transferred at the time of shipment. Sales are recorded at the transaction price, excluding sales tax, net of estimated reserves for customer returns, allowances and discounts. Direct-to-consumer online sales are recognized upon the estimated customer receipt date based on historical delivery transit times and are net of estimated returns and exclude sales tax. First Cost commission income is recognized at the point in time when the customer's freight forwarder takes control of the related merchandise.

Gift Cards- Amounts received from the sale of gift cards are recorded as a liability and are recognized as sales when the cards are redeemed for merchandise. Based on historical information, the likelihood of a gift card remaining unredeemed (referred to as "breakage") can be reasonably estimated at the time of gift card issuance. Breakage income is recognized over the estimated average redemption period of redeemed gift cards.

Loyalty Programs- We offer loyalty programs to our customers in the U.S. and Canada. Members under the programs earn points based on their level of spending, as well as for various other activities. Upon reaching a specified point threshold, members receive reward certificates that may be redeemed for purchases made within the stated expiration date. We record a reduction of net sales when points are awarded based on an allocation of the initial customer purchase and the stand-alone value of the points earned. We maintain a deferred liability for the outstanding points and certificates based on historical conversion and redemption rates. The deferred liability is reduced and sales are recognized when certificates are redeemed or when points and certificates expire.

Cost of Sales- Cost of sales from the U.S. Retail and Canada Retail segments is recognized net of estimated returns. In addition to the cost of merchandise sold, which includes freight and the impact of markdowns, shrink and other inventory valuation adjustments, we include expenses associated with distribution and fulfillment and store occupancy in cost of sales. Distribution and fulfillment expenses comprise of labor costs, third-party fees, rent, depreciation, insurance, utilities, maintenance and other operating costs. Store occupancy expenses include rent, utilities, repairs, maintenance, insurance, janitorial costs, and occupancy-related taxes, but exclude depreciation.

Cost of sales from the Brand Portfolio segment is recognized net of estimated returns. In addition to the cost of merchandise sold, which includes freight and the impact of inventory valuation adjustments, we include royalty expense for licensed brands in cost of sales.

Operating Expenses- Operating expenses include expenses related to store management and store payroll costs, advertising, store depreciation, new store costs, design, sourcing and distribution costs associated with the Brand Portfolio segment, and corporate expenses. Corporate expenses include expenses related to buying, information technology, rent (net of sublease income), depreciation and amortization expense for corporate assets, marketing, legal, finance, outside professional services, customer service center expenses, and payroll-related costs for associates.

In March 2020, the U.S. government enacted the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), which, among other things, provided employer payroll tax credits for wages paid to associates who were unable to work over a defined period and options to defer payroll tax payments. We qualified for certain employer payroll tax credits, which were treated as government

subsidies to offset related operating expenses. Similar credits were also available in Canada. During 2021 and 2020, the qualified government credits reduced our operating expenses by \$4.0 million and \$11.4 million, respectively, on the consolidated statements of operations.

Interest Expense, net- Interest expense, net, is summarized in the following table:

<i>(in thousands)</i>	2022	2021	2020
Interest expense	\$ (15,099)	\$ (32,198)	\$ (24,032)
Interest income	225	69	338
	\$ (14,874)	\$ (32,129)	\$ (23,694)

Stock-Based Compensation- We recognize compensation expense for awards of stock options, restricted stock units ("RSUs"), and director stock units, based on the fair value on the grant date and on a straight-line basis over the requisite service period for the awards that are expected to vest, with forfeitures estimated based on our historical experience and future expectations. Stock-based compensation is included in operating expenses on the consolidated statements of operations.

Chief Executive Officer Transition- In January 2023, we announced our planned succession process relating to the Company's Chief Executive Officer ("CEO") role, whereby our current CEO, Roger Rawlins, will step down from his role as CEO and as a member of the Board of Directors effective April 1, 2023, or such earlier date as determined by the Board of Directors, at which time Doug Howe, who currently serves as Executive Vice President of the Company and President of DSW, will assume the CEO role and join the Board of Directors as a Class II director. To assist in facilitating a smooth transition, Mr. Rawlins will remain employed under the terms of a transition and consulting agreement through April 1, 2023, and for the 12-month period thereafter will serve as a strategic advisor to the Company and the Board of Directors. If Mr. Rawlins remains employed through April 1, 2023, we will provide Mr. Rawlins benefits that are consistent with those that Mr. Rawlins would be entitled to in the event of a termination by the Company without cause under his Amended and Restated Standard Executive Severance Agreement. In conjunction with the CEO transition, we estimate CEO transition costs will total \$9.4 million consisting of \$3.5 million in severance costs, \$2.8 million in accelerated stock-based compensation (net of stock awards forfeited), and \$3.1 million in retention stock awards to certain members of our leadership team and other related professional fees. During the fourth quarter of 2022, we recognized \$3.7 million in operating expenses on the consolidated statements of operations, with the remaining estimated \$5.7 million to be recorded in 2023.

Severance- During 2022, we incurred severance costs, excluding the severance related to the CEO transition, of \$2.8 million (\$1.8 million, \$0.2 million and \$0.8 million for the U.S. Retail, Canada Retail, and Brand Portfolio segments, respectively). During 2021, we incurred severance costs of \$3.3 million (\$1.5 million and \$1.8 million for the U.S. Retail and Brand Portfolio segments, respectively).

On March 18, 2020, to help control the spread of the coronavirus ("COVID-19") and protect the health and safety of our customers, associates, and the communities we serve, we temporarily closed all of our stores in the U.S. and Canada. In addition, we took several actions in late March 2020 to reduce costs and operations to levels that were more commensurate with then-current sales, including furloughs and pay reductions. During the second quarter and into the third quarter of 2020, we re-opened all of our stores, discontinued the furlough program, and restored pay for our associates that had taken pay reductions. Beginning in July 2020, we initiated an internal reorganization and reduction of our workforce with additional actions taken throughout 2020 and into the first quarter of 2021, resulting in the elimination of approximately 1,000 associate positions. During 2020, we incurred restructuring costs, which consisted primarily of severance costs of \$15.2 million (\$5.5 million, \$0.8 million and \$8.9 million for the U.S. Retail, Canada Retail, and Brand Portfolio segments, respectively).

As of January 28, 2023 and January 29, 2022, we had \$5.7 million and \$1.9 million, respectively, of severance liability included in accrued expenses on the consolidated balance sheets.

Gain on Settlement- During 2020, we collected \$9.0 million, net of legal costs incurred, and recorded a gain to operating expenses on the consolidated statements of operations that was due to a settlement with a vendor related to costs incurred on an internal-use software project that was capitalized and then impaired in a previous year.

Marketing Expense- The cost of advertising is generally expensed when the advertising first takes place or when mailed. During 2022, 2021 and 2020, marketing costs were \$167.1 million, \$163.0 million and \$131.7 million, respectively.

Non-Operating Income (Expenses), net- Non-operating income (expenses), net, includes gains and losses from foreign currency revaluation and realized gains and losses related to investments.

Income Taxes- We account for income taxes under the asset and liability method. We determine the aggregate amount of income tax expense to accrue and the amount that will be currently payable based upon tax statutes of each jurisdiction in which we do business. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and respective tax bases and operating loss and tax credit carryforwards, as measured using enacted tax rates expected to be in effect in the periods when temporary differences are expected to be realized or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is provided when it is more likely than not that some portion or all of a deferred tax asset will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become realizable.

We recorded our income tax expense, income tax receivable, and deferred tax assets and related liabilities based on management's best estimates. Additionally, we assessed the likelihood of realizing the benefits of our deferred tax assets by evaluating historical and projected future operating results, the reversal of existing temporary differences, taxable income in permitted carry back years, and the availability of tax planning strategies. One of the provisions of the CARES Act allows net operating losses generated within tax years 2018 through 2020 to be carried back up to five years, including years in which the U.S. federal statutory tax rate was 35%, as opposed to the current rate of 21%. In evaluating future taxable income, significant weight is given to positive and negative evidence that is objectively verifiable.

During 2020, a valuation allowance was recognized as a reserve on the total deferred tax asset balance and was maintained until the fourth quarter of 2022. This valuation allowance was the result of losses incurred in 2020 due to the impacts of the COVID-19 pandemic that resulted in a three-year cumulative loss position, which was significant objective negative evidence in considering whether deferred tax assets were realizable. During the fourth quarter of 2022, we released the valuation allowance on the majority of the U.S. and Canada deferred tax assets given the continued realization of income since 2020, being in a three-year cumulative adjusted earnings position, and having projected future income. These factors provided sufficient evidence to conclude that it is more likely than not that the majority of the U.S. and Canada deferred tax assets are realizable. Our effective tax rate for 2022 was negative 2.0%, whereas for 2021 and 2020 it was positive 10.7% and 19.7%, respectively. The rate for 2022 was the result of releasing \$55.7 million of the valuation allowance, partially offset by the permanent tax adjustments, primarily non-deductible compensation. The rate for 2021 was the result of maintaining a full valuation allowance on deferred tax assets, while also recording net discrete tax benefits, primarily as a result of adjustments to our estimated 2020 return reflecting implemented tax strategies. The rate for 2020 was the result of recording a valuation allowance of \$87.6 million, partially offset by the ability to carry back current year losses to a tax year where the U.S. federal statutory tax rate was 35%.

We review and update our tax positions as necessary to add any new uncertain tax positions taken, or to remove previously identified uncertain positions that have been adequately resolved. Additionally, uncertain positions may be remeasured as warranted by changes in facts or law. Accounting for uncertain tax positions requires estimating the amount, timing and likelihood of ultimate settlement. Although we believe that these estimates are reasonable, actual results could differ from these estimates.

On August 16, 2022, the U.S. enacted the Inflation Reduction Act of 2022, which, among other things, implements a 15% minimum tax on book income of certain large corporations and a 1% excise tax on net stock repurchases. Based on our current analysis of the provisions, we do not believe this legislation will have a material impact on our consolidated financial statements.

Cash, Cash Equivalents, and Restricted Cash- Cash and cash equivalents represent cash, money market funds, and credit card receivables that generally settle within three days. Restricted cash represented cash that was restricted as to withdrawal or usage and consists of a mandatory cash deposit maintained for certain insurance policies and letters of credit.

The following table provides a reconciliation of cash and cash equivalents and restricted cash reported within the consolidated balance sheets that sum to the total of the same such amounts shown on the consolidated statements of cash flows:

<i>(in thousands)</i>	January 28, 2023	January 29, 2022	January 30, 2021
Cash and cash equivalents	\$ 58,766	\$ 72,691	\$ 59,581
Restricted cash, included in prepaid expenses and other current assets	—	1,768	—
Total cash, cash equivalents, and restricted cash shown in the consolidated statements of cash flows	\$ 58,766	\$ 74,459	\$ 59,581

Investments- We determine the balance sheet classification of investments at the time of purchase and evaluate the classification at each balance sheet date. For the balance sheet dates presented, we did not hold any investments in securities other than cash equivalents. We account for investments using the equity method of accounting when we exercise significant influence over the investment. If we do not exercise significant influence, we account for the investment using the cost method of accounting. Cost method investments are included in other assets on the consolidated balance sheets. We evaluate our investments for impairment and whether impairment is other-than-temporary at each balance sheet date.

The following table presents activity related to our equity investments:

<i>(in thousands)</i>	2022	2021	2020
Balance at beginning of period	\$ 55,578	\$ 58,598	\$ 57,760
Investment in Le Tigre	8,228	—	—
Share of net earnings	8,864	8,986	9,329
Distributions received	(8,850)	(12,006)	(8,491)
Balance at end of period	\$ 63,820	\$ 55,578	\$ 58,598

On July 1, 2022, we acquired a 33.3% ownership interest in Le Tigre for \$8.2 million. We account for our investment in Le Tigre, where we exercise significant influence but do not have control, using the equity method. The difference between the purchase price of Le Tigre and our interest in Le Tigre's underlying net equity is comprised of a definite lived tradename intangible asset and equity method goodwill. Our share of net loss of Le Tigre and amortization of the intangible asset is included in the share of net earnings, net, shown in the table above and income from equity investments on the consolidated statements of operations.

Receivables, net- Receivables are classified as current assets because the average collection period is generally shorter than one year. We monitor our exposure for credit losses based upon specific receivable balances and we record related allowances for doubtful accounts for estimated losses resulting from the inability of our customers to make required payments. We utilize an unrelated third-party provider for credit and collection services for receivables from the sale of wholesale products to certain retailers. This third-party provider guarantees payment for the majority of the serviced receivables.

Inventories- All of our inventory is made up of finished goods. The U.S. Retail segment inventory is accounted for using the retail inventory method and is stated at the lower of cost or market. Under the retail inventory method, the valuation of inventories at cost and the resulting gross profits are determined by applying a calculated cost-to-retail ratio to the retail value of inventories. The cost basis of inventories is decreased by charges to cost of sales at the time the retail value of the inventory is lowered by markdowns. As a result, earnings are negatively impacted as the merchandise is marked down prior to sale. The Canada Retail segment and the Brand Portfolio segment inventory is accounted for using the moving average cost method and is stated at the lower of cost or net realizable value. We monitor aged inventory for obsolete and slow-moving inventory that may need to be liquidated in the future at amounts below cost. Reductions to inventory values establish a new cost basis. Favorable changes in facts or circumstances do not result in an increase in the newly established cost basis.

We perform physical inventory counts or cycle counts on all inventory on hand throughout the year and adjust the recorded balance to reflect the results. We record estimated shrink between physical inventory counts, based on historical experience and recent results, less amounts realized.

Inherent in the calculation of inventories are certain significant judgments and estimates, including setting the original merchandise retail value, markdowns, shrink, and liquidation values. The ultimate amount realized from the sale of inventory and write-offs from counts could differ from management estimates.

Concentration of Risks- We are subject to risks due to concentration of our merchandise coming from China. All of the products manufactured through the Brand Portfolio segment come from third-party facilities outside of the U.S., with 76% of units sourced from China. In addition to the merchandise sourced through our Brand Portfolio segment, our U.S. Retail segment and Canada Retail segment also sources merchandise from both domestic and foreign third-party vendors. Many of our domestic vendors import a large portion of their merchandise from China.

We are also subject to risks due to the concentration of vendors within the U.S. Retail and Canada Retail segments. During 2022, three key third-party vendors together supplied approximately 22% of our retail merchandise, with no individual vendor providing more than 10% of our retail merchandise.

Financial instruments, which principally subject us to concentration of credit risk, consist of cash and cash equivalents. We invest excess cash when available through financial institutions in money market accounts. At times, such amounts invested through banks may be in excess of Federal Deposit Insurance Corporation insurance limits, and we mitigate the risk by utilizing multiple banks.

Fair Value- Fair value is defined as the price that would be received in the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Assets and liabilities recorded at fair value are categorized using defined hierarchical levels related to the subjectivity associated with the inputs to fair value measurements as follows:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Quoted prices for similar assets or liabilities in active markets or inputs that are observable.
- Level 3 - Unobservable inputs in which little or no market activity exists.

The carrying value of cash and cash equivalents, restricted cash, receivables, and accounts payables approximated their fair values due to their short-term nature. The carrying value of borrowings under our revolving lines of credit approximated fair value based on its term and variable interest rate.

Property and Equipment, net- Property and equipment, net, are stated at cost less accumulated depreciation determined by the straight-line method over the expected useful life of assets. The net book value of property or equipment sold or retired is removed from the asset and related accumulated depreciation accounts with any resulting net gain or loss included in results of operations.

Internal Use Software Costs- Costs related to software developed or obtained for internal use are expensed as incurred until the application development stage has been reached. Once the application development stage has been reached, certain qualifying costs are capitalized until the software is ready for its intended use. Capitalized software costs and the related accumulated amortization are included in property and equipment, net, on the consolidated balance sheets. Capitalized implementation costs for cloud computing arrangements accounted for as service contracts are included in other assets on the consolidated balance sheets and amortized over the life of the service contract to operating expenses on the consolidated statements of operations.

Leases- A lease liability for new and modified leases is recorded based on the present value of future fixed lease commitments with a corresponding lease asset. For leases classified as operating leases, we recognize a single lease cost on a straight-line basis based on the combined amortization of the lease liability and the lease asset. Other leases will be accounted for as finance arrangements. For real estate leases, we are generally required to pay base rent, real estate taxes, and insurance, which are considered lease components, and maintenance, which is a non-lease component. We have elected to not separate non-lease payment components from the associated lease component for all new and modified real estate leases. We determine the discount rate for each lease by estimating the rate that we would be required to pay on a secured borrowing for an amount equal to the lease payments over the lease term. The majority of our real estate leases provide for renewal options, which are typically not included in the lease term used for measuring the lease assets and lease liabilities as it is not reasonably certain we will exercise renewal options. We monitor for events or changes in circumstances that may require a reassessment of our leases and determine if a remeasurement is required.

Impairment of Long-Lived Assets- We periodically evaluate the carrying amount of our long-lived assets, primarily operating lease assets, property and equipment and definite-lived intangible assets, when events and circumstances warrant such a review to ascertain if any assets have been impaired. The reviews are conducted at the lowest identifiable level. The carrying amount of a long-lived asset or asset group is considered impaired when the carrying value of the asset or asset group exceeds the expected future cash flows from the asset or asset group. The impairment loss recognized is the excess of the carrying value of the asset or asset group over its fair value (categorized as Level 3 under the fair value hierarchy). Fair value at the store level is typically based on projected discounted cash flows over the remaining lease term.

During 2022, we recorded impairment charges of \$4.3 million, primarily in the Brand Portfolio segment resulting from subleases of abandoned leased spaces. During 2021, we recorded impairment charges of \$1.7 million, including \$1.2 million in the U.S. Retail segment for abandoned equipment we replaced and \$0.5 million in the Brand Portfolio segment for the sublease of an abandoned leased space.

[Table of contents](#)

As a result of the material reduction in net sales and cash flows during 2020 due to the COVID-19 pandemic, we updated our impairment analyses for our U.S. Retail and Canada Retail segments at the store-level, which represents the lowest level for which identifiable cash flows are independent of the cash flows of other assets. The carrying amount of the store asset group, primarily made up of operating lease assets, leasehold improvements and fixtures, is considered impaired when the carrying value of the asset group exceeds the expected future cash flows from the asset group. Fair value at the store level is typically based on projected discounted cash flows over the remaining lease term. In addition, we evaluated other long-lived assets based on our intent to use such assets going forward. During 2020, we recorded impairment charges of \$127.1 million (\$104.2 million and \$22.9 million for the U.S. Retail and Canada Retail segments, respectively). Also, during 2020, we recorded an impairment charge of \$6.5 million for the Brand Portfolio segment customer relationship intangible asset resulting in a full impairment due to the lack of projected cash flows over the remaining useful life (categorized as Level 3 under the fair value hierarchy).

Goodwill and Other Indefinite Lived Intangible Assets- We evaluate goodwill and other indefinite lived intangible assets for impairment annually during our fourth quarter, or more frequently if an event occurs or circumstances change that would indicate that impairment may exist. When evaluating for impairment, we may first perform a qualitative assessment to determine whether it is more likely than not that there is an impairment. If we do not perform a qualitative assessment, or if we determine that it is more likely than not that the carrying value exceeds its fair value, we will calculate the estimated fair value. Fair value is typically calculated using a discounted cash flow analysis. Where deemed appropriate, we may also utilize a market approach for estimating fair value. Impairment charges are calculated as the amount by which the carrying amount exceeds its fair value, but not to exceed the carrying value for goodwill.

As a result of the material reduction in net sales and cash flows due to the temporary closure of all of our stores, the decrease in net sales from our retailer customers, and the decrease in the Company's market capitalization due to the impact of the COVID-19 pandemic on macroeconomic conditions, we performed an impairment analysis for goodwill and other indefinite-lived intangible assets during the first quarter of 2020. We calculated the fair value of the reporting units with goodwill primarily based on a discounted cash flow analysis (categorized as Level 3 under the fair value hierarchy). Our analysis concluded that the fair value of the First Cost reporting unit within the Brand Portfolio segment did not exceed its carrying value. Accordingly, during 2020, we recorded an impairment charge of \$20.0 million for the First Cost reporting unit in the Brand Portfolio segment, resulting in a full impairment.

Self-Insurance Reserves- We record estimates for certain health and welfare, workers' compensation and casualty insurance costs that are self-insured programs. Self-insurance reserves include actuarial estimates of both claims filed, carried at their expected ultimate settlement value, and claims incurred but not yet reported. The liability represents an estimate of the ultimate cost of claims incurred as of the balance sheet date. Estimates for self-insurance reserves are calculated utilizing claims development estimates based on historical experience and other factors. We have purchased stop loss insurance to limit our exposure on a per person basis for health and welfare and on a per claim basis for workers' compensation and general liability, as well as on an aggregate annual basis.

Redeemable noncontrolling interest- As discussed in more detail in Note 2, *Acquisition*, we have an exclusive call option to purchase and the noncontrolling interest holders have a put option with respect to the remaining 20.6% ownership interest in Topo upon the occurrence of certain events or after a defined period of time following the transaction close. The redemption price is based on the future performance of Topo. As a result of the redemption feature, we record the remaining interest in Topo as a redeemable noncontrolling interest in temporary equity on the consolidated balance sheets. The noncontrolling interest is adjusted each reporting period for the net income (loss) attributable to the noncontrolling interest. Each reporting period, a measurement period adjustment, if any, is then recorded to adjust the noncontrolling interest to the higher of either the redemption value, assuming it was redeemable at the reporting date, or its carrying value. Any adjustments are also recorded as net income (loss) attributable to the noncontrolling interest.

The following table presents activity related to our redeemable noncontrolling interest:

<i>(in thousands)</i>		2022
Balance at beginning of period	\$	—
Acquisition fair value of redeemable noncontrolling interest		3,165
Net loss attributable to redeemable noncontrolling interest		(10)
Balance at end of period	\$	3,155

Foreign Currency Translation and Transactions- Our wholly-owned Canadian subsidiary has Canadian dollars as its functional currency. Assets and liabilities of this business are translated into U.S. dollars at exchange rates in effect at the balance sheet date or historical rates as appropriate. Each quarter, amounts included in the consolidated statements of operations from this business are translated at the average exchange rate for the period. The cumulative translation adjustments resulting from changes in exchange rates are included as a component of accumulated other comprehensive loss on the consolidated balance sheets. Transaction gains and losses are included in non-operating income (expenses), net, on the consolidated statements of operations.

Deferred Compensation Plans- We provide deferred compensation plans, including defined contribution plans to eligible associates and a non-qualified deferred compensation plan for certain executives and members of the Board of Directors. Participants may elect to defer and contribute a portion of their eligible compensation to the plans up to limits stated in the plan documents, not to exceed the dollar amounts set by applicable laws. During 2022, 2021 and 2020, we recognized costs associated with matching contributions of \$6.2 million, \$5.9 million and \$5.3 million, respectively.

Variable Interest Entity- We had a joint venture with an entity affiliated with performing artist and celebrity Jennifer Lopez, which was formed in order to design, source and sell the JLO Jennifer Lopez collection, a line of footwear and handbags. Our Brand Portfolio segment was responsible for design and sourcing, and DSW was the primary retailer of the brand. Jennifer Lopez earned fixed licensing fees, which we guaranteed for the term of license. Based on certain terms within the joint venture operating agreement, we determined that we had overall control of the joint venture. As a result, we were considered the primary beneficiary, and we consolidated the joint venture within our financial statements. Assets and liabilities of the joint venture are immaterial. During 2022, we agreed to dissolve the joint venture along with related licensing and design and sourcing arrangements, which resulted in recording a termination fee of \$5.2 million to operating expenses on the consolidated statements of operations.

2. ACQUISITION

On December 13, 2022, we acquired a 79.4% ownership interest in Topo for \$19.1 million in cash. We have an exclusive call option to purchase the remaining 20.6% ownership interest in Topo upon the occurrence of certain events or after a period of two years following the close of the transaction. The noncontrolling interest holders also have a put option with respect to the remaining 20.6% ownership interest in Topo upon the occurrence of certain events or after a period of three years following the close of the transaction. The redemption price is defined in the operating agreement and is based primarily on a fixed multiple of Topo's trailing 12 months of adjusted earnings before interest, taxes, depreciation, amortization, and other agreed upon adjustments.

The preliminary purchase price and the allocation of the total consideration to the fair values of the assets, liabilities, and redeemable noncontrolling interest consisted of the following:

<i>(in thousands)</i>	Preliminary Purchase Price and Allocation as of December 13, 2022	
Purchase price cash consideration	\$	19,062
Fair value of assets and liabilities acquired:		
Accounts receivables	\$	3,195
Inventories		5,612
Goodwill		3,460
Intangible assets		12,500
Other assets		1,898
Accounts payable and other liabilities		(4,438)
Redeemable noncontrolling interest		(3,165)
	\$	19,062

We recorded an allocation of the purchase price to the tangible and identifiable intangible assets acquired and liabilities assumed and the redeemable noncontrolling interest based on their fair value at the acquisition date. The purchase price is subject to adjustments primarily based upon a working capital provision as provided by the purchase agreement. The allocation of the purchase price is based on certain preliminary valuations and analysis that have not been completed as of the date of this filing. Any subsequent changes in the estimated fair values assumed upon the finalization of more detailed analysis within the

measurement period will change the allocation of the purchase price and will be adjusted during the period in which the amounts are determined. We expect to finalize the valuations as soon as practicable, but not later than one year from the acquisition date.

The fair value of the intangible assets relates to customer relationships and a tradename, which are amortized over a useful life of eight and 15 years, respectively, and are based on the excess earnings method under the income approach. The fair value measurements are based on significant unobservable inputs, including discounted future cash flows and customer attrition rates.

The fair value measurement of the redeemable noncontrolling interest was calculated by considering the implied fair value of Topo using the purchase price and an estimated amount to redeem the noncontrolling interest.

The goodwill represents the excess of the purchase price over the fair value of the net assets acquired and was primarily attributable to acquiring an established design and sourcing process for athletic footwear. Goodwill is expected to be deductible for income tax purposes.

The results of operations for Topo from the date of acquisition through the end of 2022, were not material and are included in the consolidated statements of operations within the Brand Portfolio segment. Pro forma results of operations reflecting the acquisition of Topo are not presented as the impact of Topo on our consolidated financial results would not have been material. We incurred \$1.3 million of acquisition-related costs in connection with the acquisition of Topo, which were included in operating expenses on the consolidated statements of operations.

3. REVENUE

DISAGGREGATION OF NET SALES

Net Sales by Brand Categories- The following table presents net sales disaggregated by brand categories for each segment:

<i>(in thousands)</i>	U.S. Retail	Canada Retail	Brand Portfolio	Eliminations / Other	Consolidated
2022					
Owned Brands: ⁽¹⁾					
Direct-to-consumer	\$ 569,741	\$ —	\$ 37,840	\$ —	\$ 607,581
External customer wholesale and commission income	—	—	202,834	—	202,834
Intersegment wholesale and commission income	—	—	87,041	(87,041)	—
Total Owned Brands	569,741	—	327,715	(87,041)	810,415
National brands	2,221,772	—	—	—	2,221,772
Canada Retail ⁽²⁾	—	283,241	—	—	283,241
Total net sales	\$ 2,791,513	\$ 283,241	\$ 327,715	\$ (87,041)	\$ 3,315,428
2021					
Owned Brands: ⁽¹⁾					
Direct-to-consumer	\$ 421,398	\$ —	\$ 27,876	\$ —	\$ 449,274
External customer wholesale and commission income	—	—	164,192	—	164,192
Intersegment wholesale and commission income	—	—	93,956	(93,956)	—
Total Owned Brands	421,398	—	286,024	(93,956)	613,466
National brands	2,348,308	—	—	—	2,348,308
Canada Retail ⁽²⁾	—	234,809	—	—	234,809
Total net sales	\$ 2,769,706	\$ 234,809	\$ 286,024	\$ (93,956)	\$ 3,196,583

<i>(in thousands)</i>	U.S. Retail	Canada Retail	Brand Portfolio	Eliminations / Other	Consolidated
2020					
Owened Brands:⁽¹⁾					
Direct-to-consumer	\$ 260,618	\$ —	\$ 21,299	\$ —	\$ 281,917
External customer wholesale and commission income	—	—	156,631	—	156,631
Intersegment wholesale and commission income	—	—	59,818	(59,818)	—
Total Owened Brands	260,618	—	237,748	(59,818)	438,548
National brands	1,539,705	—	—	—	1,539,705
Canada Retail ⁽²⁾	—	182,659	—	—	182,659
Other ⁽²⁾	—	—	10,898	62,909	73,807
Total net sales	\$ 1,800,323	\$ 182,659	\$ 248,646	\$ 3,091	\$ 2,234,719

(1) "Owened Brands" refers to those brands we have rights to sell through ownership or license arrangements.

(2) We currently do not report the Canada Retail segment net sales and Other by brand categories. Other represents discontinued revenue channels.

Net Sales by Product and Service Categories- The following table presents net sales disaggregated by product and service categories for each segment:

<i>(in thousands)</i>	2022	2021	2020
Net sales:			
U.S. Retail segment:			
Women's footwear	\$ 1,803,486	\$ 1,772,729	\$ 1,161,836
Men's footwear	611,426	620,631	386,338
Kids' footwear	220,665	234,806	151,121
Accessories and other	155,936	141,540	101,028
	2,791,513	2,769,706	1,800,323
Canada Retail segment:			
Women's footwear	151,459	117,045	92,623
Men's footwear	75,401	60,972	45,665
Kids' footwear	44,931	48,503	37,233
Accessories and other	11,450	8,289	7,138
	283,241	234,809	182,659
Brand Portfolio segment:			
Wholesale	276,887	240,491	197,940
Commission income	12,988	17,657	18,509
Direct-to-consumer	37,840	27,876	32,197
	327,715	286,024	248,646
Other	—	—	62,909
Total segment net sales	3,402,469	3,290,539	2,294,537
Elimination of intersegment sales	(87,041)	(93,956)	(59,818)
Total net sales	\$ 3,315,428	\$ 3,196,583	\$ 2,234,719

DEFERRED REVENUE LIABILITIES

We record deferred revenue liabilities, included in accrued expenses on the consolidated balance sheets, for remaining obligations we have to our customers. The following table presents the changes and total balances for gift cards and loyalty programs:

<i>(in thousands)</i>	2022	2021	2020
Gift cards:			
Beginning of period	\$ 36,783	\$ 34,442	\$ 35,461
Gift cards redeemed and breakage recognized to net sales	(74,016)	(75,352)	(59,173)
Gift cards issued	72,354	77,693	58,154
End of period	\$ 35,121	\$ 36,783	\$ 34,442
Loyalty programs:			
Beginning of period	\$ 15,736	\$ 11,379	\$ 16,138
Loyalty certificates redeemed and expired and other adjustments recognized to net sales	(32,923)	(30,453)	(25,049)
Deferred revenue for loyalty points issued	34,087	34,810	20,290
End of period	\$ 16,900	\$ 15,736	\$ 11,379

CUSTOMER ALLOWANCES

We reduce sales by the amount of actual and remaining expected sales returns and customer allowances and discounts, and cost of sales by the amount of merchandise we expect to recover. Sales returns allowances and customer allowances and discounts are included in accrued expenses on the consolidated balance sheets. Customer allowances and discounts are provided to our wholesale customers for margin assistance, advertising support, and various other deductions. We estimate the allowances needed for margin assistance by reviewing inventory levels held by retailers, expected markdowns, gross margins realized, and other performance indicators. Sales returns and other customer deductions are estimated based on anticipated future returns using historical experience and trends. Advertising allowances are estimated based on arrangements with customers.

The following table presents the changes and total balances for customer allowances:

<i>(in thousands)</i>	2022	2021	2020
Sales returns allowances:			
Beginning of period	\$ 18,574	\$ 17,333	\$ 21,408
Net sales reduced for estimated returns	473,471	424,402	279,923
Actual returns during the period	(473,938)	(423,161)	(283,998)
End of period	\$ 18,107	\$ 18,574	\$ 17,333
Customer allowances and discounts:			
Beginning of period	\$ 2,097	\$ 4,579	\$ 11,528
Net sales reduced for estimated allowances and discounts	9,947	8,709	14,363
Actual allowances and discounts during the period	(10,814)	(11,191)	(21,312)
End of period	\$ 1,230	\$ 2,097	\$ 4,579

As of January 28, 2023 and January 29, 2022, the asset for recovery of merchandise returns was \$8.8 million and \$9.4 million, respectively, and is included in prepaid expenses and other current assets on the consolidated balance sheets.

4. RELATED PARTY TRANSACTIONS

SCHOTTENSTEIN AFFILIATES

We have transactions with entities owned or controlled by Jay L. Schottenstein, the executive chairman of our Board of Directors, and members of his family (the "Schottenstein Affiliates"). As of January 28, 2023, the Schottenstein Affiliates beneficially owned approximately 23% of the Company's outstanding common shares, representing approximately 58% of the combined voting power, consisting of, in the aggregate, 7.0 million Class A common shares and 7.7 million Class B common shares. The following summarizes the related party transactions with the Schottenstein Affiliates for the relevant periods:

Leases- We lease certain store and office locations that are owned by the Schottenstein Affiliates. We also leased a fulfillment center from a Schottenstein Affiliate through September 2022 that was not renewed. See Note 13, *Leases*, for rent expense and future minimum lease payment requirements associated with the Schottenstein Affiliates.

Other Purchases and Services- During 2022, 2021 and 2020, we had other purchases and services we incurred from the Schottenstein Affiliates of \$4.3 million, \$4.9 million and \$4.8 million, respectively.

Due to Related Parties- Amounts due to the Schottenstein Affiliates, other than operating lease liabilities, were immaterial for all periods presented.

EQUITY METHOD INVESTMENTS

ABG-Camuto- We have a 40% ownership interest in ABG-Camuto. We have a licensing agreement with ABG-Camuto, pursuant to which we pay royalties on the net sales of the brands owned by ABG-Camuto, subject to guaranteed minimums. For 2022, 2021 and 2020, we recorded royalty expense for amounts paid to ABG-Camuto of \$18.3 million, \$18.2 million, and \$18.2 million, respectively. See Note 14, *Commitments and Contingencies - Contractual Obligations*, for future guaranteed minimum royalty payment requirements to ABG-Camuto. Amounts due to ABG-Camuto were immaterial for all periods presented.

Le Tigre- We have a 33.3% ownership interest in Le Tigre. During 2022, we entered into a license agreement with Le Tigre, whereby we pay royalties on our net sales of the Le Tigre brand, subject to guaranteed minimums. The license agreement provides for the exclusive right to design and source Le Tigre branded footwear. Activity with Le Tigre during 2022 was immaterial.

5. EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share is based on net income (loss) attributable to Designer Brands Inc. and the weighted average of Class A and Class B common shares outstanding. Diluted earnings per share reflects the potential dilution of common shares adjusted for outstanding stock options and RSUs calculated using the treasury stock method.

The following is a reconciliation between basic and diluted weighted average shares outstanding, as used in the calculation of earnings (loss) per share attributable to Designer Brands Inc.:

<i>(in thousands)</i>	2022	2021	2020
Weighted average basic shares outstanding	67,603	73,024	72,198
Dilutive effect of stock-based compensation awards	4,498	4,244	—
Weighted average diluted shares outstanding	72,101	77,268	72,198

For 2022, 2021 and 2020, the number of shares relating to potentially dilutive stock-based compensation awards that were excluded from the computation of diluted earnings (loss) per share due to their anti-dilutive effect was 2.9 million, 3.1 million and 5.9 million, respectively.

6. STOCK-BASED COMPENSATION

The DSW Inc. 2014 Long-Term Incentive Plan (the "Plan") provides for the issuance of stock-based compensation awards to eligible recipients. The Plan replaced the DSW Inc. 2005 Equity Incentive Plan but did not affect outstanding awards granted under that plan. Eligible recipients include associates, including executive officers, and non-employee directors. The maximum number of shares of Class A common shares underlying awards that may be issued over the term of the Plan cannot exceed 11.0 million shares. As of January 28, 2023, 6.5 million Class A common shares remain available for future stock-based compensation grants under the Plan.

Stock-based compensation expense consisted of the following:

<i>(in thousands)</i>	2022	2021	2020
Stock options	\$ 101	\$ 643	\$ 1,467
Restricted and director stock units	28,401	23,280	18,769
	\$ 28,502	\$ 23,923	\$ 20,236

Stock Options- Stock options were granted with an exercise price per share equal to the fair market value of our Class A common shares on the grant date. Stock options generally vest 20% per year on a cumulative basis and remain exercisable for a period of 10 years from the date of grant. As of January 28, 2023, there were no unvested stock options, and stock option activity for the periods presented was immaterial.

Restricted Stock Units- Grants of time-based RSUs generally cliff vest after three years, and performance-based RSUs generally cliff vest after three years based upon the achievement of pre-established goals as of the end of the first year of the term. RSUs receive dividend equivalents in the form of additional RSUs, which are subject to the same restrictions and forfeiture provisions as the original award. The grant date fair value of RSUs is based on the closing market price of the Class A common shares on the date of the grant.

The following table summarizes the RSU activity for 2022:

<i>(shares in thousands)</i>	Time-Based RSUs		Performance-Based RSUs	
	Number of Shares	Weighted Average Grant Date Fair Value	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding - beginning of period	6,058	\$ 9.60	744	\$ 17.39
Granted	2,453	\$ 13.35	624	\$ 13.79
Vested	(1,257)	\$ 13.77	(174)	\$ 21.94
Forfeited	(464)	\$ 12.41	(225)	\$ 13.55
Outstanding - end of period	6,790	\$ 9.95	969	\$ 14.79

The total fair value of time-based RSUs that vested during 2022, 2021 and 2020 was \$17.0 million, \$15.1 million and \$6.5 million, respectively. As of January 28, 2023, the total compensation cost related to unvested time-based RSUs not yet recognized was \$26.9 million, with a weighted average expense recognition period remaining of 1.7 years.

The total fair value of performance-based RSUs that vested during 2022, 2021 and 2020 was \$3.7 million, \$7.4 million and \$4.0 million, respectively. As of January 28, 2023, the total compensation cost related to unvested performance-based RSUs not yet recognized was approximately \$5.3 million, with a weighted average expense recognition period remaining of 1.7 years.

Director Stock Units- We issue stock units to non-employee directors. Stock units are granted to each director on the date of each annual meeting of shareholders based on the closing market price of the Class A common shares. In addition, each director that is eligible to receive compensation for board service may elect to have the cash portion of such compensation paid in the form of stock units. Director stock units vest immediately, and directors are given the option to settle their units 30 days after the grant date, at a specified date more than 30 days following the grant date, or defer receipt until completion of board service. Director stock units not yet settled, which are not subject to forfeiture, are considered to be outstanding for the purposes of computing basic earnings (loss) per share. As of January 28, 2023, we had 0.5 million director stock units not yet settled.

7. SHAREHOLDERS' EQUITY

Shares- Our Class A common shares are listed for trading under the ticker symbol "DBI" on the New York Stock Exchange. There is currently no public market for the Company's Class B common shares, but the Class B common shares can be converted into the Company's Class A common shares at the election of the holder on a share for share basis. Holders of Class A common shares are entitled to one vote per share and holders of Class B common shares are entitled to eight votes per share on matters submitted to shareholders for approval.

The following table provides additional information for our common shares:

<i>(in thousands)</i>	January 28, 2023		January 29, 2022	
	Class A	Class B	Class A	Class B
Authorized shares	250,000	100,000	250,000	100,000
Issued shares	88,803	7,733	87,793	7,733
Outstanding shares	55,921	7,733	65,624	7,733
Treasury shares	32,882	—	22,169	—

We have authorized 100 million shares of no par value preferred shares, with no shares issued for any of the periods presented.

Share Repurchases- On August 17, 2017, the Board of Directors authorized the repurchase of an additional \$500 million of Class A common shares under our share repurchase program, which was added to the \$33.5 million remaining from the previous authorization. As of January 28, 2023, \$187.4 million of Class A common shares remained available for repurchase under the program. The share repurchase program may be suspended, modified or discontinued at any time, and we have no obligation to repurchase any amount of our Class A common shares under the program. Shares will be repurchased in the open market at times and in amounts considered appropriate based on price and market conditions.

ACCUMULATED OTHER COMPREHENSIVE LOSS

For 2022 and 2021, the change in accumulated other comprehensive loss was due to foreign currency translation adjustments as shown in the consolidated statements of shareholders' equity. For 2020, changes for the balances of each component of accumulated other comprehensive loss, net of tax, were as follows:

<i>(in thousands)</i>	Foreign Currency Translation	Available-for-Sale Securities	Total
Balance, February 1, 2020	\$ (2,668)	\$ 173	\$ (2,495)
Other comprehensive income (loss) before reclassifications	(618)	195	(423)
Amounts reclassified to non-operating income, net	—	(368)	(368)
Other comprehensive loss	(618)	(173)	(791)
Balance, January 30, 2021	\$ (3,286)	\$ —	\$ (3,286)

8. RECEIVABLES

Receivables, net, consisted of the following:

<i>(in thousands)</i>	January 28, 2023	January 29, 2022
Customer accounts receivables:		
Serviced by third-party provider with guaranteed payment	\$ 19,539	\$ 27,827
Serviced by third-party provider without guaranteed payment	103	82
Serviced in-house	5,138	2,783
Income tax receivable	44,021	162,240
Other receivables	9,274	8,026
Total receivables	78,075	200,958
Allowance for doubtful accounts	(312)	(1,132)
	\$ 77,763	\$ 199,826

The following table presents the activity for the allowance for doubtful accounts:

<i>(in thousands)</i>	2022	2021	2020
Allowance for doubtful accounts - beginning of period	\$ (1,132)	\$ (1,194)	\$ (1,219)
Provision for bad debts	—	(40)	(1,041)
Recoveries, write-offs, and other adjustments	820	102	1,066
Allowance for doubtful accounts - end of period	\$ (312)	\$ (1,132)	\$ (1,194)

9. PROPERTY AND EQUIPMENT

Property and equipment, net, consisted of the following:

<i>(dollars in thousands)</i>	Useful Life (years)	January 28, 2023	January 29, 2022
Land	Indefinite	\$ 1,110	\$ 1,110
Buildings	39	12,485	12,485
Building and leasehold improvements	3-20 or the lease term if shorter	434,958	447,158
Furniture, fixtures and equipment	3-15	437,606	466,405
Software	3-5	217,485	206,579
Construction-in-progress		21,368	17,239
Total property and equipment		1,125,012	1,150,976
Accumulated depreciation and amortization		(889,582)	(894,190)
Property and equipment, net		\$ 235,430	\$ 256,786



10. GOODWILL AND INTANGIBLE ASSETS

GOODWILL

The following table presents the changes to goodwill by segment:

<i>(in thousands)</i>	January 28, 2023			January 29, 2022		
	Goodwill	Accumulated Impairments	Net	Goodwill	Accumulated Impairments	Net
Beginning of period by segment:						
U.S. Retail	\$ 93,655	\$ —	\$ 93,655	\$ 93,655	\$ —	\$ 93,655
Canada Retail	43,114	(43,114)	—	43,086	(43,086)	—
Brand Portfolio	19,989	(19,989)	—	19,989	(19,989)	—
	156,758	(63,103)	93,655	156,730	(63,075)	93,655
Activity by segment:						
Canada Retail-						
Currency translation adjustment	(1,757)	1,757	—	28	(28)	—
Brand Portfolio-						
Acquired Topo goodwill	3,460	—	3,460	—	—	—
	1,703	1,757	3,460	28	(28)	—
End of period by segment:						
U.S. Retail	93,655	—	93,655	93,655	—	93,655
Canada Retail	41,357	(41,357)	—	43,114	(43,114)	—
Brand Portfolio	23,449	(19,989)	3,460	19,989	(19,989)	—
	\$ 158,461	\$ (61,346)	\$ 97,115	\$ 156,758	\$ (63,103)	\$ 93,655

INTANGIBLE ASSETS

Intangible assets consisted of the following:

<i>(in thousands)</i>	January 28, 2023			January 29, 2022		
	Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization	Net
Definite-lived customer relationships	\$ 7,852	\$ (1,454)	\$ 6,398	\$ 1,409	\$ (1,409)	\$ —
Definite-lived tradename	10,853	(292)	10,561	—	—	—
Indefinite-lived trademarks and tradenames	14,907	—	14,907	15,527	—	15,527
	\$ 33,612	\$ (1,746)	\$ 31,866	\$ 16,936	\$ (1,409)	\$ 15,527

During 2022, we acquired the rights to the shoes.com tradename for \$4.9 million, which was recorded as a definite lived tradename intangible asset with a useful life of 15 years. In addition, we recognized preliminary estimates of the fair value of the definite-lived customer relationships and tradename intangible assets from the Topo acquisition, which are amortized over a useful life of eight and 15 years, respectively.

11. ACCRUED EXPENSES

Accrued expenses consisted of the following:

<i>(in thousands)</i>	January 28, 2023	January 29, 2022
Gift cards	\$ 35,121	\$ 36,783
Accrued compensation and related expenses	45,019	41,603
Accrued taxes	19,419	28,327
Loyalty programs deferred revenue	16,900	15,736
Sales returns allowances	18,107	18,574
Customer allowances and discounts	1,230	2,097
Other	54,880	72,692
	\$ 190,676	\$ 215,812

12. DEBT

Debt consisted of the following:

<i>(in thousands)</i>	January 28, 2023	January 29, 2022
ABL Revolver	\$ 281,035	\$ —
Term Loan	—	231,250
Total debt	281,035	231,250
Less unamortized Term Loan debt issuance costs	—	(5,714)
Long-term debt	\$ 281,035	\$ 225,536

ABL Revolver- On March 30, 2022, we replaced our previous senior secured asset-based revolving credit facility with our current senior secured asset-based revolving credit facility ("ABL Revolver"), which provides a revolving line of credit of up to \$550.0 million, including a Canadian sub-limit of up to \$55.0 million, a \$75.0 million sub-limit for the issuance of letters of credit, a \$55.0 million sub-limit for swing-loan advances for U.S. borrowings, and a \$5.5 million sub-limit for swing-loan advances for Canadian borrowings. Our ABL Revolver matures in March 2027 and is secured by a first-priority lien on substantially all of our personal property assets, including credit card receivables and inventory. The ABL Revolver may be used to provide funds for working capital, capital expenditures, share repurchases, other expenditures, and permitted acquisitions as defined by the credit facility agreement. The amount of credit available is limited to a borrowing base formulated on, among other things, a percentage of the book value of eligible inventory and credit card receivables, as reduced by certain reserves. As of January 28, 2023, the ABL Revolver had a borrowing base of \$529.9 million, with \$281.0 million in outstanding borrowings and \$5.0 million in letters of credit issued, resulting in \$243.9 million available for borrowings.

Borrowings and letters of credit issued under the ABL Revolver accrue interest, at our option, at a rate equal to: (A) a base rate per annum equal to the greatest of (i) the prime rate, (ii) the Fed Funds Rate (as defined in the credit facility agreement and subject to a floor of 0%) plus 0.5%, and (iii) the one-month Adjusted Term SOFR (as defined in the credit facility agreement) plus 1.0%; or (B) a one-month, three-month or six-month Adjusted Term SOFR per annum (subject to a floor of 0%), plus, in each instance, an applicable rate to be determined based on average availability, with an interest rate of 6.6% as of January 28, 2023. Commitment fees are based on the

unused portion of the ABL Revolver. Interest expense related to the ABL Revolver includes interest on borrowings and letters of credit, commitment fees, and the amortization of debt issuance costs.

Debt Covenants- As of January 28, 2023, the ABL Revolver required us to maintain a fixed charge coverage ratio covenant of not less than 1:1 when availability is less than the greater of \$41.3 million or 10.0% of the maximum borrowing amount. The ABL Revolver also contains customary covenants restricting certain activities, including limitations on our ability to sell assets, engage in acquisitions, enter into transactions involving related parties, incur additional debt, grant liens on assets, pay dividends or repurchase stock, and make certain other changes. There are specific exceptions to these covenants including, in some cases, upon satisfying specified payment conditions based on availability. The ABL Revolver contains customary events of default, including failure to comply with certain financial and other covenants. Upon an event of default that is not cured or waived within the cure periods, in addition to other remedies that may be available to the lenders, our obligations under the ABL Revolver may be accelerated, outstanding letters of credit may be required to be cash collateralized, and remedies may be exercised against the collateral. As of January 28, 2023, we were in compliance with all financial covenants contained in the ABL Revolver.

Termination of Term Loan- On February 8, 2022, we settled in full the \$231.3 million principal amount outstanding on that date under our senior secured term loan agreement ("Term Loan"). In connection with this settlement, we incurred a \$12.7 million loss on extinguishment of debt, composed of a \$6.9 million prepayment premium and a \$5.7 million write-off of unamortized debt issuance costs.

13. LEASES

We lease our stores, our distribution center located in New Jersey, and other facilities under operating lease arrangements with unrelated parties and related parties owned by the Schottenstein Affiliates. We pay variable amounts for certain lease and non-lease components, contingent rent based on sales for certain leases where the sales are in excess of specified levels, and leases that have certain contingent triggering events that are in effect. We also lease equipment under operating leases. We receive operating sublease income from unrelated third parties for leasing portions or all of certain properties.

Operating sublease income and lease expense consisted of the following:

<i>(in thousands)</i>	2022	2021	2020
Operating sublease income	\$ 10,077	\$ 11,879	\$ 12,219
Operating lease expense:			
Lease expense to unrelated parties	\$ 187,372	\$ 192,146	\$ 199,729
Lease expense to related parties	7,783	9,273	9,239
Variable lease expense to unrelated parties	71,830	73,159	63,881
Variable lease expense to related parties	1,422	1,520	1,341
	\$ 268,407	\$ 276,098	\$ 274,190

Lease term and discount rate for our operating leases were as follows:

	January 28, 2023	January 29, 2022
Other operating lease information:		
Weighted-average remaining lease term (years)	5.7	5.1
Weighted-average discount rate	4.2 %	4.0 %

As of January 28, 2023, our future fixed minimum lease payments are as follows:

<i>(in thousands)</i>	Unrelated Parties		Related Parties		Total
2023	\$	209,616	\$	6,292	\$ 215,908
2024		177,561		4,270	181,831
2025		141,978		3,439	145,417
2026		113,203		3,120	116,323
2027		85,068		2,856	87,924
Future fiscal years thereafter		185,598		1,708	187,306
		913,024		21,685	934,709
Less discounting impact on operating leases		(111,131)		(2,080)	(113,211)
Total operating lease liabilities		801,893		19,605	821,498
Less current operating lease liabilities		(184,519)		(5,567)	(190,086)
Non-current operating lease liabilities	\$	617,374	\$	14,038	\$ 631,412

As of January 28, 2023, we had entered into lease commitments for one new store location and three store relocations where the leases have not yet commenced, and therefore the lease liabilities have not yet been recorded. We expect the lease commencement to begin over the next three fiscal quarters for these locations, and we will record additional operating lease liabilities of approximately \$5.4 million.

14. COMMITMENTS AND CONTINGENCIES

Legal Proceedings- We are involved in various legal proceedings that are incidental to the conduct of our business. Although it is not possible to predict with certainty the eventual outcome of any litigation, we believe the amount of any potential liability with respect to current legal proceedings will not be material to the results of operations or financial condition. As additional information becomes available, we will assess any potential liability related to pending litigation and revise the estimates as needed.

Guarantees- We provide guarantees for lease obligations that are scheduled to expire in 2025 for locations that have been leased to third parties. If a third party does not pay the rent or vacates the premise, we may be required to make full rent payments to the landlord. As of January 28, 2023, the total future payment requirements for these guarantees were approximately \$8.7 million.

Contractual Obligations- As of January 28, 2023, we had entered into various noncancelable purchase and service agreements, including agreements with remaining terms in excess of one year and construction commitments for capital items to be purchased for projects that were under construction or for which a lease has been signed. In addition, we have license agreements that allow us to use brands owned by third parties, including a license agreement with our equity investments (related parties), that have guaranteed minimum royalty payments.

As of January 28, 2023, our noncancelable purchase obligations and future guaranteed minimum royalty payments were as follows:

<i>(in thousands)</i>	Noncancelable Purchase Obligations		Guaranteed Minimum Royalties		
			Unrelated Parties	Related Parties	Total
2023	\$	13,831	\$ 12,609	\$ 18,550	\$ 31,159
2024		5,292	14,184	20,163	34,347
2025		2,227	14,184	20,225	34,409
2026		1,471	14,184	20,325	34,509
2027		1,024	13,684	20,213	33,897
Future fiscal years thereafter		575	38,684	19,650	58,334
	\$	24,420	\$ 107,529	\$ 119,126	\$ 226,655

15. INCOME TAXES

Income (loss) before income taxes consisted of the following:

<i>(in thousands)</i>	2022	2021	2020
Domestic income (loss)	\$ 131,131	\$ 161,409	\$ (559,120)
Foreign income (loss)	28,393	11,616	(49,527)
	\$ 159,524	\$ 173,025	\$ (608,647)

Income tax provision (benefit) consisted of the following:

<i>(in thousands)</i>	2022	2021	2020
Current:			
Federal	\$ 36,018	\$ 16,696	\$ (151,931)
Foreign	449	1,774	1,451
State and local	12,120	1,061	(3,840)
Total current tax expense (benefit)	48,587	19,531	(154,320)
Deferred:			
Federal	(29,025)	(555)	23,601
Foreign	(12,113)	(556)	1,504
State and local	(10,591)	124	9,287
Total deferred tax expense (benefit)	(51,729)	(987)	34,392
Income tax provision (benefit)	\$ (3,142)	\$ 18,544	\$ (119,928)

The following presents a reconciliation of the income tax provision (benefit) based on the U.S. federal statutory tax rate to the total tax provision (benefit):

<i>(in thousands)</i>	2022	2021	2020
Income tax provision (benefit) at federal statutory rate	\$ 33,502	\$ 36,335	\$ (127,816)
State and local taxes, net of federal benefit (provision)	7,955	7,870	(23,678)
Change in valuation allowance	(55,654)	(29,950)	87,579
Non-deductible compensation	4,683	5,531	840
CARES Act rate differential	—	(1,697)	(57,894)
Federal interest income	(3,029)	(502)	—
Uncertain tax positions	5,940	1,275	(290)
Other	3,461	(318)	1,331
	\$ (3,142)	\$ 18,544	\$ (119,928)

See Note 1, *Description of Business and Significant Accounting Policies - Income Taxes*, for discussion of the CARES Act rate differential and the change in valuation allowance.

[Table of contents](#)

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities are as follows:

<i>(in thousands)</i>	January 28, 2023	January 29, 2022
Deferred tax assets:		
Operating lease liabilities	\$ 209,310	\$ 202,683
Net operating losses	21,688	27,516
Stock-based compensation	9,503	10,334
Inventories	9,252	9,250
Accrued expenses	7,038	4,832
Loyalty programs deferred revenue	3,905	3,714
State bonus depreciation	3,655	3,253
Intangible assets	1,601	2,994
Gift cards	2,756	393
Other	2,055	2,345
	270,763	267,314
Less: valuation allowance	(14,027)	(70,762)
Total deferred tax assets, net of valuation allowance	256,736	196,552
Deferred tax liabilities:		
Operating lease assets	(182,953)	(170,421)
Property and equipment	(19,068)	(26,527)
Other	(6,430)	(3,210)
Total deferred tax liabilities	(208,451)	(200,158)
Net deferred tax assets (liabilities)	\$ 48,285	\$ (3,606)

Net deferred income taxes are reported on the consolidated balance sheets as follows:

<i>(in thousands)</i>	January 28, 2023	January 29, 2022
Deferred tax assets	\$ 48,285	\$ 356
Deferred tax liabilities included in other non-current liabilities	—	(3,962)
	\$ 48,285	\$ (3,606)

As of January 28, 2023, the remaining valuation allowance was primarily related to state deferred tax assets. Additionally, there were \$11.4 million state, \$8.1 million foreign, and \$2.2 million federal net operating losses, which, if not utilized, a portion of the carryovers will begin to expire in 2025, 2036, and 2038, respectively. The following table presents the changes in valuation allowance:

<i>(in thousands)</i>	2022		2021		2020
Valuation allowance - beginning of period	\$	70,762	\$	101,185	\$ 9,472
Additions charged to income tax benefit		—		—	87,579
Allowances taken or written off		(55,654)		(29,950)	—
Other adjustments		(1,081)		(473)	4,134
Valuation allowance - end of period	\$	14,027	\$	70,762	\$ 101,185

We intend to continue to invest all of the earnings of foreign subsidiaries, as well as our capital in these subsidiaries, indefinitely outside of the U.S. and we do not expect to incur any significant additional taxes related to such amounts.

The following table presents the changes in gross unrecognized tax benefits:

<i>(in thousands)</i>	2022	2021	2020
Unrecognized tax benefits - beginning of period	\$ 11,108	\$ 10,087	\$ 10,764
Additions for tax positions taken in the current year	5,342	1,021	603
Settlements of tax positions taken in prior years	(665)	—	(1,280)
Unrecognized tax benefits - end of period	\$ 15,785	\$ 11,108	\$ 10,087

Of the total unrecognized tax benefits at January 28, 2023, January 29, 2022 and January 30, 2021, \$14.0 million, \$9.5 million and \$8.7 million, respectively, represented the amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate in future periods. While it is expected that the amount of unrecognized tax benefits will change in the next 12 months, any changes are not expected to have a material impact on our financial position, results of operations, or cash flows. We recognize interest and penalties related to unrecognized tax benefits as a component of the income tax provision (benefit). As of January 28, 2023, January 29, 2022 and January 30, 2021, interest and penalties were \$4.7 million, \$3.1 million and \$2.6 million, respectively.

16. SEGMENT REPORTING

Our three reportable segments, which are also operating segments, are the U.S. Retail segment, the Canada Retail segment, and the Brand Portfolio segment. We have determined that the Chief Operating Decision Maker ("CODM") is our Chief Executive Officer and we have identified such segments based on internal management reporting and responsibilities. The performance of each segment is based primarily on net sales and gross profit. As a result, we do not allocate operating expenses to the segments. Total assets by segment are not presented in the table below as the CODM does not evaluate, manage, or measure performance of segments using total assets.

The following table provides certain financial data by segment reconciled to the consolidated financial statements:

<i>(in thousands)</i>	U.S. Retail	Canada Retail	Brand Portfolio	Other	Corporate / Eliminations	Consolidated
2022						
Net sales:						
External customer sales	\$ 2,791,513	\$ 283,241	\$ 240,674	\$ —	\$ —	\$ 3,315,428
Intersegment sales	—	—	87,041	—	(87,041)	—
Total net sales	\$ 2,791,513	\$ 283,241	\$ 327,715	\$ —	\$ (87,041)	\$ 3,315,428
Gross profit	\$ 904,583	\$ 99,121	\$ 72,006	\$ —	\$ 3,515	\$ 1,079,225
Income from equity investments	\$ —	\$ —	\$ 8,864	\$ —	\$ —	\$ 8,864
Cash paid for property and equipment	\$ 27,567	\$ 3,169	\$ 1,501	\$ —	\$ 22,737	\$ 54,974
Depreciation and amortization	\$ 45,101	\$ 6,629	\$ 5,480	\$ —	\$ 24,105	\$ 81,315

2021						
Net sales:						
External customer sales	\$ 2,769,706	\$ 234,809	\$ 192,068	\$ —	\$ —	\$ 3,196,583
Intersegment sales	—	—	93,956	—	(93,956)	—
Total net sales	\$ 2,769,706	\$ 234,809	\$ 286,024	\$ —	\$ (93,956)	\$ 3,196,583
Gross profit	\$ 933,555	\$ 76,728	\$ 66,774	\$ —	\$ (8,420)	\$ 1,068,637
Income from equity investment	\$ —	\$ —	\$ 8,986	\$ —	\$ —	\$ 8,986
Cash paid for property and equipment	\$ 15,296	\$ 3,225	\$ 630	\$ —	\$ 13,879	\$ 33,030
Depreciation and amortization	\$ 40,693	\$ 7,378	\$ 5,262	\$ —	\$ 24,590	\$ 77,923

<i>(in thousands)</i>	U.S. Retail	Canada Retail	Brand Portfolio	Other	Corporate / Eliminations	Consolidated
2020						
Net sales:						
External customer sales	\$ 1,800,323	\$ 182,659	\$ 188,828	\$ 62,909	\$ —	\$ 2,234,719
Intersegment sales	—	—	59,818	—	(59,818)	—
Total net sales	\$ 1,800,323	\$ 182,659	\$ 248,646	\$ 62,909	\$ (59,818)	\$ 2,234,719
Gross profit	\$ 242,786	\$ 28,651	\$ 36,393	\$ 962	\$ 2,449	\$ 311,241
Income from equity investment	\$ —	\$ —	\$ 9,329	\$ —	\$ —	\$ 9,329
Cash paid for property and equipment	\$ 9,997	\$ 3,420	\$ 1,194	\$ 67	\$ 16,436	\$ 31,114
Depreciation and amortization	\$ 47,083	\$ 7,817	\$ 5,433	\$ 42	\$ 27,651	\$ 88,026

The U.S. Retail and Brand Portfolio segments and Other net sales recognized were primarily based on sales to customers in the U.S., and the Canada Retail segment net sales recognized were based on sales to customers in Canada. Net sales realized from geographic markets outside of the U.S. and Canada were collectively immaterial.

As of January 28, 2023 and January 29, 2022, long-lived assets, consisting of property and equipment and operating lease assets, included \$875.7 million and \$835.9 million, respectively, in the U.S. and \$58.6 million and \$66.1 million, respectively, in Canada, with only an immaterial amount in other countries. No single customer accounted for 10% or more of consolidated total net sales. However, the Brand Portfolio segment has four customers that make up approximately 53% of its segment net sales, excluding intersegment net sales, and the loss of any or all of these customers could have a material adverse effect on the Brand Portfolio segment.

17. SUBSEQUENT EVENTS

Acquisition of Keds- On February 4, 2023, we acquired the Keds business, including the Keds brand, inventory, and inventory related accounts payable, from Wolverine World Wide, Inc. for \$123.3 million. The Keds business designs, sources, and sells branded footwear and earns revenue from the wholesale of products to retailers in the U.S. and Canada, the wholesale of products to international distributors, and the sale of branded products through direct-to-consumer e-commerce sites in the U.S. and Canada. The purchase price of the acquisition was funded with available cash and borrowings on the ABL Revolver. We will account for the acquisition and include the results of the Keds business in our Brand Portfolio segment beginning with our first quarter of 2023. Given the acquisition date, we are in the process of developing our fair value assumptions for the assets and liabilities acquired.

ABL Revolver Amendment- On February 28, 2023, the ABL Revolver was amended to increase the available capacity under the revolving line of credit from \$550.0 million to \$600.0 million and to add a first-in last-out term loan (the "FILO Term Loan") of up to \$30.0 million, which was drawn in full on the date of the amendment, subject to a borrowing base. The FILO Term Loan may be repaid in full, but not in part, so long as certain payment conditions are satisfied. Once repaid, no portion of the FILO Term Loan may be reborrowed. The maturity date of the ABL Revolver did not change and is applicable to the FILO Term Loan. The interest rate on the revolving line of credit remains unchanged, and the FILO Term Loan will accrue interest, at our option, at a rate equal to (A) a fluctuating interest rate per annum equal to the greatest of (i) the prime rate, (ii) the Fed Funds Rate plus 0.5%, or (iii) Adjusted Term SOFR plus 1.0%, plus 2.25%; or (B) Adjusted Term SOFR for the interest period in effect for such borrowing plus 3.25%. The ABL Revolver was also amended to change the period during which we are required to maintain a fixed charge coverage ratio of not less than 1:1 when availability is less than the greater of \$47.3 million or 10% of the maximum borrowing amount.

Dividends- On March 15, 2023, the Board of Directors declared a quarterly cash dividend payment of \$0.05 per share for both Class A and Class B common shares. The dividend will be paid on April 14, 2023 to shareholders of record as of the close of business on March 31, 2023.

9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

9A. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

We, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, performed an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded, as of the end of the period covered by this Form 10-K, that such disclosure controls and procedures were effective.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal control over financial reporting for us (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act). Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with accounting principles generally accepted in the U.S. Management assessed the effectiveness of our internal control system as of January 28, 2023. In making its assessment, we used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control - Integrated Framework (2013)*. Based on this assessment, management concluded that our internal control over financial reporting was effective to provide reasonable assurance regarding the reliability of financial reporting.

Deloitte & Touche LLP (PCAOB ID No. 34), our independent registered public accounting firm, has issued an attestation report covering our internal control over financial reporting, as stated in its report which is included herein.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

No change was made in our internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(e), during our last fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

9B. OTHER INFORMATION

None.

9C. DISCLOSURES REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information contained under the captions "**INFORMATION ABOUT OUR EXECUTIVE OFFICERS**," "**PROPOSAL 1-ELECTION OF DIRECTORS**" and "**OTHER DIRECTOR INFORMATION, BOARD COMMITTEES, AND CORPORATE GOVERNANCE INFORMATION**" in our Definitive Proxy Statement on Schedule 14A for the 2023 Annual Meeting of Shareholders, to be filed with the SEC pursuant to Regulation 14A promulgated under the Exchange Act (the "Proxy Statement"), is incorporated herein by reference.

M 11. EXECUTIVE COMPENSATION

The information contained under the captions "**OTHER DIRECTOR INFORMATION, BOARD COMMITTEES, AND CORPORATE GOVERNANCE INFORMATION**," "**REPORT OF THE COMPENSATION COMMITTEE**," "**COMPENSATION DISCUSSION AND ANALYSIS**" and the related tabular disclosure, and "**FISCAL YEAR 2022 DIRECTOR COMPENSATION**" in the Proxy Statement is incorporated herein by reference. Notwithstanding the foregoing, the information contained in the Proxy Statement under the caption "**REPORT OF THE COMPENSATION COMMITTEE**" shall be deemed furnished, and not filed, in this Form 10-K and shall not be deemed incorporated by reference into any filing we make under the Securities Act of 1933, as amended, or the Exchange Act.

M 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDERS MATTERS

The information contained under the caption "**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**" and "**EQUITY COMPENSATION PLAN INFORMATION**" in the Proxy Statement is incorporated herein by reference.

M 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information contained under the captions "**CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**" and "**OTHER DIRECTOR INFORMATION, BOARD COMMITTEES, AND CORPORATE GOVERNANCE INFORMATION**" in the Proxy Statement is incorporated herein by reference.

M 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information contained under the caption "**AUDIT AND OTHER SERVICE FEES**" in the Proxy Statement is incorporated herein by reference.

PART IV

M 15. EXHIBITS, FINANCIAL STATEMENTS SCHEDULES

(a) The following documents are filed as a part of this Form 10-K:

(1) CONSOLIDATED FINANCIAL STATEMENTS

The following consolidated financial statements are included in Part II, Item 8 of this Form 10-K:

- Report of Independent Registered Public Accounting Firm
- Consolidated Statements of Operations for the years ended January 28, 2023, January 29, 2022, and January 30, 2021
- Consolidated Statements of Comprehensive Income (Loss) for the years ended January 28, 2023, January 29, 2022, and January 30, 2021

- Consolidated Balance Sheets as of January 28, 2023 and January 29, 2022
- Consolidated Statements of Shareholders' Equity for the years ended January 28, 2023, January 29, 2022, and January 30, 2021
- Consolidated Statements of Cash Flows for the years ended January 28, 2023, January 29, 2022, and January 30, 2021
- Notes to the Consolidated Financial Statements

(2) CONSOLIDATED FINANCIAL STATEMENT SCHEDULES

Schedules not filed are omitted because of the absence of the conditions under which they are required or because the required information is included in the financial statements or the notes thereto.

[Table of contents](#)

(3) and (b) EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference			Exhibit Number
		Form	File No.	Date of Filing	
2.1	Agreement and Plan of Merger, dated February 8, 2011, among DSW Inc., DSW MS LLC, and Retail Ventures, Inc.	8-K/A	001-32545	2/25/2011	2.1
2.2	Securities Purchase Agreement, dated as of October 10, 2018, by and among DSW Shoe Warehouse, Inc., ABG-Camuto, LLC, Camuto Group LLC, Camuto Consulting, Inc., Camuto Owners (as defined therein), Clear Thinking Group LLC, in the person of Stuart H. Kessler, solely in its capacity as Sellers' Representative (as defined therein) and Buyer Parents (as defined therein), solely with respect to the Parent Specified Sections.	8-K	001-32545	10/11/2018	2.1
2.2.1	Amendment to Securities Purchase Agreement, dated October 10, 2018, by and among DSW Shoe Warehouse, Inc., ABG-Camuto, LLC, Camuto Group LLC, Camuto Consulting, Inc., Camuto Owners (as defined therein), Clear Thinking Group LLC, in the person of Stuart H. Kessler, solely in its capacity as Sellers' Representative (as defined therein) and Buyer Parents (as defined therein), solely with respect to the Parent Specified Sections.	10-K	001-32545	03/26/2019	2.4.1
2.2.2	Side Letter to Securities Purchase Agreement, dated January 31, 2019, by and among DSW Shoe Warehouse, Inc., ABG-Camuto, LLC, Camuto Group LLC, Camuto Consulting, Inc., Camuto Owners (as defined therein), Clear Thinking Group LLC, in the person of Stuart H. Kessler, solely in its capacity as Sellers' Representative (as defined therein) and Buyer Parents (as defined therein), solely with respect to the Parent Specified Sections.	10-K	001-32545	03/26/2019	2.4.2
3.1	Amended and Restated Articles of Incorporation of Designer Brands Inc. dated March 19, 2019.	10-K	001-32545	03/26/2019	3.1
3.2	Amended and Restated Code of Regulations.	10-K	001-32545	04/13/2006	3.2
4.1	Specimen Class A Common Shares Certificate.	10-Q	001-32545	06/4/2019	4.1
4.2	Description of Designer Brands Inc.'s Securities Registered Under Section 12 of the Securities Exchange Act of 1934.	10-K	001-32545	5/1/2020	4.2
10.1	Corporate Services Agreement, dated June 12, 2002, between Retail Ventures and Schottenstein Stores Corporation.	10-Q	001-10767	06/18/2002	10.6
10.1.1	Amendment to Corporate Services Agreement, dated July 5, 2005, among Retail Ventures, Schottenstein Stores Corporation and Schottenstein Management Company together with Side Letter Agreement, dated July 5, 2005,	8-K	001-10767	07/11/2005	10.5

[Table of contents](#)

Exhibit Number	Exhibit Description	Incorporated by Reference			Exhibit Number
		Form	File No.	Date of Filing	
10.3#	DSW Inc. 2014 Long-Term Incentive Plan.	Schedule 14A	001-32545	4/30/2014	Appendix C
10.3.1#	First Amendment to DSW Inc. 2014 Long-Term Incentive Plan, dated January 31, 2018.	10-K	001-32545	3/26/2019	10.3.1
10.3.2#	Designer Brands Inc. 2014 Long-Term Incentive Plan (as Amended and Restated).	S-8	333-239853	7/14/2020	99.1
10.3.3#	Form of Restricted Stock Units Award Agreement for Employees (2020).	10-K	001-32545	5/1/2020	10.3.2
10.3.4#	Form of Stock Units for Automatic Grants to Non-employee Directors (2020).	10-K	001-32545	5/1/2020	10.3.3
10.3.5#	Form of Nonqualified Stock Option Award Agreement for Employees (2020).	10-K	001-32545	5/1/2020	10.3.4
10.3.6#	Form of Performance-Based Restricted Stock Units Award Agreement for Employees (2020).	10-K	001-32545	5/1/2020	10.3.5
10.3.7#	Form of Restricted Stock Units Award Agreement for Canada Employees (2020).	10-K	001-32545	5/1/2020	10.3.6
10.3.8#*	Form of Performance Share Agreement (2021).	-	-	-	-
10.3.9#*	Form of Director Stock Unit Agreement (2021).	-	-	-	-
10.4#*	Designer Brands Inc. Cash Incentive Plan.	-	-	-	-
10.5	Form of Indemnification Agreement between Designer Brands Inc. and its officers and directors.	10-K	001-32545	5/1/2020	10.7
10.6	Management Agreement, dated November 1, 2012, between Schottenstein Property Group, LLC and 810 AC LLC, a wholly owned subsidiary of DSW.	8-K	001-32545	11/1/2012	10.2
10.7#	Employment Agreement, dated March 27, 2009, between William L. Jordan and DSW Inc.	10-K	001-32545	4/1/2009	10.61
10.7.1#	First Amendment to Employment Agreement, dated November 9, 2015, between William L. Jordan and DSW Inc.	10-K	001-32545	3/24/2016	10.29.1
10.8#	Amended and Restated Standard Executive Severance Agreement, dated December 6, 2019, between Designer Brands Inc. and Roger Rawlins.	10-Q	001-32545	12/10/2019	10.1
10.9#	Standard Executive Severance Agreement, dated July 20, 2016, between Jared Poff and DSW Inc.	10-Q	001-32545	9/1/2016	10.1
10.10#	Standard Executive Severance Agreement, dated April 9, 2020, between Mary Turner and Designer Brands Inc.	10-K	001-32545	5/1/2020	10.21
10.11#*	Standard Executive Severance Agreement, dated January 30, 2022, between James Weinberg and Designer Brands Inc.	-	-	-	-
10.12#	Credit Agreement, dated as of March 30, 2022, among Designer Brands Inc., Designer Brands Canada Inc., certain of domestic and Canadian subsidiaries as borrowers, other loan parties hereto, the lenders party thereto, The Huntington National Bank, as	8-K	001-32545	4/5/2022	10.1

[Table of contents](#)

Exhibit Number	Exhibit Description	Incorporated by Reference			Exhibit Number
		Form	File No.	Date of Filing	
10.14#*	Transition and Consulting Agreement, dated January 4, 2023, between Roger L. Rawlins and Designer Brands Inc.	-	-	-	-
10.15#*	Amended Executive Severance Agreement, dated January 4, 2023, between David H. Howe and Designer Brands, Inc.	-	-	-	-
21.1*	List of Subsidiaries.	-	-	-	-
23.1*	Consent of Independent Registered Public Accounting Firm.	-	-	-	-
24.1*	Powers of Attorney.	-	-	-	-
31.1*	Rule 13a-14(a)/15d-14(a) Certification - Principal Executive Officer.	-	-	-	-
31.2*	Rule 13a-14(a)/15d-14(a) Certification - Principal Financial Officer.	-	-	-	-
32.1**	Section 1350 Certification - Principal Executive Officer.	-	-	-	-
32.2**	Section 1350 Certification - Principal Financial Officer.	-	-	-	-
101*	The following materials from the Designer Brands Inc. Annual Report on Form 10-K for the year ended January 28, 2023, formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) Consolidated Statements of Operations; (ii) Consolidated Statements of Comprehensive Income (Loss); (iii) Consolidated Balance Sheets; (iv) Consolidated Statements of Shareholders' Equity; (v) Consolidated Statements of Cash Flows; and (vi) Notes to Consolidated Financial Statements.	-	-	-	-
104*	Cover Page Interactive Data File, formatted in iXBRL and contained in Exhibit 101.	-	-	-	-

* Filed herewith

** Furnished herewith

Management contract or compensatory plan or arrangement

(c) Additional Financial Statement Schedules

None.

M 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Exchange Act, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DESIGNER BRANDS INC.

March 16, 2023

By: /s/ Jared A. Poff

Jared A. Poff,
Executive Vice President and Chief Financial Officer

Pursuant to the requirements of the Exchange Act, this report has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ Roger L. Rawlins</u> Roger L. Rawlins	Chief Executive Officer and Director (Principal Executive Officer)	March 16, 2023
<u>/s/ Jared A. Poff</u> Jared A. Poff	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	March 16, 2023
<u>/s/ Mark Haley</u> Mark Haley	Senior Vice President and Controller (Principal Accounting Officer)	March 16, 2023
<u> *</u> Jay L. Schottenstein	Executive Chairman of the Board and Director	March 16, 2023
<u> *</u> Peter S. Cobb	Director	March 16, 2023
<u> *</u> Elaine J. Eisenman	Director	March 16, 2023
<u> *</u> Tami J. Fersko	Director	March 16, 2023
<u> *</u> Joanna T. Lau	Director	March 16, 2023
<u> *</u> Rich Paul	Director	March 16, 2023
<u> *</u> Joseph A. Schottenstein	Director	March 16, 2023
<u> *</u> Harvey L. Sonnenberg	Director	March 16, 2023
<u> *</u> Allan J. Tanenbaum	Director	March 16, 2023
<u> *</u> Joanne Zaiac	Director	March 16, 2023

*By: /s/ Jared A. Poff
 Jared A. Poff (Attorney-in-fact)

DESIGNER BRANDS INC. FORM OF PERFORMANCE SHARE AGREEMENT

This Agreement is entered into in Franklin County, Ohio. On the Grant Date, Designer Brands Inc., an Ohio corporation (the “Company”), has awarded to the Participant a Performance Award (the “Performance Shares” or “Award”), representing an unfunded unsecured promise of the Company to deliver Class A Common Shares, without par value, of the Company (the “Shares”) to the Participant as set forth herein. The Performance Shares have been granted pursuant to the Designer Brands Inc. 2014 Long-Term Incentive Plan, as amended (the “Plan”), and shall be subject to all provisions of the Plan, which are incorporated herein by reference, and shall be subject to the provisions of this Performance Share Agreement (this “Agreement”). Capitalized terms used in this Agreement which are not specifically defined shall have the meanings ascribed to such terms in the Plan. To the extent the terms and conditions set forth in this Agreement differ in any way from the terms and conditions set forth in the Plan, the terms of the Plan shall govern.

1. Vesting.

a. General. The right to receive the Shares underlying the Performance Shares shall be subject to the Company’s achievement of the Performance Goal described in 1(b) below. In addition to the requirement of achieving the Performance Goal, the right to receive the Shares underlying the Performance Shares shall be subject to the Participant’s satisfaction of the employment requirements described in Sections 1(d) and 3 of this Agreement.

b. Performance Goal. The Performance Goal, and the Threshold, Target and Maximum performance levels, will be determined by the Committee and performance will be based on achievement of such Performance Goal during the Company’s [date] fiscal year for the period beginning [date] and ending on [date] (the “Performance Period”). The Company will provide a supplement to this Agreement detailing the Performance Goal, as well as Threshold, Target and Maximum performance levels. If the specific financial performance is above Threshold and between performance levels, the Committee will interpolate between Threshold, Target, and Maximum to calculate the number of Shares that may vest. The Award will be cancelled if the Threshold level of the Performance Goal is not achieved. Achievement of the Performance Goal and whether the Participant has satisfied performance-based criteria sufficiently to be entitled to an Award subject the terms and conditions of this Agreement are satisfied shall be determined by the Committee.

c. Change in Control during the Performance Period. Notwithstanding Section 1(b), in the event of a Change in Control prior to the last day of the Performance Period and subject to the Participant’s continued employment through the date of the Change in Control, the Performance Goal shall be deemed earned in full “at target” level as of the date of the Change in Control.

d. Timing of Vesting. The Performance Shares shall vest on the third anniversary of the Grant Date (the “Vesting Date”), subject to the Company’s achievement of the Performance Goal and the Participant’s continued employment through the Vesting Date. Vesting is further subject to the provisions of this Agreement.

2. Transferability. The Award generally shall not be transferrable except as otherwise provided under this Agreement and the Plan.

3. Termination of Employment.

a. General. Except as set forth below or as otherwise provided for in an Employment Arrangement (as defined in Section 14), if the Participant’s employment terminates prior to the Vesting Date, then the Participant’s Award will be cancelled and the Award shall be forfeited by the Participant. The Participant will thereupon cease to have any right or entitlement to receive any Shares with

respect to the cancelled Award. For the avoidance of doubt, a change in the capacity in which the Participant renders services to the Company and its Subsidiaries from an Employee to a Consultant, Director or other service provider shall not be considered continuous employment for purposes of this Agreement and such change in capacity shall result in cancellation and forfeiture of the Award.

b. Death and Disability. If the Participant's employment terminates by reason of Participant's death or Disability prior to the vesting in full of the Award, then any unvested portion of the Award shall, except as otherwise provided in this Agreement, immediately vest in full and shall not be forfeited so long as the Performance Goal is achieved or the Participant's termination of employment on account of death or Disability occurs during the Performance Period. If the Participant's death or Disability occurs during the Performance Period, the Performance Shares shall vest in full "at target" level as of the date of the Participant's death or Disability. If the Participant's death or Disability occurs after the Performance Period, the Performance Shares, if any, will vest as of the later to occur of (i) the date that the Committee certifies performance in accordance with Section 1(b) above or (ii) the date of the Participant's termination of employment on account of death or Disability, in either case, based on actual performance during the Performance Period, as determined by the Committee in accordance with Section 1(b) above.

c. **Termination in Connection with a Change in Control.** In the event of a Change in Control, if the Award is assumed or replaced by a successor corporation (or an affiliate thereto) or other successor or person or otherwise continues following the Change in Control, and the Participant's employment is terminated upon or within two years following the Change Control on account of a termination of employment by the Company other than for Cause, or by the Participant for Good Reason, the Performance Shares will vest on the date of such termination of employment; provided however, that if the termination of employment occurs following the end of the Performance Period and Section 1(c) does not apply, the Performance Shares shall vest as of the later to occur of (i) the date that the Committee certifies performance in accordance with Section 1(b) above or (ii) the date of the Participant's termination of employment by the Company other than for Cause, or by the Participant for Good Reason. If the Change in Control occurs prior to the end of the Performance Period, the number of Shares that will vest upon such termination of employment will be the number of Performance Shares earned "at target" level in accordance with Section 1(c) above and, if the Change in Control occurs after the end of the end of the Performance Period, the number of Shares that will vest upon such termination of employment will be the number of Performance Shares determined by the Committee based on actual performance during the Performance Period, as determined by the Committee in accordance with Section 1(b) above.

4. **Payment.** The Participant shall be entitled to receive from the Company (without any payment on behalf of the Participant other than as described in Paragraph 8) the whole Shares represented by the Award (and cash for any fractional Share interest); provided, however, that in the event that such Award vests prior to the Vesting Date as a result of the death or Disability of the Participant or as a result of a termination by the Company without Cause or by the Participant for Good Reason upon or within two years following a Change in Control, the Participant shall be entitled to receive the corresponding Shares from the Company on the date of such vesting; provided further that once the Performance Shares have vested under this Agreement, the Committee will determine the number of Shares represented by the Performance Shares and deliver the total number of Shares (and cash for any fractional Share interest) due to the Participant as soon as administratively possible after the date of vesting (but in no event later than the 15th day of the third month after such date). In the event of the Participant's death, payment shall be made to the Participant's designated beneficiary, or absent such designation, in accordance with the laws of descent and distribution.

5. **Dividend Equivalents.** To the extent that cash dividends are paid on Shares after the Grant Date and before the date the Participant receives the Shares subject to Performance Shares subject to this Agreement, the Performance Shares hereunder will be credited with an additional number of Performance Shares to reflect reinvested dividend equivalents with respect to the period of time between the Grant Date and the delivery of Shares under this Agreement. Such dividend equivalent credits will be equal in value (based on the reported dividend rate on the date dividends were paid) to the amount of dividends paid on the Shares represented by the Performance Shares under this Agreement. The Performance Shares will be credited with whole Performance Shares equal to the dollar amount of the reinvested dividend equivalents based on the Fair Market Value on the dividend payment dates. The Participant shall vest in the additional Performance Shares in accordance with Sections 1 and 3 of this Agreement in the same manner that the Participant vests in the original grant of Performance Shares. These additional Performance Shares will be distributed in whole Shares in accordance with Section 4 of this Agreement. If and to the extent that the underlying Performance Shares are forfeited, all related Performance Shares added to reflect reinvested dividend equivalents in accordance with this Section 5 shall also be forfeited.

6. **Right of Set-Off.** By accepting these Performance Shares, the Participant consents to a deduction from, and set-off against, any amounts owed to the Participant by the Company or a Subsidiary from time to time (including, but not limited to, amounts owed to the Participant as wages, severance payments or other fringe benefits) to the extent of the amounts owed to the Company or a Subsidiary by the Participant under this Agreement.

7. **No Shareholder Rights.** The Participant shall have no rights of a shareholder with respect to the Performance Shares, including, without limitation, voting rights and actual dividend rights with respect to the Shares represented by the Performance Shares.

8. **Withholding Tax.**

a. Generally. The Participant is liable and responsible for all taxes owed in connection with the Award regardless of any action the Company takes with respect to any tax withholding obligations that arise in connection with the Award. The Company does not make any representation or undertaking regarding the tax treatment or the treatment of any tax withholding in connection with the grant or vesting of the Award or the subsequent sale of Shares issuable pursuant to the Award. The Company does not commit and is under no obligation to structure the Award to reduce or eliminate the Participant's tax liability.

b. Payment of Withholding Taxes. Prior to any event in connection with the Award (e.g., vesting or settlement) that the Company determines may result in any domestic or foreign tax withholding obligation, whether national, federal, state or local, including any employment tax obligation (the "Tax Withholding Obligation"), the Participant is required to arrange for the satisfaction of the minimum amount of such Tax Withholding Obligation in a manner acceptable to the Company. Unless

the Participant elects to satisfy the Tax Withholding Obligation by an alternative means that is then permitted by the Company, the Participant's acceptance of this Agreement constitutes the Participant's instruction and authorization to the Company to withhold on the Participant's behalf the number of shares from those Shares issuable to the Participant at the time when the Award becomes vested and payable as the Company determines to be sufficient to satisfy the Tax Withholding Obligation. In the case of any amounts withheld for taxes pursuant to this provision in the form of Shares, the amount withheld shall not exceed the minimum required by applicable law and regulations.

9. **Governing Law/Venue for Dispute Resolution.** This Agreement shall be governed by the laws of the State of Ohio, without regard to principles of conflicts of law, except to the extent superseded by the laws of the United States of America. **The parties agree and acknowledge that the laws of the State of Ohio bear a substantial relationship to the parties and/or this Agreement and that the Award and benefits granted herein would not be granted without the governance of this Agreement by the laws of the State of Ohio. In addition, all legal actions or proceedings relating to this Agreement must be brought exclusively in state or federal courts located in Franklin County, Ohio and the parties executing this Agreement hereby consent to the personal jurisdiction of such courts.** Any provision of this Agreement which is determined by a court of competent jurisdiction to be invalid or unenforceable should be construed or limited in a manner that is valid and enforceable and that comes closest to the business objectives intended by such provision, without invalidating or rendering unenforceable the remaining provisions of this Agreement.

10. **Action by the Committee.** The parties agree that the interpretation of this Agreement shall rest exclusively and completely within the sole discretion of the Committee. The parties agree to be bound by the decisions of the Committee with regard to the interpretation of this Agreement and with regard to any and all matters set forth in this Agreement. The Committee may delegate its functions under this Agreement to an officer of the Company designated by the Committee (hereinafter the "Designee") to the extent permitted by applicable law. In fulfilling its responsibilities hereunder, the Committee or its Designee may rely upon documents, written statements of the parties or such other material as the Committee or its Designee deems appropriate. The parties agree that there is no right to be heard or to appear before the Committee or its Designee and that any decision of the Committee or its Designee relating to this Agreement shall be final and binding.

11. **Prompt Acceptance of Agreement.** The Award evidenced by this Agreement shall, at the discretion of the Committee, be forfeited if this Agreement is not manually executed and returned to the Company, or electronically executed by the Participant by indicating the Participant's acceptance of this Agreement in accordance with the acceptance procedures set forth on the Company's third-party equity plan administrator's web site, within 90 days of the Grant Date.

12. **Electronic Delivery and Consent to Electronic Participation.** The Company may, in its sole discretion, decide to deliver any documents related to the Award under and participation in the Plan or future Awards that may be granted under the Plan by electronic means or to request the Participant's consent to participate in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company, including the acceptance of the Award and the execution of the Agreement through electronic signature.

13. **Notices.** All notices, requests, consents and other communications required or provided under this Agreement to be delivered by the Participant to the Company will be in writing and will be deemed sufficient if delivered by hand, facsimile, nationally recognized overnight courier, or certified or registered mail, return receipt requested, postage prepaid, and will be effective upon delivery to the Company at the address set forth below:

Designer Brands Inc.
810 DSW Drive
Columbus, Ohio 43219

Attention: SVP Human Resources
Facsimile: (614) 872-1475

With a copy to:

Designer Brands Inc.
810 DSW Drive
Columbus, Ohio 43219
Attention: General Counsel
Facsimile: (614) 872-1475

All notices, requests, consents and other communications required or provided under this Agreement to be delivered by the Company to the Participant may be delivered by e-mail or in writing and will be deemed sufficient if delivered by e-mail, hand, facsimile, nationally recognized overnight courier, or certified or registered mail, return receipt requested, postage prepaid, and will be effective upon delivery to the Participant.

14. **Employment Agreement, Offer Letter or Other Arrangement.** To the extent a written employment agreement, offer letter or other arrangement (“Employment Arrangement”) that was approved by the Committee or the Board of Directors or that was approved in writing by an officer of the Company pursuant to delegated authority of the Committee provides for greater benefits to the Participant with respect to vesting of the Award on termination of employment, than provided in this Agreement or in the Plan, then the terms of such Employment Arrangement with respect to vesting of the Award upon the termination of the Participant’s employment by reason of such specified events shall supersede the terms hereof to the extent permitted by the terms of the Plan.

15. **Code Section 409A.** This Agreement shall be interpreted in accordance with Code Section 409A so as to comply with an exception to Code Section 409A, or to the extent that this Agreement provides deferred compensation, to be in compliance with Code Section 409A. This Agreement is intended to be exempt from Code Section 409A under the “short term deferral” exception. References to termination of employment, and similar terms shall be interpreted in a manner consistent with the definition of “separation from service” under Code Section 409A, to the extent required by Code Section 409A. Notwithstanding anything to the contrary in this Agreement, if the Participant is a “specified employee” for purposes of Code Section 409A, then if necessary to avoid the imposition of additional taxes or interest under Code Section 409A, the Company shall not deliver the corresponding Shares otherwise payable upon the Participant’s termination of employment until the first business day after the date that is six months after the Participant’s “separation from service” under Code Section 409A. This Agreement shall be deemed to be modified to the maximum extent necessary to be in compliance with Code Section 409A’s rules. If the Participant is unexpectedly required to include in the Participant’s current year’s income any amount of compensation relating to this Award because of a failure to meet the requirements of Code Section 409A, then to the extent permitted by Code Section 409A, the Participant may receive a distribution of cash or Shares in an amount not to exceed the amount required to be included in income as a result of the failure to comply with Code Section 409A. In no event may the Participant directly or indirectly designate the calendar year of a payment, except as expressly permitted by Code Section 409A. Notwithstanding the foregoing, the Participant recognizes and acknowledges that Code Section 409A may impose certain taxes or interest charges upon the Participant for which the Participant is and shall remain solely responsible.

16. **Entire Agreement.** Except as otherwise provided in this Agreement, this Agreement and the Plan are: (a) intended to be the final, complete, and exclusive statement of the terms of the agreement between the Participant and the Company with regard to the subject matter of this Agreement; (b) supersede all other prior agreements, communications and statements, whether written or oral, express or implied, pertaining to that subject matter; and (c) may not be contradicted by evidence of any prior or contemporaneous statements or agreements, oral or written, and not be explained or supplemented by evidence of consistent additional terms.

17. **No Employment Rights.** Nothing in this Agreement will provide the Participant with any right to continue in the Company’s and its affiliates’ employ for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company and its affiliates to terminate the Participant’s service at any time for any reason, with or without cause.

18. **Nature of Award.** The Participant acknowledges that (a) the future value of the underlying Shares is unknown and cannot be predicted with certainty and (b) in consideration of the grant of the Performance Shares, no claim or entitlement to compensation or damages shall arise from termination of the Performance Shares or diminution in value of the Shares received upon settlement including (without limitation) any claim or entitlement resulting from termination of the Participant’s active employment by the Company or a Subsidiary (for any reason whatsoever and whether or not in breach of local labor laws) and the Participant hereby releases the Company and its Subsidiaries from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by accepting the Performance Shares and this Agreement, the Participant shall be deemed irrevocably to have waived his or her entitlement to pursue such claim.

19. **Clawback.** Notwithstanding any provisions in this Agreement to the contrary, any compensation, benefits or payments provided hereunder (or profits realized from the sale of Shares delivered hereunder), shall be subject to recoupment and recapture to the extent necessary to comply with the requirements of Section 7.01 of the Plan, any Company-adopted policy and/or laws or regulations,

including, but not limited to, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the Exchange Act, Section 304 of the Sarbanes-Oxley Act of 2002, any stock exchange listed company manual or any rules or regulations promulgated thereunder with respect to such laws, regulations and/or securities exchange listing requirements, as may be in effect from time to time, and which may operate to create additional rights for the Company with respect to this grant and recovery of amounts relating thereto. By accepting this Award, the Participant agrees and acknowledges that the Participant is obligated to cooperate with, and provide any, and all assistance necessary to, the Company to recover, recoup or recapture this Award or amounts paid under this Award pursuant to such law, government regulation, stock exchange listing requirement or Company policy. Such cooperation and assistance shall include, but is not limited to, executing, completing and submitting any documentation necessary to recover, recoup or recapture this Award or amounts paid under this Award from the Participant's accounts, or pending or future compensation or other grants.

DESIGNER BRANDS INC.

By: /s/ David Giesman
Name: David Giesman
Its: Vice President, Global Total Rewards



ACCEPTANCE OF AGREEMENT

The Participant hereby: (a) acknowledges that he or she has received a copy of the Plan, and a copy of the Plan description (Prospectus) pertaining to the Plan; (b) accepts this Agreement and the Performance Shares granted to him or her under this Agreement subject to all provisions of the Plan and this Agreement; (c) represents that he or she understands that the acceptance of this Agreement through an on-line or electronic system, if applicable, carries the same legal significance as if he or she manually signed the Agreement; and (d) agrees that no transfer of the Shares delivered in respect of the Performance Shares shall be made unless the Shares have been duly registered under all applicable Federal and state securities laws pursuant to a then-effective registration which contemplates the proposed transfer or unless the Company has received a written opinion of, or satisfactory to, its legal counsel that the proposed transfer is exempt from such registration.

Participant Name

Date:

Designer Brands Inc.
2014 LONG-TERM INCENTIVE PLAN (AS AMENDED AND RESTATED)

FORM OF STOCK UNITS
GRANTED TO [BOARD MEMBER NAME] ON [____]

Designer Brands Inc. (“Company”) and its shareholders believe that their business interests are best served by extending to you an opportunity to earn additional compensation based on the growth of the Company’s business. To this end, the Company and its shareholders adopted the Designer Brands Inc. 2014 Long-Term Incentive Plan, as amended and restated (“Plan”) as a means through which you may share in the Company’s success. Accordingly, the Company hereby grants you an Award of Restricted Stock Units (“Stock Units”), which will be converted to Class A Common Shares of the Company if the conditions described in this Award Agreement are met.

The terms and conditions of this award are set forth in this Award Agreement, the Plan and the Plan Prospectus. To the extent the terms and conditions set forth in this letter or the attachment differ in any way from the terms set forth in the Plan, the terms of the Plan shall govern. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Plan

This Award Agreement describes many features of your Award and the conditions you must meet before you may receive the value associated with your Award. To ensure you fully understand these terms and conditions, you should:

- Read the Plan and the Plan’s Prospectus carefully to ensure you understand how the Plan works;
- Read this Award Agreement carefully to ensure you understand the nature of your Award and what must happen if you are to earn it; and

Action for you to take:

Please sign and submit the Award Agreement below no later than [_____]. If you do not do this, your Award may be revoked automatically as of the Grant Date and you will not be entitled to receive anything on account of the retroactively revoked Award.

Section 409A of the Internal Revenue Code (“Section 409A”) imposes substantial penalties on persons who receive some forms of deferred compensation (see the Plan’s Prospectus for more information about these penalties). Your Award has been designed to avoid these penalties. However, because the Internal Revenue Service periodically issues new rules that further define the effect of Section 409A, it may be necessary to revise your Award Agreement if you are to avoid these penalties. As a condition of accepting this Award, you must agree to accept those revisions, without any further consideration, even if those revisions change the terms of your Award and reduce its value or potential value.

Nature of Your Award

Grant and Vesting Date: Your Stock Units were granted on [_____] and vested immediately upon grant.

Number of Stock Units: You have been granted _____ Stock Units in payment of a portion of your annual retainer. Although these Stock Units are not actual shares of Company Stock, they will be credited with “dividend equivalents” at the same rate and at the same time

cash dividends are paid on actual shares of Company Stock. These dividend equivalents will be converted to additional Stock Units based on the amount of cash dividends paid and the Fair Market Value (as defined in the Plan) of a share of Company Stock. These additional Stock Units will be distributed at the same time and subject to the same terms and conditions that apply to other Stock Units granted with this Award Agreement. If and to the extent the underlying Stock Units are forfeited, all additional Stock Units that were converted from dividend equivalents in accordance with this paragraph will be forfeited.

The conditions that must be met before the Award is converted into shares of Company Stock are discussed below in the Section titled “When Your Award Will Be Settled.”

When Your Award Will Be Settled

Normal Settlement: Your Stock Units normally will be settled and converted to an equal number of shares of Company Stock in accordance with the election you previously made for Stock Units granted to you in calendar year [date]. Such settlement date is the “Normal Settlement Date.”

How Your Stock Units Might Be Settled Before the Normal Settlement Date: If there is a Change in Control (as defined in the Plan) before the Normal Settlement Date, your Stock Units will be settled as of the date of the Change in Control.

How Your Stock Units May Be Forfeited: Your Stock Units will be cancelled and you will forfeit any Stock Units if, before they are settled and before a Change in Control, your board service ends because:

- You materially fail to substantially perform your position or duties;
- You engage in illegal or grossly negligent conduct that is materially injurious to the Company or any Subsidiary (as defined in the Plan);
- You materially violate any law or regulation governing the Company or any Subsidiary;
- You commit a material act of fraud or dishonesty which has had or is likely to have a material adverse effect upon the Company's (or any Subsidiary's) operations or financial conditions;
- You materially breach the terms of any other agreement with the Company or any Subsidiary; or
- You breach any term of the Plan or this Award Agreement.

Upon your Stock Units being cancelled, you will cease to have any right or entitlement to receive any shares with respect to those cancelled Stock Units.

Also, if you terminate your board service for any reason other than those just listed and the Company subsequently discovers that you actively concealed an act, event or failure that is within those just listed and the Company could not have discovered that act, event or failure through reasonable diligence before your termination, you will be required to repay to the Company the full value you received under this Award.

Settling Your Award

Your Stock Units will be settled automatically in accordance with the election you previously made for stock units granted to you in calendar year [date]. At that time, you will receive one share of Company Stock for each Stock Unit.

Other Rules Affecting Your Award

Rights Before Your Stock Units Are Settled: Until your Stock Units are settled, you may not exercise any voting rights, nor will you have any actual dividend rights, associated with the shares underlying your Stock Units. See Section titled "Nature of Your Award – Number of Stock Units for a description of how dividend equivalents will be credited and paid on your Stock Units.

Beneficiary Designation: You may name a "Beneficiary" or Beneficiaries to receive any Stock Units to be settled after you die. This may be done only on the Beneficiary Designation Form on file and by following the rules described in that form and in the Plan. If you die without making an effective Beneficiary designation, the Stock Units subject to this Award will be converted to shares and distributed to your surviving spouse or, if you do not have a surviving spouse, to your estate.

Tax Withholding: You (and not the Company) are solely responsible for any income and other taxes (including payment of estimated taxes) associated with this Award or its conversion to shares of Company Stock.

Transferring Your Stock Units: Normally, your Stock Units may not be transferred to another person. However, you may complete a Beneficiary Designation Form to name the person to receive any Stock Units settled after you die. Also, the Committee may allow you to place your Stock Units into a trust established for your benefit or the benefit of your family.

Governing Law: This Award Agreement will be construed in accordance with and governed by the laws of the United States and the laws of the State of Ohio (other than laws governing conflicts of laws).

Other Agreements: Your Stock Units will be subject to the terms of any other written agreements between you and the Company.

Adjustments to Your Stock Units: Your Stock Units will be adjusted, if appropriate, to reflect any change to the Company's capital structure (e.g., the number of your Stock Units will be adjusted to reflect a stock split).

Nature of Award: The grant of Stock Units under this Award Agreement shall not confer upon you any right to continued service with the Company.

Other Rules: Your Stock Units also are subject to more rules described in the Plan and in the Plan's Prospectus. You should read both these documents carefully to ensure you fully understand all the conditions of this Award.

Entire Agreement: Except as otherwise provided in this Award Agreement, this Award Agreement and the Plan are: (a) intended to be the final, complete, and exclusive statement of the terms of the agreement between you and the Company with regard to the subject matter of this Award Agreement; (b) supersede all other prior agreements, communications and statements, whether written or oral, express or implied, pertaining to that subject matter; and (c) may not be contradicted by evidence of any prior or contemporaneous statements or agreements, oral or written, and not be explained or supplemented by evidence of consistent additional terms. To the extent the terms and conditions set forth in this Award Agreement differ in any way from the terms and conditions set forth in the Plan, the terms of the Plan shall govern.

Tax Treatment of Your Award

This Award is intended to comply with Section 409A of the Code (or an exception thereto) and the regulations promulgated thereunder and shall be construed accordingly. Notwithstanding, you recognize and acknowledge that Section 409A of the Code may impose upon you certain taxes or interest charges for which you are and shall remain solely responsible. A more complete description of the federal income tax treatment of your Stock Units is discussed in the Plan's Prospectus.

Your Acknowledgment of Award Conditions

By signing below, I acknowledge and agree that:

- A copy of the Plan has been made available to me;
- I have received a copy of the Plan's Prospectus;
- I understand and accept the conditions placed on my Award and understand what I must do to earn my Award; and
- I will consent (in my own behalf and in behalf of my beneficiaries and without any further consideration) to any change to my Award or this Award Agreement to avoid paying penalties under Section 409A of the Internal Revenue Code, even if those changes affect the terms of my Award and reduce its value or potential value.

[BOARD MEMBER NAME]

(signature)

Date signed: _____

Committee's Acknowledgment of Receipt

A signed copy of this Award Agreement was received on _____.

By: _____

Compensation Committee

Date: _____

DESIGNER BRANDS INC. CASH INCENTIVE COMPENSATION PLAN**1.00 PURPOSE AND EFFECTIVE DATE**

1.01 Purpose: This Plan is an amendment and restatement of the DSW Inc. 2005 Cash Incentive Compensation Plan and is intended to foster and promote the financial success of the Company and Subsidiaries and to increase shareholder value by [1] providing Participants an opportunity to receive incentive compensation if specified objectives are met and [2] enabling the Company to attract and retain the services of outstanding employees upon whose judgment, interest and special efforts the successful conduct of the Company's business is largely dependent. The Plan has been amended to remove outdated provisions applicable to "qualified performance-based compensation" under Code §162(m) and make other appropriate changes.

1.02 Effective Date: The Plan will be effective upon its adoption by the Board (the "Effective Date").

2.00 DEFINITIONS

When used in this Plan, the following terms have the meanings given to them in this section unless another meaning is expressly provided elsewhere in this document or clearly required by the context. When applying these definitions and any other word, term or phrase used in this Plan, the form of any word, term or phrase will include any and all of its other forms.

Act. The Securities Exchange Act of 1934, as amended, or any successor statute of similar effect even if the Company is not subject to the Act.

Award. A grant made under this Plan consisting of an opportunity to receive a cash bonus if terms and conditions specified in the Award Notice are met.

Award Notice. The written or electronic notice delivered to the Participant that describes the terms and conditions that must be met if an Award is to be paid. If there is a conflict between the terms of this Plan and the terms of the Award Notice, the terms of the Plan will govern.

Board. The Company's Board of Directors.

Change in Control. The earliest of any of the following events to occur:

1. The acquisition by any individual, entity or group (within the meaning of §13(d)(3) or §14(d)(2) of the Act and for purposes of this definition, a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Act) of voting securities of the Company where such acquisition causes such Person to own 30% or more of the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of the Board (the "Outstanding Voting Securities"); provided, however, that for purposes of this paragraph [1], the following acquisitions shall not be deemed to result in a Change in Control: [a] any acquisition directly from the Company; [b] any acquisition by the Company or a Subsidiary; [c] any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Subsidiary; [d] any acquisition by any corporation pursuant to a transaction that complies with clauses [a], [b], and [c] of paragraph [3] below; [e] any acquisition by Jay L. Schottenstein, Schottenstein Stores Corporation or any of their respective affiliates; or [f] any acquisition by any trust established for the benefit of Jay L. Schottenstein or any of his spouse, children

or lineal descendants or any other Person controlled by such trust; provided, further, that if any person's beneficial ownership of the Outstanding Voting Securities reaches or exceeds 30% as a result of a transaction described in clause [a] or [b] of this paragraph [1], and such Person subsequently acquires beneficial ownership of additional voting securities of the Company, such subsequent acquisition shall be treated as an acquisition that causes such Person to own 30% or more of the Outstanding Voting Securities;

2. Individuals who, as of the Effective Date, constitute the Board (the "**Incumbent Board**") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a Director subsequent to the Effective Date whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the Directors then comprising the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of Directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board shall be deemed to be a member of the Incumbent Board;
 3. Consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Company or a Subsidiary, a sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or stock of another entity by the Company or a Subsidiary (each, a "**Business Combination**"),
-

excluding, however, such a Business Combination pursuant to which **[a]** all or substantially all of the individuals and entities who were the beneficial owners of the Outstanding Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries); **[b]** no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination; and **[c]** at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

4. Approval of the shareholders of the Company of a complete liquidation or dissolution of the Company.

Code. The Internal Revenue Code of 1986, as amended or superseded after the Effective Date and any applicable rulings or regulations issued under the Code.

Committee. The Compensation Committee with respect to Awards granted to executive officers of the Company. With respect to Awards granted to employees who are not executive officers of the Company, the "Committee" shall mean the Chief Executive Officer of the Company or other member of the management team of the Company, as designated by the Compensation Committee.

Company. Designer Brands Inc., an Ohio corporation, and any and all successors to it.

Compensation Committee. The Board's Compensation Committee.

Director. A member of the Board.

Disability. Unless the Committee specifies otherwise in the Award Notice, the Participant's permanent and total disability which enables the Participant to be eligible for and receive a disability benefit under the federal Social Security Act.

Employee. Any person who, on any applicable date, is a common law employee of the Company or any Subsidiary. A worker who is classified as other than a common law employee but who is subsequently reclassified as a common law employee of the Company for any reason and on any basis will be treated as a common law employee only from the date that reclassification occurs and will not retroactively be reclassified as an Employee for any purpose of this Plan.

Participant. Any Employee to whom an Award has been granted.

Performance Criteria. The criteria described in Section 5.01.

Performance Period. The period over which the Committee will determine if applicable Performance Criteria have been met.

Plan. This Designer Brands Inc. Cash Incentive Compensation Plan, as it may be amended from time to time.

Stock. The Class A common stock, without par value, issued by the Company or any security issued by the Company in substitution, exchange or in place of these shares.

Subsidiary. Any corporation or other entity in which the Company, directly or indirectly, controls 50% or more of the total combined voting power of such corporation or other entity, or any other corporation or other entity in which the Company has a significant equity interest, in either case as determined by the Committee.

Termination or Terminated. Unless the Committee specifies otherwise in the Award Notice, [1] cessation of the employee-employer relationship between a Participant and the Company and all Subsidiaries for any reason or [2] with respect to a Participant who is an Employee of a Subsidiary, a severance or diminution of the Company's direct or indirect ownership after which that entity is no longer a Subsidiary and after which that person is not an Employee of the Company or any entity that then is a Subsidiary. However, a Termination will not have occurred while the Participant is absent from active employment for a period of not more than three months (or, if longer, the period during which reemployment rights are protected by law, contract or written agreement, including the Award Notice, between the Participant and the Company) due to illness, military service or other leave of absence approved by the Committee.

3.00 PARTICIPATION

3.01 Participation.

1. Consistent with the terms of the Plan and subject to Section 3.02, the Committee will [a] decide which Employees will be granted Awards and [b] specify the terms upon which an Award will be granted and may be paid.
2. The Committee may establish different terms and conditions for each Award.

3.02 Conditions of Participation. By accepting an Award, each Participant agrees:

1. To be bound by the terms of the Award Notice and the Plan and to comply with other conditions imposed by the Committee; and
2. That the Committee (or the Board, as appropriate) may amend the Plan and the Award Notice without any additional consideration to the extent necessary to avoid penalties arising under Code §409A, even if those amendments reduce, restrict or eliminate rights granted under the Plan or Award Notice (or both) before those amendments.
3. That all decisions and determinations of the Committee shall be final and binding on the Participant, his or her beneficiaries and any other person having or claiming an interest in such Award.

4.00 ADMINISTRATION

4.01 Committee Duties. The Committee is responsible for administering the Plan and has all powers appropriate and necessary to that purpose. Consistent with the Plan's objectives, the Committee may adopt, amend and rescind rules and regulations relating to the Plan, to the extent appropriate to protect the Company's and any Subsidiary's interests, and has complete discretion to make all other decisions (including whether a Participant has incurred a Disability) necessary or advisable for the administration and interpretation of the Plan. Any action by the Committee will be final, binding and conclusive for all purposes and upon all persons.

4.02 Delegation of Ministerial Duties. In its sole discretion, the Committee may delegate any ministerial duties associated with the Plan to any person (including Employees) that it deems appropriate.

4.03 Award Notice. At the time an Award is made, the Committee will prepare and deliver an Award Notice to each affected Participant. The Award Notice:

1. Will describe the Award and when and how it may be paid;
2. To the extent different from the terms of the Plan, will describe [a] any conditions that must be met before the Award may be paid, including Performance Criteria and [b] any other applicable terms and conditions affecting the Award.

5.00 AWARDS

5.01 Performance Criteria.

1. Payment of Awards will be based on one or more (or a combination of) factors that the Committee believes are relevant and appropriate, which may include the following Performance Criteria, and which may be applied solely with

reference to the Company (and/or any Subsidiary) or relatively between the Company (and/or any Subsidiary) and one or more unrelated entities:

- a. Net earnings or net income (before or after taxes);
 - b. Earnings per share;
 - c. Net sales or revenue growth;
 - d. Net operating profit;
 - e. Return measures (including, but not limited to, return on assets, capital, invested capital, equity, sales or revenue);
-

- f. Cash flow (including, but not limited to, operating cash flow, free cash flow, cash flow return on equity and cash flow return on investment);
- g. Earnings before or after taxes, interest, depreciation and/or amortization;
- h. Gross or operating margins;
- i. Productivity ratios;
- j. Share price (including, but not limited to, growth measures and total shareholder return);
- k. Expense targets;
- l. Margins;
- m. Operating efficiency;
- n. Market share;
- o. Customer satisfaction;
- p. Working capital targets; and
- q. Economic value added (net operating profit after tax minus the sum of capital multiplied by the cost of capital).

2. Different Performance Criteria may be applied to individual Participants or to groups of Participants and, as specified by the Committee, may be based on the results achieved **[a]** separately by the Company or any Subsidiary, **[b]** any combination of the Company and Subsidiaries or **[c]** any combination of segments, products or divisions of the Company and Subsidiaries.

3. The Committee:

- a. Will make appropriate adjustments to Performance Criteria to reflect the effect on any Performance Criteria of any stock dividend or stock split affecting Stock, recapitalization (including, without limitation, the payment of an extraordinary dividend), merger, consolidation, combination, spin-off, distribution of assets to shareholders, exchange of shares or similar corporate change. Also, the Committee will make a similar adjustment to any portion of a Performance Criteria that is not based on Stock but which is affected by an event having an effect similar to those just described.
- b. May make appropriate adjustments to Performance Criteria to reflect a substantive change in a Participant's job description or assigned duties and responsibilities.
- c. May provide that one or more Performance Criteria will be adjusted to reflect such events as the Committee deems appropriate, including, without limitation, the impact of charges for restructurings, discontinued operations, mergers, acquisitions, and other unusual or infrequently occurring items, and the cumulative

effects of tax or accounting changes, each as defined by United States generally accepted accounting principles, occurring during the applicable Performance Period.

5.02 Determining Awards. Subject to any terms, restrictions and conditions specified in the Plan or the Award Notice, and taking into account current and anticipated market and business conditions, as of the end of each Performance Period, the Committee will determine the extent to which each Participant has or has not met his or her Performance Criteria. Awards will be:

1. Forfeited, if Performance Criteria have not been met at the end of the Performance Period; or
 2. Subject to Section 5.03, valued and distributed, in a single lump sum cash payment as soon as practicable after the last day of the Performance Period to the extent that related Performance Criteria have been met and market and business conditions warrant, but in no event later than March 15 of the calendar year following the calendar year in which the Performance Period ends.
-

5.03 Deferral of Distribution. Each Participant may direct the Company to defer payment of all or any portion of his or her Award by electing to have that amount [1] credited to his or her account under any nonqualified deferred compensation plan (as defined in §201(2) of the Employee Retirement Income Security Act of 1974, as amended) maintained by the Company and designated by the Committee as an appropriate repository for these deferrals and [2] distributed under the terms of that plan. This election must be made at a time and in a manner that complies with Code §409A.

5.04 Effect of Termination.

1. **Termination Other Than For Death or Disability.** Unless otherwise provided in the Award Notice or otherwise approved by the Committee, and except in the case of a Termination on account of death or Disability, no Award will be paid to a Participant who Terminates before the end of a Performance Period.
2. **Termination Because of Death or Disability.** Unless otherwise provided in the Award Notice, a prorated Award will be paid to a Participant (or to his or her beneficiary) who Terminates on account of death or Disability, but only if the Performance Criteria applicable to that Performance Period are met at the end of that Performance Period. The amount paid will equal the Award the Participant would have received had his or her employment not Terminated on account of death or Disability before the end of the Performance Period, multiplied by a fraction, the numerator of which is the number of days between the beginning of the Performance Period and the date on which the Termination occurred, and the denominator is the total number of days in that Performance Period. This amount, if any, will be paid at the same time and in the same manner as the Award would have been paid had the Participant not Terminated.

6.00 CHANGE IN CONTROL

6.01 Accelerated Vesting and Settlement. Subject to Section 6.02, on the date of any Change in Control, all Performance Criteria will be deemed to have been met at the “target” level on the date of the Change in Control for all Participants who are employed by the Company or a Subsidiary on the date of the Change in Control (or who terminated on account of death or Disability during the Performance Period), all Performance Periods will end on the date of the Change in Control, and all Awards will be distributed in full on or immediately following the date of the Change in Control, but in no event later than March 15 of the calendar year following the calendar year in which the Change in Control occurs.

6.02 Effect of Code §280G. Unless otherwise specified in the Award Notice or in another written agreement between the Participant and the Company or a Subsidiary executed simultaneously with or before any Change in Control, if the sum (or value) of the payments described in Section 6.01 for a Participant constitutes an “excess parachute payment” as defined in Code §280G(b)(1) when combined with all other parachute payments attributable to the same Change in Control would but for this Section 6.02 be subject to the excise tax imposed under Code §4999 or any similar tax imposed by state or local law or any interest or penalties with respect to such taxes (collectively, the “**Excise Tax**”), then the Participant’s benefits under this Plan will be reduced so that the Participant’s total “parachute payment” as defined in Code §280G(b)(2)(A) under this Plan and all applicable agreements will be \$1.00 less than the amount that otherwise would generate an excise tax under Code §4999, but only if such reduction will result in the Participant’s receipt on an after-tax basis of the greatest amount of benefits after taking into account the applicable federal, state, local and foreign income, employment and excise taxes (including the Excise Tax).

7.00 AMENDMENT, MODIFICATION AND TERMINATION OF PLAN

The Board or the Committee may terminate, suspend or amend the Plan at any time without shareholder approval. No Plan amendment may, without the consent of the affected Participant (and except as specifically provided otherwise in this Plan or the Award Notice), adversely affect any Award granted before the amendment, modification or termination. However, nothing in this section will restrict the

Committee's right to amend the Plan and any Award Notice without any additional consideration to affected Participants to the extent necessary to avoid penalties arising under Code §409A, even if those amendments reduce, restrict or eliminate rights granted under the Plan or Award Notice (or both) before those amendments.

8.00 MISCELLANEOUS

8.01 Assignability. Except as described in this section, an Award may not be transferred except by will or the laws of descent and distribution.

8.02 Beneficiary Designation. Each Participant may name a beneficiary or beneficiaries (who may be named contingently or successively) to receive any Award that becomes payable on account of or after the Participant's death. Each designation made will revoke all prior designations made by the same Participant, must be made on a form prescribed by the Committee and will be effective only when filed in writing with the Committee. If a Participant has not made an effective beneficiary designation,

the deceased Participant's beneficiary will be his or her surviving spouse or, if none, the deceased Participant's estate. The identity of a Participant's designated beneficiary will be based only on the information included in the latest beneficiary designation form completed by the Participant and will not be inferred from any other evidence.

8.03 No Guarantee of Continuing Services. Nothing in the Plan may be construed as:

1. Interfering with or limiting the right of the Company or any Subsidiary to Terminate any Employee's employment at any time;
2. Conferring on any Participant any right to continue as an Employee of the Company or any Subsidiary;
3. Guaranteeing that any Employee will be selected to be a Participant; or
4. Guaranteeing that any Participant will receive any future Awards.

8.04 Tax Withholding. The Company will withhold from the Award or from other amounts owed to the Participant an amount sufficient to satisfy federal, state and local withholding tax requirements on any Award.

8.05 Indemnification. Each individual who is or was a member of the Committee or a Director will be indemnified and held harmless by the Company against and from any loss, cost, liability or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit or proceeding to which he or she may be made a party or in which he or she may be involved by reason of any action taken or not taken under the Plan as a Committee or Director and against and from any and all amounts paid, with the Company's approval, by him or her in settlement of any matter related to or arising from the Plan as a Committee or Director or paid by him or her in satisfaction of any judgment in any action, suit or proceeding relating to or arising from the Plan against him or her as a Committee or Director, but only if he or she gives the Company an opportunity, at its own expense, to handle and defend the matter before he or she undertakes to handle and defend it in his or her own behalf. The right of indemnification described in this section is not exclusive and is independent of any other rights of indemnification to which the individual may be entitled under the Company's organizational documents, by contract, as a matter of law or otherwise. The foregoing right of indemnification is not exclusive and is independent of any other rights of indemnification to which the person may be entitled under the Company's organizational documents, by contract, as a matter of law or otherwise.

8.06 No Limitation on Compensation. Nothing in the Plan is to be construed to limit the right of the Company to establish other plans or to pay compensation to its employees or Directors, in cash or property, in a manner not expressly authorized under the Plan.

8.07 Unfunded Arrangement. The Plan is an unfunded incentive compensation arrangement. Nothing contained in the Plan, and no action taken pursuant to the Plan, shall create or be construed to create a trust of any kind. Each Participant's right to receive an Award shall be no greater than the right of an unsecured general creditor of the Company or any Subsidiary. All Awards shall be paid from the general funds of the Employer, and no special or separate fund shall be established and no segregation of assets shall be made to assure payment of Awards.

8.08 Requirements of Law. The grant of Awards will be subject to all applicable laws, rules and regulations and to all required approvals of any governmental agencies or national securities exchange, market or other quotation system.

8.09 Governing Law. The Plan, and all agreements hereunder, will be construed in accordance with and governed by the laws (other than laws governing conflicts of laws) of the State of Ohio.

8.10 No Impact on Benefits. Plan Awards are incentives designed to promote the objectives described in Section 1.00. Also, Awards are not compensation for purposes of calculating a Participant's rights under any employee benefit plan that does not specifically require the inclusion of Awards in calculating benefits.

8.11 Successors. The Plan shall be binding upon and inure to the benefit of the Company, Subsidiaries, its successors and assigns, and each Participant and his or her heirs, executors, administrators and legal representatives.

8.12 Section 409A. The Plan is intended to comply with the short-term deferral rule set forth in the regulations under Code §409A. If and to the extent that any payment under this Plan is deemed to be nonqualified deferred compensation subject to the requirements of Code §409A, this Plan shall be administered so that such payments are made in accordance with the requirements of Code §409A.

8.13 Clawback Policy. Awards granted under the Plan are subject to the terms of the Company's recoupment, clawback or similar policy as it may be in effect from time to time. By accepting Awards under the Plan, Participants agree and acknowledge that they are obligated to cooperate with, and provide any and all assistance necessary to, the Company to recover

or recoup any Awards under the Plan that are subject to clawback. Such cooperation and assistance shall include, but is not limited to, executing, completing, and submitting any documentation necessary to recover or recoup any Award from a Participant's account, or from future compensation or Awards.

STANDARD EXECUTIVE SEVERANCE AGREEMENT

BETWEEN

DESIGNER BRANDS INC.

AND

JIM WEINBERG

This Standard Executive Severance Agreement (“Agreement”) by and between Designer Brands Inc. (the “Company”) and Jim Weinberg (the “Executive”), collectively, the “Parties,” is effective as of the date signed (the “Effective Date”) and supersedes and replaces any other oral or written employment-related agreement between the Executive and the Company.

RECITALS

WHEREAS, the severance offer to the Executive is provided by the Company in exchange for the Executive’s performance of the obligations described in this Agreement. The Executive agrees that the severance offered is adequate consideration for the performance of the duties and the covenants and releases made and entered into by and between the Executive and the Company in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and intending to be legally bound hereby, the Company and the Executive agree to the following:

AGREEMENT

1.00 EXECUTIVE’S OBLIGATIONS

1.01 Scope of Duties. The Executive will:

[1] Devote all available business time, best efforts and undivided attention to the Company’s business and affairs; and

[2] Not engage in any other business activity, whether or not for gain, profit or other pecuniary benefit.

[3] However, the restriction described in Section 1.02[1] and [2] will not preclude the Executive from:

[a] Making or holding passive investments in outstanding shares in the securities of publicly-owned companies or other businesses [other than ownership of 2% or more of the voting stock of any organizations described in Section 1.05], regardless of when and how that investment was made; or

[b] Serving on corporate, civic, religious, educational and/or charitable boards or committees but only if this activity [i] does not interfere with the performance of duties under this Agreement and [ii] is approved by the Executive’s manager.

1.02 Confidential Information.

[1] Obligation to Protect Confidential Information. The Executive acknowledges that the Company and its subsidiaries, parent corporation and affiliated entities (collectively, “Group” and separately, “Group Member”) have a legitimate and continuing proprietary interest in the protection of Confidential Information (as defined in Section 1.02[2]) and have invested, and will continue to invest, substantial sums of money to develop, maintain and protect Confidential Information. The Executive agrees **[a]** during and after employment with all Group Members whether or not such termination was voluntary **[i]** that any Confidential Information will be held in confidence and treated as proprietary to the Group, **[ii]** not to use or disclose any Confidential Information except to promote and advance the Group’s business interests and **[b]** immediately upon termination from employment with all Group Members, whether or not such termination was voluntary, to return to the Company any Confidential Information.

[2] Definition of Confidential Information. For purposes of this Agreement, Confidential Information includes any confidential data, figures, projections, estimates, pricing data, customer lists, buying manuals or procedures, distribution manuals or procedures, other policy and procedure manuals or handbooks, supplier information, tax records, personnel histories and records, information regarding sales, information regarding properties and any other Confidential Information regarding the business, operations, properties or personnel of the Group (or any Group Member) which are disclosed to or learned by the Executive as a result of employment with any Group Member, but will not include **[a]** the Executive’s personal personnel

records or [b] any information that [i] the Executive possessed before the date of initial employment (including periods before the Effective Date) with any Group Member that was a matter of public knowledge, [ii] became or becomes a matter of public knowledge through sources independent of the Executive, [iii] has been or is disclosed by any Group Member expressly providing for no restrictions on its use, [iv] has been or is required to be disclosed by law or governmental order or regulation, or [v] the Executive discloses to the appropriate governmental or regulatory agency solely for the purpose of reporting, participating in an investigation of, or participating in a proceeding involving a suspected violation of law. The Executive also agrees that, if there is any reasonable doubt whether an item is public knowledge, to not regard the item as public knowledge until and unless the General Counsel of the Company confirms to the Executive that the information is public knowledge or an arbitrator, acting under Section 6.00, finally decides that the information is public knowledge.

[3] Intellectual Property. The Executive expressly acknowledges that all right, title and interest to all inventions, designs, discoveries, works of authorship, and ideas conceived, produced, created, discovered, authored, or reduced to practice during the Executive's performance of services under this Agreement, whether individually or jointly with any Group Member (the "Intellectual Property") shall be owned solely by the Group, and shall be subject to the restrictions set forth in Section 1.02[1] above. All Intellectual Property which constitutes copyrightable subject matter under the copyright laws of the United States shall, from the inception of creation, be deemed to be a "work made for hire" under the United States copyright laws and all right, title and interest in and to such copyrightable works shall vest in the Group. All right, title and interest in and to all Intellectual Property developed or produced under this Agreement by the Executive, whether constituting patentable subject matter or copyrightable subject matter (to the extent deemed not to be a "work made for hire") or otherwise, shall be assigned and is hereby irrevocably assigned to the Group by the Executive. The Executive shall, without any additional consideration, execute all documents and take all other actions needed to convey the Executive's complete ownership interest in any Intellectual Property to the Group so that the Group may own and protect such Intellectual Property and obtain patent, copyright and trademark registrations for it. The Executive agrees that any Group Member may alter or modify the Intellectual Property at the Group Member's sole discretion, and the Executive waives all right to claim or disclaim authorship.

1.03 Solicitation of Employees. The Executive agrees that during employment, and for the longer of any period of salary continuation or for two years after terminating employment with all Group Members, whether or not such termination was voluntary, the Executive will [1] not, directly or indirectly, solicit any employee of any Group Member to leave employment with the Group, [2] not, directly or indirectly, employ or seek to employ any employee of any Group Member and [3] not cause or induce any of the Group's (or Group Member's) competitors to solicit for employment or employ any employee of any Group Member.

1.04 Solicitation of Third Parties. The Executive agrees that during employment, and for the longer of any period of salary continuation or for two years after terminating employment with all Group Members, whether or not such termination was voluntary, not, directly or indirectly, to recruit, solicit or otherwise induce or influence any customer, supplier, sales representative, lender, lessor, lessee or any other person having a business relationship with the Group (or any Group Member) to discontinue or reduce the extent of that relationship except in the course of discharging the duties described in this Agreement and with the good faith objective of advancing the Group's (or any Group Member's) business interests.

1.05 Non-Competition. The Executive agrees that for the longer of any period of salary continuation or for one year after terminating employment with all Group Members, not, directly or indirectly, to accept employment with, act as a consultant to, or otherwise perform services that are substantially the same or similar to those for which the Executive was compensated by any Group Member (this comparison will be based on job-related functions and responsibilities and not on job title) for any business that directly competes with the Group's (or any Group Member's) business, which is understood by the Parties to be the sale of significant branded footwear regardless of whether it is offered at full-price, at discount or off-price, and regardless of the channel of distribution (such as department stores, specialty retail stores, for sale at "first-cost" or wholesale rates and/or for sale online), and the manufacture and design of footwear. Illustrations of businesses that compete with the Group's business include, but are not limited to, Amazon (footwear and accessories); Caleres Inc.; Champs Sports; Deckers Outdoor; Dick's Sporting Goods; Famous Footwear; Finish Line; Foot Locker;

Genesco; Kohl's (footwear); Macy's; Marc Fisher Footwear; Nordstrom and Nordstrom Rack (Non-apparel); Off Broadway Shoes; Shoe Carnival; Skechers USA; Steve Madden; Stuart Weitzman; The TJX Companies, Inc. (T.J. Maxx; Marshall's; The Maxx; Marmaxx); Walmart; Wolverine World Wide; and Zappos. This restriction applies to any parent, division, affiliate, newly formed or purchased business(es) and/or successor of a business that competes with the Group's (or any Group Member's) business.

1.06 Post-Termination Cooperation. As is required of the Executive during employment, the Executive agrees that during and after employment with any Group Members and without additional compensation (other than reimbursement for reasonable associated expenses), to cooperate with the Group (and with each Group Member) in the following areas:

[1] Cooperation With the Company. The Executive agrees [a] to be reasonably available to answer questions for the Group's (and any Group Member's) officers regarding any matter, project, initiative or effort for which the Executive was responsible while employed by any Group Member and [b] to cooperate with the Group (and with each Group Member) during the course of all third-party proceedings arising out of the Group's (and any Group Member's) business about which the Executive has knowledge or information. For purposes of this Agreement, [c] "proceedings" includes internal investigations,

administrative investigations or proceedings, arbitrations, and lawsuits (including pre-trial discovery and trial testimony) and **[d]** “cooperation” includes **[i]** the Executive being reasonably available for interviews, meetings, depositions, hearings and/or trials without the need for subpoena or assurances by the Group (or any Group Member), **[ii]** preserving and providing any and all documents in the Executive’s possession that relate to the proceeding, and **[iii]** providing assistance in locating any and all relevant notes and/or documents.

[2] Cooperation With Third Parties. Unless compelled to do so by lawfully-served subpoena or court order, the Executive agrees not to communicate with, or give statements or testimony to, any opposing attorney, opposing attorney’s representative (including private investigator) or current or former employee relating to any matter (including pending or threatened lawsuits or administrative investigations) about which the Executive has knowledge or information (other than knowledge or information that is not Confidential Information as defined in Section 1.02[2]) as a result of employment with the Group (or any Group Member) except in cooperation with the Company. The Executive also agrees to notify the General Counsel of the Company immediately after being contacted by a third party or receiving a subpoena or court order to appear and testify with respect to any matter affected by this Section.

[3] Cooperation With Media. The Executive agrees not to communicate with, or give statements to, any member of the media (including print, television or radio media) relating to any matter (including pending or threatened lawsuits or administrative investigations) about which the Executive has knowledge or information (other than knowledge or information that is not Confidential Information as defined in Section 1.02[2]) as a result of employment with the Group (or any Group Member). The Executive also agrees to notify the General Counsel of the Company immediately after being contacted by any member of the media with respect to any matter affected by this Section.

1.07 Non-Disparagement. The Executive and the Company (on its behalf and on behalf of the Group and each Group Member) agree that neither will make any disparaging remarks about the other and the Executive will not make any disparaging remarks about the Company’s Chairman, Chief Executive Officer or any of the Group’s senior executives. However, this Section will not preclude **[1]** any remarks that may be made by the Executive under the terms of Section 1.06[2] or that are required to discharge the duties described in this Agreement or **[2]** the Company from making (or eliciting from any person) disparaging remarks about the Executive concerning any conduct that may lead to a termination for Cause, as defined in Section 2.03 (including initiating an inquiry or investigation that may result in a termination for Cause), but only to the extent reasonably necessary to investigate the Executive’s conduct and to protect the Group’s (or any Group Member’s) interests.

1.08 Notice of Subsequent Employment. The Executive agrees to immediately notify the Company of any subsequent employment during the period of salary continuation after employment terminates.

1.09 Nondisclosure. The Executive agrees not to disclose the terms of this Agreement in any manner to any person other than the Executive’s manager, one of the Company’s Vice Presidents of Human Resources (or any Company representative they expressly approve for such disclosure), the Executive’s personal attorney, accountant and financial advisor, and the Executive’s immediate family or as otherwise required by law.

1.10 Remedies. The Executive acknowledges that money will not adequately compensate the Group for the substantial damages that will arise upon the breach of any provision of Section 1.00. For this reason, any disputes arising under Section 1.00 will not be subject to arbitration under Section 6.00. If the Executive breaches or threatens to breach any provision of Section 1.00, the Company will be entitled, in addition to other rights and remedies, to specific performance, injunctive relief and other equitable relief to prevent or restrain any breach or threatened breach of Section 1.00.

1.11 Return of Company Property. Upon termination of employment, the Executive agrees to promptly return to the Company all property belonging to the Group or any Group Member.

2.00 TERMINATION AND RELATED BENEFITS

2.01 Rules of General Application. The following rules apply generally to the implementation of Section 2.00:

[1] Method of Payment. If the amount of any installment payments is or becomes less than or equal to the applicable dollar amount under Section 402(g)(1)(B) of the Internal Revenue Code of 1986, the Company may elect to pay such remaining installments as a lump sum.

[2] Application of Pro Rata. Any pro rata share required to be paid under Section 2.00 will be based on the number of days between the first day of the fiscal year during which the Executive terminates employment and the date that the Executive terminates employment divided by the number of days in the fiscal year during which the Executive terminates employment.

2.02 Involuntary Termination Without Cause. The Company may terminate the Executive's employment at any time Without Cause (as defined below) by delivering to the Executive a written notice specifying the date termination is to be

effective. If all requirements of this Agreement are met, the Company will make the following payments to the Executive as of the effective date of Involuntary Termination Without Cause:

[1] Base Salary. For twelve (12) months beginning on the date of Involuntary Termination Without Cause, the Company will continue to pay the Executive's base salary at the rate in effect on the effective date of Involuntary Termination Without Cause. If such amount exceeds two times the annual compensation limit prescribed by Section 401(a)(17) of the Internal Revenue Code of 1986 (the "Involuntary Termination Limit"), then the Company will pay the severance obligation described in this Section 2.02[1] in two payment streams. The first payment stream will be equal to the Involuntary Termination Limit, and the Company will pay this amount in 12 monthly installments, beginning on the date of Involuntary Termination Without Cause. The amount of the second payment stream will equal the amount in excess of the Involuntary Termination Limit. The Company will pay this amount in six monthly installments beginning on the date that is six months after the date of the Executive's Involuntary Termination Without Cause. As a condition of this salary continuation, the Executive is expected to promptly and reasonably pursue new employment. If during the salary continuation period the Executive becomes employed either as an employee or a consultant, the Executive's base salary paid by the Company will be reduced by fifty percent (50%) of the base salary amount for the remainder of the salary continuation period. The Executive agrees to immediately notify the Company of any subsequent employment or consulting work during the period of salary continuation.

[2] Health Care. The Company will reimburse the Executive for the cost of maintaining continuing health coverage under COBRA for a period of no more than twelve (12) months following the effective date of Involuntary Termination Without Cause, less the amount the Executive is expected to pay as a regular employee premium for such coverage. Such reimbursements will cease if the Executive becomes eligible for similar coverage under another benefit plan. The Executive agrees to immediately notify the Company if the Executive becomes eligible for coverage under another benefit plan.

[3] Pro-Rata Cash Incentive Bonus. The Company will pay to the Executive the pro-rata share of any cash incentive bonus earned for the amount of time they were employed; provided, however, that this pro-rata share will be paid only when **[a]** the Executive was an eligible participant in the applicable bonus plan(s) as of the date of Executive's involuntary termination Without Cause; and **[b]** the cash incentive bonus performance requirements have been achieved for all eligible participants in the plan(s), as determined by the Company. The pro-rata calculation will be based on the number of calendar days the Executive was employed from the start of the applicable cash incentive bonus plan performance period until the Executive's termination date, as a percent of the total number of calendar days in the bonus plan performance period. The cash incentive bonus will be paid at the same time and using the same methods as all other eligible participants.

[4] Equity Incentives. Subject to the terms of the Designer Brands Inc. 2005 Equity Incentive Plan, the Designer Brands Inc. 2014 Equity Incentive Plan, any future shareholder approved Company equity plan, and any applicable agreement, the Executive shall have the following rights:

[a] For these purposes, "Award" means any award granted under the Designer Brands Inc. 2005 Equity Incentive Plan, the Designer Brands Inc. 2014 Equity Incentive Plan, any future shareholder approved Company equity plan, and any other agreement, as such term is defined in the applicable plan.

[b] With respect to nonqualified stock options, Executive will have ninety (90) days from the effective date of Involuntary Termination Without Cause, or the grant expiration date set forth in the applicable stock option agreement between the Executive and the Company, whichever period is shorter, to exercise any portion of any outstanding nonqualified stock options that are vested and exercisable on the effective date of Involuntary Termination Without Cause, subject to the trading rules set forth in the Company's policies and procedures, including the Designer Brands Inc. Insider Trading policy.

[c] With respect to Awards that would vest solely upon the passage of time and such vesting date would occur within the twelve (12) month period following the effective date of Involuntary Termination Without Cause, such Award shall vest and, if applicable, be awarded to the Executive as of the date of termination Without Cause.

[d] With respect to Awards that would vest upon the satisfaction of a specified requirement, or upon satisfaction of the passage of time and satisfaction of a specified requirement; in the event that all such requirements are satisfied prior to the expiration of the twelve (12) month period following the date of termination Without Cause, such Award shall vest and be awarded to the Executive upon the satisfaction of all applicable requirements.

[5] Other. Any rights accruing to the Executive under any employee benefit plan, fund or program maintained by any Group Member will be distributed or made available as required by the terms of the plan fund or program or as required by law.

2.03 Definition of Cause. For these purposes, Cause means the Executive's **[a]** breach of Section 1.00 of this Agreement, including Scope of Duties, Confidential Information, Solicitation of Employees, Solicitation of Third Parties, Non-Competition, Post-Termination Cooperation, Non-Disparagement, Nondisclosure, and Return of Company Property; **[b]** willful, illegal or

grossly negligent conduct that is materially injurious to the Company or any Group Member monetarily or otherwise; [c] violation of laws or regulations governing the Company or to any Group Member; [d] breach of any fiduciary duty owed to the Company or any Group Member, expressly including the duties of good faith, ordinary care, and to act in a manner that is not opposed to the best interests of the Company; [e] material misrepresentation or dishonesty in violation of the Company's policies and procedures; [f] involvement in any act of moral turpitude that has or could reasonably have an injurious effect on the Company (or any Group Member) or its reputation; or [g] breach of the terms of any non-solicitation or confidentiality clauses contained in any agreement(s) with a former employer. By way of non-limiting example, conduct constituting Cause under part [f] of this Section 2.03 includes the Executive's engagement in or facilitation of, as determined by the Company, any form of harassment, sexual or otherwise, or any other sexual misconduct. The Company's dissatisfaction with the Executive's performance, or the business results achieved, shall not, in and of itself, constitute Cause under this Section.

2.04 Subsequent Information. The terms of Section 2.03 will apply if, after the Executive terminates, the Company learns of an event that, had it been known before the Executive terminated employment, would have justified a termination for Cause. In this case, the Company will be entitled to recover (and the Executive agrees to repay) any amounts (other than legally protected benefits) that the Executive received.

For purposes of this Agreement, "Involuntary Termination Without Cause" and "Without Cause" mean termination of the Executive's employment by the Company for any reason other than those set forth in Section 2.03 or 2.04.

3.00 NOTICE

3.01 How Given. Any notice permitted or required to be given under this Agreement must be given in writing and delivered in person or by registered, U.S. mail, return receipt requested, postage prepaid, or through Federal Express, UPS, DHL or any other reputable professional delivery service that maintains a confirmation of delivery system. Any delivery must be addressed to the Company's General Counsel at the Company's then-current corporate offices or to the Executive at the Executive's address as contained in the Executive's personnel file.

3.02 Effective Date. Any notice permitted or required to be given under this Agreement will be effective on the date it is delivered, in the event of personal delivery, or on the date its receipt is acknowledged, in the event of delivery by registered mail or through a professional delivery service described in Section 3.01.

4.00 RELEASE

In exchange for the payments and benefits described in Section 2.02 of this Agreement, upon termination the Executive and the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees, legatees and assigns (together, the "Executive Representatives") agree to execute a release forever discharging the Company, the Group and each Group Member and their executives, officers, directors, agents, attorneys, successors and assigns, from any and all claims, suits and/or causes of action that grow out of or are in any way related to the Executive's recruitment to or employment with the Company and all Group Members, other than: (i) any claim that the Company has breached this Agreement, and (ii) any charge filed with an administrative agency (although the Executive and the Executive Representatives waives any right to recover any money or other benefits arising from such charge(s)). This release includes, but is not limited to, any claims that the Company, the Group or any Group Member violated the Employee Retirement and Income Security Act of 1974; the Age Discrimination in Employment Act; the Older Worker's Benefit Protection Act; the Americans with Disabilities Act; Title VII of the Civil Rights Act of 1964 (as amended); the Family and Medical Leave Act; any law prohibiting discrimination, harassment or retaliation in employment; any claim of promissory estoppel or detrimental reliance, defamation, intentional infliction of emotional distress; or the public policy of any state, or any federal, state or local law. If the Executive or the Executive Representatives fails to execute this release, the Executive or the Executive Representatives agrees to forego any payment from the Company as if the Executive had terminated employment voluntarily. Specifically, the Executive and

the Executive Representatives agree that a necessary condition for the payment of any of the amounts described in Section 2.00 in the event of termination is the Executive's or the Executive Representatives' execution of this release upon termination of employment. The Executive acknowledges that the Executive is an experienced senior executive knowledgeable about the claims that might arise in the course of employment with the Company and knowingly agrees that the payments upon termination provided for in this Agreement are satisfactory consideration for the release of all possible claims. The Executive is advised to consult with an attorney prior to executing this Agreement. Upon termination, the Executive or the Executive Representatives will receive twenty-one (21) days to consider this release. The Executive or the Executive Representatives may revoke consent to the release by delivering a written notice of such revocation to the Company within seven (7) days of signing the release. If the Executive or the Executive Representatives revokes consent to the release, the release will become null and void and the Executive or the Executive Representatives must return any compensation received under Section 2.02 of this Agreement, except salary the Executive earned for actual work.

5.00 INSURANCE

To the extent permitted by law and its organizational documents, the Company will include the Executive under any liability insurance policy the Company maintains for employees of comparable status. The level of coverage will be at least as

favorable to the Executive (in amount and each other material respect) as the coverage of other employees of comparable status. This obligation to provide insurance for the Executive will survive termination of this Agreement with respect to proceedings or threatened proceedings based on acts or omissions occurring during the Executive's employment with the Company or with any Group Member.

6.00 ARBITRATION

6.01 Acknowledgement of Arbitration. Unless stated otherwise in this Agreement, the Parties agree that arbitration is the sole and exclusive remedy for each of them to resolve and redress any dispute, claim or controversy involving the interpretation of this Agreement or the terms, conditions or termination of this Agreement or the terms, conditions or termination of the Executive's employment with the Group and with each Group Member, including any claims for any tort, breach of contract, violation of public policy or discrimination, whether such claim arises under federal or state law.

6.02 Scope of Arbitration. The Executive expressly understands and agrees that claims subject to arbitration under this Section include asserted violations of the Employee Retirement and Income Security Act of 1974; the Age Discrimination in Employment Act; the Older Worker's Benefit Protection Act; the Americans with Disabilities Act; Title VII of the Civil Rights Act of 1964 (as amended); the Family and Medical Leave Act; any law prohibiting discrimination, harassment or retaliation in employment; any claim of promissory estoppel or detrimental reliance, defamation, intentional infliction of emotional distress; or the public policy of any state, or any federal, state or local law.

6.03 Effect of Arbitration. The Parties intend that any arbitration award relating to any matter described in Section 6.00 will be final and binding on them and that a judgment on the award may be entered in any court of competent jurisdiction, and enforcement may be had according to the terms of that award. This Section will survive the termination or expiration of this Agreement.

6.04 Location of Arbitration. Arbitration will be held in Columbus, Ohio, and will be conducted by a retired federal judge or other qualified arbitrator. The arbitrator will be mutually agreed upon by the Parties and the arbitration will be conducted in accordance with the National Rules for the Resolution of Employment Disputes of the American Arbitration Association. The Parties will have the right to conduct discovery pursuant to the Federal Rules of Civil Procedure; provided, however, that the arbitrator will have the authority to establish an expedited discovery schedule and cutoff and to resolve any discovery disputes. The arbitrator will have no jurisdiction or authority to change any provision of this Agreement by alterations of, additions to or subtractions from the terms of this Agreement. The arbitrator's sole authority will be to interpret or apply any provision(s) of this Agreement or any public law alleged to have been violated. The arbitrator will be limited to awarding compensatory damages, including unpaid wages or benefits, but, to the extent allowed by law, will have no authority to award punitive, exemplary or similar-type damages.

6.05 Time for Initiating Arbitration. Any claim or controversy not sought to be submitted to arbitration, in writing, within one-hundred-twenty (120) days of the date the Party asserting the claim knew, or through reasonable diligence should have known, of the facts giving rise to that Party's claim, will be deemed waived and the Party asserting the claim will have no further right to seek arbitration or recovery with respect to that claim or controversy. Both Parties agree to strictly comply with the time limitation specified in Section 6.00. For purposes of this Section, a claim or controversy is sought to be submitted to arbitration on the date the complaining Party gives written notice to the other that [1] an issue has arisen or is likely to arise that, unless resolved otherwise, may be resolved through arbitration under Section 6.00 and [2] unless the issue is resolved otherwise, the complaining Party intends to submit the matter to arbitration under the terms of Section 6.00.

6.06 Costs of Arbitration. The Company will bear the arbitrator's fee and other costs associated with any arbitration, unless the arbitrator, acting under Federal Rule of Civil Procedure 54(b), elects to award these fees to the Company.

6.07 Arbitration Exclusive Remedy. The Parties acknowledge that, because arbitration is the exclusive remedy for resolving issues arising under this Agreement, neither Party may resort to any federal, state or local court or administrative agency concerning breaches of this Agreement or any other matter subject to arbitration under Section 6.00, except as otherwise provided in this Agreement, and that the decision of the arbitrator will be a complete defense to any suit, action or proceeding instituted in any federal, state or local court before any administrative agency with respect to any arbitrable claim or controversy.

6.08 Waiver of Jury. The Executive and the Company each waive the right to have a claim or dispute with one another decided in a judicial forum or by a jury, except as otherwise provided in this Agreement.

7.00 GENERAL PROVISIONS

7.01 Representation of Executive. The Executive represents and warrants that the Executive is not under any contractual or legal restraint that prevents or prohibits the Executive from entering into this Agreement or performing the duties and obligations described in this Agreement.

7.02 Modification or Waiver; Entire Agreement. No provision of this Agreement may be modified or waived except in a document signed by the Executive and the Company's Chief Executive Officer, Chief Financial Officer, Chief Administrative Officer or other person designated by the Company's Board of Directors. This Agreement (including the recitals to this Agreement which are incorporated and shall constitute a part of this Agreement), and any attachments referenced in the Agreement, constitute the entire agreement between the Parties regarding the employment relationship described in this Agreement, and any other agreements are superseded, replaced, terminated and of no further force or legal effect. No agreements or representations, oral or otherwise, with respect to the Executive's employment relationship with the Company have been made or relied upon by either Party which are not set forth expressly in this Agreement.

7.03 Governing Law; Severability. This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules and regulations. If any provision of this Agreement, or the application of any provision of this Agreement to any person or circumstance, is, for any reason and to any extent, held invalid or unenforceable, such invalidity and unenforceability will not affect the remaining provisions of this Agreement or its application to other persons or circumstances, all of which will be enforced to the greatest extent permitted by law and the Executive and the Company agree that the arbitrator (or judge) is authorized to reform the invalid or enforceable provision [1] to the extent needed to avoid the invalidity or unenforceability and [2] in a manner that is as similar as possible to the intent (as described in this Agreement). The validity, construction and interpretation of this Agreement and the rights and duties of the Parties will be governed by the laws of the State of Ohio, without reference to the Ohio choice of law rules.

7.04 No Waiver. Except as otherwise provided in Section 6.05, failure to insist upon strict compliance with any term of this Agreement will not be considered a waiver of any such term.

7.05 Withholding. All payments made to the Executive under this Agreement will be reduced by any amount:

[1] That the Company is required to withhold in advance payment of the Executive's federal, state and local income, wage and employment tax liability; and

[2] To the extent allowed by law, that the Executive owes (or, after employment is deemed to owe) to the Company. However, application of Section 7.05[2] will not extinguish the Company's right to seek additional amounts from the Executive (or to pursue other appropriate remedies) to the extent that the amount that may be recovered by application of Section 7.05[2] does not fully discharge the amount the Executive owes to the Company and does not preclude the Company from proceeding directly against the Executive without first exhausting its right of recovery under Section 7.05[2].

7.06 Survival. Subject to the terms of the Executive's Beneficiary designation form, the Parties agree that the covenants and promises set forth in this Agreement will survive the termination of this Agreement and continue in full force and effect.

7.07 Miscellaneous.

[1] The Executive may not assign any right or interest to, or in, any payments payable under this Agreement; provided, however, that this prohibition does not preclude the Executive from designating in writing one or more beneficiaries to receive any amount that may be payable after the Executive's death and does not preclude the legal representative of the Executive's estate from assigning any right under this Agreement to the person or persons entitled to it.

[2] This Agreement will be binding upon and will inure to the benefit of the Executive, the Executive's heirs and legal representatives and the Company and its successors.

[3] The headings in this Agreement are inserted for convenience of reference only and will not be a part of or control or affect the meaning of any provision of the Agreement.

7.08 Successors to Company. This Agreement may and will be assigned or transferred to, and will be binding upon and will inure to the benefit of, any successor of the Company, and any successor will be substituted for the Company under the terms of this Agreement. As used in this Agreement, the term “successor” means any person, firm, corporation or business entity which at any time, whether by merger, purchase or otherwise, acquires all or essentially all of the assets of the business of the Company. Notwithstanding any assignment, the Company will remain, with any successor, jointly and severally liable for all its obligations under this Agreement.

7.09 IRC Section 409A Compliance. The parties will administer this Agreement in a good faith attempt to avoid imposition on the Executive of penalties under Section 409A of the Internal Revenue Code of 1986 and the guidance promulgated thereunder. If the Executive is a “specified employee” as defined under Section 409A, and to the extent any payments under this Agreement are otherwise payable in the period beginning with the termination date and ending six months after the termination date and would subject the Executive to penalties under Section 409A, such payments will be delayed, aggregated, and paid as soon as practicable after the date that is six months after the date of termination. For purposes of this Agreement,

“termination of employment” or any similar term shall be interpreted consistent with the definition of “separation from service” under Section 409A.

[Signature Page Follows]



IN WITNESS WHEREOF, the Parties have duly executed and delivered this Agreement, which includes an arbitration provision, and consists of 14 pages. The Parties acknowledge and agree that this Agreement may be executed by electronic signature, which shall be considered as an original signature for all purposes and shall have the same force and effect as an original signature.

EXECUTIVE

/s/ Jim Weinberg
Jim Weinberg

Dated: 1/22/2022

DESIGNER BRANDS INC.

/s/ Roger Rawlins
Roger Rawlins
Chief Executive Officer

Dated: 1/21/2022

TRANSITION AND CONSULTING AGREEMENT

This Transition and Consulting Agreement (this “**Agreement**”), dated January __, 2023 (“**Agreement Date**”), is made by and between Roger Rawlins (“**Executive**”) and Designer Brands Inc. (“**Designer Brands**”). Executive and Designer Brands are parties to this Agreement and are collectively referred to herein as the “**Parties**.” This Agreement provides for the transition of Executive’s responsibilities, sets forth certain payments to which Executive may be entitled from the Company (as defined below) in connection with Executive’s termination of employment, and provides for Executive to provide consulting services to the Company following Executive’s termination of employment.

As used in this Agreement, any reference to Executive shall include Executive, and in their capacities as such, Executive’s heirs, administrators, representatives, executors, legatees, successors, agents and assigns. As used in this Agreement, any reference to the “**Company**” shall mean Designer Brands and its subsidiaries, parent corporation, and affiliated entities.

In consideration of the mutual promises, agreements and representations contained herein, the Parties agree as follows:

1. **Transition Period.**

(a) Executive and Designer Brands have mutually agreed that Executive will continue to be employed by the Company in Executive’s current position as Chief Executive Officer through April 1, 2023 or such earlier date as determined by the Board of Directors of Designer Brands (the “**Board**”), in accordance with Section 2 below. During the period commencing on the Agreement Date and ending on the Separation Date (as defined in Section 2 below) (the “**Transition Period**”), Executive will remain employed by the Company on a full-time basis and carry out such duties and responsibilities, which shall be consistent with Executive’s position as Chief Executive Officer, as requested by the Board, including services intended to ensure a smooth transition of responsibility to the individual succeeding Executive as Chief Executive Officer of Designer Brands (the “**Successor CEO**”), if requested.

(b) During the Transition Period, Executive will continue to serve the Company faithfully, conscientiously and to the best of Executive’s ability. Executive shall continue to devote sufficient time, attention, knowledge, energy and skills, during normal working hours, and at such other times as Executive’s duties may reasonably require, to the duties of Executive’s employment.

(c) During the Transition Period, Executive will continue to be eligible to participate in the Company’s compensation and employee benefit plans as they are made available to employees of the Company, subject to the terms and conditions of the applicable plans. However, no additional equity grants will be made to Executive. For the avoidance of doubt, if a Change in Control (as such term is defined under the Designer Brands Inc. 2014 Equity Incentive Plan) occurs during the Transition Period while Executive



is employed by the Company, Executive's outstanding equity awards will be subject to the same treatment as outstanding equity awards held by other employees of the Company. Nothing in this Section 1(c) shall be construed to require the Company to establish, maintain or continue any compensation or benefit plan, program or arrangement. Except as otherwise expressly provided by their terms, such compensation or benefit plans, programs or arrangements are subject to modification or termination by the Company at any time.

2. **Separation from Service.**

(a) Executive and Designer Brands have mutually agreed that Executive's employment will terminate on April 1, 2023, unless terminated earlier pursuant to this Section 2. The Company may elect to terminate Executive's employment at any time during the Transition Period in its sole discretion, with or without Cause. Executive may elect to terminate Executive's employment at any time during the Transition Period for any reason or no reason. Executive's termination of employment on April 1, 2023, or earlier as described in this Section 2, shall be referred to herein as the "**Separation Date.**" If Executive's employment terminates on account of termination by the Company for Cause or Executive's voluntary termination during the Transition Period, Executive shall not be entitled to receive any payments under Section 3(b) below.

(b) As of the Separation Date, Executive will cease to hold any position or office with the Company, including as a member of the Board of Directors of Designer Brands (the "**Board**") and an officer or director of the Company, and Executive will be deemed to have resigned from the Board and all other positions as an officer or director of the Company as of the Separation Date. Executive agrees to sign such documents as may be necessary or appropriate to document such resignation. For purposes of this Agreement, the term "**Cause**" has the meaning ascribed to such term in the Amended and Restated Standard Executive Severance Agreement between Executive and Designer Brands, dated December 6, 2019 (the "**Executive Severance Agreement**").

3. **Company's Obligations.**

(a) Upon Executive's termination of employment, and regardless of whether Executive executes this Agreement or executes or revokes the Second Release (as defined below), the Company will pay Executive a lump sum payment for Executive's accrued but unused paid-time-off days and accrued but unpaid base salary as of the Separation Date. Such payment will be made in a single lump sum by the regular payroll date for the pay period in which the Separation Date occurs.

(b) Provided that Executive (i) is not terminated for Cause and does not voluntarily terminate employment during the Transition Period, (ii) signs and does not revoke this Agreement, (iii) signs the Second Release and Waiver of Claims, substantially in the form attached on [Exhibit A](#) ("**Second Release**"), on or after the Separation Date and does not revoke the Second Release, and (iv) complies with the Restrictive Covenants (as defined in Section 5 below), the Company agrees to pay Executive the compensation and



benefits set forth on Exhibit B. The compensation and benefits set forth on Exhibit B are in lieu of any severance amounts under any Company separation or severance plan or programs, including the Executive Severance Agreement.

(c) In the event Executive dies after the Separation Date, any payments due to Executive under this Agreement and not paid prior to Executive's death shall be made to the personal representative of Executive's estate.

(d) All payments under this Agreement shall be made subject to applicable tax withholding, and the Company shall withhold from any payments under this Agreement all federal, state and local taxes as the Company is required to withhold pursuant to any law or governmental rule or regulation. Executive shall be responsible for all taxes applicable to amounts payable under this Agreement.

4. Consulting Advice and Assistance.

(a) During the 12-month period following the Separation Date (the "Consulting Period"), Executive shall provide consulting advice and assistance as reasonably requested by the Board or the Successor CEO, including consulting advice and assistance to ensure a smooth transition of responsibility to the Successor CEO, for no additional compensation. Executive shall make himself available for such consulting advice and assistance at such times during business hours as may be reasonably requested by the Successor CEO, but not in excess of 30 hours per month. The Parties acknowledge that Executive may engage in other business activities during the Consulting Period, provided that such activities do not violate the Restrictive Covenants (as defined in Section 5 below).

(b) In providing such consulting advice and assistance, Executive will comply fully with all applicable laws and all applicable policies of the Company. Executive shall not be considered an employee of the Company after the Separation Date, and shall not receive additional compensation for providing consulting advice and assistance during the Consulting Period on a basis consistent with the provisions of Section 4(a).

(c) The Company shall reimburse Executive for all reasonable out-of-pocket expenses incurred by Executive during the in conjunction with providing such consulting advice and assistance in accordance with the Company's expense reimbursement policy.

(d) The Parties agree that it is anticipated that Executive's consulting advice and assistance pursuant to this Section 4 will not require Executive to render services each month at a level that exceeds 20% of the average level of Executive's services as an employee of the Company over the 36-month period preceding the Separation Date. The Parties acknowledge that, for purposes of Section 409A of the Internal Revenue Code or 1986, as amended (the "Code"), Executive will have undergone a "separation from service," within the meaning of Section 409A of the Code, from the Company upon the Separation Date.



(e) The Company shall indemnify Executive, to the fullest extent permitted by Ohio law, against any and all costs, expenses, liabilities and losses (including, without limitation, attorneys' fees, judgments, fines, penalties, and amounts paid in settlement) actually and reasonably incurred by Executive in connection with any action, suit or proceeding, whether civil, criminal, administrative, or investigative, that relates to the consulting services described in this Section 4 (a "**Proceeding**"). Expenses incurred by Executive in connection with any such Proceeding will be paid, or reimbursed by the Company, promptly upon (i) a determination by the Company that Executive is entitled to indemnification by the Company pursuant to this Section 4(e) with respect to such expenses and proceeding, (ii) a written undertaking by Executive, or on Executive's behalf, to and in favor of the Company, wherein Executive agrees to repay the amount if Executive is determined not to have been entitled to indemnification under this Section 4(e) and (iii) reasonable supporting documentation demonstrating that the expenses have been incurred. Notwithstanding the foregoing, in no event shall the foregoing indemnification apply to any costs, expenses, liabilities or losses resulting from Executive's engaging in conduct that constitutes Cause.

5. **Executive's Obligations.** Executive agrees to comply with the restrictive covenants and agreements set forth in any written agreement with the Company containing restrictive covenants and agreements, including under Section 1.00 of the Executive Severance Agreement, including without limitation non-competition, non-solicitation, confidentiality, intellectual property assignment, cooperation, and non-disparagement obligations (collectively, the "**Restrictive Covenants**"). Executive expressly acknowledges that continuing to comply with the terms of the Restrictive Covenants is a material term of this Agreement. Executive further acknowledges that in the event that Executive violates any of the Restrictive Covenants, Executive shall forfeit any unpaid amounts described in Section 3(b) and shall return to the Company any amounts previously paid under Section 3(b), and the Company shall have no further obligation to Executive.

6. **Release.**

(a) In further consideration of continued employment through the Separation Date and the amounts payable under this Agreement, Executive hereby agrees, subject to and without waiving any rights identified in Section 9 (Permitted Conduct) below, to the maximum extent permitted by law, to irrevocably and unconditionally RELEASE AND FOREVER DISCHARGE the Company and each of its and their past or present parents, subsidiaries and affiliates, their past or present officers, directors, stockholders, employees and agents, their respective successors and assigns, heirs, executors and administrators, the pension and employee benefit plans of the Company and of the Company's past or present parents, subsidiaries or affiliates, and the past or present trustees, administrators, agents or employees of all such pension and employee benefit plans (hereinafter collectively included within the term the "**Released Parties**"), acting in any capacity whatsoever, of and from any and all manner of actions and causes of actions, suits, debts, claims and demands whatsoever in law or in equity, whether known or unknown, which Executive may have, or which



Executive's heirs, executors or administrators may have against the Released Parties, by reason of any matter, cause or thing whatsoever from the beginning of Executive's employment with the Company to and including the date on which Executive executes this Agreement, and particularly, but without limitation of the foregoing general terms, any claims arising from or relating in any way to Executive's employment relationship and/or the termination of Executive's employment relationship with the Company, including but not limited to, any claims which have been asserted, could have been asserted, or could be asserted now or in the future, which includes any claim or right based upon or arising under any federal, state or local fair employment practices or equal opportunity laws, including, but not limited to, any claims under Title VII of the Civil Rights Act of 1964, the Family and Medical Leave Act of 1993, the Equal Pay Act, the Employee Retirement Income Security Act ("**ERISA**") (including, but not limited to, claims for breach of fiduciary duty under ERISA), the Americans With Disabilities Act, the Age Discrimination in Employment Act ("**ADEA**"), the Older Workers' Benefit Protection Act ("**OWBPA**"), the Ohio Civil Rights Act, the Ohio Equal Pay Act, the Ohio Whistleblowers' Protection Statute, the Ohio Wage Payment Law, the Ohio Minimum Fair Wage Standards Act, the Ohio Miscellaneous Labor Provisions, the Ohio Workers' Compensation Retaliation Law, and any other federal, state or local statutes or common law under which Executive can waive Executive's rights, any contracts between the Released Parties and Executive, and all claims for counsel fees and costs. Executive acknowledges that Executive has not made any claims or allegations related to sexual harassment or sexual abuse and none of the payments set forth in this Agreement are related to sexual harassment or sexual abuse.

(b) In waiving and releasing any and all claims against the Released Parties, whether or not now known to Executive, Executive understands that this means that if Executive later discovers facts different from or in addition to those facts currently known by Executive, or believed by Executive to be true, the waivers and releases of this Agreement will remain effective in all respects, despite such different or additional facts and Executive's later discovery of such facts, even if Executive would not have agreed to this Agreement if Executive had prior knowledge of such facts.

(c) Notwithstanding anything in this Section 6 to the contrary, Executive does not waive (i) any entitlements under the terms of the Agreement, (ii) Executive's existing right to receive vested accrued benefits under any plans or programs of the Company under which Executive has accrued benefits (other than under the Executive Severance Agreement and any other Company separation or severance plan or programs), (iii) any claims that, by law, may not be waived, (iv) any rights or claims that may arise after the date Executive executes this Agreement, to the extent not waived by the Release, (v) any right to indemnification under the bylaws of the Company, under any directors and officers insurance policy, or under this Agreement, with respect to Executive's performance of duties as an employee, officer or director of the Company or as a consultant under this Agreement and (vi) any claim or right Executive may have for unemployment insurance benefits, workers' compensation benefits, state disability and/or paid family leave insurance benefits pursuant to the terms of applicable state law.



7. **Return of Property.** Executive warrants that Executive will return all Company property to the Company on or before the Separation Date, as directed, and Executive will not retain any property of the Company, except as may be approved by the Successor CEO in connection with the consulting advice and assistance described in Section 4. To the extent that Executive made use of Executive's own personal computing devices (e.g., cell phone, laptop, thumbdrive, etc.) during employment with the Company, and except as may be approved by the Successor CEO in connection with the consulting advice and assistance described in Section 4, Executive will deliver such personal computing devices to the Company for review and will permit the Company to delete all Company property and information from such personal computing devices, or permit the Company to remotely delete all Company property and information from such personal computing devices.

8. **Cooperation.** Except as expressly permitted or required by this Agreement or by law and as set forth in Section 9 (Permitted Conduct) below, Executive agrees that, upon the Company's reasonable notice to Executive (which shall appropriately take into account his personal and professional schedule), Executive shall fully cooperate with the Company in investigating, defending, prosecuting, litigating, filing, initiating or asserting any actual or potential claims or investigations that may be made by or against the Company to the extent that such claims or investigations may relate to any matter in which Executive was involved (or alleged to have been involved) while employed with the Company or of which Executive has knowledge by virtue of Executive's employment with the Company. Upon submission of appropriate documentation, the Company shall pay or Executive shall be reimbursed for reasonable and pre-approved out-of-pocket expenses incurred in rendering such cooperation.

9. **Permitted Conduct.** Nothing in this Agreement shall prohibit or restrict Executive from initiating communications directly with, or responding to any inquiry from, or providing testimony before, the Equal Employment Opportunity Commission, the Department of Justice, the Securities and Exchange Commission, or any other federal, state or local regulatory authority. To the extent permitted by law, upon receipt of any subpoena, court order, or other legal process compelling the disclosure of any confidential information and trade secrets of the Company, Executive agrees to give prompt written notice to the Company so as to permit the Company to protect its interests in confidentiality to the fullest extent possible. However, Executive hereby waives Executive's right to receive any individual monetary relief from the Released Parties resulting from such claims, regardless of whether Executive or another party has filed them, and in the event Executive obtains such monetary relief, the Company will be entitled to an offset for the payments made pursuant to Section 3(b) of this Agreement, except where such limitations are prohibited as a matter of law (e.g., under the Sarbanes-Oxley Act of 2002, 18 U.S.C.A. §§ 1514A). Please take notice that federal law provides criminal and civil immunity to federal and state claims for trade secret misappropriation to individuals who disclose a trade secret to their attorney, a court, or a government official in certain, confidential circumstances that are set forth at 18 U.S.C. §§ 1833(b)(1) and 1833(b)(2), related to the reporting or investigation of a suspected



violation of the law, or in connection with a lawsuit for retaliation for reporting a suspected violation of the law.

10. **No Other Benefits or Compensation.** Effective on the Separation Date, Executive shall cease to be a participant in the benefit plans of the Company, except that (a) Executive's coverage under the applicable Company health plan shall continue until the end of the calendar month in which the Separation Date occurs and Executive may thereafter elect continued health coverage under the Consolidated Omnibus Budget Reconciliation Act, subject to the terms of the health plan and subject to Executive paying the applicable premiums (and subject to Exhibit B) and (b) Executive's coverage under the applicable Company liability insurance policy shall continue pursuant to Section 5.00 of the Executive Severance Agreement.

11. **No Admission of Liability.** It is expressly understood and agreed that this Agreement, and any acts undertaken hereunder, shall not be construed as an admission of liability or wrongdoing on the part of the Company or Executive under any law, statute, regulation or ordinance.

12. **Controlling Law.** This Agreement and all matters arising out of, or relating to, this Agreement shall be governed by, and construed in accordance with, the laws of the State of Ohio, without regard to conflict-of-law principles. Notwithstanding the foregoing, and for the avoidance of any doubt, if a Company benefit plan or other employment-related agreement provides in writing that it shall be governed by the laws of another state, then all matters arising out of, or relating to, such benefit plan or other employment-related agreement shall be governed by, and construed in accordance with, the laws of the state designated in such benefit plan or other employment-related agreement.

13. **Arbitration.** Except with respect to injunctive relief to enforce the Restrictive Covenants, any dispute or controversy arising under or in connection with this Agreement shall be resolved by binding arbitration. The arbitration shall be held in Columbus, Ohio, and except to the extent inconsistent with this Agreement, shall be conducted in accordance with the National Rules for the Resolution of Employment Disputes of the American Arbitration Association then in effect at the time of the arbitration, and otherwise in accordance with principles which would be applied by a court of law or equity. Judgment upon the written award may be entered and enforced in any court of competent jurisdiction. The Parties acknowledge that the arbitrator acts as a substitute for a judge or jury who would otherwise decide disputes, and voluntarily waive their constitutional right to a jury trial. Any costs unique to arbitration, such as arbitrator fees and venue fees, shall be divided between and paid by the Parties.

14. **Severability.** If any provision of this Agreement is construed to be invalid, unlawful or unenforceable, then the remaining provisions hereof shall not be affected thereby and shall be enforceable without regard thereto, except that, in the event the release in Section 6 of this Agreement or the Second Release is held to be unlawful, invalid or unenforceable, any payments made pursuant to Section 3(b) shall be returned to the Company and no



further consideration shall be due. If any covenant or agreement is held to be unenforceable because of the duration thereof or the scope thereof, then the court making such determination shall have the power to reduce the duration and limit the scope thereof, and the covenant or agreement shall then be enforceable in its reduced form.

15. **Amendment.** The Parties agree that this Agreement may not be altered, amended or modified, in any respect, except by a writing duly executed by both Parties.

16. **Entire Agreement.** The Parties understand that no promise, inducement or other agreement not expressly contained herein has been made conferring any benefit upon them; that (except as provided in the following sentence) this Agreement contains the entire agreement between the Parties with respect to the subject matter hereof and supersedes any other agreement with respect to the subject matter hereof, including the Executive Severance Agreement (other than Section 5.00 and as provided in the following sentence). Notwithstanding the foregoing, Executive agrees that Executive shall remain subject to all Restrictive Covenants, and such Restrictive Covenants will continue in effect according to their terms.

17. **Section 409A.** This Agreement is intended to comply with Section 409A of the Code, or an exemption, and the provisions of this Section shall apply notwithstanding any provisions of this Agreement to the contrary. Payments and benefits under this Agreement are intended to be exempt from Section 409A of the Code under the “short term deferral” exception, to the maximum extent applicable, and then under the “separation pay” exception, to the maximum extent applicable. All payments to be made upon a termination of employment under this Agreement may only be made upon a “separation from service” under Section 409A of the Code. For purposes of Section 409A of the Code, the right to a series of installment payments under this Agreement shall be treated as a right to a series of separate payments and each payment shall be treated as a separate payment. With respect to any payments that are subject to Section 409A of the Code, in no event shall Executive, directly or indirectly, designate the calendar year of a payment. With respect to any payments that are subject to Section 409A of the Code, in no event shall the timing of Executive’s execution of the Second Release, directly or indirectly, result in Executive designating the calendar year of payment of any amount set forth in Section 3(b) above, and if a payment of any amount set forth in Section 3(b) above is subject to Section 409A of the Code and could be made in more than one taxable year, based on timing of the execution of the Second Release, payment shall be made in the later taxable year. Any reimbursements and in-kind benefits provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A of the Code. If required by Section 409A of the Code, and if Executive is a “specified employee” upon the Separation Date, payments under Section 3(b) above will not begin to be paid until after the date that is six months following Executive’s Separation Date or, if earlier, the date of Executive’s death. Any payments that otherwise would have been paid to Executive during the period between the Separation Date and the commencement date shall be paid to Executive in a lump sum on the commencement date. Thereafter, any payments that remain outstanding shall be paid



without delay over the time period originally scheduled, in accordance with the terms of this Agreement.

18. **Executive Acknowledgements.** Executive hereby acknowledges that:

(a) The Company advises Executive to consult with an attorney before signing this Agreement;

(b) Executive has obtained independent legal advice from an attorney of Executive's own choice with respect to this Agreement or Executive has knowingly and voluntarily chosen not to do so;

(c) Executive freely, voluntarily and knowingly entered into this Agreement after due consideration;

(d) Executive had at least 21 days to review and consider this Agreement;

(e) If Executive knowingly and voluntarily chooses to do so, Executive may accept the terms of this Agreement on or within 21 days after receipt of this Agreement;

(f) Executive has a right to revoke this Agreement by notifying the Senior Vice President, General Counsel, Corporate Secretary and Chief Compliance Officer of the Company at the Company in writing within seven days of Executive's execution of this Agreement;

(g) Unless revoked, this Agreement will become effective on the eighth day following its execution;

(h) Changes to the Company's offer contained in this Agreement that are immaterial will not restart the consideration period;

(i) In exchange for Executive's waivers, releases and commitments set forth herein, including Executive's waiver and release of all claims arising under the ADEA and OWBPA, the payments, benefits and other considerations that Executive is receiving pursuant to the Agreement exceed any payment, benefit or other thing of value to which Executive would otherwise be entitled, and are just and sufficient consideration for the waivers, releases and commitments set forth herein;

(j) No promise or inducement has been offered to Executive, except as expressly set forth herein, and Executive is not relying upon any such promise or inducement in entering into this Agreement; and

(k) EXECUTIVE REPRESENTS THAT EXECUTIVE HAS READ THE TERMS OF THIS AGREEMENT, THAT THIS AGREEMENT IS WRITTEN IN A MANNER THAT EXECUTIVE CAN UNDERSTAND AND THAT THE COMPANY



HAS NOT MADE ANY REPRESENTATIONS CONCERNING THE TERMS OR EFFECTS OF THIS AGREEMENT OTHER THAN THOSE CONTAINED HEREIN.

EXECUTIVE FREELY AND VOLUNTARILY AGREES TO ALL THE TERMS AND CONDITIONS HEREOF, AND SIGNS THE SAME AS EXECUTIVE'S OWN FREE ACT.

IN WITNESS WHEREOF, and intending to be legally bound, the Parties agree to the terms of this Agreement.

Designer Brands Inc.

Date: 1/4/23

By: 
Name: Karen Cho
Title: Chief Human Resources Officer

Date: 1/4/23


By: 
Roger Rawlins



Exhibit A

Second Release and Waiver of Claims (“Release”)

1. In further consideration of the compensation provided by Designer Brands Inc. (“**Designer Brands**”) to Roger Rawlins (including his heirs, administrators, representatives, executors, legatees, successors, agents and assigns in their capacities as such “**Executive**”), as set forth in Section 3(b) of the Transition and Consulting Agreement between Executive and Designer Brands to which this Exhibit A is attached (the “**Agreement**”), Executive hereby agrees, subject to and without waiving any rights identified in Section 9 (Permitted Conduct) of the Agreement, to the maximum extent permitted by law, to irrevocably and unconditionally RELEASE AND FOREVER DISCHARGE Designer Brands and its subsidiaries (together, the “**Company**”) and each of its and their past or present parents, subsidiaries and affiliates, their past or present officers, directors, stockholders, employees and agents, their respective successors and assigns, heirs, executors and administrators, the pension and employee benefit plans of the Company and of the Company’s past or present parents, subsidiaries or affiliates, and the past or present trustees, administrators, agents or employees of all such pension and employee benefit plans (hereinafter collectively included within the term the “**Released Parties**”), acting in any capacity whatsoever, of and from any and all manner of actions and causes of actions, suits, debts, claims and demands whatsoever in law or in equity, whether known or unknown, which Executive may have, or which Executive’s heirs, executors or administrators may have against the Released Parties, by reason of any matter, cause or thing whatsoever from the beginning of Executive’s employment with the Company to and including the date on which Executive executes this Release, and particularly, but without limitation of the foregoing general terms, any claims arising from or relating in any way to Executive’s employment relationship and/or the termination of Executive’s employment relationship with the Company, including but not limited to, any claims which have been asserted, could have been asserted, or could be asserted now or in the future, which includes any claim or right based upon or arising under any federal, state or local fair employment practices or equal opportunity laws, including, but not limited to, any claims under Title VII of the Civil Rights Act of 1964, the Family and Medical Leave Act of 1993, the Equal Pay Act, the Employee Retirement Income Security Act (“**ERISA**”) (including, but not limited to, claims for breach of fiduciary duty under ERISA), the Americans With Disabilities Act, the Age Discrimination in Employment Act (“**ADEA**”), the Older Workers’ Benefit Protection Act (“**OWBPA**”), the Ohio Civil Rights Act, the Ohio Equal Pay Act, the Ohio Whistleblowers’ Protection Statute, the Ohio Wage Payment Law, the Ohio Minimum Fair Wage Standards Act, the Ohio Miscellaneous Labor Provisions, the Ohio Workers’ Compensation Retaliation Law, and any other federal, state or local statutes or common law under which Executive can waive Executive’s rights, any contracts between the Released Parties and Executive, and all claims for counsel fees and costs. Executive acknowledges that Executive has not made any claims or allegations related to sexual harassment or sexual abuse and none of the payments set forth in the Agreement are related to sexual harassment or sexual abuse.



2. In waiving and releasing any and all claims against the Released Parties, whether or not now known to Executive, Executive understands that this means that if Executive later discovers facts different from or in addition to those facts currently known by Executive, or believed by Executive to be true, the waivers and releases of this Release will remain effective in all respects, despite such different or additional facts and Executive's later discovery of such facts, even if Executive would not have agreed to this Release if Executive had prior knowledge of such facts.

3. Notwithstanding anything in this Release to the contrary, Executive does not waive (a) any entitlements under the terms of the Agreement, (b) Executive's existing right to receive vested accrued benefits under any plans or programs of the Company under which Executive has accrued benefits (other than under the Executive Severance Agreement and any other Company separation or severance plan or programs), (c) any claims that, by law, may not be waived, (d) any rights or claims that may arise after the date Executive executes this Release, (e) any right to indemnification under the bylaws of the Company, or under any directors and officers insurance policy, with respect to Executive's performance of duties as an employee, officer or director of the Company, and (f) any claim or right Executive may have for unemployment insurance benefits, workers' compensation benefits, state disability and/or paid family leave insurance benefits pursuant to the terms of applicable state law.

4. Executive acknowledges that, upon receiving the payments and benefits provided for in Section 3 of the Agreement, Executive has received all benefits and amounts due from the Company related to Executive's employment with the Company, including all wages, overtime, bonuses, commissions, incentives, sick pay, personal leave and vacation pay to which Executive is entitled and that no other amounts are due to Executive other than as set forth in the Agreement. Executive also acknowledges that Executive was provided any leaves to which Executive was entitled in connection with Executive's employment with the Company. Notwithstanding the foregoing, nothing in this Release is a waiver, modification or forfeiture of any vested accrued benefit that Executive may have under the Company's benefit plans.

5. Executive hereby acknowledges that:

(a) The Company advises Executive to consult with an attorney before signing this Release;

(b) Executive has obtained independent legal advice from an attorney of Executive's own choice with respect to this Release or Executive has knowingly and voluntarily chosen not to do so;

(c) Executive freely, voluntarily and knowingly entered into this Release after due consideration;

(d) Executive had at least 21 days to review and consider this Release;



- (e) Executive will not sign this Release before the Separation Date;
- (f) If Executive knowingly and voluntarily chooses to do so, Executive may accept the terms of this Release on or within 21 days after the Separation Date;
- (g) Executive has a right to revoke this Release by notifying the Senior Vice President, General Counsel, Corporate Secretary and Chief Compliance Officer of the Company at the Company in writing within seven days of Executive's execution of this Release;
- (h) Unless revoked, this Release will become effective on the eighth day following its execution (the "**Effective Date**");
- (i) Changes to the Company's offer contained in this Release that are immaterial will not restart the consideration period;
- (j) In exchange for Executive's waivers, releases and commitments set forth herein, including Executive's waiver and release of all claims arising under the ADEA and OWBPA, the payments, benefits and other considerations that Executive is receiving pursuant to the Agreement exceed any payment, benefit or other thing of value to which Executive would otherwise be entitled, and are just and sufficient consideration for the waivers, releases and commitments set forth herein;
- (k) No promise or inducement has been offered to Executive, except as expressly set forth herein, and Executive is not relying upon any such promise or inducement in entering into this Release; and
- (l) EXECUTIVE REPRESENTS THAT EXECUTIVE HAS READ THE TERMS OF THIS RELEASE, THAT THIS RELEASE IS WRITTEN IN A MANNER THAT EXECUTIVE CAN UNDERSTAND AND THAT THE COMPANY HAS NOT MADE ANY REPRESENTATIONS CONCERNING THE TERMS OR EFFECTS OF THIS RELEASE OTHER THAN THOSE CONTAINED HEREIN.

EXECUTIVE FREELY AND VOLUNTARILY AGREES TO ALL THE TERMS AND CONDITIONS HEREOF, AND SIGNS THE SAME AS EXECUTIVE'S OWN FREE ACT.

Date: _____

By: _____
Roger Rawlins (***TO BE SIGNED ON OR
AFTER THE SEPARATION DATE***)



Exhibit B

Schedule of Compensation and Benefits

The following details the compensation and benefits payable to Executive pursuant to Section 3(b) of the Agreement, of which this Exhibit B forms a part. Capitalized terms used but not defined in this Exhibit B have the meaning set forth in the Agreement.

Cash Payments

The Company shall pay Executive cash payments equal to \$1,950,000, which is equal to 18 months of Executive's base salary as in effect on the Separation Date (the "Cash Payments"), as follows:

- The portion of the Cash Payments that does not exceed two times the annual compensation limit set forth in Section 401(a)(17) of the Code as of the Separation Date (\$660,000 in 2023), shall be paid in installments in accordance with the Company's normal payroll practices, over the 18-month period following the Separation Date (the "Payment Period").
- The remainder of the Cash Payments shall be paid in installments in accordance with the Company's normal payroll practices, over the 12-month period following the date that is six months after the Separation Date.

If, during the Payment Period, Executive becomes employed or retained by another company (subject to the Restrictive Covenants), the Cash Payments will be reduced by 50% for the remainder of the Payment Period. Executive agrees to promptly notify the Company of any subsequent employment or consulting arrangement with another company during the Payment Period.

Health Coverage

The Company shall reimburse Executive for the cost of maintaining continuing health coverage under the Consolidated Omnibus Budget Reconciliation Act (COBRA) for a period of no more than 18 months following the Separation Date, less the amount Executive is expected to pay as a regular employee premium for such coverage. Such reimbursements will cease if Executive becomes eligible for substantially comparable coverage under another benefit plan. Executive agrees to promptly notify the Company if Executive becomes eligible for coverage under another benefit plan. Such reimbursements shall be taxable income to Executive and shall be subject to applicable tax withholding.

Cash Incentive Bonus

The Company shall pay Executive 1.5 times the cash incentive bonus that Executive would have received under the Designer Brands Inc. 2005 Cash Incentive Compensation Plan (the "Cash Incentive Plan") for the performance period in which the Separation Date occurs



(the Company's 2023 fiscal year), had Executive's employment not been terminated, based on actual Company performance through the end of the performance period as determined by the Compensation Committee of the Board or its delegate. The Cash Incentive Bonus, if any, shall be paid to Executive on the date cash incentive plan awards are paid to active participants for the applicable performance period, which has been historically paid during the first fiscal quarter of the year following the year to which the cash incentive plan award relates but not later than April 15 of the year immediately following the relevant performance year. In determining whether the established performance goals have been met, the determination to include or exclude from the Company's adjusted operating income the payments made to Executive pursuant to this Agreement shall be consistent with the past practices of the Company.

Notwithstanding anything herein to the contrary, to the extent permitted or required by governing law, the Company's Compensation Committee shall have discretion to require Executive to repay to the Company the amount of any cash incentive bonus to the extent that the Compensation Committee or Board determines that such bonus was not actually earned by Executive because (A) the amount of such payment was based on the achievement of financial results that were subsequently the subject of a material accounting restatement that occurs within three years of such payment (except in the case of a restatement due to a change in accounting policy or simple error); (B) Executive has engaged in fraud, gross negligence or intentional misconduct; or (C) Executive has deliberately misled the market or the Company's stockholders regarding the Company's financial performance. In addition, any cash incentive bonus is subject to any applicable clawback policy adopted by the Board.

Equity Incentives

With respect to the outstanding awards granted to Executive under the Designer Brands Inc. 2005 Equity Incentive Plan and the Designer Brands Inc. 2014 Equity Incentive Plan ("Awards"):

- i. Any nonqualified stock options that are vested on the Separation Date shall be exercisable until the earlier of 90 days following the Separation Date or the original grant expiration date, subject to the trading rules set forth in the Company's policies and procedures, including the Designer Brands Inc. Insider Trading Policy;
- ii. Any Awards that would vest solely upon the passage of time shall become vested on the Separation Date with respect to that portion of the Awards that have a vesting date occurring during the 18-month period following the Separation Date; and
- iii. With respect to Awards that would vest solely upon the satisfaction of a specified requirement, or upon satisfaction of the passage of time and satisfaction of a specified requirement, in the event that all such requirements are satisfied prior to the end of the 18-month period following the Separation Date, such Award shall vest and be awarded to Executive upon the satisfaction of all applicable requirements.



iv. Assuming that the Separation Date occurs on April 1, 2023, the following Awards will vest (or be eligible to vest, as applicable) in connection with this Agreement:

Grant Type	Grant Date	Number of Shares
Restricted Stock Units	9/8/2020	381,088
Performance Shares	3/23/2021	247,784
Restricted Stock Units	3/23/2021	165,188

The number of shares set forth above will be increased based on any dividend equivalents credited to the Awards during the Transition Period.

Non-Qualified Deferred Compensation

Executive's account balance under the DSW Inc. Nonqualified Deferred Compensation Plan (the "**Deferred Compensation Plan**") will be paid to Executive in a lump sum payment six months following the Separation Date in accordance with Executive's deferral elections under the Deferred Compensation Plan. As of December 30, 2022, Executive's account balance under the Deferred Compensation Plan was \$93,512 and shall be subject to adjustment to take into account investment returns as described in the Deferred Compensation Plan.



STANDARD EXECUTIVE AGREEMENT

BETWEEN

DESIGNER BRANDS INC.

AND

DOUG HOWE

This Standard Executive Agreement (“Agreement”) by and between Designer Brands Inc. (the “Company”) and DOUG HOWE (“Executive”), collectively, the “Parties,” is effective as of the date signed (the “Effective Date”) and supersedes and replaces any other oral or written employment-related agreement between Executive and the Company.

RECITALS

WHEREAS, the severance offer to Executive is provided by the Company in exchange for Executive’s performance of the obligations described in this Agreement. Executive agrees that the severance offered is adequate consideration for the performance of the duties and the covenants and releases made and entered into by and between Executive and the Company in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and intending to be legally bound hereby, the Company and Executive agree to the following:

AGREEMENT

1.00 EXECUTIVE’S OBLIGATIONS

1.01 Scope of Duties. Executive will:

[1] Devote all available business time, best efforts and undivided attention to the Company’s business and affairs; and

[2] Not engage in any other business activity, whether or not for gain, profit or other pecuniary benefit.

[3] However, the restriction described in Section 1.02[1] and [2] will not preclude Executive from:

[a] Making or holding passive investments in outstanding shares in the securities of publicly-owned companies or other businesses [other than ownership of 2% or more of the voting stock of any organizations described in Section 1.05], regardless of when and how that investment was made; or

[b] Serving on corporate, civic, religious, educational and/or charitable boards or committees but only if this activity [i] does not interfere with the



performance of duties under this Agreement and [ii] is approved by Executive's manager.

1.02 Confidential Information.

[1] Obligation to Protect Confidential Information. Executive acknowledges that the Company and its subsidiaries, parent corporation and affiliated entities (collectively, "Group" and separately, "Group Member") have a legitimate and continuing proprietary interest in the protection of Confidential Information (as defined in Section 1.02[2]) and have invested, and will continue to invest, substantial sums of money to develop, maintain and protect Confidential Information. Executive agrees [a] during and after employment with all Group Members whether or not such termination was voluntary [i] that any Confidential Information will be held in confidence and treated as proprietary to the Group, [ii] not to use or disclose any Confidential Information except to promote and advance the Group's business interests and [b] immediately upon termination from employment with all Group Members, whether or not such termination was voluntary, to return to the Company any Confidential Information.

[2] Definition of Confidential Information. For purposes of this Agreement, Confidential Information includes any confidential data, figures, projections, estimates, pricing data, customer lists, buying manuals or procedures, distribution manuals or procedures, other policy and procedure manuals or handbooks, supplier information, tax records, personnel histories and records, information regarding sales, information regarding properties and any other Confidential Information regarding the business, operations, properties or personnel of the Group (or any Group Member) which are disclosed to or learned by Executive as a result of employment with any Group Member, but will not include [a] Executive's personal personnel records or [b] any information that [i] Executive possessed before the date of initial employment (including periods before the Effective Date) with any Group Member that was a matter of public knowledge, [ii] became or becomes a matter of public knowledge through sources independent of Executive, [iii] has been or is disclosed by any Group Member expressly providing for no restrictions on its use, [iv] has been or is required to be disclosed by law or governmental order or regulation, or [v] Executive discloses to the appropriate governmental or regulatory agency solely for the purpose of reporting, participating in an investigation of, or participating in a proceeding involving a suspected violation of law. Executive also agrees that, if there is any reasonable doubt whether an item is public knowledge, to not regard the item as public knowledge until and unless the General Counsel of the Company confirms to Executive that the information is public knowledge or an arbitrator, acting under Section 6.00, finally decides that the information is public knowledge.

[3] Intellectual Property. Executive expressly acknowledges that all right, title and interest to all inventions, designs, discoveries, works of authorship, and ideas conceived, produced, created, discovered, authored, or reduced to practice during Executive's performance of services under this Agreement, whether individually or



jointly with any Group Member (the "Intellectual Property") shall be owned solely by the Group, and shall be subject to the restrictions set forth in Section 1.02[1] above. All Intellectual Property which constitutes copyrightable subject matter under the copyright laws of the United States shall, from the inception of creation, be deemed to be a "work made for hire" under the United States copyright laws and all right, title and interest in and to such copyrightable works shall vest in the Group. All right, title and interest in and to all Intellectual Property developed or produced under this Agreement by Executive, whether constituting patentable subject matter or copyrightable subject matter (to the extent deemed not to be a "work made for hire") or otherwise, shall be assigned and is hereby irrevocably assigned to the Group by Executive. Executive shall, without any additional consideration, execute all documents and take all other actions needed to convey Executive's complete ownership interest in any Intellectual Property to the Group so that the Group may own and protect such Intellectual Property and obtain patent, copyright and trademark registrations for it. Executive agrees that any Group Member may alter or modify the Intellectual Property at the Group Member's sole discretion, and Executive waives all right to claim or disclaim authorship.

1.03 Solicitation of Employees. Executive agrees that during employment, and for the longer of any period of salary continuation or for two (2) years after terminating employment with all Group Members, whether or not such termination was voluntary, Executive will [1] not, directly or indirectly, solicit any employee of any Group Member to leave employment with the Group, [2] not, directly or indirectly, employ or seek to employ any employee of any Group Member and [3] not cause or induce any of the Group's (or Group Member's) competitors to solicit for employment or employ any employee of any Group Member.

1.04 Solicitation of Third Parties. Executive agrees that during employment, and for the longer of any period of salary continuation or for two (2) years after terminating employment with all Group Members, whether or not such termination was voluntary, not, directly or indirectly, to recruit, solicit or otherwise induce or influence any customer, supplier, sales representative, lender, lessor, lessee or any other person having a business relationship with the Group (or any Group Member) to discontinue or reduce the extent of that relationship except in the course of discharging the duties described in this Agreement and with the good faith objective of advancing the Group's (or any Group Member's) business interests.

1.05 Non-Competition. Executive agrees that for the longer of any period of salary continuation or for one (1) year after terminating employment with all Group Members, Executive shall not, directly or indirectly, to accept employment with, act as a consultant to, or otherwise perform services that are substantially the same or similar to those for which Executive was compensated by any Group Member (this comparison will be based on job-related functions and responsibilities and not on job title) for any business that directly competes with the Group's (or any Group Member's) business, which is understood by the Parties to be the sale of significant branded footwear regardless of whether it is offered at full-price, at discount or off-price, and regardless of the channel of distribution (such as department stores, specialty retail stores, for sale at "first-cost" or



wholesale rates and/or for sale online), and the manufacture and design of footwear. Illustrations of businesses that compete with the Group's business include, but are not limited to, Adidas; Amazon (footwear and accessories); Birkenstock; Brooks; Caleres Inc.; Champs Sports; Crocs; Deckers Outdoor; Dick's Sporting Goods; Famous Footwear; Finish Line; Foot Locker; Genesco; Hey Dude; Kohl's (footwear); Macy's; Marc Fisher Footwear; New Balance; Nike; Nordstrom and Nordstrom Rack (Non-apparel); Off Broadway Shoes; Puma; Reebok; Shoe Carnival; Skechers USA; Steve Madden; Tapestry, Inc.; The TJX Companies, Inc. (T.J. Maxx; Marshall's; The Maxx; Marmaxx); Walmart; Wolverine World Wide; and Zappos. This restriction applies to any parent, division, affiliate, newly formed or purchased business(es) and/or successor of a business that competes with the Group's (or any Group Member's) business.

1.06 Post-Termination Cooperation. As is required of Executive during employment, Executive agrees that during and after employment with any Group Members and without additional compensation (other than reimbursement for reasonable associated expenses), to cooperate with the Group (and with each Group Member) in the following areas:

[1] Cooperation With the Company. Executive agrees **[a]** to be reasonably available to answer questions for the Group's (and any Group Member's) officers regarding any matter, project, initiative or effort for which Executive was responsible while employed by any Group Member and **[b]** to cooperate with the Group (and with each Group Member) during the course of all third-party proceedings arising out of the Group's (and any Group Member's) business about which Executive has knowledge or information. For purposes of this Agreement, **[c]** "proceedings" includes internal investigations, administrative investigations or proceedings, arbitrations, and lawsuits (including pre-trial discovery and trial testimony) and **[d]** "cooperation" includes **[i]** Executive being reasonably available for interviews, meetings, depositions, hearings and/or trials without the need for subpoena or assurances by the Group (or any Group Member), **[ii]** preserving and providing any and all documents in Executive's possession that relate to the proceeding, and **[iii]** providing assistance in locating any and all relevant notes and/or documents.

[2] Cooperation With Third Parties. Unless compelled to do so by lawfully-served subpoena or court order, Executive agrees not to communicate with, or give statements or testimony to, any opposing attorney, opposing attorney's representative (including private investigator) or current or former employee relating to any matter (including pending or threatened lawsuits or administrative investigations) about which Executive has knowledge or information (other than knowledge or information that is not Confidential Information as defined in Section 1.02[2]) as a result of employment with the Group (or any Group Member) except in cooperation with the Company. Executive also agrees to notify the General Counsel of the Company immediately after being contacted by a third party or receiving a subpoena or court order to appear and testify with respect to any matter affected by this Section.



[3] Cooperation With Media. Executive agrees not to communicate with, or give statements to, any member of the media (including print, television or radio media) relating to any matter (including pending or threatened lawsuits or administrative investigations) about which Executive has knowledge or information (other than knowledge or information that is not Confidential Information as defined in Section 1.02[2]) as a result of employment with the Group (or any Group Member). Executive also agrees to notify the General Counsel of the Company immediately after being contacted by any member of the media with respect to any matter affected by this Section but before any such information is provided to any member of the media.

1.07 Non-Disparagement. Executive and the Company (on its behalf and on behalf of the Group and each Group Member) agree that neither will make any disparaging remarks about the other and Executive will not make any disparaging remarks about the Company's Chairman, Chief Executive Officer or any of the Group's senior executives. However, this Section will not preclude **[1]** any remarks that may be made by Executive under the terms of Section 1.06[2] or that are required to discharge the duties described in this Agreement or **[2]** the Company from making (or eliciting from any person) disparaging remarks about Executive concerning any conduct that may lead to a termination for Cause, as defined in Section 2.03 (including initiating an inquiry or investigation that may result in a termination for Cause), but only to the extent reasonably necessary to investigate Executive's conduct and to protect the Group's (or any Group Member's) interests.

1.08 Notice of Subsequent Employment. Executive agrees to immediately notify the Company of any subsequent employment during the period of salary continuation after employment terminates.

1.09 Nondisclosure. Executive agrees not to disclose the terms of this Agreement in any manner to any person other than Executive's manager, one of the Company's Vice Presidents of Human Resources (or any Company representative they expressly approve for such disclosure), Executive's personal attorney, accountant and financial advisor, and Executive's immediate family or as otherwise required by law.

1.10 Remedies. Executive acknowledges that money will not adequately compensate the Group for the substantial damages that will arise upon the breach of any provision of Section 1.00. For this reason, any disputes arising under Section 1.00 will not be subject to arbitration under Section 6.00. If Executive breaches or threatens to breach any provision of Section 1.00, the Company will be entitled, in addition to other rights and remedies, to specific performance, injunctive relief and other equitable relief to prevent or restrain any breach or threatened breach of Section 1.00.

1.11 Return of Company Property. Upon termination of employment, Executive agrees to promptly return to the Company all property belonging to the Group or any Group Member. At the Company's sole election, Executive may be directed to permanently destroy Company property that is electronically stored and will be required



to sign a certification provided by the Company confirming that such destruction is complete.

2.00 TERMINATION AND RELATED BENEFITS

2.01 Rules of General Application. The following rules apply generally to the implementation of Section 2.00:

[1] Method of Payment. If the amount of any installment payments is or becomes less than or equal to the applicable dollar amount under Section 402(g)(1)(B) of the Internal Revenue Code of 1986, the Company may elect to pay such remaining installments as a lump sum.

[2] Application of Pro Rata. Any pro rata share required to be paid under Section 2.00 will be based on the number of days between the first day of the fiscal year during which Executive terminates employment and the date that Executive terminates employment divided by the number of days in the fiscal year during which Executive terminates employment.

2.02 Involuntary Termination Without Cause. The Company may terminate Executive's employment at any time Without Cause (as defined below) by delivering to Executive a written notice specifying the date termination is to be effective. If all requirements of this Agreement are met, the Company will make the following payments to Executive as of the effective date of Involuntary Termination Without Cause:

[1] Base Salary. For twelve (12) months beginning on the date of Involuntary Termination Without Cause, the Company will continue to pay Executive's base salary at the rate in effect on the effective date of Involuntary Termination Without Cause. If such amount exceeds two (2) times the annual compensation limit prescribed by Section 401(a)(17) of the Internal Revenue Code of 1986 (the "Involuntary Termination Limit"), then the Company will pay the severance obligation described in this Section 2.02[1] in two (2) payment streams. The first payment stream will be equal to the Involuntary Termination Limit, and the Company will pay this amount in twelve (12) monthly installments, beginning on the date of Involuntary Termination Without Cause. The amount of the second payment stream will equal the amount in excess of the Involuntary Termination Limit. The Company will pay this amount in six monthly installments beginning on the date that is six (6) months after the date of Executive's Involuntary Termination Without Cause. As a condition of this salary continuation, Executive is expected to promptly and reasonably pursue new employment. If during the salary continuation period Executive becomes employed either as an employee or a consultant, Executive's base salary paid by the Company will be reduced by fifty percent (50%) of the base salary amount for the remainder of the salary continuation period. Executive agrees to immediately notify the Company of any subsequent employment or consulting work during the period of salary continuation.



[2] Health Care. The Company will reimburse Executive for the cost of maintaining continuing health coverage under COBRA for a period of no more than twelve (12) months following the effective date of Involuntary Termination Without Cause, less the amount Executive is expected to pay as a regular employee premium for such coverage. Such reimbursements will cease if Executive becomes eligible for similar coverage under another benefit plan. Executive agrees to immediately notify the Company if Executive becomes eligible for coverage under another benefit plan.

[3] Pro-Rata Cash Incentive Bonus. The Company will pay to Executive the pro-rata share of any cash incentive bonus earned for the amount of time they were employed; provided, however, that this pro-rata share will be paid only when **[a]** Executive was an eligible participant in the applicable bonus plan(s) as of the date of Executive's Involuntary Termination Without Cause; and **[b]** the cash incentive bonus performance requirements have been achieved for all eligible participants in the plan(s), as determined by the Company as of the date of Executive's Involuntary Termination Without Cause. The pro-rata calculation will be based on the number of calendar days Executive was employed from the start of the applicable cash incentive bonus plan performance period until Executive's termination date, as a percent of the total number of calendar days in the bonus plan performance period. The cash incentive bonus will be paid at the same time and using the same methods as all other eligible participants.

[4] Equity Incentives. Subject to the terms of the Designer Brands Inc. 2005 Equity Incentive Plan, the Designer Brands Inc. 2014 Equity Incentive Plan, any future shareholder approved Company equity plan, and any applicable agreement, Executive shall have the following rights:

- [a]** For these purposes, "Award" means any award granted under the Designer Brands Inc. 2005 Equity Incentive Plan, the Designer Brands Inc. 2014 Equity Incentive Plan, any future shareholder approved Company equity plan, and any other agreement, as such term is defined in the applicable plan.
- [b]** With respect to nonqualified stock options, Executive will have ninety (90) days from the effective date of Involuntary Termination Without Cause, or the grant expiration date set forth in the applicable stock option agreement between Executive and the Company, whichever period is shorter, to exercise any portion of any outstanding nonqualified stock options that are vested and exercisable on the effective date of Involuntary Termination Without Cause, subject to the trading rules set forth in the Company's policies and procedures, including the Designer Brands Inc. Insider Trading policy.
- [c]** With respect to Awards that would vest solely upon the passage of time and such vesting date would occur within the twelve (12) month period following the effective date of Involuntary Termination Without



Cause, such Award shall vest and, if applicable, be awarded to Executive as of the date of Involuntary Termination Without Cause.

[d] With respect to Awards that would vest upon the satisfaction of a specified requirement, or upon satisfaction of the passage of time and satisfaction of a specified requirement; in the event that all such requirements are satisfied prior to the expiration of the twelve (12) month period following the date of Involuntary Termination Without Cause, such Award shall vest and be awarded to Executive upon the satisfaction of all applicable requirements.

[5] **Other.** Any rights accruing to Executive under any employee benefit plan, fund or program maintained by any Group Member will be distributed or made available as required by the terms of the plan fund or program or as required by law.

2.03 Definition of Cause. For these purposes, Cause means Executive's [a] breach of Section 1.00 of this Agreement, including Scope of Duties, Confidential Information, Solicitation of Employees, Solicitation of Third Parties, Non-Competition, Post-Termination Cooperation, Non-Disparagement, Nondisclosure, and Return of Company Property; [b] willful, illegal or grossly negligent conduct that is materially injurious to the Company or any Group Member monetarily or otherwise; [c] violation of laws or regulations governing the Company or to any Group Member; [d] breach of any fiduciary duty owed to the Company or any Group Member, expressly including the duties of good faith, ordinary care, and to act in a manner that is not opposed to the best interests of the Company; [e] material misrepresentation or dishonesty in violation of the Company's policies and procedures; [f] involvement in any act of moral turpitude that has or could reasonably have an injurious effect on the Company (or any Group Member) or its reputation; or [g] breach of the terms of any non-solicitation or confidentiality clauses contained in any agreement(s) with a former employer. By way of non-limiting example, conduct constituting Cause under part [f] of this Section 2.03 includes Executive's engagement in or facilitation of, as determined by the Company, any form of harassment, sexual or otherwise, or any other sexual misconduct. The Company's dissatisfaction with Executive's performance, or the business results achieved, shall not, in and of itself, constitute Cause under this Section.

2.04 Subsequent Information. The terms of Section 2.03 will apply if, after Executive terminates, the Company learns of an event that, had it been known before Executive terminated employment, would have justified a termination for Cause. In this case, the Company will be entitled to recover (and Executive agrees to repay) any amounts (other than legally protected benefits) that Executive received.

For purposes of this Agreement, "Involuntary Termination Without Cause" and "Without Cause" mean termination of Executive's employment by the Company for any reason other than those set forth in Section 2.03 or 2.04.

3.00 NOTICE

8

Initials  Date 06/02/2022 | 12:49 PM EDT



3.01 How Given. Any notice permitted or required to be given under this Agreement must be given in writing and delivered in person or by registered, U.S. mail, return receipt requested, postage prepaid, or through Federal Express, UPS, DHL or any other professional delivery service that maintains a confirmation of delivery system. Any delivery must be addressed to the Company's General Counsel at the Company's then-current corporate offices or to Executive at Executive's address as contained in Executive's personnel file as of the last day of employment.

3.02 Effective Date. Any notice permitted or required to be given under this Agreement will be effective on the date it is delivered, in the event of personal delivery, or on the date its receipt is acknowledged, in the event of delivery by registered mail or through a professional delivery service described in Section 3.01.

4.00 RELEASE

In exchange for the payments and benefits described in Section 2.02 of this Agreement, upon termination Executive and Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees, legatees and assigns (together, the "Executive Representatives") agree to execute a release forever discharging the Company, the Group and each Group Member and their executives, officers, directors, agents, attorneys, successors and assigns, from any and all claims, suits and/or causes of action that grow out of or are in any way related to Executive's recruitment to or employment with the Company and all Group Members, other than: (i) any claim that the Company has breached this Agreement, and (ii) any charge filed with an administrative agency (although Executive and Executive Representatives waives any right to recover any money or other benefits arising from such charge(s)). This release includes, but is not limited to, any claims that the Company, the Group or any Group Member violated the Employee Retirement and Income Security Act of 1974; the Age Discrimination in Employment Act; the Older Worker's Benefit Protection Act; the Americans with Disabilities Act; Title VII of the Civil Rights Act of 1964 (as amended); the Family and Medical Leave Act; the Equal Pay Act of 1963 (as amended); the Genetic Information and Nondiscrimination Act of 2008; any law prohibiting discrimination, harassment or retaliation in employment; any claim of promissory estoppel or detrimental reliance, defamation, intentional infliction of emotional distress; or the public policy of any state, or any federal, state or local law. If Executive or Executive Representatives fails to execute this release, Executive or Executive Representatives agrees to forego any payment from the Company as if Executive had terminated employment voluntarily. Specifically, Executive and the Executive Representatives agree that a necessary condition for the payment of any of the amounts described in Section 2.00 in the event of termination is Executive's or Executive Representatives' execution of this release upon termination of employment. Executive acknowledges that the Executive is an experienced senior executive knowledgeable about the claims that might arise in the course of employment with the Company and knowingly agrees that the payments upon termination provided for in this Agreement are satisfactory consideration for the release of all possible claims.

Notwithstanding the forgoing, nothing in this this Agreement is intended to, or shall, interfere with Executive's rights under federal, state or local civil rights or employment



discrimination laws to institute a charge of discrimination or an unfair labor practice charge, to participate in a proceeding with any appropriate federal, state or local government agency enforcing discrimination or labor laws, or to cooperate with any such agency in its investigation. By signing below, however, Executive understands and agrees that Executive shall not be entitled to any relief, recovery, or monies in connection with any such charge, claim or cause of action brought against the Company, regardless of who filed or initiated any such charge, claim or cause of action.

5.00 INSURANCE

To the extent permitted by law and its organizational documents, the Company will include Executive under any liability insurance policy the Company maintains for employees of comparable status. The level of coverage will be at least as favorable to Executive (in amount and each other material respect) as the coverage of other employees of comparable status. This obligation to provide insurance for Executive will survive termination of this Agreement with respect to proceedings or threatened proceedings based on acts or omissions occurring during Executive's employment with the Company or with any Group Member.

6.00 ARBITRATION

6.01 Acknowledgement of Arbitration. Unless stated otherwise in this Agreement, the Parties agree that arbitration is the sole and exclusive remedy for each of them to resolve and redress any dispute, claim or controversy involving the interpretation of this Agreement or the terms, conditions or termination of this Agreement or the terms, conditions or termination of Executive's employment with the Group and with each Group Member, including any claims for any tort, breach of contract, violation of public policy or discrimination, whether such claim arises under federal or state law.

Section 6.0 specifically supersedes, replaces, and terminates any contemporaneous or previous agreement regarding arbitration, including but not limited to the Mutual Agreement to Arbitrate Claims, and any such agreement will have no further force or legal effect. Additionally, to the extent that any contemporaneous or previous agreement regarding arbitration exists, including but not limited to the Mutual Agreement to Arbitrate Claims, this Agreement constitutes an individual written agreement specifically altering and modifying such agreement.

6.02 Scope of Arbitration. The Executive expressly understands and agrees that claims subject to arbitration under this Section include asserted violations of the Employee Retirement and Income Security Act of 1974; the Age Discrimination in Employment Act; the Older Worker's Benefit Protection Act; the Americans with Disabilities Act; Title VII of the Civil Rights Act of 1964 (as amended); the Family and Medical Leave Act; the Equal Pay Act of 1963 (as amended); the Genetic Information and Nondiscrimination Act of 2008; any law prohibiting discrimination, harassment or retaliation in employment; any claim of promissory estoppel or detrimental reliance,



defamation, intentional infliction of emotional distress; or the public policy of any state, or any federal, state or local law.

Section 6.0 does not apply to: (1) claims for workers' compensation benefits, state disability insurance, or unemployment insurance benefits; (2) any claim not subject to mandatory arbitration, applying the FAA to determine whether the claim is arbitrable, including, if Employee chooses, sexual assault and sexual harassment disputes as defined by section 401 of the FAA; and (3) any claim for benefits from an employee benefit plan or pension plan that has its own binding, non-judicial dispute resolution procedure.

6.03 Effect of Arbitration. The Parties intend that any arbitration award relating to any matter described in Section 6.00 will be final and binding on them and that a judgment on the award may be entered in any court of competent jurisdiction, and enforcement may be had according to the terms of that award. This Section will survive the termination or expiration of this Agreement.

6.04 Location of Arbitration. Arbitration will be held in Columbus, Ohio and will be conducted by a retired federal judge or other qualified arbitrator. The arbitrator will be mutually agreed upon by the Parties and the arbitration will be conducted in accordance with the Employment Arbitration Rules and Mediation Procedures of the American Arbitration Association ("AAA").

6.05 Arbitration Procedures. The Parties will have the right to conduct discovery pursuant to the AAA rules and consistent with the expedited nature of arbitration. Generally, the Parties may take the depositions of all expert witnesses and up to (3) other individuals per Party. To the extent that a case warrants additional depositions or otherwise extensive discovery, the arbitrator will have the authority to approve the scope of such discovery. Additionally, the arbitrator will have the authority to establish an expedited discovery schedule and cutoff and to resolve any discovery disputes. The arbitrator will have no jurisdiction or authority to change any provision of this Agreement by alterations of, additions to or subtractions from the terms of this Agreement. The arbitrator's sole authority will be to interpret or apply any provision(s) of this Agreement or any public law alleged to have been violated. The arbitrator will be limited to awarding compensatory damages, including unpaid wages or benefits, but, to the extent allowed by law, will have no authority to award punitive, exemplary or similar-type damages.

6.06 Time for Initiating Arbitration. Any claim or controversy not sought to be submitted to arbitration, in writing, within one-hundred-twenty (120) days of the date the Party asserting the claim knew, or through reasonable diligence should have known, of the facts giving rise to that Party's claim, will be deemed waived and the Party asserting the claim will have no further right to seek arbitration or recovery with respect to that claim or controversy. Both Parties agree to strictly comply with the time limitation specified in Section 6.00. For purposes of this Section, a claim or controversy is sought to be submitted to arbitration on the date the complaining Party gives written notice to the other that [1] an issue has arisen or is likely to arise that, unless resolved otherwise, may be resolved through arbitration under Section 6.00 and [2] unless the issue is resolved



otherwise, the complaining Party intends to submit the matter to arbitration under the terms of Section 6.00.

6.07 Costs of Arbitration. Executive may be required to pay a filing fee to initiate arbitration. The Company will bear the arbitrator's fee and other costs associated with any arbitration, unless the arbitrator elects to award these fees to the Company.

6.08 Arbitration Exclusive Remedy. The Parties acknowledge that, because arbitration is the exclusive remedy for resolving issues arising under this Agreement, neither Party may resort to any federal, state or local court or administrative agency concerning breaches of this Agreement or any other matter subject to arbitration under Section 6.00, except as otherwise provided in this Agreement, and that the decision of the arbitrator will be a complete defense to any suit, action or proceeding instituted in any federal, state or local court before any administrative agency with respect to any arbitrable claim or controversy.

6.09 Waiver of Jury. The Executive and the Company each waive the right to have a claim or dispute with one another decided in a judicial forum or by a jury, except as otherwise provided in this Agreement.

7.00 GENERAL PROVISIONS

7.01 Representation of Executive. Executive represents and warrants that Executive is not under any contractual or legal restraint that prevents or prohibits Executive from entering into this Agreement or performing the duties and obligations described in this Agreement.

7.02 Modification or Waiver; Entire Agreement. No provision of this Agreement may be modified or waived except in a document signed by Executive and the Company's Chief Executive Officer, Chief Financial Officer, Chief Administrative Officer or other person designated by the Company's Board of Directors. This Agreement (including the recitals to this Agreement which are incorporated and shall constitute a part of this Agreement), and any attachments referenced in the Agreement, constitute the entire agreement between the Parties regarding the employment relationship described in this Agreement, and any other agreements are superseded, replaced, terminated and of no further force or legal effect. No agreements or representations, oral or otherwise, with respect to Executive's employment relationship with the Company have been made or relied upon by either Party which are not set forth expressly in this Agreement.

7.03 Governing Law; Severability; Choice of Law. This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules and regulations. If any provision of this Agreement, or the application of any provision of this Agreement to any person or circumstance, is, for any reason and to any extent, held invalid or unenforceable, such invalidity and unenforceability will not affect the remaining provisions of this Agreement or its application to other persons or circumstances, all of which will be enforced to the greatest extent permitted by law and Executive and the Company agree that the arbitrator (or judge) is authorized to reform



the invalid or enforceable provision [1] to the extent needed to avoid the invalidity or unenforceability and [2] in a manner that is as similar as possible to the intent (as described in this Agreement). The validity, construction and interpretation of this Agreement and the rights and duties of the Parties will be governed by the laws of the State of Ohio, without reference to the Ohio choice of law rules.

7.04 No Waiver. Except as otherwise provided in Section 6.05, failure to insist upon strict compliance with any term of this Agreement will not be considered a waiver of any such term.

7.05 Withholding. All payments made to Executive under this Agreement will be reduced by any amount:

[1] That the Company is required to withhold in advance payment of Executive's federal, state and local income, wage and employment tax liability; and

[2] To the extent allowed by law, that Executive owes (or, after employment is deemed to owe) to the Company.

However, application of Section 7.05[2] will not extinguish the Company's right to seek additional amounts from the Executive (or to pursue other appropriate remedies) to the extent that the amount that may be recovered by application of Section 7.05[2] does not fully discharge the amount Executive owes to the Company and does not preclude the Company from proceeding directly against Executive without first exhausting its right of recovery under Section 7.05[2].

7.06 Survival. Subject to the terms of Executive's Beneficiary designation form, the Parties agree that the covenants and promises set forth in this Agreement will survive the termination of this Agreement and continue in full force and effect.

7.07 Miscellaneous.

[1] Executive may not assign any right or interest to, or in, any payments payable under this Agreement; provided, however, that this prohibition does not preclude Executive from designating in writing one or more beneficiaries to receive any amount that may be payable after Executive's death and does not preclude the legal representative of Executive's estate from assigning any right under this Agreement to the person or persons entitled to it.

[2] This Agreement will be binding upon and will inure to the benefit of Executive, Executive's heirs and legal representatives and the Company and its successors.

[3] The headings in this Agreement are inserted for convenience of reference only and will not be a part of or control or affect the meaning of any provision of the Agreement.



7.08 Successors to Company. This Agreement may and will be assigned or transferred to, and will be binding upon and will inure to the benefit of, any successor of the Company, and any successor will be substituted for the Company under the terms of this Agreement. As used in this Agreement, the term “successor” means any person, firm, corporation or business entity which at any time, whether by merger, purchase or otherwise, acquires all or essentially all of the assets of the business of the Company. Notwithstanding any assignment, the Company will remain, with any successor, jointly and severally liable for all its obligations under this Agreement.

7.09 IRC Section 409A Compliance. The parties will administer this Agreement in a good faith attempt to avoid imposition on Executive of penalties under Section 409A of the Internal Revenue Code of 1986 and the guidance promulgated thereunder. If Executive is a “specified employee” as defined under Section 409A, and to the extent any payments under this Agreement are otherwise payable in the period beginning with termination date and ending six (6) months after the termination date and would subject the Executive to penalties under Section 409A, such payments will be delayed, aggregated, and paid as soon as practicable after the date that is six (6) months after the date of termination. For purposes of this Agreement, “termination of employment” or any similar term shall be interpreted consistent with the definition of “separation from service” under Section 409A.

EXECUTIVE ACKNOWLEDGES, DECLARES, AND REPRESENTS THAT:

(A) EXECUTIVE HAS FULLY READ AND FULLY UNDERSTANDS THE TERMS OF THIS AGREEMENT INCLUDING, BUT NOT LIMITED TO EXECUTIVE’S RIGHTS AND CLAIMS UNDER THE AGE DISCRIMINATION IN EMPLOYMENT ACT;

(B) EXECUTIVE HAS BEEN ADVISED BY THE COMPANY IN WRITING BY THIS AGREEMENT TO CONSULT WITH LEGAL COUNSEL OF EXECUTIVE’S CHOICE PRIOR TO EXECUTING THIS AGREEMENT AND THE RELEASE PROVIDED FOR IN THIS AGREEMENT;

(C) EXECUTIVE HAS BEEN INFORMED BY THE COMPANY AND EXECUTIVE AGREES THAT EXECUTIVE HAS TWENTY-ONE (21) DAYS AFTER RECEIVING THIS AGREEMENT, TO ACCEPT, SIGN, AND DATE THIS AGREEMENT;

(D) EXECUTIVE UNDERSTANDS EXECUTIVE HAS SEVEN (7) DAYS AFTER SIGNING THIS AGREEMENT TO REVOKE ITS TERMS (THE “REVOCATION PERIOD”) BY SENDING WRITTEN NOTICE OF REVOCATION TO COMPLIANCE@DESIGNERBRANDS.COM;

(E) EXECUTIVE HAS BEEN INFORMED BY THE COMPANY THAT THIS AGREEMENT WILL BECOME EFFECTIVE ONLY IF EXECUTIVE ACCEPTS AND SIGNS THIS AGREEMENT AND ONLY IF EXECUTIVE DOES NOT REVOKE EXECUTIVE’S ACCEPTANCE WITHIN THE REVOCATION PERIOD;



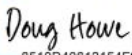
(F) NO PROMISE, INDUCEMENT OR AGREEMENT HAS BEEN MADE EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, THIS AGREEMENT CONTAINS THE ENTIRE AGREEMENT BETWEEN THE PARTIES, AND THIS AGREEMENT TOTALLY REPLACES AND SUPERSEDES ANY AND ALL PRIOR ORAL OR WRITTEN CONTRACTS, AGREEMENT, LETTERS OR UNDERSTANDINGS OF THE PARTIES; AND

(G) EXECUTIVE HAS VOLUNTARILY AND KNOWINGLY SIGNED THIS AGREEMENT, FULLY INTENDING TO BE BOUND BY ITS TERMS.

[Signature Page Follows]


IN WITNESS WHEREOF, the Parties have duly executed and delivered this Agreement, which includes an arbitration provision, and consists of sixteen (16) pages. The Parties acknowledge and agree that this Agreement may be executed by electronic signature, which shall be considered as an original signature for all purposes and shall have the same force and effect as an original signature.

EXECUTIVE

DocuSigned by:

8510D40812154F9...

Doug Howe
Dated: 06/02/2022 | 12:49 PM EDT

DESIGNER BRANDS INC.

DocuSigned by:

3207F61745A5430...

Roger Rawlins
Chief Executive Officer
Dated: 06/02/2022 | 1:28 PM EDT



Certificate Of Completion

Envelope Id: A2DFAF1D517E443B8E4712E5CD4944F7	Status: Completed
Subject: Please DocuSign: Doug Howe - Executive Agreement	
Source Envelope:	
Document Pages: 16	Signatures: 2
Certificate Pages: 5	Initials: 16
AutoNav: Enabled	Envelope Originator:
Enveloped Stamping: Enabled	Designer Brands Compensation Team
Time Zone: (UTC-05:00) Eastern Time (US & Canada)	810 DSW Drive
	Columbus, OH 43219
	compensation@hr.designerbrands.com
	IP Address: 163.116.133.113

Record Tracking

Status: Original	Holder: Designer Brands Compensation Team	Location: DocuSign
6/1/2022 4:11:25 PM	compensation@hr.designerbrands.com	

Signer Events

Doug Howe
doughowe@dswinc.com
Security Level: Email, Account Authentication (None)

Signature

DocuSigned by:

8510D40612154F9...
Signature Adoption: Pre-selected Style
Signed by link sent to doughowe@dswinc.com
Using IP Address: 163.116.133.115

Timestamp

Sent: 6/1/2022 4:17:54 PM
Viewed: 6/2/2022 12:48:53 PM
Signed: 6/2/2022 12:49:37 PM

Electronic Record and Signature Disclosure:
Accepted: 6/2/2022 12:48:53 PM
ID: 7d6b2c1a-dcd6-4d01-9ca6-0cc18b8f6e82

Roger Rawlins
rogerrawlins@designerbrands.com
CEO
Security Level: Email, Account Authentication (None)

DocuSigned by:

3207F81745A5430...
Signature Adoption: Pre-selected Style
Signed by link sent to
rogerrawlins@designerbrands.com
Using IP Address: 163.116.133.116

Sent: 6/2/2022 12:49:38 PM
Viewed: 6/2/2022 1:28:40 PM
Signed: 6/2/2022 1:28:44 PM

Electronic Record and Signature Disclosure:
Not Offered via DocuSign

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp

Designer Brands Compensation Team
compensation@hr.designerbrands.com
Security Level: Email, Account Authentication (None)

COPIED

Sent: 6/2/2022 1:28:46 PM

Electronic Record and Signature Disclosure:
Not Offered via DocuSign



Carbon Copy Events	Status	Timestamp
Miriam Shoap MiriamShoap@dswinc.com Manager, Legal Services Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign	<div style="border: 2px solid blue; padding: 5px; display: inline-block;"> COPIED </div>	Sent: 6/2/2022 1:28:47 PM

Witness Events	Signature	Timestamp
----------------	-----------	-----------

Notary Events	Signature	Timestamp
---------------	-----------	-----------

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	6/1/2022 4:17:54 PM
Certified Delivered	Security Checked	6/2/2022 1:28:40 PM
Signing Complete	Security Checked	6/2/2022 1:28:44 PM
Completed	Security Checked	6/2/2022 1:28:47 PM

Payment Events	Status	Timestamps
----------------	--------	------------

Electronic Record and Signature Disclosure
--



ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, DSW Inc. (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically



Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact DSW Inc.:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: licensing-docusign@designerbrands.com

To advise DSW Inc. of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at licensing-docusign@designerbrands.com and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from DSW Inc.

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to licensing-docusign@designerbrands.com and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with DSW Inc.

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:



- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to licensing-docusign@designerbrands.com and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify DSW Inc. as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by DSW Inc. during the course of your relationship with DSW Inc..



**DESIGNER BRANDS INC.
LIST OF SUBSIDIARIES**

Ref. No.	Name	Jurisdiction of Incorporation	Parent Company No.
1	Designer Brands Inc.	Ohio	N/A
2	DSW Shoe Warehouse, Inc.	Missouri	1
3	Brand Card Services LLC	Ohio	1
4	DSW Information Technology LLC	Ohio	1
5	eTailDirect LLC	Delaware	2
6	Ebuys, Inc.	California	2
7	DSW MS LLC	Ohio	1
8	DSW Leased Business Division LLC aka Affiliated Business Group	Ohio	2
9	810 AC LLC	Ohio	1
10	DSW PR LLC	Puerto Rico	2
11	Retail Ventures Services, Inc.	Ohio	7
12	DSW Shoe Warehouse, S.a.r.l.	Luxembourg	2
13	Designer Brands Canada Inc.	Canada	12
14	Camuto LLC	Ohio	2
15	Designer Brand Licensing LLC	Ohio	2
16	Camuto Overseas Holding Subsidiary LLC	Ohio	14
17	Victory Assessoria EM Compras EIRELLA	Brazil	16
18	CGA Design Ltd	Hong Kong	16
19	CGA Dongguan Ltd	China	18
20	VCJS LLC	Connecticut	14
21	VCS Group LLC	Delaware	14
22	Article II JV, LLC	Delaware	21
23	BC/VC Ventures LLC	Delaware	21
24	Vincent Camuto LLC	Connecticut	14
25	CCI Operations LLC	Ohio	14
26	VC Footwear LLC	Connecticut	25
27	VC Line Building Services LLC	Connecticut	25
28	Hot on Time LLC	Connecticut	25
29	Sole Society Group Inc.	Delaware	25
30	ABG-Camuto, LLC	Delaware	15
31	BRX DBI Joint Venture LLC	Delaware	21
32	JEMS, Inc.	Oregon	1
33	DBI Brands Management LLC	Ohio	2
34	Designer Brands Partners LLC	Ohio	14
35	Le Tigre 360 Global LLC	Delaware	15
36	ToPo ATHLETIC LLC	Delaware	34

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-126244, 333-159849, 333-203015, and 333-239853 on Form S-8, Registration Statement No. 333-238121 on Form S-3, Post-Effective Amendment No. 1 on Form S-8 to the Registration Statement No. 333-172631 on S-4, Post-Effective Amendment No. 1 on Form S-4 to the Registration Statement No. 333-172631 on S-4, Registration Statement No. 333-174464 on Form S-4, and Post-Effective Amendment No. 4 on Form S-3 to the Registration Statement No. 333-134227 on Form S-1 of our report dated March 16, 2023, relating to the consolidated financial statements of Designer Brands Inc. and subsidiaries, and the effectiveness of Designer Brands Inc. and subsidiaries' internal control over financial reporting, appearing in this Annual Report on Form 10-K of Designer Brands Inc. for the year ended January 28, 2023.

/s/ DELOITTE & TOUCHE LLP

Columbus, Ohio

March 16, 2023

POWER OF ATTORNEY

Each director and/or officer of Designer Brands Inc. (the "Corporation") whose signature appears below hereby appoints each of Jared Poff, Executive Vice President and Chief Financial Officer, Michelle Krall, Senior Vice President, General Counsel and Corporate Secretary, and Mark Haley, Senior Vice President and Controller, as the undersigned's attorney or any of them individually as the undersigned's attorney, to sign, in the undersigned's name and behalf and in any and all capacities stated below, and to cause to be filed with the Securities and Exchange Commission (the "Commission"), the Corporation's Annual Report on Form 10-K (the "Form 10-K") for the fiscal year ended January 28, 2023, and likewise to sign and file with the Commission any and all amendments to the Form 10-K, and the Corporation hereby appoints such persons as its attorneys-in-fact and each of them as its attorney-in-fact with like authority to sign and file the Form 10-K and any amendments thereto granting to each attorney-in-fact full power of substitution and revocation, and hereby ratifying all that any such attorney-in-fact or the undersigned's substitute may do by virtue hereof.

IN WITNESS WHEREOF, we have hereunto set our hands effective as of the 16th day of March 2023.

Signature	Title
<u>/s/ Jay L. Schottenstein</u> Jay L. Schottenstein	Executive Chairman of the Board and Director
<u>/s/ Roger L. Rawlins</u> Roger L. Rawlins	Chief Executive Officer and Director (Principal Executive Officer)
<u>/s/ Jared A. Poff</u> Jared Poff	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
<u>/s/ Mark Haley</u> Mark Haley	Senior Vice President and Controller (Principal Accounting Officer)
<u>/s/ Peter S. Cobb</u> Peter S. Cobb	Director
<u>/s/ Elaine J. Eisenman</u> Elaine J. Eisenman	Director
<u>/s/ Tami J. Fersko</u> Tami Fersko	Director
<u>/s/ Joanna T. Lau</u> Joanna T. Lau	Director
<u>/s/ Rich Paul</u> Rich Paul	Director
<u>/s/ Joseph A. Schottenstein</u> Joseph A. Schottenstein	Director
<u>/s/ Harvey L. Sonnenberg</u> Harvey L. Sonnenberg	Director



/s/ Joanne Zaiac

Director

Joanne Zaiac

CERTIFICATIONS

I, Roger L. Rawlins, certify that:

1. I have reviewed this Annual Report on Form 10-K of Designer Brands Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 16, 2023

By: /s/ Roger L. Rawlins

Roger L. Rawlins

Chief Executive Officer

CERTIFICATIONS

I, Jared A. Poff, certify that:

1. I have reviewed this Annual Report on Form 10-K of Designer Brands Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 16, 2023

By: /s/ Jared A. Poff

Jared A. Poff, Executive Vice President and
Chief Financial Officer

SECTION 1350 CERTIFICATION*

In connection with the Annual Report of Designer Brands Inc. (the "Company") on Form 10-K for the fiscal year ended January 28, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Roger L. Rawlins, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Dated: March 16, 2023

By: /s/ Roger L. Rawlins

Roger L. Rawlins,
Chief Executive Officer

* This Certification is being furnished as required by Rule 13a-14(b) under the Securities Exchange Act of 1934 (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code, and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that section. This Certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, except as otherwise stated in such filing.

A signed original of this written statement required by 18 U.S.C. § 1350 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

SECTION 1350 CERTIFICATION *

In connection with the Annual Report of Designer Brands Inc. (the "Company") on Form 10-K for the fiscal year ended January 28, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jared A. Poff, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Dated: March 16, 2023

By: /s/ Jared A. Poff

Jared A. Poff,

Executive Vice President and Chief Financial Officer

* This Certification is being furnished as required by Rule 13a-14(b) under the Securities Exchange Act of 1934 (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code, and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that section. This Certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, except as otherwise stated in such filing.

A signed original of this written statement required by 18 U.S.C. § 1350 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

12 Months Ended

Cover Page - USD (\$)

Jan. 28, 2023

Mar. 09,
2023

Jul. 30,
2022

Class of Stock [Line Items]

Document Type 10-K
Document Annual Report true
Document Period End Date Jan. 28, 2023
Current Fiscal Year End Date --01-28
Document Transition Report false
Entity File Number 1-32545
Entity Registrant Name DESIGNER BRANDS INC.
Entity Incorporation, State or Country Code OH
Entity Tax Identification Number 31-0746639
Entity Address, Address Line One 810 DSW Drive,
Entity Address, City or Town Columbus,
Entity Address, State or Province OH
Entity Address, Postal Zip Code 43219
City Area Code (614)
Local Phone Number 237-7100
Title of 12(b) Security Class A Common Shares, without par value
Trading Symbol DBI
Security Exchange Name NYSE
Entity Well-known Seasoned Issuer Yes
Entity Voluntary Filers No
Entity Current Reporting Status Yes
Entity Interactive Data Current Yes
Entity Filer Category Large Accelerated Filer
Entity Small Business false
Entity Emerging Growth Company false
ICFR Auditor Attestation Flag true
Entity Shell Company false
Entity Public Float

\$
703,163,424

Documents Incorporated by Reference Portions of the registrant's Definitive Proxy Statement on Schedule 14A for the 2023 Annual Meeting of Shareholders, which statement will be filed pursuant to Regulation 14A no later than 120 days after the end of

the fiscal year covered by this report, are incorporated by reference into Part III of this Annual Report on Form 10-K.

[Entity Central Index Key](#) 0001319947

[Document Fiscal Year Focus](#) 2022

[Document Fiscal Period Focus](#) FY

[Amendment Flag](#) false

[Class A Common Shares](#)

[Class of Stock \[Line Items\]](#)

[Entity Common Stock, Shares Outstanding](#) 55,920,671

[Class B Common Shares](#)

[Class of Stock \[Line Items\]](#)

[Entity Common Stock, Shares Outstanding](#) 7,732,743

Audit Information

**12 Months Ended
Jan. 28, 2023**

[Audit Information \[Abstract\]](#)

<u>Auditor Name</u>	Deloitte & Touche LLP
<u>Auditor Location</u>	Columbus, Ohio
<u>Auditor Firm ID</u>	34

**Consolidated Statements of
Operations - USD (\$)**
shares in Thousands, \$ in
Thousands

12 Months Ended

Jan. 28, 2023 Jan. 29, 2022 Jan. 30, 2021

<u>Net sales</u>	\$ 3,315,428	\$ 3,196,583	\$ 2,234,719
<u>Gross Profit</u>	1,079,225	1,068,637	311,241
<u>Operating expenses</u>	(896,382)	(870,682)	(753,278)
<u>Income from equity investments</u>	8,864	8,986	9,329
<u>Impairment charges</u>	(4,317)	(1,720)	(153,606)
<u>Operating profit (loss)</u>	187,390	205,221	(586,314)
<u>Interest expense, net</u>	(14,874)	(32,129)	(23,694)
<u>Loss on extinguishment of debt and write-off of debt issuance costs</u>	(12,862)	0	0
<u>Non-operating income (expenses), net</u>	(130)	(67)	1,361
<u>Income (loss) before income taxes</u>	159,524	173,025	(608,647)
<u>Income tax benefit (provision)</u>	3,142	(18,544)	119,928
<u>Net income (loss)</u>	162,666	154,481	(488,719)
<u>Net loss attributable to redeemable noncontrolling interest</u>	10	0	0
<u>Net income (loss) attributable to Designer Brands Inc.</u>	\$ 162,676	\$ 154,481	\$ (488,719)
<u>Earnings (loss) per share attributable to Designer Brands Inc.:</u>			
<u>Basic earnings (loss) per share</u>	\$ 2.41	\$ 2.12	\$ (6.77)
<u>Diluted earnings (loss) per share</u>	\$ 2.26	\$ 2.00	\$ (6.77)
<u>Weighted average shares used in per share calculations:</u>			
<u>Basic shares</u>	67,603	73,024	72,198
<u>Diluted shares</u>	72,101	77,268	72,198
<u>Product</u>			
<u>Net sales</u>	\$ 3,315,428	\$ 3,196,583	\$ 2,234,719
<u>Cost of sales</u>	\$ (2,236,203)	\$ (2,127,946)	\$ (1,923,478)

**Consolidated Statements of
Comprehensive Income
(Loss) - USD (\$)
\$ in Thousands**

12 Months Ended

**Jan. 28, Jan. 29, Jan. 30,
2023 2022 2021**

Other Comprehensive Income (Loss), Net of Tax, Portion Attributable to Parent [Abstract]

<u>Net income (loss)</u>	\$ 162,666	\$ 154,481	\$ (488,719)
<u>Other comprehensive income (loss), net of income taxes:</u>			
<u>Foreign currency translation loss</u>	(1,733)	(331)	(618)
<u>Unrealized net gain on debt securities</u>	0	0	195
<u>Reclassification adjustment for net gains realized in net income (loss)</u>	0	0	(368)
<u>Total other comprehensive loss, net of income taxes</u>	(1,733)	(331)	(791)
<u>Comprehensive income (loss)</u>	160,933	154,150	(489,510)
<u>Comprehensive loss attributable to redeemable noncontrolling interest</u>	10	0	0
<u>Comprehensive income (loss) attributable to Designer Brands Inc.</u>	\$ 160,943	\$ 154,150	\$ (489,510)

Consolidated Balance Sheets
- USD (\$)
\$ in Thousands

	Jan. 28,	Jan. 29,
	2023	2022
<u>ASSETS [Abstract]:</u>		
<u>Cash and cash equivalents</u>	\$ 58,766	\$ 72,691
<u>Receivables, net</u>	77,763	199,826
<u>Inventories</u>	605,652	586,429
<u>Prepaid expenses and other current assets</u>	47,750	55,270
<u>Total current assets</u>	789,931	914,216
<u>Property and equipment, net</u>	235,430	256,786
<u>Operating lease assets</u>	700,373	647,221
<u>Goodwill</u>	97,115	93,655
<u>Intangible assets, net</u>	31,866	15,527
<u>Deferred tax assets</u>	48,285	356
<u>Equity investments</u>	63,820	55,578
<u>Other assets</u>	42,798	31,295
<u>Total assets</u>	2,009,618	2,014,634
<u>LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST, AND SHAREHOLDERS' EQUITY</u>		
<u>Accounts payable</u>	255,364	340,877
<u>Accrued expenses</u>	190,676	215,812
<u>Current operating lease liabilities</u>	190,086	202,228
<u>Total current liabilities</u>	636,126	758,917
<u>Long-term debt</u>	281,035	225,536
<u>Non-current operating lease liabilities</u>	631,412	593,429
<u>Other non-current liabilities</u>	24,989	24,356
<u>Total liabilities</u>	1,573,562	1,602,238
<u>Commitments and contingencies</u>		
<u>Redeemable noncontrolling interest</u>	3,155	0
<u>Shareholders' equity:</u>		
<u>Common shares paid in-capital, no par value</u>	1,018,872	1,005,382
<u>Treasury shares, at cost</u>	(662,614)	(515,065)
<u>Retained earnings (deficit)</u>	81,993	(74,304)
<u>Accumulated other comprehensive loss</u>	(5,350)	(3,617)
<u>Total shareholders' equity</u>	432,901	412,396
<u>Total liabilities, redeemable noncontrolling interest, and shareholders' equity</u>	\$ 2,009,618	\$ 2,014,634

Consolidated Statements of Shareholders' Equity - USD (\$) shares in Thousands, \$ in Thousands	Total	Treasury Shares	Common Shares Paid in Capital	Retained Earnings (Deficit)	Accumulated Other Comprehensive Loss	Class A Common Shares	Class A Common Shares Common shares	Class B Common Shares	Class B Common Shares Common shares	Treasury Shares	Treasury Shares Treasury Shares
Increase (Decrease) in Stockholders' Equity [Roll Forward]											
<u>Common Shares, outstanding (in shares)</u>							64,033		7,733		22,169
<u>Balance at Feb. 01, 2020</u>	\$ 720,914	\$ (515,065)	\$ 971,380	\$ 267,094	\$ (2,495)						
Increase (Decrease) in Stockholders' Equity [Roll Forward]											
<u>Net income (loss)</u>	(488,719)			(488,719)							
<u>Stock-based compensation activity</u>	18,773		18,773								
<u>Stock-based compensation activity (in shares)</u>							633				
<u>Dividends paid</u>	(7,160)			(7,160)							
<u>Other comprehensive income (loss)</u>	(791)				(791)						
<u>Balance at Jan. 30, 2021</u>	243,017	(515,065)	990,153	(228,785)	(3,286)						
Increase (Decrease) in Stockholders' Equity [Roll Forward]											
<u>Common Shares, outstanding (in shares)</u>							64,666		7,733		22,169
<u>Net income (loss)</u>	154,481			154,481							
<u>Stock-based compensation activity</u>	15,229		15,229								
<u>Stock-based compensation activity (in shares)</u>							958				
<u>Other comprehensive income (loss)</u>	(331)				(331)						
<u>Balance at Jan. 29, 2022</u>	412,396	(515,065)	1,005,382	(74,304)	(3,617)						
Increase (Decrease) in Stockholders' Equity [Roll Forward]											
<u>Common Shares, outstanding (in shares)</u>						65,624	65,624	7,733	7,733		22,169
<u>Net income (loss)</u>	162,676			162,676							
<u>Stock-based compensation activity</u>	20,587		20,587								
<u>Stock-based compensation activity (in shares)</u>							1,010				
<u>Repurchase of Class A common shares</u>	(147,549)	(147,549)									
<u>Treasury stock, shares, acquired (in shares)</u>										10,713	
<u>Repurchase of Class A common shares (in shares)</u>						(10,713)					
<u>Dividends paid</u>	(13,476)		(7,097)	(6,379)							
<u>Other comprehensive income (loss)</u>	(1,733)				(1,733)						
<u>Balance at Jan. 28, 2023</u>	\$ 432,901	\$ (662,614)	\$ 1,018,872	\$ 81,993	\$ (5,350)						

**Increase (Decrease) in
Stockholders' Equity [Roll
Forward]**

Common Shares, outstanding
(in shares)

55,921	55,921	7,733	7,733	32,882
--------	--------	-------	-------	--------

**Consolidated Statements of
Shareholders' Equity
(Parenthetical) - \$ / shares**

**12 Months Ended
Jan. 28, 2023 Jan. 30, 2021**

Statement of Stockholders' Equity [Abstract]

<u>Dividends per share (in dollars per share)</u>	\$ 0.20	\$ 0.10
---	---------	---------

**Consolidated Statements of
Cash Flows - USD (\$)
\$ in Thousands**

**12 Months Ended
Jan. 28, Jan. 29, Jan. 30,
2023 2022 2021**

Cash flows from operating activities:

<u>Net income (loss)</u>	\$ 162,666	\$ 154,481	\$ (488,719)
--------------------------	------------	------------	-----------------

Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:

<u>Depreciation and amortization</u>	81,315	77,923	88,026
<u>Stock-based compensation expense</u>	28,502	23,923	20,236
<u>Deferred income taxes</u>	(51,891)	(1,001)	34,485
<u>Income from equity investments</u>	(8,864)	(8,986)	(9,329)
<u>Distributions received from equity investments</u>	8,850	12,006	8,491
<u>Impairment charges</u>	4,317	1,720	153,606
<u>Loss on extinguishment of debt</u>	12,862	0	0
<u>Gain on settlement</u>	0	0	(8,990)
<u>Other</u>	2,017	2,775	695

Change in operating assets and liabilities, net of acquired amounts:

<u>Accounts receivables</u>	7,962	8,703	23,179
<u>Income tax receivable</u>	118,219	(12,415)	(149,824)
<u>Inventories</u>	(15,995)	(113,248)	160,312
<u>Prepaid expenses and other current assets</u>	(5,398)	(3,859)	17,166
<u>Accounts payable</u>	(92,728)	92,894	(47,014)
<u>Accrued expenses</u>	(20,098)	10,735	30,144
<u>Operating lease assets and liabilities, net</u>	(30,310)	(74,222)	13,743
<u>Net cash provided by (used in) operating activities</u>	201,426	171,429	(153,793)

Cash flows from investing activities:

<u>Cash paid for property and equipment</u>	(54,974)	(33,030)	(31,114)
<u>Equity investment in Le Tigre</u>	(8,228)	0	0
<u>Sales of available-for-sale investments</u>	0	0	24,755
<u>Proceeds from settlement</u>	0	0	8,990
<u>Cash paid for business acquisition</u>	(19,062)	0	0
<u>Other</u>	(5,853)	(1,998)	0
<u>Net cash provided by (used in) investing activities</u>	(88,117)	(35,028)	2,631

Cash flows from financing activities:

<u>Borrowing on revolving lines of credit</u>	1,705,235	349,653	426,000
<u>Payments on revolving lines of credit</u>	(1,424,200)	(449,653)	(516,000)
<u>Proceeds from issuance of Term Loan</u>	0	0	250,000
<u>Payments for borrowings and prepayment premium under Term Loan</u>	(238,196)	(12,500)	(6,263)
<u>Payments of debt issuance costs</u>	(2,316)	0	(21,422)
<u>Cash paid for treasury shares</u>	(147,549)	0	0
<u>Dividends paid</u>	(13,476)	0	(7,160)
<u>Cash paid for income taxes for stock-based compensation shares withheld</u>	(7,915)	(8,694)	(1,463)
<u>Other</u>	(62)	(296)	(738)

<u>Net cash provided by (used in) financing activities</u>	(128,479)	(121,490)	122,954
<u>Effect of exchange rate changes on cash balances</u>	(523)	(33)	1,225
<u>Net increase (decrease) in cash, cash equivalents, and restricted cash</u>	(15,693)	14,878	(26,983)
<u>Cash, cash equivalents, and restricted cash, beginning of period</u>	74,459	59,581	86,564
<u>Cash, cash equivalents, and restricted cash, end of period</u>	58,766	74,459	59,581
<u>Supplemental disclosures of cash flow information:</u>			
<u>Cash paid (received) for income taxes</u>	(76,132)	28,419	(11,822)
<u>Cash paid for interest on debt</u>	14,820	23,341	19,523
<u>Cash paid for operating lease liabilities</u>	222,956	273,080	198,400
<u>Non-cash investing and financing activities:</u>			
<u>Property and equipment purchases not yet paid</u>	10,150	4,365	1,590
<u>Operating lease liabilities arising from lease asset additions</u>	23,496	15,123	9,407
<u>Net increase to operating lease assets and lease liabilities for modifications</u>	\$ 204,424	\$ 94,992	\$ 36,109

**Description of Business and
Significant Accounting
Policies**

12 Months Ended

Jan. 28, 2023

**Organization, Consolidation
and Presentation of
Financial Statements**

[Abstract]

**DESCRIPTION OF
BUSINESS AND
SIGNIFICANT
ACCOUNTING POLICIES**

DESCRIPTION OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF BUSINESS

Business Operations- Designer Brands Inc. ("we," "us," "our," and the "Company") is one of the world's largest designers, producers, and retailer accessories. We operate in three reportable segments: the U.S. Retail segment, the Canada Retail segment, and the Brand Portfolio segment. The U.S. Retail segment operates the DSW Designer Shoe Warehouse ("DSW") banner through its direct-to-consumer U.S. stores and e-commerce site. The Canada Retail segment operates the DSW Designer Shoe Company and DSW banners through its direct-to-consumer Canada stores and e-commerce sites. The Brand Portfolio segment earns revenue from the sale of products to retailers and international distributors, commissions for serving retailers as the design and buying agent for products under private label ("First Cost"), and the sale of our branded products through direct-to-consumer e-commerce sites at www.vincecamuto.com and www.topoathletic.com. ABG-Camuto, LLC ("ABG-Camuto") and Le Tigre 360 Global LLC ("Le Tigre") are an integral part of the Brand Portfolio segment. In partnership with Topo Group LLC, a global brand management and marketing company, we have a 40% ownership interest in ABG-Camuto, a joint venture that owns the rights of Vince Camuto and others. ABG-Camuto is responsible for the growth and marketing of the brands held by the joint venture. We have entered into an agreement with ABG-Camuto, whereby we pay royalties to ABG-Camuto based on the sales of licensed products, subject to guaranteed minimums. Le Tigre earns royalties on sales from third parties that license the brand names to produce non-footwear product categories. In July 2022, we acquired a 33.3% ownership interest in Le Tigre, which manages the Le Tigre brand. We entered into a license agreement with Le Tigre, whereby we pay royalties to Le Tigre based on the sales of the brand, subject to guaranteed minimums. The license agreement provides us the exclusive right to design, source, and sell Le Tigre branded footwear, investments and earnings under the equity method within the Brand Portfolio segment. In addition, we own the licensing rights for footwear of the Le Tigre brand and for footwear and handbags of the Lucky Brand. Our other operating segment, which we exited during 2020, is below the quantitative and qualitative reportable segment and is aggregated into Other for segment reporting purposes.

On December 13, 2022, we acquired a 79.4% ownership interest in Topo Athletic LLC ("Topo"), a designer of specialty athletic footwear that sells its products at wholesale to retailers and international distributors and through its direct-to-consumer e-commerce site at www.topoathletic.com. The acquisition provides us with expanded capabilities within the athletic footwear market. Topo is included within our Brand Portfolio segment.

Fiscal Year- Our fiscal year ends on the Saturday nearest to January 31. References to a fiscal year (e.g., "2022") refer to the calendar year in which this reporting schedule is followed by many national retail companies and typically results in a 52-week fiscal year, but occasionally will contain a period resulting in a 53-week fiscal year (including 2023). The periods presented in these consolidated financial statements each consisted of 52 weeks.

SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation- The consolidated financial statements include the accounts of Designer Brands Inc. and its subsidiaries, including all intercompany accounts and transactions have been eliminated in consolidation. All amounts are in United States ("U.S.") dollars.

Use of Estimates- The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of net sales and expenses during the reporting periods. Certain estimates and assumptions use forecasted financial information based on information reasonably available to us. Significant estimates and assumptions are required as a part of accounting for sales returns allowances, customer allowance reserves, gift card breakage income, deferred revenue associated with loyalty programs, valuation of inventories, depreciation and amortization, impairment of long-lived assets, intangibles and goodwill, lease accounting, redeemable noncontrolling interest, income taxes and valuation allowances on deferred tax assets, and valuations used to account for an acquisition. Although we believe these estimates and assumptions are reasonable, they are based on management's current events and actions we may undertake in the future. Changes in facts and circumstances may result in revised estimates and assumptions, which may differ from these estimates.

Revenue Recognition- Sales from the U.S. Retail and Canada Retail segments are recognized upon customer receipt of merchandise, net of estimated sales tax. Customers can purchase products from one of our stores, online, or from our mobile application. For products shipped directly to our customers, revenue is recorded at the sale upon the estimated customer receipt date based on historical delivery transit times. Revenue from shipping and handling is recorded in net sales. For products shipped to our customers from our vendors (referrals), sales are included in cost of sales on the consolidated statements of operations. For products shipped directly to our customers from our vendors (referrals), we record gross sales upon customer receipt based on the price paid by the customers as we have determined that we are the principal party responsible for the sale.

Sales from the Brand Portfolio segment are recognized upon transfer of control. Generally, our wholesale customers arrange their own transportation and control is transferred at the time of shipment. Sales are recorded at the transaction price, excluding sales tax, net of estimated reserves for customer returns and discounts. Direct-to-consumer online sales are recognized upon the estimated customer receipt date based on historical delivery transit times and net of sales tax and exclude sales tax. First Cost commission income is recognized at the point in time when the customer's freight forwarder takes control of the goods.

Gift Cards- Amounts received from the sale of gift cards are recorded as a liability and are recognized as sales when the cards are redeemed for merchandise. Based on historical information, the likelihood of a gift card remaining unredeemed (referred to as "breakage") can be reasonably estimated at the time of gift card sale. Breakage income is recognized over the estimated average redemption period of redeemed gift cards.

Loyalty Programs- We offer loyalty programs to our customers in the U.S. and Canada. Members under the programs earn points based on their purchases for various other activities. Upon reaching a specified point threshold, members receive reward certificates that may be redeemed for purchases of merchandise up to an expiration date. We record a reduction of net sales when points are awarded based on an allocation of the initial customer purchase and the stand-alone value of the points earned. We maintain a deferred liability for the outstanding points and certificates based on historical conversion and redemption rates. The deferred liability is recognized when certificates are redeemed or when points and certificates expire.

Cost of Sales- Cost of sales from the U.S. Retail and Canada Retail segments is recognized net of estimated returns. In addition to the cost of merchandise sold, we include freight and the impact of markdowns, shrink and other inventory valuation adjustments, we include expenses associated with distribution and occupancy in cost of sales. Distribution and fulfillment expenses comprise of labor costs, third-party fees, rent, depreciation, insurance, utilities, and other operating costs. Store occupancy expenses include rent, utilities, repairs, maintenance, insurance, janitorial costs, and occupancy-related taxes, but

Cost of sales from the Brand Portfolio segment is recognized net of estimated returns. In addition to the cost of merchandise sold, which includes freight and inventory valuation adjustments, we include royalty expense for licensed brands in cost of sales.

Operating Expenses- Operating expenses include expenses related to store management and store payroll costs, advertising, store depreciation, and distribution costs associated with the Brand Portfolio segment, and corporate expenses. Corporate expenses include expenses related to research and development, technology, rent (net of sublease income), depreciation and amortization expense for corporate assets, marketing, legal, finance, outside professional fees, service center expenses, and payroll-related costs for associates.

In March 2020, the U.S. government enacted the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), which, among other things, provided payroll tax credits for wages paid to associates who were unable to work over a defined period and options to defer payroll tax payments. We qualified for these payroll tax credits, which were treated as government subsidies to offset related operating expenses. Similar credits were also available in Canada. As a result, the qualified government credits reduced our operating expenses by \$4.0 million and \$11.4 million, respectively, on the consolidated statements of operations for 2022 and 2021.

Interest Expense, net- Interest expense, net, is summarized in the following table:

<i>(in thousands)</i>	2022	2021
Interest expense	\$ (15,099)	\$ (32,198)
Interest income	225	69
	\$ (14,874)	\$ (32,129)

Stock-Based Compensation- We recognize compensation expense for awards of stock options, restricted stock units ("RSUs"), and director stock awards based on fair value on the grant date and on a straight-line basis over the requisite service period for the awards that are expected to vest, with forfeitures estimated based on employee experience and future expectations. Stock-based compensation is included in operating expenses on the consolidated statements of operations.

Chief Executive Officer Transition- In January 2023, we announced our planned succession process relating to the Company's Chief Executive Officer, whereby our current CEO, Roger Rawlins, will step down from his role as CEO and as a member of the Board of Directors effective April 1, 2023, as determined by the Board of Directors, at which time Doug Howe, who currently serves as Executive Vice President of the Company and President of the U.S. Retail segment, will assume the CEO role and join the Board of Directors as a Class II director. To assist in facilitating a smooth transition, Mr. Rawlins will remain employed under a consulting agreement through April 1, 2023, and for the 12-month period thereafter will serve as a strategic advisor to the Company and the Board of Directors. If Mr. Rawlins remains employed through April 1, 2023, we will provide Mr. Rawlins benefits that are consistent with those that Mr. Rawlins would be entitled to upon termination by the Company without cause under his Amended and Restated Standard Executive Severance Agreement. In conjunction with the CEO transition costs will total \$9.4 million consisting of \$3.5 million in severance costs, \$2.8 million in accelerated stock-based compensation (net of forfeited), and \$3.1 million in retention stock awards to certain members of our leadership team and other related professional fees. During the first quarter of 2023, we recognized \$3.7 million in operating expenses on the consolidated statements of operations, with the remaining estimated \$5.7 million to be recorded in the second quarter of 2023.

Severance- During 2022, we incurred severance costs, excluding the severance related to the CEO transition, of \$2.8 million (\$1.8 million, \$0.2 million, and \$0.8 million for the U.S. Retail, Canada Retail, and Brand Portfolio segments, respectively). During 2021, we incurred severance costs of \$3.3 million (\$1.5 million, \$1.0 million, and \$0.8 million for the U.S. Retail and Brand Portfolio segments, respectively).

On March 18, 2020, to help control the spread of the coronavirus ("COVID-19") and protect the health and safety of our customers, associates, and employees, we temporarily closed all of our stores in the U.S. and Canada. In addition, we took several actions in late March 2020 to reduce costs and improve operational efficiency, which were more commensurate with then-current sales, including furloughs and pay reductions. During the second quarter and into the third quarter of 2020, we discontinued the furlough program, and restored pay for our associates that had taken pay reductions. Beginning in July 2020, we initiated a reorganization and reduction of our workforce with additional actions taken throughout 2020 and into the first quarter of 2021, resulting in the elimination of approximately 1,000 associate positions. During 2020, we incurred restructuring costs, which consisted primarily of severance costs of \$15.2 million (\$5.5 million, \$5.0 million, and \$4.7 million for the U.S. Retail, Canada Retail, and Brand Portfolio segments, respectively).

As of January 28, 2023 and January 29, 2022, we had \$5.7 million and \$1.9 million, respectively, of severance liability included in accrued expenses on the consolidated balance sheets.

Gain on Settlement- During 2020, we collected \$9.0 million, net of legal costs incurred, and recorded a gain to operating expenses on the consolidated operations that was due to a settlement with a vendor related to costs incurred on an internal-use software project that was capitalized and then impaired.

Marketing Expense- The cost of advertising is generally expensed when the advertising first takes place or when mailed. During 2022, 2021 and 2020, we were \$167.1 million, \$163.0 million and \$131.7 million, respectively.

Non-Operating Income (Expenses), net- Non-operating income (expenses), net, includes gains and losses from foreign currency revaluation and gains and losses related to investments.

Income Taxes- We account for income taxes under the asset and liability method. We determine the aggregate amount of income tax expense to be recognized for each period will be currently payable based upon tax statutes of each jurisdiction in which we do business. Deferred tax assets and liabilities are recognized for the net tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, net loss and tax credit carryforwards, as measured using enacted tax rates expected to be in effect in the periods when temporary differences are expected to be settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is provided when it is more likely than not that some portion or all of a deferred tax asset will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become realizable.

We recorded our income tax expense, income tax receivable, and deferred tax assets and related liabilities based on management's best estimates. In determining the likelihood of realizing the benefits of our deferred tax assets by evaluating historical and projected future operating results, the reversal of existing temporary differences, taxable income in permitted carry back years, and the availability of tax planning strategies. One of the provisions of the CARES Act allows net operating losses generated within tax years 2018 through 2020 to be carried back up to five years, including years in which the U.S. federal statutory tax rate was the current rate of 21%. In evaluating future taxable income, significant weight is given to positive and negative evidence that is objectively verifiable.

During 2020, a valuation allowance was recognized as a reserve on the total deferred tax asset balance and was maintained until the fourth quarter of 2022. The allowance was the result of losses incurred in 2020 due to the impacts of the COVID-19 pandemic that resulted in a three-year cumulative loss position. During 2022, we released the allowance as a result of significant objective negative evidence in considering whether deferred tax assets were realizable. During the fourth quarter of 2022, we released the allowance for the majority of the U.S. and Canada deferred tax assets given the continued realization of income since 2020, being in a three-year cumulative adjustment position and having projected future income. These factors provided sufficient evidence to conclude that it is more likely than not that the majority of the U.S. and Canada deferred tax assets are realizable. Our effective tax rate for 2022 was negative 2.0%, whereas for 2021 and 2020 it was positive 10.7% and 19.7%, respectively. The release was the result of releasing \$55.7 million of the valuation allowance, partially offset by the permanent tax adjustments, primarily non-deductible compensation. The 2022 release was the result of maintaining a full valuation allowance on deferred tax assets, while also recording net discrete tax benefits, primarily as a result of the estimated 2020 return reflecting implemented tax strategies. The rate for 2020 was the result of recording a valuation allowance of \$87.6 million, which was the result of our inability to carry back current year losses to a tax year where the U.S. federal statutory tax rate was 35%.

We review and update our tax positions as necessary to add any new uncertain tax positions taken, or to remove previously identified uncertain positions that have been adequately resolved. Additionally, uncertain positions may be remeasured as warranted by changes in facts or law. Accounting for uncertain tax positions requires estimating the amount, timing and likelihood of ultimate settlement. Although we believe that these estimates are reasonable, actual results could differ from these estimates.

On August 16, 2022, the U.S. enacted the Inflation Reduction Act of 2022, which, among other things, implements a 15% minimum tax on book value of equity for corporations and a 1% excise tax on net stock repurchases. Based on our current analysis of the provisions, we do not believe this legislation will have a material impact on our consolidated financial statements.

Cash, Cash Equivalents, and Restricted Cash- Cash and cash equivalents represent cash, money market funds, and credit card receivables that are available for use within 90 days. Restricted cash represented cash that was restricted as to withdrawal or usage and consists of a mandatory cash deposit maintained for certain letters of credit.

The following table provides a reconciliation of cash and cash equivalents and restricted cash reported within the consolidated balance sheets that is the same as such amounts shown on the consolidated statements of cash flows:

<i>(in thousands)</i>	January 28, 2023	January 29, 2022
Cash and cash equivalents	\$ 58,766	\$ 72,691
Restricted cash, included in prepaid expenses and other current assets	—	1,768
Total cash, cash equivalents, and restricted cash shown in the consolidated statements of cash flows	\$ 58,766	\$ 74,459

Investments- We determine the balance sheet classification of investments at the time of purchase and evaluate the classification at each balance sheet date. As of the balance sheet dates presented, we did not hold any investments in securities other than cash equivalents. We account for investments using the equity method if we exercise significant influence over the investment. If we do not exercise significant influence, we account for the investment using the cost method.

method investments are included in other assets on the consolidated balance sheets. We evaluate our investments for impairment and whether impairment is temporary at each balance sheet date.

The following table presents activity related to our equity investments:

<i>(in thousands)</i>	2022		2021	
Balance at beginning of period	\$	55,578	\$	58,598
Investment in Le Tigre		8,228		—
Share of net earnings		8,864		8,986
Distributions received		(8,850)		(12,006)
Balance at end of period	\$	63,820	\$	55,578

On July 1, 2022, we acquired a 33.3% ownership interest in Le Tigre for \$8.2 million. We account for our investment in Le Tigre, where we exercise significant influence but do not have control, using the equity method. The difference between the purchase price of Le Tigre and our interest in Le Tigre's underlying net assets is recorded as a definite lived tradename intangible asset and equity method goodwill. Our share of net loss of Le Tigre and amortization of the intangible asset are recorded as net earnings, net, shown in the table above and income from equity investments on the consolidated statements of operations.

Receivables, net- Receivables are classified as current assets because the average collection period is generally shorter than one year. We monitor receivables for impairment losses based upon specific receivable balances and we record related allowances for doubtful accounts for estimated losses resulting from the inability of our customers to make required payments. We utilize an unrelated third-party provider for credit and collection services for receivables from the sale of wholesale goods to retailers. This third-party provider guarantees payment for the majority of the serviced receivables.

Inventories- All of our inventory is made up of finished goods. The U.S. Retail segment inventory is accounted for using the retail inventory method, the lower of cost or market. Under the retail inventory method, the valuation of inventories at cost and the resulting gross profits are determined by applying a cost-to-retail ratio to the retail value of inventories. The cost basis of inventories is decreased by charges to cost of sales at the time the retail value of the inventory is marked down. As a result, earnings are negatively impacted as the merchandise is marked down prior to sale. The Canada Retail segment and the B.C. Retail segment inventory is accounted for using the moving average cost method and is stated at the lower of cost or net realizable value. We monitor aged inventory for impairment and moving inventory that may need to be liquidated in the future at amounts below cost. Reductions to inventory values establish a new cost basis. Factors such as changes in market conditions or circumstances do not result in an increase in the newly established cost basis.

We perform physical inventory counts or cycle counts on all inventory on hand throughout the year and adjust the recorded balance to reflect the difference between the recorded and estimated shrink between physical inventory counts, based on historical experience and recent results, less amounts realized.

Inherent in the calculation of inventories are certain significant judgments and estimates, including setting the original merchandise retail value, net realizable value and liquidation values. The ultimate amount realized from the sale of inventory and write-offs from counts could differ from management estimates.

Concentration of Risks- We are subject to risks due to concentration of our merchandise coming from China. All of the products manufactured through the U.S. Retail segment come from third-party facilities outside of the U.S., with 76% of units sourced from China. In addition to the merchandise sourced through the U.S. Retail segment, our U.S. Retail segment and Canada Retail segment also sources merchandise from both domestic and foreign third-party vendors. Many of our vendors import a large portion of their merchandise from China.

We are also subject to risks due to the concentration of vendors within the U.S. Retail and Canada Retail segments. During 2022, three key third-party vendors supplied approximately 22% of our retail merchandise, with no individual vendor providing more than 10% of our retail merchandise. Financial instruments, which principally subject us to concentration of credit risk, consist of cash and cash equivalents. We invest excess cash with various financial institutions in money market accounts. At times, such amounts invested through banks may be in excess of Federal Deposit Insurance Corporation coverage and we mitigate the risk by utilizing multiple banks.

Fair Value- Fair value is defined as the price that would be received in the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Assets and liabilities recorded at fair value are categorized using defined hierarchical levels related to the subjectivity of the inputs used in fair value measurements as follows:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Quoted prices for similar assets or liabilities in active markets or inputs that are observable.
- Level 3 - Unobservable inputs in which little or no market activity exists.

The carrying value of cash and cash equivalents, restricted cash, receivables, and accounts payables approximated their fair values due to their short-term nature. The carrying value of borrowings under our revolving lines of credit approximated fair value based on its term and variable interest rate.

Property and Equipment, net- Property and equipment, net, are stated at cost less accumulated depreciation determined by the straight-line method over the estimated useful life of assets. The net book value of property or equipment sold or retired is removed from the asset and related accumulated depreciation account. Gains or losses on the sale of property or equipment are included in results of operations.

Internal Use Software Costs- Costs related to software developed or obtained for internal use are expensed as incurred until the application development stage has been reached. Once the application development stage has been reached, certain qualifying costs are capitalized until the software is ready for its intended use. Software costs and the related accumulated amortization are included in property and equipment, net, on the consolidated balance sheets. Capitalized software costs for cloud computing arrangements accounted for as service contracts are included in other assets on the consolidated balance sheets and amortized over the term of the service contract to operating expenses on the consolidated statements of operations.

Leases- A lease liability for new and modified leases is recorded based on the present value of future fixed lease commitments with a corresponding right-of-use asset. For leases classified as operating leases, we recognize a single lease cost on a straight-line basis based on the combined amortization of the lease liability and the right-of-use asset. For leases classified as finance arrangements, we recognize interest expense and depreciation expense. For real estate leases, we are generally required to pay base rent, real estate taxes, and insurance. For other leases, we recognize lease components, and maintenance, which is a non-lease component. We have elected to not separate non-lease payment components from the lease payments for all new and modified real estate leases. We determine the discount rate for each lease by estimating the rate that we would be required to pay to borrow an amount equal to the lease payments over the lease term. The majority of our real estate leases provide for renewal options, which are typically not included in the term used for measuring the lease assets and lease liabilities as it is not reasonably certain we will exercise renewal options. We monitor for events or circumstances that may require a reassessment of our leases and determine if a remeasurement is required.

Impairment of Long-Lived Assets- We periodically evaluate the carrying amount of our long-lived assets, primarily operating lease assets, property and equipment, and definite-lived intangible assets, when events and circumstances warrant such a review to ascertain if any assets have been impaired. The reviews are performed at the identifiable level. The carrying amount of a long-lived asset or asset group is considered impaired when the carrying value of the asset or asset group exceeds the fair value based on future cash flows from the asset or asset group. The impairment loss recognized is the excess of the carrying value of the asset or asset group over its fair value (classified as Level 3 under the fair value hierarchy). Fair value at the store level is typically based on projected discounted cash flows over the remaining lease term.

During 2022, we recorded impairment charges of \$4.3 million, primarily in the Brand Portfolio segment resulting from subleases of abandoned leased space. During 2021, we recorded impairment charges of \$1.7 million, including \$1.2 million in the U.S. Retail segment for abandoned equipment we replaced and \$0.5 million in the Brand Portfolio segment for the sublease of an abandoned leased space.

As a result of the material reduction in net sales and cash flows during 2020 due to the COVID-19 pandemic, we updated our impairment analyses for the U.S. Retail and Canada Retail segments at the store-level, which represents the lowest level for which identifiable cash flows are independent of the cash flows of other assets. The carrying amount of the store asset group, primarily made up of operating lease assets, leasehold improvements and fixtures, is considered impaired when the carrying amount of the asset group exceeds the expected future cash flows from the asset group. Fair value at the store level is typically based on projected discounted cash flows over the remaining lease term. In addition, we evaluated other long-lived assets based on our intent to use such assets going forward. During 2020, we recorded impairment charges of \$127.1 million (\$104.2 million and \$22.9 million for the U.S. Retail and Canada Retail segments, respectively). Also, during 2020, we recorded impairment charges of \$6.5 million for the Brand Portfolio segment customer relationship intangible asset resulting in a full impairment due to the lack of projected cash flows over its useful life (categorized as Level 3 under the fair value hierarchy).

Goodwill and Other Indefinite Lived Intangible Assets- We evaluate goodwill and other indefinite lived intangible assets for impairment annually or more frequently if an event occurs or circumstances change that would indicate that impairment may exist. When evaluating for impairment, we perform a qualitative assessment to determine whether it is more likely than not that there is an impairment. If we do not perform a qualitative assessment, or if it is more likely than not that the carrying value exceeds its fair value, we will calculate the estimated fair value. Fair value is typically calculated using a discounted cash flow analysis. Where deemed appropriate, we may also utilize a market approach for estimating fair value. Impairment charges are calculated as the amount by which the carrying amount exceeds its fair value, but not to exceed the carrying value for goodwill.

As a result of the material reduction in net sales and cash flows due to the temporary closure of all of our stores, the decrease in net sales from our operations, and the decrease in the Company's market capitalization due to the impact of the COVID-19 pandemic on macroeconomic conditions, we performed an impairment test of goodwill and other indefinite-lived intangible assets during the first quarter of 2020. We calculated the fair value of the reporting units with goodwill using a discounted cash flow analysis (categorized as Level 3 under the fair value hierarchy). Our analysis concluded that the fair value of the First Cost Retail segment in the Brand Portfolio segment did not exceed its carrying value. Accordingly, during 2020, we recorded an impairment charge of \$20.0 million for the First Cost Retail segment in the Brand Portfolio segment, resulting in a full impairment.

Self-Insurance Reserves- We record estimates for certain health and welfare, workers' compensation and casualty insurance costs that are self-insured. Self-insurance reserves include actuarial estimates of both claims filed, carried at their expected ultimate settlement value, and claims incurred but not reported. The ultimate cost of claims represents an estimate of the ultimate cost of claims incurred as of the balance sheet date. Estimates for self-insurance reserves are calculated utilizing actuarial estimates based on historical experience and other factors. We have purchased stop loss insurance to limit our exposure on a per person basis for health and welfare claims on a per claim basis for workers' compensation and general liability, as well as on an aggregate annual basis.

Redeemable noncontrolling interest- As discussed in more detail in Note 2, *Acquisition*, we have an exclusive call option to purchase and the noncontrolling interest holders have a put option with respect to the remaining 20.6% ownership interest in Topo upon the occurrence of certain events or after a defined period of time following the transaction close. The redemption price is based on the future performance of Topo. As a result of the redemption feature, we record the remaining redeemable noncontrolling interest in temporary equity on the consolidated balance sheets. The noncontrolling interest is adjusted each reporting period for the (loss) attributable to the noncontrolling interest. Each reporting period, a measurement period adjustment, if any, is then recorded to adjust the noncontrolling interest to the higher of either the redemption value, assuming it was redeemable at the reporting date, or its carrying value. Any adjustments are also recorded to the noncontrolling interest.

The following table presents activity related to our redeemable noncontrolling interest:

(in thousands)

Balance at beginning of period
Acquisition fair value of redeemable noncontrolling interest
Net loss attributable to redeemable noncontrolling interest
Balance at end of period

Foreign Currency Translation and Transactions- Our wholly-owned Canadian subsidiary has Canadian dollars as its functional currency. Assets of this business are translated into U.S. dollars at exchange rates in effect at the balance sheet date or historical rates as appropriate. Each quarter, amounts in the consolidated statements of operations from this business are translated at the average exchange rate for the period. The cumulative translation adjustment is included in changes in exchange rates are included as a component of accumulated other comprehensive loss on the consolidated balance sheets. Transaction costs are included in non-operating income (expenses), net, on the consolidated statements of operations.

Deferred Compensation Plans- We provide deferred compensation plans, including defined contribution plans to eligible associates and a non-qualified deferred compensation plan for certain executives and members of the Board of Directors. Participants may elect to defer and contribute a portion of their compensation to the plans up to limits stated in the plan documents, not to exceed the dollar amounts set by applicable laws. During 2022, 2021 and 2020, we recorded matching contributions of \$6.2 million, \$5.9 million and \$5.3 million, respectively.

Variable Interest Entity- We had a joint venture with an entity affiliated with performing artist and celebrity Jennifer Lopez, which was formed in order to design, source and sell the JLO Jennifer Lopez collection, a line of footwear and handbags. Our Brand Portfolio Group was responsible for design and sourcing, and DSW was the primary retailer of the brand. Jennifer Lopez earned fixed licensing fees that were guaranteed for the term of license. Based on certain terms within the joint venture operating agreement, we determined that we had control of the joint venture. As a result, we were considered the primary beneficiary, and we consolidated the joint venture in our consolidated statements. Assets and liabilities of the joint venture are immaterial. During 2022, we agreed to dissolve the joint venture and terminate licensing and design and sourcing arrangements, which resulted in recording a termination fee of \$5.2 million to operating expenses in our consolidated statements of operations.

Acquisition

12 Months Ended
Jan. 28, 2023

[Business Combination and
Asset Acquisition \[Abstract\]
Acquisition](#)

ACQUISITION

On December 13, 2022, we acquired a 79.4% ownership interest in Topo for \$19.1 million in cash. We have an exclusive call option to purchase the remaining ownership interest in Topo upon the occurrence of certain events or after a period of two years following the close of the transaction. The noncontrolling interest also have a put option with respect to the remaining 20.6% ownership interest in Topo upon the occurrence of certain events or after a period of two years following the close of the transaction. The redemption price is defined in the operating agreement and is based primarily on a fixed multiple of Topo's trailing 12 months earnings before interest, taxes, depreciation, amortization, and other agreed upon adjustments.

The preliminary purchase price and the allocation of the total consideration to the fair values of the assets, liabilities, and redeemable noncontrolling interest are as follows:

	Preliminary Allocation
<i>(in thousands)</i>	
Purchase price cash consideration	\$
Fair value of assets and liabilities acquired:	
Accounts receivables	\$
Inventories	
Goodwill	
Intangible assets	
Other assets	
Accounts payable and other liabilities	
Redeemable noncontrolling interest	
	\$

We recorded an allocation of the purchase price to the tangible and identifiable intangible assets acquired and liabilities assumed and the redeemable noncontrolling interest based on their fair value at the acquisition date. The purchase price is subject to adjustments primarily based upon a working capital provision as per the operating agreement. The allocation of the purchase price is based on certain preliminary valuations and analysis that have not been completed as of the date of acquisition. Subsequent changes in the estimated fair values assumed upon the finalization of more detailed analysis within the measurement period will change the allocation of the purchase price and will be adjusted during the period in which the amounts are determined. We will complete the valuations as soon as practicable, but not later than one year from the acquisition date.

The fair value of the intangible assets relates to customer relationships and a tradename, which are amortized over a useful life of eight and 15 years, respectively, based on the excess earnings method under the income approach. The fair value measurements are based on significant unobservable inputs, including cash flows and customer attrition rates.

The fair value measurement of the redeemable noncontrolling interest was calculated by considering the implied fair value of Topo using the purchase price and the estimated amount to redeem the noncontrolling interest.

The goodwill represents the excess of the purchase price over the fair value of the net assets acquired and was primarily attributable to acquiring a customer base and the sourcing process for athletic footwear. Goodwill is expected to be deductible for income tax purposes.

The results of operations for Topo from the date of acquisition through the end of 2022, were not material and are included in the consolidated statements of operations within the Brand Portfolio segment. Pro forma results of operations reflecting the acquisition of Topo are not presented as the impact of Topo on our consolidated results would not have been material. We incurred \$1.3 million of acquisition-related costs in connection with the acquisition of Topo, which were included in the expenses on the consolidated statements of operations.

Revenue

12 Months Ended
Jan. 28, 2023

[Revenue from Contract with Customer \[Abstract\]](#)
REVENUE

REVENUE
DISAGGREGATION OF NET SALES

Net Sales by Brand Categories- The following table presents net sales disaggregated by brand categories for each segment:

<i>(in thousands)</i>	U.S. Retail	Canada Retail	Brand Portfolio	Elimination Other
2022				
Owned Brands: ⁽¹⁾				
Direct-to-consumer	\$ 569,741	\$ —	\$ 37,840	\$ —
External customer wholesale and commission income	—	—	202,834	—
Intersegment wholesale and commission income	—	—	87,041	(87,041)
Total Owned Brands	569,741	—	327,715	(87,041)
National brands	2,221,772	—	—	—
Canada Retail ⁽²⁾	—	283,241	—	—
Total net sales	\$ 2,791,513	\$ 283,241	\$ 327,715	\$ (87,041)
2021				
Owned Brands: ⁽¹⁾				
Direct-to-consumer	\$ 421,398	\$ —	\$ 27,876	\$ —
External customer wholesale and commission income	—	—	164,192	—
Intersegment wholesale and commission income	—	—	93,956	(93,956)
Total Owned Brands	421,398	—	286,024	(93,956)
National brands	2,348,308	—	—	—
Canada Retail ⁽²⁾	—	234,809	—	—
Total net sales	\$ 2,769,706	\$ 234,809	\$ 286,024	\$ (93,956)
2020				
Owned Brands: ⁽¹⁾				
Direct-to-consumer	\$ 260,618	\$ —	\$ 21,299	\$ —
External customer wholesale and commission income	—	—	156,631	—
Intersegment wholesale and commission income	—	—	59,818	(59,818)
Total Owned Brands	260,618	—	237,748	(59,818)
National brands	1,539,705	—	—	—
Canada Retail ⁽²⁾	—	182,659	—	—
Other ⁽²⁾	—	—	10,898	6,765
Total net sales	\$ 1,800,323	\$ 182,659	\$ 248,646	\$ 6,765

(1) "Owned Brands" refers to those brands we have rights to sell through ownership or license arrangements.

(2) We currently do not report the Canada Retail segment net sales and Other by brand categories. Other represents discontinued revenue channels.

Net Sales by Product and Service Categories- The following table presents net sales disaggregated by product and service categories for each segment:

<i>(in thousands)</i>	2022	2021
Net sales:		
U.S. Retail segment:		
Women's footwear	\$ 1,803,486	\$ 1,772,729
Men's footwear	611,426	620,631
Kids' footwear	220,665	234,806
Accessories and other	155,936	141,540
	2,791,513	2,769,706
Canada Retail segment:		
Women's footwear	151,459	117,045
Men's footwear	75,401	60,972
Kids' footwear	44,931	48,503
Accessories and other	11,450	8,289
	283,241	234,809
Brand Portfolio segment:		
Wholesale	276,887	240,491
Commission income	12,988	17,657
Direct-to-consumer	37,840	27,876
	327,715	286,024
Other	—	—
Total segment net sales	3,402,469	3,290,539
Elimination of intersegment sales	(87,041)	(93,956)
Total net sales	\$ 3,315,428	\$ 3,196,583

DEFERRED REVENUE LIABILITIES

We record deferred revenue liabilities, included in accrued expenses on the consolidated balance sheets, for remaining obligations we have to our table presents the changes and total balances for gift cards and loyalty programs:

<i>(in thousands)</i>	2022	2021
Gift cards:		
Beginning of period	\$ 36,783	\$ 34,442
Gift cards redeemed and breakage recognized to net sales	(74,016)	(75,352)
Gift cards issued	72,354	77,693
End of period	\$ 35,121	\$ 36,783
Loyalty programs:		
Beginning of period	\$ 15,736	\$ 11,379
Loyalty certificates redeemed and expired and other adjustments recognized to net sales	(32,923)	(30,453)
Deferred revenue for loyalty points issued	34,087	34,810
End of period	\$ 16,900	\$ 15,736

CUSTOMER ALLOWANCES

We reduce sales by the amount of actual and remaining expected sales returns and customer allowances and discounts, and cost of sales by the amount we expect to recover. Sales returns allowances and customer allowances and discounts are included in accrued expenses on the consolidated balance sheet. Sales returns allowances and discounts are provided to our wholesale customers for margin assistance, advertising support, and various other deductions. We estimate sales returns allowances and discounts needed for margin assistance by reviewing inventory levels held by retailers, expected markdowns, gross margins realized, and other performance metrics. Customer allowances and other customer deductions are estimated based on anticipated future returns using historical experience and trends. Advertising allowances are accrued for advertising arrangements with customers.

The following table presents the changes and total balances for customer allowances:

<i>(in thousands)</i>	2022		2021	
Sales returns allowances:				
Beginning of period	\$	18,574	\$	17,333
Net sales reduced for estimated returns		473,471		424,402
Actual returns during the period		(473,938)		(423,161)
End of period	\$	18,107	\$	18,574
Customer allowances and discounts:				
Beginning of period	\$	2,097	\$	4,579
Net sales reduced for estimated allowances and discounts		9,947		8,709
Actual allowances and discounts during the period		(10,814)		(11,191)
End of period	\$	1,230	\$	2,097

As of January 28, 2023 and January 29, 2022, the asset for recovery of merchandise returns was \$8.8 million and \$9.4 million, respectively, and is reported as a component of other current assets on the consolidated balance sheets.

Related Party Transactions

12 Months Ended

Jan. 28, 2023

[Related Party Transactions](#)

[\[Abstract\]](#)

[RELATED PARTY TRANSACTIONS](#)

RELATED PARTY TRANSACTIONS *SCHOTTENSTEIN AFFILIATES*

We have transactions with entities owned or controlled by Jay L. Schottenstein, the executive chairman of our Board of Directors, and members of his family (the "Schottenstein Affiliates"). As of January 28, 2023, the Schottenstein Affiliates beneficially owned approximately 23% of the Company's outstanding common shares, representing approximately 58% of the combined voting power, consisting of, in the aggregate, 7.0 million Class A common shares and 7.7 million Class B common shares. The following summarizes the related party transactions with the Schottenstein Affiliates for the relevant periods:

Leases- We lease certain store and office locations that are owned by the Schottenstein Affiliates. We also leased a fulfillment center from a Schottenstein Affiliate through September 2022 that was not renewed. See Note 13, *Leases*, for rent expense and future minimum lease payment requirements associated with the Schottenstein Affiliates.

Other Purchases and Services- During 2022, 2021 and 2020, we had other purchases and services we incurred from the Schottenstein Affiliates of \$4.3 million, \$4.9 million and \$4.8 million, respectively.

Due to Related Parties- Amounts due to the Schottenstein Affiliates, other than operating lease liabilities, were immaterial for all periods presented.

EQUITY METHOD INVESTMENTS

ABG-Camuto- We have a 40% ownership interest in ABG-Camuto. We have a licensing agreement with ABG-Camuto, pursuant to which we pay royalties on the net sales of the brands owned by ABG-Camuto, subject to guaranteed minimums. For 2022, 2021 and 2020, we recorded royalty expense for amounts paid to ABG-Camuto of \$18.3 million, \$18.2 million, and \$18.2 million, respectively. See Note 14, *Commitments and Contingencies - Contractual Obligations*, for future guaranteed minimum royalty payment requirements to ABG-Camuto. Amounts due to ABG-Camuto were immaterial for all periods presented.

Le Tigre- We have a 33.3% ownership interest in Le Tigre. During 2022, we entered into a license agreement with Le Tigre, whereby we pay royalties on our net sales of the Le Tigre brand, subject to guaranteed minimums. The license agreement provides for the exclusive right to design and source Le Tigre branded footwear. Activity with Le Tigre during 2022 was immaterial.

Earnings (Loss) Per Share

12 Months Ended

Jan. 28, 2023

[Earnings Per Share](#)

[\[Abstract\]](#)

[EARNINGS \(LOSS\) PER SHARE](#)

EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share is based on net income (loss) attributable to Designer Brands Inc. and the weighted average of Class A and Class B common shares outstanding.

Diluted earnings per share reflects the potential dilution of common shares adjusted for outstanding stock options and RSUs calculated using the treasury stock method.

The following is a reconciliation between basic and diluted weighted average shares outstanding, as used in the calculation of earnings (loss) per share of Designer Brands Inc.:

<i>(in thousands)</i>	2022	2021
Weighted average basic shares outstanding	67,603	73,024
Dilutive effect of stock-based compensation awards	4,498	4,244
Weighted average diluted shares outstanding	72,101	77,268

For 2022, 2021 and 2020, the number of shares relating to potentially dilutive stock-based compensation awards that were not included in the computation of diluted earnings (loss) per share due to their anti-dilutive effect was 2.9 million, 3.1 million and 5.9 million, respectively.

Stock-based Compensation

12 Months Ended
Jan. 28, 2023

[Share-Based Payment Arrangement \[Abstract\]](#)
[STOCK-BASED COMPENSATION](#)

STOCK-BASED COMPENSATION

The DSW Inc. 2014 Long-Term Incentive Plan (the "Plan") provides for the issuance of stock-based compensation awards to eligible recipients. The DSW Inc. 2005 Equity Incentive Plan but did not affect outstanding awards granted under that plan. Eligible recipients include associates, including executive and employee directors. The maximum number of shares of Class A common shares underlying awards that may be issued over the term of the Plan is 10 million shares. As of January 28, 2023, 6.5 million Class A common shares remain available for future stock-based compensation grants under the Plan.

Stock-based compensation expense consisted of the following:

<i>(in thousands)</i>	2022		2021	
Stock options	\$	101	\$	643
Restricted and director stock units		28,401		23,280
	\$	28,502	\$	23,923

Stock Options- Stock options were granted with an exercise price per share equal to the fair market value of our Class A common shares on the grant date. Stock options generally vest 20% per year on a cumulative basis and remain exercisable for a period of 10 years from the date of grant. As of January 28, 2023, the total number of stock options, and stock option activity for the periods presented was immaterial.

Restricted Stock Units- Grants of time-based RSUs generally cliff vest after three years, and performance-based RSUs generally cliff vest after the achievement of pre-established goals as of the end of the first year of the term. RSUs receive dividend equivalents in the form of additional RSUs with the same restrictions and forfeiture provisions as the original award. The grant date fair value of RSUs is based on the closing market price of the Class A common shares on the date of the grant.

The following table summarizes the RSU activity for 2022:

<i>(shares in thousands)</i>	Time-Based RSUs		Performance-Based RSUs
	Number of Shares	Weighted Average Grant Date Fair Value	Number of Shares
Outstanding - beginning of period	6,058	\$ 9.60	744
Granted	2,453	\$ 13.35	624
Vested	(1,257)	\$ 13.77	(174)
Forfeited	(464)	\$ 12.41	(225)
Outstanding - end of period	6,790	\$ 9.95	969

The total fair value of time-based RSUs that vested during 2022, 2021 and 2020 was \$17.0 million, \$15.1 million and \$6.5 million, respectively. As of January 28, 2023, the total compensation cost related to unvested time-based RSUs not yet recognized was \$26.9 million, with a weighted average expense recognition period remaining of 1.7 years.

The total fair value of performance-based RSUs that vested during 2022, 2021 and 2020 was \$3.7 million, \$7.4 million and \$4.0 million, respectively. As of January 28, 2023, the total compensation cost related to unvested performance-based RSUs not yet recognized was approximately \$5.3 million, with a weighted average expense recognition period remaining of 1.7 years.

Director Stock Units- We issue stock units to non-employee directors. Stock units are granted to each director on the date of each annual meeting at the closing market price of the Class A common shares. In addition, each director that is eligible to receive compensation for board service may elect to have a portion of such compensation paid in the form of stock units. Director stock units vest immediately, and directors are given the option to settle the grant at the grant date, at a specified date more than 30 days following the grant date, or defer receipt until completion of board service. Director stock units not subject to forfeiture, are considered to be outstanding for the purposes of computing basic earnings (loss) per share. As of January 28, 2023, 1,000 stock units not yet settled.

Shareholders' Equity

12 Months Ended
Jan. 28, 2023

[Shareholders' Equity](#)

[\[Abstract\]](#)

[SHAREHOLDERS' EQUITY](#) SHAREHOLDERS' EQUITY

Shares- Our Class A common shares are listed for trading under the ticker symbol "DBI" on the New York Stock Exchange. There is currently no Company's Class B common shares, but the Class B common shares can be converted into the Company's Class A common shares at the election of the shareholder on a share basis. Holders of Class A common shares are entitled to one vote per share and holders of Class B common shares are entitled to eight votes per share. A resolution submitted to shareholders for approval.

The following table provides additional information for our common shares:

<i>(in thousands)</i>	January 28, 2023		Class B
	Class A	Class B	
Authorized shares	250,000	100,000	—
Issued shares	88,803	7,733	—
Outstanding shares	55,921	7,733	—
Treasury shares	32,882	—	—

We have authorized 100 million shares of no par value preferred shares, with no shares issued for any of the periods presented.

Share Repurchases- On August 17, 2017, the Board of Directors authorized the repurchase of an additional \$500 million of Class A common shares under a share repurchase program, which was added to the \$33.5 million remaining from the previous authorization. As of January 28, 2023, \$187.4 million of the program remained available for repurchase under the program. The share repurchase program may be suspended, modified or discontinued at any time, and we may repurchase any amount of our Class A common shares under the program. Shares will be repurchased in the open market at times and in amounts based on price and market conditions.

ACCUMULATED OTHER COMPREHENSIVE LOSS

For 2022 and 2021, the change in accumulated other comprehensive loss was due to foreign currency translation adjustments as shown in the consolidated statement of shareholders' equity. For 2020, changes for the balances of each component of accumulated other comprehensive loss, net of tax, were as follows:

<i>(in thousands)</i>	Foreign Currency Translation	Available-for-Sale Securities
Balance, February 1, 2020	\$ (2,668)	\$ 173
Other comprehensive income (loss) before reclassifications	(618)	195
Amounts reclassified to non-operating income, net	—	(368)
Other comprehensive loss	(618)	(173)
Balance, January 30, 2021	\$ (3,286)	\$ —

Receivables

12 Months Ended
Jan. 28, 2023

[Receivables \[Abstract\]](#)
[RECEIVABLES](#)

RECEIVABLES

Receivables, net, consisted of the following:

<i>(in thousands)</i>	January 28, 2023	
Customer accounts receivables:		
Serviced by third-party provider with guaranteed payment	\$	19,539
Serviced by third-party provider without guaranteed payment		103
Serviced in-house		5,138
Income tax receivable		44,021
Other receivables		9,274
Total receivables		78,075
Allowance for doubtful accounts		(312)
	\$	77,763

The following table presents the activity for the allowance for doubtful accounts:

<i>(in thousands)</i>	2022		2021	
Allowance for doubtful accounts - beginning of period	\$	(1,132)	\$	(1,194)
Provision for bad debts		—		(40)
Recoveries, write-offs, and other adjustments		820		102
Allowance for doubtful accounts - end of period	\$	(312)	\$	(1,132)

Property and Equipment

12 Months Ended
Jan. 28, 2023

[Property, Plant and
Equipment \[Abstract\]](#)
[PROPERTY AND
EQUIPMENT](#)

PROPERTY AND EQUIPMENT

Property and equipment, net, consisted of the following:

<i>(dollars in thousands)</i>	Useful Life (years)		January 28, 2023
Land	Indefinite	\$	1,110
Buildings	39		12,485
Building and leasehold improvements	3-20 or the lease term if shorter		434,958
Furniture, fixtures and equipment	3-15		437,606
Software	3-5		217,485
Construction-in-progress			21,368
Total property and equipment			1,125,012
Accumulated depreciation and amortization			(889,582)
Property and equipment, net		\$	235,430

**Goodwill and Intangible
Assets**

**12 Months Ended
Jan. 28, 2023**

[Goodwill and Intangible
Assets Disclosure \[Abstract\]](#)

[GOODWILL AND
INTANGIBLE ASSETS](#)

**GOODWILL AND INTANGIBLE ASSETS
GOODWILL**

The following table presents the changes to goodwill by segment:

<i>(in thousands)</i>	January 28, 2023				January 29, 2022	
	Goodwill	Accumulated Impairments	Net	Goodwill	Accumulated Impairments	
Beginning of period by segment:						
U.S. Retail	\$ 93,655	\$ —	\$ 93,655	\$ 93,655	\$ —	
Canada Retail	43,114	(43,114)	—	43,086	(43,086)	
Brand Portfolio	19,989	(19,989)	—	19,989	(19,989)	
	156,758	(63,103)	93,655	156,730	(63,075)	
Activity by segment:						
Canada Retail-						
Currency translation adjustment	(1,757)	1,757	—	28	—	
Brand Portfolio-						
Acquired Topo goodwill	3,460	—	3,460	—	—	
	1,703	1,757	3,460	28	—	
End of period by segment:						
U.S. Retail	93,655	—	93,655	93,655	—	
Canada Retail	41,357	(41,357)	—	43,114	(43,086)	
Brand Portfolio	23,449	(19,989)	3,460	19,989	(19,989)	
	\$ 158,461	\$ (61,346)	\$ 97,115	\$ 156,758	\$ (61,075)	

INTANGIBLE ASSETS

Intangible assets consisted of the following:

<i>(in thousands)</i>	January 28, 2023				January 29, 2022	
	Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization	
Definite-lived customer relationships	\$ 7,852	\$ (1,454)	\$ 6,398	\$ 1,409	\$ —	
Definite-lived tradename	10,853	(292)	10,561	—	—	
Indefinite-lived trademarks and tradenames	14,907	—	14,907	15,527	—	
	\$ 33,612	\$ (1,746)	\$ 31,866	\$ 16,936	\$ —	

During 2022, we acquired the rights to the shoes.com tradename for \$4.9 million, which was recorded as a definite lived tradename intangible asset with a useful life of 15 years. In addition, we recognized preliminary estimates of the fair value of the definite-lived customer relationships and tradename intangible assets acquired in the acquisition, which are amortized over a useful life of eight and 15 years, respectively.

Accrued Expenses

12 Months Ended
Jan. 28, 2023

[Payables and Accruals](#)
[\[Abstract\]](#)
[ACCRUED EXPENSES](#)

ACCRUED EXPENSES

Accrued expenses consisted of the following:

<i>(in thousands)</i>	January 28, 2023	
Gift cards	\$	35,121
Accrued compensation and related expenses		45,019
Accrued taxes		19,419
Loyalty programs deferred revenue		16,900
Sales returns allowances		18,107
Customer allowances and discounts		1,230
Other		54,880
	\$	190,676

Debt

12 Months Ended
Jan. 28, 2023[Debt Disclosure \[Abstract\]](#)[DEBT](#)

DEBT

Debt consisted of the following:

<i>(in thousands)</i>	January 28, 2023
ABL Revolver	\$ 281,035
Term Loan	—
Total debt	281,035
Less unamortized Term Loan debt issuance costs	—
Long-term debt	\$ 281,035

ABL Revolver- On March 30, 2022, we replaced our previous senior secured asset-based revolving credit facility with our current senior secured credit facility ("ABL Revolver"), which provides a revolving line of credit of up to \$550.0 million, including a Canadian sub-limit of up to \$55.0 million sub-limit for the issuance of letters of credit, a \$55.0 million sub-limit for swing-loan advances for U.S. borrowings, and a \$5.5 million sub-limit for Canadian borrowings. Our ABL Revolver matures in March 2027 and is secured by a first-priority lien on substantially all of our personal property, credit card receivables and inventory. The ABL Revolver may be used to provide funds for working capital, capital expenditures, share repurchases, permitted acquisitions as defined by the credit facility agreement. The amount of credit available is limited to a borrowing base formulated on, among other things, a percentage of the book value of eligible inventory and credit card receivables, as reduced by certain reserves. As of January 28, 2023, the ABL Revolver has a borrowing base of \$529.9 million, with \$281.0 million in outstanding borrowings and \$5.0 million in letters of credit issued, resulting in \$243.9 million available for future use.

Borrowings and letters of credit issued under the ABL Revolver accrue interest, at our option, at a rate equal to: (A) a base rate per annum equal to the greater of (i) the prime rate, (ii) the Fed Funds Rate (as defined in the credit facility agreement and subject to a floor of 0%) plus 0.5%, and (iii) the one-month Adjusted Term SOFR per annum (subject to a floor of 0%) plus 1.0%; or (B) a one-month, three-month or six-month Adjusted Term SOFR per annum (subject to a floor of 0%) plus 1.0%. In any instance, an applicable rate to be determined based on average availability, with an interest rate of 6.6% as of January 28, 2023. Commitment fees are accrued on the unused portion of the ABL Revolver. Interest expense related to the ABL Revolver includes interest on borrowings and letters of credit, commitment fees and debt issuance costs.

Debt Covenants- As of January 28, 2023, the ABL Revolver required us to maintain a fixed charge coverage ratio covenant of not less than 1:1 with the greater of \$41.3 million or 10.0% of the maximum borrowing amount. The ABL Revolver also contains customary covenants restricting certain activities, including limitations on our ability to sell assets, engage in acquisitions, enter into transactions involving related parties, incur additional debt, grant liens on assets, repurchase stock, and make certain other changes. There are specific exceptions to these covenants including, in some cases, upon satisfying specified conditions based on availability. The ABL Revolver contains customary events of default, including failure to comply with certain financial and other covenants, which, if not cured, constitute a default that is not cured or waived within the cure periods, in addition to other remedies that may be available to the lenders, our obligations under the ABL Revolver may be accelerated, outstanding letters of credit may be required to be cash collateralized, and remedies may be exercised against the collateral. As of January 28, 2023, we were in compliance with all financial covenants contained in the ABL Revolver.

Termination of Term Loan- On February 8, 2022, we settled in full the \$231.3 million principal amount outstanding on that date under our senior secured credit agreement ("Term Loan"). In connection with this settlement, we incurred a \$12.7 million loss on extinguishment of debt, composed of a \$6.9 million loss on the extinguishment of the Term Loan and a \$5.7 million write-off of unamortized debt issuance costs.

Leases

[Leases \[Abstract\]](#)
[LEASES](#)

12 Months Ended
Jan. 28, 2023

LEASES

We lease our stores, our distribution center located in New Jersey, and other facilities under operating lease arrangements with unrelated parties and the Schottenstein Affiliates. We pay variable amounts for certain lease and non-lease components, contingent rent based on sales for certain leases in excess of specified levels, and leases that have certain contingent triggering events that are in effect. We also lease equipment under operating lease arrangements. We receive sublease income from unrelated third parties for leasing portions or all of certain properties.

Operating sublease income and lease expense consisted of the following:

<i>(in thousands)</i>	2022		2021	
Operating sublease income	\$	10,077	\$	11,879
Operating lease expense:				
Lease expense to unrelated parties	\$	187,372	\$	192,146
Lease expense to related parties		7,783		9,273
Variable lease expense to unrelated parties		71,830		73,159
Variable lease expense to related parties		1,422		1,520
	\$	268,407	\$	276,098

Lease term and discount rate for our operating leases were as follows:

	January 28, 2023
Other operating lease information:	
Weighted-average remaining lease term (years)	5.7
Weighted-average discount rate	4.2 %

As of January 28, 2023, our future fixed minimum lease payments are as follows:

<i>(in thousands)</i>	Unrelated Parties		Related Parties	
2023	\$	209,616	\$	6,292
2024		177,561		4,270
2025		141,978		3,439
2026		113,203		3,120
2027		85,068		2,856
Future fiscal years thereafter		185,598		1,708
		913,024		21,685
Less discounting impact on operating leases		(111,131)		(2,080)
Total operating lease liabilities		801,893		19,605
Less current operating lease liabilities		(184,519)		(5,567)
Non-current operating lease liabilities	\$	617,374	\$	14,038

As of January 28, 2023, we had entered into lease commitments for one new store location and three store relocations where the leases have not yet commenced, therefore the lease liabilities have not yet been recorded. We expect the lease commencement to begin over the next three fiscal quarters for these commitments. We expect to record additional operating lease liabilities of approximately \$5.4 million.

**Commitments and
Contingencies**

[Commitments and
Contingencies Disclosure
\[Abstract\]](#)

[COMMITMENTS AND
CONTINGENCIES](#)

**12 Months Ended
Jan. 28, 2023**

COMMITMENTS AND CONTINGENCIES

Legal Proceedings- We are involved in various legal proceedings that are incidental to the conduct of our business. Although it is not possible to determine the eventual outcome of any litigation, we believe the amount of any potential liability with respect to current legal proceedings will not be material to our operations or financial condition. As additional information becomes available, we will assess any potential liability related to pending litigation and revise the amount of our liability accordingly.

Guarantees- We provide guarantees for lease obligations that are scheduled to expire in 2025 for locations that have been leased to third parties. If the tenant does not renew the lease, the rent or vacates the premise, we may be required to make full rent payments to the landlord. As of January 28, 2023, the total future payment on all lease guarantees were approximately \$8.7 million.

Contractual Obligations- As of January 28, 2023, we had entered into various noncancelable purchase and service agreements, including agreements for construction in excess of one year and construction commitments for capital items to be purchased for projects that were under construction or for which a lease agreement has been entered into. In addition, we have license agreements that allow us to use brands owned by third parties, including a license agreement with our equity investment partner that requires us to make guaranteed minimum royalty payments.

As of January 28, 2023, our noncancelable purchase obligations and future guaranteed minimum royalty payments were as follows:

<i>(in thousands)</i>	Noncancelable Purchase Obligations		Guaranteed Minimum Royalties	
			Unrelated Parties	Related Parties
2023	\$	13,831	\$ 12,609	\$ 18,550
2024		5,292	14,184	20,163
2025		2,227	14,184	20,225
2026		1,471	14,184	20,325
2027		1,024	13,684	20,213
Future fiscal years thereafter		575	38,684	19,650
	\$	24,420	\$ 107,529	\$ 119,126

Income Taxes

12 Months Ended
Jan. 28, 2023

[Income Tax Disclosure](#)

[\[Abstract\]](#)

[INCOME TAXES](#)

INCOME TAXES

Income (loss) before income taxes consisted of the following:

<i>(in thousands)</i>	2022	2021
Domestic income (loss)	\$ 131,131	\$ 161,409
Foreign income (loss)	28,393	11,616
	\$ 159,524	\$ 173,025

Income tax provision (benefit) consisted of the following:

<i>(in thousands)</i>	2022	2021
Current:		
Federal	\$ 36,018	\$ 16,696
Foreign	449	1,774
State and local	12,120	1,061
Total current tax expense (benefit)	48,587	19,531
Deferred:		
Federal	(29,025)	(555)
Foreign	(12,113)	(556)
State and local	(10,591)	124
Total deferred tax expense (benefit)	(51,729)	(987)
Income tax provision (benefit)	\$ (3,142)	\$ 18,544

The following presents a reconciliation of the income tax provision (benefit) based on the U.S. federal statutory tax rate to the total tax provision (benefit):

<i>(in thousands)</i>	2022	2021
Income tax provision (benefit) at federal statutory rate	\$ 33,502	\$ 36,335
State and local taxes, net of federal benefit (provision)	7,955	7,870
Change in valuation allowance	(55,654)	(29,950)
Non-deductible compensation	4,683	5,531
CARES Act rate differential	—	(1,697)
Federal interest income	(3,029)	(502)
Uncertain tax positions	5,940	1,275
Other	3,461	(318)
	\$ (3,142)	\$ 18,544

See Note 1, *Description of Business and Significant Accounting Policies - Income Taxes*, for discussion of the CARES Act rate differential and the allowance.

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities are as follows:

<i>(in thousands)</i>	January 28, 2023
Deferred tax assets:	
Operating lease liabilities	\$ 209,310
Net operating losses	21,688
Stock-based compensation	9,503
Inventories	9,252
Accrued expenses	7,038
Loyalty programs deferred revenue	3,905
State bonus depreciation	3,655
Intangible assets	1,601
Gift cards	2,756
Other	2,055
	270,763
Less: valuation allowance	(14,027)
Total deferred tax assets, net of valuation allowance	256,736
Deferred tax liabilities:	
Operating lease assets	(182,953)
Property and equipment	(19,068)
Other	(6,430)
Total deferred tax liabilities	(208,451)
Net deferred tax assets (liabilities)	\$ 48,285

Net deferred income taxes are reported on the consolidated balance sheets as follows:

<i>(in thousands)</i>	January 28, 2023
Deferred tax assets	\$ 48,285
Deferred tax liabilities included in other non-current liabilities	—
	\$ 48,285

As of January 28, 2023, the remaining valuation allowance was primarily related to state deferred tax assets. Additionally, there were \$11.4 million of state net operating losses, \$11.4 million of foreign, and \$2.2 million federal net operating losses, which, if not utilized, a portion of the carryovers will begin to expire in 2025, 2036, and 2037. The following table presents the changes in valuation allowance:

<i>(in thousands)</i>	2022	2021
Valuation allowance - beginning of period	\$ 70,762	\$ 101,185
Additions charged to income tax benefit	—	—
Allowances taken or written off	(55,654)	(29,950)
Other adjustments	(1,081)	(473)
Valuation allowance - end of period	\$ 14,027	\$ 70,762

We intend to continue to invest all of the earnings of foreign subsidiaries, as well as our capital in these subsidiaries, indefinitely outside of the U.S. and may incur any significant additional taxes related to such amounts.

The following table presents the changes in gross unrecognized tax benefits:

<i>(in thousands)</i>	2022	2021
Unrecognized tax benefits - beginning of period	\$ 11,108	\$ 10,087
Additions for tax positions taken in the current year	5,342	1,021
Settlements of tax positions taken in prior years	(665)	—
Unrecognized tax benefits - end of period	\$ 15,785	\$ 11,108

Of the total unrecognized tax benefits at January 28, 2023, January 29, 2022 and January 30, 2021, \$14.0 million, \$9.5 million and \$8.7 million, respectively, represent the amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate in future periods. While it is expected that the amount of unrecognized tax benefits will change in the next 12 months, any changes are not expected to have a material impact on our financial position, results of operations or cash flows.

recognize interest and penalties related to unrecognized tax benefits as a component of the income tax provision (benefit). As of January 28, 2023, January 30, 2021, interest and penalties were \$4.7 million, \$3.1 million and \$2.6 million, respectively.

Segment Reporting

12 Months Ended
Jan. 28, 2023

Segment Reporting

[Abstract]

SEGMENT REPORTING

SEGMENT REPORTING

Our three reportable segments, which are also operating segments, are the U.S. Retail segment, the Canada Retail segment, and the Brand Portfolio segment. We determined that the Chief Operating Decision Maker ("CODM") is our Chief Executive Officer and we have identified such segments based on their reporting and responsibilities. The performance of each segment is based primarily on net sales and gross profit. As a result, we do not allocate other assets by segment. Total assets by segment are not presented in the table below as the CODM does not evaluate, manage, or measure performance of segments.

The following table provides certain financial data by segment reconciled to the consolidated financial statements:

<i>(in thousands)</i>	U.S. Retail	Canada Retail	Brand Portfolio	Other	Corporate Eliminations
2022					
Net sales:					
External customer sales	\$ 2,791,513	\$ 283,241	\$ 240,674	\$ —	\$ —
Intersegment sales	—	—	87,041	—	(87,041)
Total net sales	\$ 2,791,513	\$ 283,241	\$ 327,715	\$ —	\$ —
Gross profit	\$ 904,583	\$ 99,121	\$ 72,006	\$ —	\$ —
Income from equity investments	\$ —	\$ —	\$ 8,864	\$ —	\$ —
Cash paid for property and equipment	\$ 27,567	\$ 3,169	\$ 1,501	\$ —	\$ —
Depreciation and amortization	\$ 45,101	\$ 6,629	\$ 5,480	\$ —	\$ —
2021					
Net sales:					
External customer sales	\$ 2,769,706	\$ 234,809	\$ 192,068	\$ —	\$ —
Intersegment sales	—	—	93,956	—	(93,956)
Total net sales	\$ 2,769,706	\$ 234,809	\$ 286,024	\$ —	\$ —
Gross profit	\$ 933,555	\$ 76,728	\$ 66,774	\$ —	\$ —
Income from equity investment	\$ —	\$ —	\$ 8,986	\$ —	\$ —
Cash paid for property and equipment	\$ 15,296	\$ 3,225	\$ 630	\$ —	\$ —
Depreciation and amortization	\$ 40,693	\$ 7,378	\$ 5,262	\$ —	\$ —
2020					
Net sales:					
External customer sales	\$ 1,800,323	\$ 182,659	\$ 188,828	\$ 62,909	\$ —
Intersegment sales	—	—	59,818	—	(59,818)
Total net sales	\$ 1,800,323	\$ 182,659	\$ 248,646	\$ 62,909	\$ —
Gross profit	\$ 242,786	\$ 28,651	\$ 36,393	\$ 962	\$ —
Income from equity investment	\$ —	\$ —	\$ 9,329	\$ —	\$ —
Cash paid for property and equipment	\$ 9,997	\$ 3,420	\$ 1,194	\$ 67	\$ —
Depreciation and amortization	\$ 47,083	\$ 7,817	\$ 5,433	\$ 42	\$ —

The U.S. Retail and Brand Portfolio segments and Other net sales recognized were primarily based on sales to customers in the U.S., and the Canada Retail net sales recognized were based on sales to customers in Canada. Net sales realized from geographic markets outside of the U.S. and Canada were not material.

As of January 28, 2023 and January 29, 2022, long-lived assets, consisting of property and equipment and operating lease assets, included \$875.7 million, respectively, in the U.S. and \$58.6 million and \$66.1 million, respectively, in Canada, with only an immaterial amount in other countries. These assets accounted for 10% or more of consolidated total net sales. However, the Brand Portfolio segment has four customers that make up approximately 10% of net sales, excluding intersegment net sales, and the loss of any or all of these customers could have a material adverse effect on the Brand Portfolio segment's performance.

Subsequent Events

**12 Months Ended
Jan. 28, 2023**

[Subsequent Events](#)

[\[Abstract\]](#)

[Subsequent Events](#)

SUBSEQUENT EVENTS

Acquisition of Keds- On February 4, 2023, we acquired the Keds business, including the Keds brand, inventory, and inventory related accounts payable, from Wolverine World Wide, Inc. for \$123.3 million. The Keds business designs, sources, and sells branded footwear and earns revenue from the wholesale of products to retailers in the U.S. and Canada, the wholesale of products to international distributors, and the sale of branded products through direct-to-consumer e-commerce sites in the U.S. and Canada. The purchase price of the acquisition was funded with available cash and borrowings on the ABL Revolver. We will account for the acquisition and include the results of the Keds business in our Brand Portfolio segment beginning with our first quarter of 2023. Given the acquisition date, we are in the process of developing our fair value assumptions for the assets and liabilities acquired.

ABL Revolver Amendment- On February 28, 2023, the ABL Revolver was amended to increase the available capacity under the revolving line of credit from \$550.0 million to \$600.0 million and to add a first-in last-out term loan (the "FILO Term Loan") of up to \$30.0 million, which was drawn in full on the date of the amendment, subject to a borrowing base. The FILO Term Loan may be repaid in full, but not in part, so long as certain payment conditions are satisfied. Once repaid, no portion of the FILO Term Loan may be reborrowed. The maturity date of the ABL Revolver did not change and is applicable to the FILO Term Loan. The interest rate on the revolving line of credit remains unchanged, and the FILO Term Loan will accrue interest, at our option, at a rate equal to (A) a fluctuating interest rate per annum equal to the greatest of (i) the prime rate, (ii) the Fed Funds Rate plus 0.5%, or (iii) Adjusted Term SOFR plus 1.0%, plus 2.25%; or (B) Adjusted Term SOFR for the interest period in effect for such borrowing plus 3.25%. The ABL Revolver was also amended to change the period during which we are required to maintain a fixed charge coverage ratio of not less than 1:1 when availability is less than the greater of \$47.3 million or 10% of the maximum borrowing amount.

Dividends- On March 15, 2023, the Board of Directors declared a quarterly cash dividend payment of \$0.05 per share for both Class A and Class B common shares. The dividend will be paid on April 14, 2023 to shareholders of record as of the close of business on March 31, 2023.

**Description of Business and
Significant Accounting
Policies (Policies)**

12 Months Ended

Jan. 28, 2023

[Organization, Consolidation
and Presentation of
Financial Statements](#)

[\[Abstract\]](#)

[Fiscal Year](#)

Fiscal Year- Our fiscal year ends on the Saturday nearest to January 31. References to a fiscal year (e.g., "2022") refer to the year in which the fiscal year begins. This reporting schedule is followed by many national retail companies and typically results in a 52-week fiscal year, but occasionally will contain an additional week resulting in a 53-week fiscal year (including 2023). The periods presented in the consolidated financial statements each consisted of 52 weeks.

[Principles of Consolidation](#)

Principles of Consolidation- The consolidated financial statements include the accounts of Designer Brands Inc. and its subsidiaries, including all intercompany accounts and transactions have been eliminated in consolidation. All amounts are in United States ("U.S.") dollars.

[Use of Estimates](#)

Use of Estimates- The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements. Significant estimates and assumptions use forecasted financial information based on the information reasonably available to us. Significant estimates and assumptions are required as a part of accounting for sales returns allowances, customer allowances, gift card breakage income, deferred revenue associated with loyalty programs, valuation of inventories, depreciation and amortization, intangible assets, intangibles and goodwill, lease accounting, redeemable noncontrolling interest, income taxes and valuation allowances on deferred tax assets and liabilities, and valuations used to account for an acquisition. Although we believe these estimates and assumptions are reasonable, they are based on management's current events and actions we may undertake in the future. Changes in facts and circumstances may result in revised estimates and assumptions, which may differ from these estimates.

[Revenue Recognition, Gift
Cards, Loyalty Programs and
Cost of Sales](#)

Revenue Recognition- Sales from the U.S. Retail and Canada Retail segments are recognized upon customer receipt of merchandise, net of estimated sales tax. Customers can purchase products from one of our stores, online, or from our mobile application. For products shipped directly to our customers, revenue is recorded upon sale upon the estimated customer receipt date based on historical delivery transit times. Revenue from shipping and handling is recorded in net sales. Shipping and handling costs are included in cost of sales on the consolidated statements of operations. For products shipped directly to our customers from our vendors (referred to as drop-ship), we record gross sales upon customer receipt based on the price paid by the customers as we have determined that we are the principal party responsible for the sale.

Sales from the Brand Portfolio segment are recognized upon transfer of control. Generally, our wholesale customers arrange their own transportation and control is transferred at the time of shipment. Sales are recorded at the transaction price, excluding sales tax, net of estimated reserves for customer returns and discounts. Direct-to-consumer online sales are recognized upon the estimated customer receipt date based on historical delivery transit times and net of sales tax and exclude sales tax. First Cost commission income is recognized at the point in time when the customer's freight forwarder takes control of the goods.

Gift Cards- Amounts received from the sale of gift cards are recorded as a liability and are recognized as sales when the cards are redeemed for merchandise. Based on historical information, the likelihood of a gift card remaining unredeemed (referred to as "breakage") can be reasonably estimated at the time of gift card sale. Breakage income is recognized over the estimated average redemption period of redeemed gift cards.

Loyalty Programs- We offer loyalty programs to our customers in the U.S. and Canada. Members under the programs earn points based on their purchases for various other activities. Upon reaching a specified point threshold, members receive reward certificates that may be redeemed for purchases up to the expiration date. We record a reduction of net sales when points are awarded based on an allocation of the initial customer purchase and the stand-alone value of the points earned. We maintain a deferred liability for the outstanding points and certificates based on historical conversion and redemption rates. The deferred liability is recognized when certificates are redeemed or when points and certificates expire.

Cost of Sales- Cost of sales from the U.S. Retail and Canada Retail segments is recognized net of estimated returns. In addition to the cost of merchandise sold, which includes freight and the impact of markdowns, shrink and other inventory valuation adjustments, we include expenses associated with distribution and occupancy in cost of sales. Distribution and fulfillment expenses comprise of labor costs, third-party fees, rent, depreciation, insurance, utilities, and other operating costs. Store occupancy expenses include rent, utilities, repairs, maintenance, insurance, janitorial costs, and occupancy-related taxes, but exclude sales tax.

Cost of sales from the Brand Portfolio segment is recognized net of estimated returns. In addition to the cost of merchandise sold, which includes freight and the impact of markdowns, shrink and other inventory valuation adjustments, we include royalty expense for licensed brands in cost of sales.

We record deferred revenue liabilities, included in accrued expenses on the consolidated balance sheets, for remaining obligations to our customers. We reduce sales by the amount of actual and remaining expected sales returns and customer allowances and discounts, and cost of sales by the cost of merchandise we expect to recover. Sales returns allowances and customer allowances and discounts are included in accrued expenses on the consolidated balance sheet. Customer allowances and discounts are provided to our wholesale customers for margin assistance, advertising support, and various other deductions. Sales returns allowances needed for margin assistance by reviewing inventory levels held by retailers, expected markdowns, gross margins realized, and other performance metrics. Sales returns and other customer deductions are estimated based on anticipated future returns using historical experience and trends. Advertising expenses are based on arrangements with customers.

[Operating Expenses](#)

Operating Expenses- Operating expenses include expenses related to store management and store payroll costs, advertising and promotion, new store costs, design, sourcing and distribution costs associated with the Brand Portfolio segment, and corporate expenses. Operating expenses include expenses related to buying, information technology, rent (net of sublease income), depreciation and amortization, and other operating expenses.

corporate assets, marketing, legal, finance, outside professional services, customer service center expenses, and payroll-related expenses for our associates.

[Stock-Based Compensation](#)

Stock-Based Compensation- We recognize compensation expense for awards of stock options, restricted stock units ("RSUs"), and stock units, based on the fair value on the grant date and on a straight-line basis over the requisite service period for the awards expected to vest, with forfeitures estimated based on our historical experience and future expectations. Stock-based compensation expense is recorded as an operating expense on the consolidated statements of operations.

[Chief Executive Officer Transition and Restructuring Costs](#)

Chief Executive Officer Transition- In January 2023, we announced our planned succession process relating to the Company's Chief Executive Officer. Our current CEO, Roger Rawlins, will step down from his role as CEO and as a member of the Board of Directors effective April 1, 2023, as determined by the Board of Directors, at which time Doug Howe, who currently serves as Executive Vice President of the Company and President of the U.S. Retail segment, will step into the CEO role and join the Board of Directors as a Class II director. To assist in facilitating a smooth transition, Mr. Rawlins will remain employed under a consulting agreement through April 1, 2023, and for the 12-month period thereafter will serve as a strategic advisor to the Company and the Board of Directors. If Mr. Rawlins remains employed through April 1, 2023, we will provide Mr. Rawlins benefits that are consistent with those that Mr. Rawlins would be entitled to upon termination by the Company without cause under his Amended and Restated Standard Executive Severance Agreement. In conjunction with the CEO transition, we expect total CEO transition costs will total \$9.4 million consisting of \$3.5 million in severance costs, \$2.8 million in accelerated stock-based compensation (net of forfeitures), and \$3.1 million in retention stock awards to certain members of our leadership team and other related professional fees. During the first quarter of 2023, we recognized \$3.7 million in operating expenses on the consolidated statements of operations, with the remaining estimated \$5.7 million to be recorded in subsequent quarters.

Severance- During 2022, we incurred severance costs, excluding the severance related to the CEO transition, of \$2.8 million (\$1.8 million, \$0.2 million, and \$0.8 million for the U.S. Retail, Canada Retail, and Brand Portfolio segments, respectively). During 2021, we incurred severance costs of \$3.3 million (\$1.5 million, \$0.8 million, and \$1.0 million for the U.S. Retail and Brand Portfolio segments, respectively).

On March 18, 2020, to help control the spread of the coronavirus ("COVID-19") and protect the health and safety of our customers, associates, and employees, we temporarily closed all of our stores in the U.S. and Canada. In addition, we took several actions in late March 2020 to reduce costs and improve operating performance, which were more commensurate with then-current sales, including furloughs and pay reductions. During the second quarter and into the third quarter of 2020, we discontinued the furlough program, and restored pay for our associates that had taken pay reductions. Beginning in July 2020, we initiated a reorganization and reduction of our workforce with additional actions taken throughout 2020 and into the first quarter of 2021, resulting in the elimination of approximately 1,000 associate positions. During 2020, we incurred restructuring costs, which consisted primarily of severance costs of \$15.2 million (\$5.5 million, \$5.0 million, and \$4.7 million for the U.S. Retail, Canada Retail, and Brand Portfolio segments, respectively).

As of January 28, 2023 and January 29, 2022, we had \$5.7 million and \$1.9 million, respectively, of severance liability included in accrued expenses on our balance sheets.

[Gain on Settlement](#)

Gain on Settlement- During 2020, we collected \$9.0 million, net of legal costs incurred, and recorded a gain to operating expenses on the consolidated statements of operations that was due to a settlement with a vendor related to costs incurred on an internal-use software project that was capitalized and then impaired.

[Marketing Expense](#)

Marketing Expense- The cost of advertising is generally expensed when the advertising first takes place or when mailed.

[Non-Operating Income \(Expenses\), Net](#)

Non-Operating Income (Expenses), net- Non-operating income (expenses), net, includes gains and losses from foreign currency revaluation and other non-operating items related to investments.

[Income Taxes](#)

Income Taxes- We account for income taxes under the asset and liability method. We determine the aggregate amount of income tax expense to be recorded for each period based on tax statutes of each jurisdiction in which we do business. Deferred tax assets and liabilities are recognized for the consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, net of loss and tax credit carryforwards, as measured using enacted tax rates expected to be in effect in the periods when temporary differences are expected to be settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is provided when it is more likely than not that some portion or all of a deferred tax asset will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become realizable.

We recorded our income tax expense, income tax receivable, and deferred tax assets and related liabilities based on management's best estimates. In evaluating the likelihood of realizing the benefits of our deferred tax assets by evaluating historical and projected future operating results, the reversal of existing temporary differences, taxable income in permitted carry back years, and the availability of tax planning strategies. One of the provisions of the CARES Act allows net operating losses generated within tax years 2018 through 2020 to be carried back up to five years, including years in which the U.S. federal statutory tax rate was 21%. In evaluating future taxable income, significant weight is given to positive and negative evidence that is objectively verifiable.

During 2020, a valuation allowance was recognized as a reserve on the total deferred tax asset balance and was maintained until the fourth quarter of 2022. The allowance was the result of losses incurred in 2020 due to the impacts of the COVID-19 pandemic that resulted in a three-year cumulative loss position. We evaluated significant objective negative evidence in considering whether deferred tax assets were realizable. During the fourth quarter of 2022, we released the majority of the U.S. and Canada deferred tax assets given the continued realization of income since 2020, being in a three-year cumulative adjusted taxable income position and having projected future income. These factors provided sufficient evidence to conclude that it is more likely than not that the majority of the U.S. and Canada deferred tax assets are realizable. Our effective tax rate for 2022 was negative 2.0%, whereas for 2021 and 2020 it was positive 10.7% and 19.7%, respectively. The result of releasing \$55.7 million of the valuation allowance, partially offset by the permanent tax adjustments, primarily non-deductible compensation, was the result of maintaining a full valuation allowance on deferred tax assets, while also recording net discrete tax benefits, primarily as a result of the estimated 2020 return reflecting implemented tax strategies. The rate for 2020 was the result of recording a valuation allowance of \$87.6 million, which was necessary to maintain the ability to carry back current year losses to a tax year where the U.S. federal statutory tax rate was 35%.

We review and update our tax positions as necessary to add any new uncertain tax positions taken, or to remove previously identified uncertain tax positions.

identified uncertain positions that have been adequately resolved. Additionally, uncertain positions may be remeasured as warranted by changes in facts or law. Accounting for uncertain tax positions requires estimating the amount, timing and likelihood of ultimate settlement. Although we believe that these estimates are reasonable, actual results could differ from these estimates.

On August 16, 2022, the U.S. enacted the Inflation Reduction Act of 2022, which, among other things, implements a 15% minimum tax on book corporations and a 1% excise tax on net stock repurchases. Based on our current analysis of the provisions, we do not believe this legislation will impact our consolidated financial statements.

[Cash, Cash Equivalents, and Restricted Cash](#)

Cash, Cash Equivalents, and Restricted Cash- Cash and cash equivalents represent cash, money market funds, and credit card receivables that are available for use on any business day. Restricted cash represented cash that was restricted as to withdrawal or usage and consists of a mandatory cash deposit maintained for certain letters of credit.

[Investments](#)

Investments- We determine the balance sheet classification of investments at the time of purchase and evaluate the classification at each balance sheet date presented. We did not hold any investments in securities other than cash equivalents. We account for investments using the equity method if we exercise significant influence over the investment. If we do not exercise significant influence, we account for the investment using the cost method. All other method investments are included in other assets on the consolidated balance sheets. We evaluate our investments for impairment and whether impairment is temporary at each balance sheet date.

The following table presents activity related to our equity investments:

<i>(in thousands)</i>	2022		2021	
Balance at beginning of period	\$	55,578	\$	58,598
Investment in Le Tigre		8,228		—
Share of net earnings		8,864		8,986
Distributions received		(8,850)		(12,006)
Balance at end of period	\$	63,820	\$	55,578

On July 1, 2022, we acquired a 33.3% ownership interest in Le Tigre for \$8.2 million. We account for our investment in Le Tigre, where we exercise significant influence but do not have control, using the equity method. The difference between the purchase price of Le Tigre and our interest in Le Tigre's underlying net assets is recorded as a definite lived tradename intangible asset and equity method goodwill. Our share of net loss of Le Tigre and amortization of the intangible asset are recorded as a net earnings, net, shown in the table above and income from equity investments on the consolidated statements of operations.

[Receivables, net](#)

Receivables, net- Receivables are classified as current assets because the average collection period is generally shorter than our exposure for credit losses based upon specific receivable balances and we record related allowances for doubtful accounts based on our estimate of credit losses resulting from the inability of our customers to make required payments. We utilize an unrelated third-party provider for collection services for receivables from the sale of wholesale products to certain retailers. This third-party provider guarantees the majority of the serviced receivables.

[Inventories](#)

Inventories- All of our inventory is made up of finished goods. The U.S. Retail segment inventory is accounted for using the retail inventory method, which is the lower of cost or market. Under the retail inventory method, the valuation of inventories at cost and the resulting gross profits are determined by applying the retail-to-retail ratio to the retail value of inventories. The cost basis of inventories is decreased by charges to cost of sales at the time the retail value of inventories is marked down. As a result, earnings are negatively impacted as the merchandise is marked down prior to sale. The Canada Retail segment and the B.C. Retail segment inventory is accounted for using the moving average cost method and is stated at the lower of cost or net realizable value. We monitor aged inventory and inventory that may need to be liquidated in the future at amounts below cost. Reductions to inventory values establish a new cost basis. For the U.S. Retail segment, reductions or circumstances do not result in an increase in the newly established cost basis.

We perform physical inventory counts or cycle counts on all inventory on hand throughout the year and adjust the recorded balance to reflect the estimated shrink between physical inventory counts, based on historical experience and recent results, less amounts realized.

Inherent in the calculation of inventories are certain significant judgments and estimates, including setting the original merchandise retail value, markups, and liquidation values. The ultimate amount realized from the sale of inventory and write-offs from counts could differ from management estimates.

[Concentration of Risks](#)

Concentration of Risks- We are subject to risks due to concentration of our merchandise coming from China. All of the products manufactured through the U.S. Retail segment come from third-party facilities outside of the U.S., with 76% of units sourced from China. In addition to the merchandise sourced through the U.S. Retail segment, our U.S. Retail segment and Canada Retail segment also sources merchandise from both domestic and foreign third-party vendors. Many of our vendors import a large portion of their merchandise from China.

We are also subject to risks due to the concentration of vendors within the U.S. Retail and Canada Retail segments. During 2022, three key third-party vendors supplied approximately 22% of our retail merchandise, with no individual vendor providing more than 10% of our retail merchandise.

Financial instruments, which principally subject us to concentration of credit risk, consist of cash and cash equivalents. We invest cash and cash equivalents when available through financial institutions in money market accounts. At times, such amounts invested through banks may be subject to Federal Deposit Insurance Corporation insurance limits, and we mitigate the risk by utilizing multiple banks.

[Fair Value](#)

Fair Value- Fair value is defined as the price that would be received in the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Assets and liabilities recorded at fair value are categorized using defined hierarchical levels related to the subjectivity of the fair value measurements as follows:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Quoted prices for similar assets or liabilities in active markets or inputs that are observable.
- Level 3 - Unobservable inputs in which little or no market activity exists.

The carrying value of cash and cash equivalents, restricted cash, receivables, and accounts payables approximated their fair values due to their short-term nature. The carrying value of borrowings under our revolving lines of credit approximated fair value based on its term and variable interest rate.

[Property and Equipment, net](#)

Property and Equipment, net- Property and equipment, net, are stated at cost less accumulated depreciation determined by the straight-line method over the estimated useful life of assets. The net book value of property or equipment sold or retired is removed from the asset and related accumulated depreciation account. Gain or loss included in results of operations.

[Internal Use Software Costs](#)

Internal Use Software Costs- Costs related to software developed or obtained for internal use are expensed as incurred until the application development stage has been reached. Once the application development stage has been reached, certain qualifying costs are capitalized until the software is ready for its intended use. Software costs and the related accumulated amortization are included in property and equipment, net, on the consolidated balance sheets. Capitalized software costs are amortized over the estimated useful life of the software. Amortization expense is included in operating expenses on the consolidated statements of operations.

[Leases](#)

Leases- A lease liability for new and modified leases is recorded based on the present value of future fixed lease commitments over the term of the lease, including any renewal or termination options, less any lease incentives. For leases classified as operating leases, we recognize a single lease cost on a straight-line basis over the term of the lease, which is the combined amortization of the lease liability and the lease asset. Other leases will be accounted for as finance arrangements. For finance lease arrangements, we are generally required to pay base rent, real estate taxes, and insurance, which are considered lease components. For non-lease components, which is a non-lease component. We have elected to not separate non-lease payment components from the associated lease liability for new and modified real estate leases. We determine the discount rate for each lease by estimating the rate that we would be required to pay for secured borrowing for an amount equal to the lease payments over the lease term. The majority of our real estate leases include renewal options, which are typically not included in the lease term used for measuring the lease assets and lease liabilities as it is more likely than not we will exercise renewal options. We monitor for events or changes in circumstances that may require a reassessment of our lease classification to determine if a remeasurement is required.

[Impairment of Long-Lived Assets](#)

Impairment of Long-Lived Assets- We periodically evaluate the carrying amount of our long-lived assets, primarily operating lease assets, property and equipment, and definite-lived intangible assets, when events and circumstances warrant such a review to ascertain if any assets have been impaired. The reviews are performed at the identifiable level. The carrying amount of a long-lived asset or asset group is considered impaired when the carrying value of the asset or asset group exceeds the undiscounted future cash flows from the asset or asset group. The impairment loss recognized is the excess of the carrying value of the asset or asset group over its fair value (as Level 3 under the fair value hierarchy). Fair value at the store level is typically based on projected discounted cash flows over the remaining lease term.

During 2022, we recorded impairment charges of \$4.3 million, primarily in the Brand Portfolio segment resulting from subleases of abandoned leased space. During 2021, we recorded impairment charges of \$1.7 million, including \$1.2 million in the U.S. Retail segment for abandoned equipment we replaced and \$0.5 million in the Brand Portfolio segment for the sublease of an abandoned leased space.

As a result of the material reduction in net sales and cash flows during 2020 due to the COVID-19 pandemic, we updated our impairment analyses for the U.S. Retail and Canada Retail segments at the store-level, which represents the lowest level for which identifiable cash flows are independent of the cash flows of other assets. The carrying amount of the store asset group, primarily made up of operating lease assets, leasehold improvements and fixtures, is considered impaired when the carrying amount of the asset group exceeds the expected future cash flows from the asset group. Fair value at the store level is typically based on projected discounted cash flows over the remaining lease term. In addition, we evaluated other long-lived assets based on our intent to use such assets going forward. During 2020, we recorded impairment charges of \$127.1 million (\$104.2 million and \$22.9 million for the U.S. Retail and Canada Retail segments, respectively). Also, during 2020, we recorded impairment charges of \$6.5 million for the Brand Portfolio segment customer relationship intangible asset resulting in a full impairment due to the lack of projected cash flows over its useful life (categorized as Level 3 under the fair value hierarchy).

[Goodwill and Other Indefinite Lived Intangible Assets](#)

Goodwill and Other Indefinite Lived Intangible Assets- We evaluate goodwill and other indefinite lived intangible assets for impairment annually or more frequently if an event occurs or circumstances change that would indicate that impairment may exist. When evaluating for impairment, we perform a qualitative assessment to determine whether it is more likely than not that there is an impairment. If we do not perform a qualitative assessment, or if we determine it is more likely than not that the carrying value exceeds its fair value, we will calculate the estimated fair value. Fair value is typically calculated using a discounted cash flow analysis. Where deemed appropriate, we may also utilize a market approach for estimating fair value. Impairment charges are calculated as the amount by which the carrying amount exceeds its fair value, but not to exceed the carrying value for goodwill.

As a result of the material reduction in net sales and cash flows due to the temporary closure of all of our stores, the decrease in net sales from our operations, and the decrease in the Company's market capitalization due to the impact of the COVID-19 pandemic on macroeconomic conditions, we performed an impairment analysis of goodwill and other indefinite-lived intangible assets during the first quarter of 2020. We calculated the fair value of the reporting units with goodwill using a discounted cash flow analysis (categorized as Level 3 under the fair value hierarchy). Our analysis concluded that the fair value of the First Cost Retail segment of the Brand Portfolio segment did not exceed its carrying value. Accordingly, during 2020, we recorded an impairment charge of \$20.0 million for the First Cost Retail segment of the Brand Portfolio segment, resulting in a full impairment.

[Self-Insurance Reserves](#)

Self-Insurance Reserves- We record estimates for certain health and welfare, workers' compensation and casualty insurance costs that are self-insured. Self-insurance reserves include actuarial estimates of both claims filed, carried at their expected ultimate settlement value, and claims incurred but not reported. The carrying amount represents an estimate of the ultimate cost of claims incurred as of the balance sheet date. Estimates for self-insurance reserves are calculated utilizing

estimates based on historical experience and other factors. We have purchased stop loss insurance to limit our exposure on a per person basis for health and safety claims on a per claim basis for workers' compensation and general liability, as well as on an aggregate annual basis.

[Redeemable noncontrolling interest](#)

Redeemable noncontrolling interest- As discussed in more detail in Note 2, *Acquisition*, we have an exclusive call option to purchase a portion of the ownership interest of Topo. Interest holders have a put option with respect to the remaining 20.6% ownership interest in Topo upon the occurrence of a defined period of time following the transaction close. The redemption price is based on the future performance of Topo. Upon the exercise of the redemption feature, we record the remaining interest in Topo as a redeemable noncontrolling interest in temporary equity on our consolidated balance sheets. The noncontrolling interest is adjusted each reporting period for the net income (loss) attributable to the noncontrolling interest. Each reporting period, a measurement period adjustment, if any, is then recorded to adjust the noncontrolling interest to the redemption value, assuming it was redeemable at the reporting date, or its carrying value. Any adjustments are also recorded to net income (loss) attributable to the noncontrolling interest.

[Foreign Currency Translation and Transactions](#)

Foreign Currency Translation and Transactions- Our wholly-owned Canadian subsidiary has Canadian dollars as its functional currency. Assets and liabilities of this business are translated into U.S. dollars at exchange rates in effect at the balance sheet date or historical rates as appropriate. Each quarter, amounts reported in our consolidated statements of operations from this business are translated at the average exchange rate for the period. The cumulative translation adjustment is recorded as a component of accumulated other comprehensive loss on the consolidated balance sheets. Transaction gains and losses are included in non-operating income (expenses), net, on the consolidated statements of operations.

[Deferred Compensation Plans](#)

Deferred Compensation Plans- We provide deferred compensation plans, including defined contribution plans to eligible associates. We also have a qualified deferred compensation plan for certain executives and members of the Board of Directors. Participants may elect to contribute a portion of their eligible compensation to the plans up to limits stated in the plan documents, not to exceed the limits permitted by applicable laws.

[Variable Interest Entity](#)

Variable Interest Entity- We had a joint venture with an entity affiliated with performing artist and celebrity Jennifer Lopez, which was formed in order to design, source and sell the JLO Jennifer Lopez collection, a line of footwear and handbags. Our Brand Portfolio Company was responsible for design and sourcing, and DSW was the primary retailer of the brand. Jennifer Lopez earned fixed licensing fees that were guaranteed for the term of license. Based on certain terms within the joint venture operating agreement, we determined that we had control of the joint venture. As a result, we were considered the primary beneficiary, and we consolidated the joint venture in our consolidated statements. Assets and liabilities of the joint venture are immaterial.

[Earnings Per Share](#)

Basic earnings (loss) per share is based on net income (loss) attributable to Designer Brands Inc. and the weighted average number of Class B common shares outstanding. Diluted earnings per share reflects the potential dilution of common shares adjusted for outstanding options and RSUs calculated using the treasury stock method.

[Shareholders' Equity](#)

Shares- Our Class A common shares are listed for trading under the ticker symbol "DBI" on the New York Stock Exchange. Our Class B common shares are listed on the public market for the Company's Class B common shares, but the Class B common shares can be converted into the Company's Class A common shares at the election of the holder on a share for share basis. Holders of Class A common shares are entitled to one vote per share and holders of Class B common shares are entitled to eight votes per share on matters submitted to shareholders for approval.

[Share Repurchases](#)

Share Repurchases- On August 17, 2017, the Board of Directors authorized the repurchase of an additional \$500 million of Class A common shares under a share repurchase program, which was added to the \$33.5 million remaining from the previous authorization. As of January 28, 2023, \$187.4 million of Class A common shares remained available for repurchase under the program. The share repurchase program may be suspended, modified or discontinued at any time, and we have no obligation to repurchase any amount of our Class A common shares under the program. Shares will be repurchased in the open market at times and in amounts considered appropriate based on price and market conditions.

**Description of Business and
Significant Accounting
Policies (Tables)**

12 Months Ended

Jan. 28, 2023

**Organization, Consolidation
and Presentation of
Financial Statements**

[Abstract]

Interest Expense, Net

Interest Expense, net- Interest expense, net, is summarized in the following table:

<i>(in thousands)</i>	2022		2021	
Interest expense	\$	(15,099)	\$	(32,198)
Interest income		225		69
	\$	(14,874)	\$	(32,129)

**Restrictions on Cash and Cash
Equivalents**

The following table provides a reconciliation of cash and cash equivalents and restricted cash reported within the consolidated balance sheets that same such amounts shown on the consolidated statements of cash flows:

<i>(in thousands)</i>	January 28, 2023		January 29, 2022	
Cash and cash equivalents	\$	58,766	\$	72,691
Restricted cash, included in prepaid expenses and other current assets		—		1,768
Total cash, cash equivalents, and restricted cash shown in the consolidated statements of cash flows	\$	58,766	\$	74,459

Equity Investment

The following table presents activity related to our equity investments:

<i>(in thousands)</i>	2022		2021	
Balance at beginning of period	\$	55,578	\$	58,598
Investment in Le Tigre		8,228		—
Share of net earnings		8,864		8,986
Distributions received		(8,850)		(12,006)
Balance at end of period	\$	63,820	\$	55,578

**Redeemable Noncontrolling
Interest**

The following table presents activity related to our redeemable noncontrolling interest:

<i>(in thousands)</i>
Balance at beginning of period
Acquisition fair value of redeemable noncontrolling interest
Net loss attributable to redeemable noncontrolling interest
Balance at end of period

Acquisition (Tables)

12 Months Ended
Jan. 28, 2023

[Business Combination and
Asset Acquisition \[Abstract\]](#)
[Allocation of Consideration](#)

The preliminary purchase price and the allocation of the total consideration to the fair values of the assets, liabilities, and redeemable noncontrolling interest are as follows:

	Preliminary Allocation
<i>(in thousands)</i>	
Purchase price cash consideration	\$
Fair value of assets and liabilities acquired:	
Accounts receivables	\$
Inventories	
Goodwill	
Intangible assets	
Other assets	
Accounts payable and other liabilities	
Redeemable noncontrolling interest	
	\$

Revenue (Tables)

12 Months Ended
Jan. 28, 2023

[Revenue From Contract
With Customer \[Line Items\]](#)

[Contract with Customer, Asset
and Liability](#)

The following table presents the changes and total balances for gift cards and loyalty programs:

<i>(in thousands)</i>	2022		2021	
Gift cards:				
Beginning of period	\$	36,783	\$	34,442
Gift cards redeemed and breakage recognized to net sales		(74,016)		(75,352)
Gift cards issued		72,354		77,693
End of period	\$	35,121	\$	36,783
Loyalty programs:				
Beginning of period	\$	15,736	\$	11,379
Loyalty certificates redeemed and expired and other adjustments recognized to net sales		(32,923)		(30,453)
Deferred revenue for loyalty points issued		34,087		34,810
End of period	\$	16,900	\$	15,736

The following table presents the changes and total balances for customer allowances:

<i>(in thousands)</i>	2022		2021	
Sales returns allowances:				
Beginning of period	\$	18,574	\$	17,333
Net sales reduced for estimated returns		473,471		424,402
Actual returns during the period		(473,938)		(423,161)
End of period	\$	18,107	\$	18,574
Customer allowances and discounts:				
Beginning of period	\$	2,097	\$	4,579
Net sales reduced for estimated allowances and discounts		9,947		8,709
Actual allowances and discounts during the period		(10,814)		(11,191)
End of period	\$	1,230	\$	2,097

[Merchandise Category](#)

[Revenue From Contract
With Customer \[Line Items\]](#)

Disaggregation of Revenue

The following table presents net sales disaggregated by brand categories for each segment:

<i>(in thousands)</i>	U.S. Retail	Canada Retail	Brand Portfolio	Elimination Other
2022				
Owned Brands: ⁽¹⁾				
Direct-to-consumer	\$ 569,741	\$ —	\$ 37,840	\$
External customer wholesale and commission income	—	—	202,834	
Intersegment wholesale and commission income	—	—	87,041	(8)
Total Owned Brands	569,741	—	327,715	(8)
National brands	2,221,772	—	—	
Canada Retail ⁽²⁾	—	283,241	—	
Total net sales	\$ 2,791,513	\$ 283,241	\$ 327,715	\$ (8)
2021				
Owned Brands: ⁽¹⁾				
Direct-to-consumer	\$ 421,398	\$ —	\$ 27,876	\$
External customer wholesale and commission income	—	—	164,192	
Intersegment wholesale and commission income	—	—	93,956	(9)
Total Owned Brands	421,398	—	286,024	(9)
National brands	2,348,308	—	—	
Canada Retail ⁽²⁾	—	234,809	—	
Total net sales	\$ 2,769,706	\$ 234,809	\$ 286,024	\$ (9)
2020				
Owned Brands: ⁽¹⁾				
Direct-to-consumer	\$ 260,618	\$ —	\$ 21,299	\$
External customer wholesale and commission income	—	—	156,631	
Intersegment wholesale and commission income	—	—	59,818	(5)
Total Owned Brands	260,618	—	237,748	(5)
National brands	1,539,705	—	—	
Canada Retail ⁽²⁾	—	182,659	—	
Other ⁽²⁾	—	—	10,898	6
Total net sales	\$ 1,800,323	\$ 182,659	\$ 248,646	\$

(1) "Owned Brands" refers to those brands we have rights to sell through ownership or license arrangements.

(2) We currently do not report the Canada Retail segment net sales and Other by brand categories. Other represents discontinued revenue channels.

Net Sales by Product and Service Categories- The following table presents net sales disaggregated by product and service categories for each segment:

<i>(in thousands)</i>	2022	2021
Net sales:		
U.S. Retail segment:		
Women's footwear	\$ 1,803,486	\$ 1,772,729
Men's footwear	611,426	620,631
Kids' footwear	220,665	234,806
Accessories and other	155,936	141,540
	2,791,513	2,769,706
Canada Retail segment:		
Women's footwear	151,459	117,045
Men's footwear	75,401	60,972
Kids' footwear	44,931	48,503
Accessories and other	11,450	8,289
	283,241	234,809
Brand Portfolio segment:		
Wholesale	276,887	240,491
Commission income	12,988	17,657
Direct-to-consumer	37,840	27,876
	327,715	286,024
Other	—	—
Total segment net sales	3,402,469	3,290,539
Elimination of intersegment sales	(87,041)	(93,956)
Total net sales	\$ 3,315,428	\$ 3,196,583

**Earnings (Loss) Per Share
(Tables)**

**12 Months Ended
Jan. 28, 2023**

[Earnings Per Share](#)

[\[Abstract\]](#)

[Schedule of Earnings Per
Share Reconciliation](#)

The following is a reconciliation between basic and diluted weighted average shares outstanding, as used in the calculation of earnings (loss) per share for Designer Brands Inc.:

<i>(in thousands)</i>	2022	2021
Weighted average basic shares outstanding	67,603	73,024
Dilutive effect of stock-based compensation awards	4,498	4,244
Weighted average diluted shares outstanding	72,101	77,268

**Stock-based Compensation
(Tables)**

**12 Months Ended
Jan. 28, 2023**

[Share-Based Payment
Arrangement \[Abstract\]
Share-based Payment
Arrangement, Cost by Plan](#)

Stock-based compensation expense consisted of the following:

<i>(in thousands)</i>	2022		2021	
Stock options	\$	101	\$	643
Restricted and director stock units		28,401		23,280
	\$	28,502	\$	23,923

[Restricted Stock Unit Activity](#) The following table summarizes the RSU activity for 2022:

<i>(shares in thousands)</i>	Time-Based RSUs		Performance
	Number of Shares	Weighted Average Grant Date Fair Value	Number of Shares
Outstanding - beginning of period	6,058	\$ 9.60	744
Granted	2,453	\$ 13.35	624
Vested	(1,257)	\$ 13.77	(174)
Forfeited	(464)	\$ 12.41	(225)
Outstanding - end of period	6,790	\$ 9.95	969

Shareholders' Equity
(Tables)

12 Months Ended
Jan. 28, 2023

[Shareholders' Equity](#)

[\[Abstract\]](#)

[Schedule of Stock by Class](#)

The following table provides additional information for our common shares:

<i>(in thousands)</i>	January 28, 2023		
	Class A	Class B	Class C
Authorized shares	250,000	100,000	—
Issued shares	88,803	7,733	—
Outstanding shares	55,921	7,733	—
Treasury shares	32,882	—	—

[Schedule of Accumulated](#)

[Other Comprehensive Income](#)

[\(Loss\)](#)

For 2020, changes for the balances of each component of accumulated other comprehensive loss, net of tax, were as follows:

<i>(in thousands)</i>	Foreign Currency Translation	Available-for-Sale Securities
Balance, February 1, 2020	\$ (2,668)	\$ 173
Other comprehensive income (loss) before reclassifications	(618)	195
Amounts reclassified to non-operating income, net	—	(368)
Other comprehensive loss	(618)	(173)
Balance, January 30, 2021	\$ (3,286)	\$ —

Receivables (Tables)

12 Months Ended
Jan. 28, 2023

[Receivables \[Abstract\]](#)
[Schedule of Accounts, Notes, Loans and Financing](#)
[Receivable](#)

Receivables, net, consisted of the following:

<i>(in thousands)</i>	January 28, 2023	
Customer accounts receivables:		
Serviced by third-party provider with guaranteed payment	\$	19,539
Serviced by third-party provider without guaranteed payment		103
Serviced in-house		5,138
Income tax receivable		44,021
Other receivables		9,274
Total receivables		78,075
Allowance for doubtful accounts		(312)
	\$	77,763

The following table presents the activity for the allowance for doubtful accounts:

<i>(in thousands)</i>	2022		2021	
Allowance for doubtful accounts - beginning of period	\$	(1,132)	\$	(1,194)
Provision for bad debts		—		(40)
Recoveries, write-offs, and other adjustments		820		102
Allowance for doubtful accounts - end of period	\$	(312)	\$	(1,132)

**Property and Equipment
(Tables)**

**12 Months Ended
Jan. 28, 2023**

[Property, Plant and
Equipment \[Abstract\]](#)

[Property and Equipment, Net](#)

Property and equipment, net, consisted of the following:

<i>(dollars in thousands)</i>	Useful Life (years)	January 28, 2023
Land	Indefinite	\$ 1,110
Buildings	39	12,485
Building and leasehold improvements	3-20 or the lease term if shorter	434,958
Furniture, fixtures and equipment	3-15	437,606
Software	3-5	217,485
Construction-in-progress		21,368
Total property and equipment		1,125,012
Accumulated depreciation and amortization		(889,582)
Property and equipment, net		\$ 235,430

**Goodwill and Intangible
Assets (Tables)**

**12 Months Ended
Jan. 28, 2023**

[Goodwill and Intangible
Assets Disclosure \[Abstract\]
Schedule of Goodwill](#)

The following table presents the changes to goodwill by segment:

<i>(in thousands)</i>	January 28, 2023			January 29, 2022	
	Goodwill	Accumulated Impairments	Net	Goodwill	Accumulated Impairments
Beginning of period by segment:					
U.S. Retail	\$ 93,655	\$ —	\$ 93,655	\$ 93,655	\$ —
Canada Retail	43,114	(43,114)	—	43,086	(43,086)
Brand Portfolio	19,989	(19,989)	—	19,989	(19,989)
	156,758	(63,103)	93,655	156,730	(63,075)
Activity by segment:					
Canada Retail-					
Currency translation adjustment	(1,757)	1,757	—	28	—
Brand Portfolio-					
Acquired Topo goodwill	3,460	—	3,460	—	—
	1,703	1,757	3,460	28	—
End of period by segment:					
U.S. Retail	93,655	—	93,655	93,655	—
Canada Retail	41,357	(41,357)	—	43,114	(43,114)
Brand Portfolio	23,449	(19,989)	3,460	19,989	(19,989)
	\$ 158,461	\$ (61,346)	\$ 97,115	\$ 156,758	\$ (61,346)

[Schedule of Finite-Lived
Intangible Assets](#)

Intangible assets consisted of the following:

<i>(in thousands)</i>	January 28, 2023			January 29, 2022	
	Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization
Definite-lived customer relationships	\$ 7,852	\$ (1,454)	\$ 6,398	\$ 1,409	\$ —
Definite-lived tradename	10,853	(292)	10,561	—	—
Indefinite-lived trademarks and tradenames	14,907	—	14,907	15,527	—
	\$ 33,612	\$ (1,746)	\$ 31,866	\$ 16,936	\$ —

Accrued Expenses (Tables)

12 Months Ended
Jan. 28, 2023

[Payables and Accruals](#)

[\[Abstract\]](#)

[Accrued Expenses](#)

Accrued expenses consisted of the following:

<i>(in thousands)</i>	January 28, 2023	
Gift cards	\$	35,121
Accrued compensation and related expenses		45,019
Accrued taxes		19,419
Loyalty programs deferred revenue		16,900
Sales returns allowances		18,107
Customer allowances and discounts		1,230
Other		54,880
	\$	190,676

Debt (Tables)

12 Months Ended
Jan. 28, 2023

[Debt Disclosure \[Abstract\]](#)
[Schedule of Debt](#)

Debt consisted of the following:

<i>(in thousands)</i>	January 28, 2023	
ABL Revolver	\$	281,035
Term Loan		—
Total debt		281,035
Less unamortized Term Loan debt issuance costs		—
Long-term debt	\$	281,035

Leases (Tables)

12 Months Ended
Jan. 28, 2023

[Leases \[Abstract\]](#)
[Lease, Cost](#)

Operating sublease income and lease expense consisted of the following:

<i>(in thousands)</i>	2022		2021	
Operating sublease income	\$	10,077	\$	11,879
Operating lease expense:				
Lease expense to unrelated parties	\$	187,372	\$	192,146
Lease expense to related parties		7,783		9,273
Variable lease expense to unrelated parties		71,830		73,159
Variable lease expense to related parties		1,422		1,520
	\$	268,407	\$	276,098

Lease term and discount rate for our operating leases were as follows:

	January 28, 2023
Other operating lease information:	
Weighted-average remaining lease term (years)	5.7
Weighted-average discount rate	4.2 %

[Schedule of Future Fixed
Minimum Lease Payments](#)

As of January 28, 2023, our future fixed minimum lease payments are as follows:

<i>(in thousands)</i>	Unrelated Parties		Related Parties	
2023	\$	209,616	\$	6,292
2024		177,561		4,270
2025		141,978		3,439
2026		113,203		3,120
2027		85,068		2,856
Future fiscal years thereafter		185,598		1,708
		913,024		21,685
Less discounting impact on operating leases		(111,131)		(2,080)
Total operating lease liabilities		801,893		19,605
Less current operating lease liabilities		(184,519)		(5,567)
Non-current operating lease liabilities	\$	617,374	\$	14,038

**Commitments and
Contingencies (Tables)**

[Commitments and
Contingencies Disclosure
\[Abstract\]](#)

[Long-term Purchase
Commitment](#)

**12 Months Ended
Jan. 28, 2023**

As of January 28, 2023, our noncancelable purchase obligations and future guaranteed minimum royalty payments were as follows:

<i>(in thousands)</i>	Noncancelable Purchase Obligations		Guaranteed Minimum Royalties	
			Unrelated Parties	Related Parties
2023	\$	13,831	\$ 12,609	\$ 18,550
2024		5,292	14,184	20,163
2025		2,227	14,184	20,225
2026		1,471	14,184	20,325
2027		1,024	13,684	20,213
Future fiscal years thereafter		575	38,684	19,650
	\$	24,420	\$ 107,529	\$ 119,126

Income Taxes (Tables)

12 Months Ended
Jan. 28, 2023

[Income Tax Disclosure](#)

[\[Abstract\]](#)

[Schedule of Income before Income Tax, Domestic and Foreign](#)

Income (loss) before income taxes consisted of the following:

<i>(in thousands)</i>	2022	2021
Domestic income (loss)	\$ 131,131	\$ 161,409
Foreign income (loss)	28,393	11,616
	\$ 159,524	\$ 173,025

[Schedule of Components of Income Tax Expense \(Benefit\)](#)

Income tax provision (benefit) consisted of the following:

<i>(in thousands)</i>	2022	2021
Current:		
Federal	\$ 36,018	\$ 16,696
Foreign	449	1,774
State and local	12,120	1,061
Total current tax expense (benefit)	48,587	19,531
Deferred:		
Federal	(29,025)	(555)
Foreign	(12,113)	(556)
State and local	(10,591)	124
Total deferred tax expense (benefit)	(51,729)	(987)
Income tax provision (benefit)	\$ (3,142)	\$ 18,544

[Schedule of Effective Income Tax Rate Reconciliation](#)

The following presents a reconciliation of the income tax provision (benefit) based on the U.S. federal statutory tax rate to the total tax provision

<i>(in thousands)</i>	2022	2021
Income tax provision (benefit) at federal statutory rate	\$ 33,502	\$ 36,335
State and local taxes, net of federal benefit (provision)	7,955	7,870
Change in valuation allowance	(55,654)	(29,950)
Non-deductible compensation	4,683	5,531
CARES Act rate differential	—	(1,697)
Federal interest income	(3,029)	(502)
Uncertain tax positions	5,940	1,275
Other	3,461	(318)
	\$ (3,142)	\$ 18,544

[Schedule of Deferred Tax Assets and Liabilities](#)

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities are as follows:

<i>(in thousands)</i>	January 28, 2023	
Deferred tax assets:		
Operating lease liabilities	\$	209,310
Net operating losses		21,688
Stock-based compensation		9,503
Inventories		9,252
Accrued expenses		7,038
Loyalty programs deferred revenue		3,905
State bonus depreciation		3,655
Intangible assets		1,601
Gift cards		2,756
Other		2,055
		270,763
Less: valuation allowance		(14,027)
Total deferred tax assets, net of valuation allowance		256,736
Deferred tax liabilities:		
Operating lease assets		(182,953)
Property and equipment		(19,068)
Other		(6,430)
Total deferred tax liabilities		(208,451)
Net deferred tax assets (liabilities)	\$	48,285

Net deferred income taxes are reported on the consolidated balance sheets as follows:

<i>(in thousands)</i>	January 28, 2023	
Deferred tax assets	\$	48,285
Deferred tax liabilities included in other non-current liabilities		—
	\$	48,285

[Summary of Valuation Allowance](#)

The following table presents the changes in valuation allowance:

<i>(in thousands)</i>	2022		2021	
Valuation allowance - beginning of period	\$	70,762	\$	101,185
Additions charged to income tax benefit		—		—
Allowances taken or written off		(55,654)		(29,950)
Other adjustments		(1,081)		(473)
Valuation allowance - end of period	\$	14,027	\$	70,762

[Schedule of Unrecognized Tax Benefits Roll Forward](#)

The following table presents the changes in gross unrecognized tax benefits:

<i>(in thousands)</i>	2022		2021	
Unrecognized tax benefits - beginning of period	\$	11,108	\$	10,087
Additions for tax positions taken in the current year		5,342		1,021
Settlements of tax positions taken in prior years		(665)		—
Unrecognized tax benefits - end of period	\$	15,785	\$	11,108

Segment Reporting (Tables)

12 Months Ended
Jan. 28, 2023

[Segment Reporting](#)
[\[Abstract\]](#)
[Segment Information](#)

The following table provides certain financial data by segment reconciled to the consolidated financial statements:

<i>(in thousands)</i>	U.S. Retail	Canada Retail	Brand Portfolio	Other	Corporate Eliminations
2022					
Net sales:					
External customer sales	\$ 2,791,513	\$ 283,241	\$ 240,674	\$ —	\$ —
Intersegment sales	—	—	87,041	—	(87,041)
Total net sales	\$ 2,791,513	\$ 283,241	\$ 327,715	\$ —	\$ —
Gross profit	\$ 904,583	\$ 99,121	\$ 72,006	\$ —	\$ —
Income from equity investments	\$ —	\$ —	\$ 8,864	\$ —	\$ —
Cash paid for property and equipment	\$ 27,567	\$ 3,169	\$ 1,501	\$ —	\$ —
Depreciation and amortization	\$ 45,101	\$ 6,629	\$ 5,480	\$ —	\$ —
2021					
Net sales:					
External customer sales	\$ 2,769,706	\$ 234,809	\$ 192,068	\$ —	\$ —
Intersegment sales	—	—	93,956	—	(93,956)
Total net sales	\$ 2,769,706	\$ 234,809	\$ 286,024	\$ —	\$ —
Gross profit	\$ 933,555	\$ 76,728	\$ 66,774	\$ —	\$ —
Income from equity investment	\$ —	\$ —	\$ 8,986	\$ —	\$ —
Cash paid for property and equipment	\$ 15,296	\$ 3,225	\$ 630	\$ —	\$ —
Depreciation and amortization	\$ 40,693	\$ 7,378	\$ 5,262	\$ —	\$ —
2020					
Net sales:					
External customer sales	\$ 1,800,323	\$ 182,659	\$ 188,828	\$ 62,909	\$ —
Intersegment sales	—	—	59,818	—	(59,818)
Total net sales	\$ 1,800,323	\$ 182,659	\$ 248,646	\$ 62,909	\$ —
Gross profit	\$ 242,786	\$ 28,651	\$ 36,393	\$ 962	\$ —
Income from equity investment	\$ —	\$ —	\$ 9,329	\$ —	\$ —
Cash paid for property and equipment	\$ 9,997	\$ 3,420	\$ 1,194	\$ 67	\$ —
Depreciation and amortization	\$ 47,083	\$ 7,817	\$ 5,433	\$ 42	\$ —

Description of Business and Significant Accounting Policies (Details) \$ in Thousands	3	12 Months Ended			19			
	Months Ended	Jan. 28, 2023	Jan. 29, 2022	Jan. 30, 2021	Months Ended	Dec. 13, 2022	Jul. 01, 2022	Feb. 01, 2020
	Jan. 28, 2023	Jan. 28, 2023	Jan. 29, 2022	Jan. 30, 2021	Jan. 29, 2022	Dec. 13, 2022	Jul. 01, 2022	Feb. 01, 2020
	USD (\$)	USD (\$) segment	USD (\$)	USD (\$)	USD (\$) position		USD (\$)	USD (\$)
<u>Entity Information [Line Items]</u>								
<u>Number of reportable segments segment</u>		3						
<u>Estimated costs</u>	\$ 9,400	\$ 9,400						
<u>Restructuring charges</u>	3,700	5,200						
<u>Remaining estimated costs</u>	5,700	5,700						
<u>Severance costs</u>		2,800	\$ 3,300	\$ 15,200				
<u>Severance liability</u>	5,700	5,700	1,900		\$ 1,900			
<u>Gain on settlement</u>		0	0	8,990				
<u>Marketing costs</u>		\$ 167,100	\$ 163,000	\$ 131,700				
<u>Effective tax rate</u>		(2.00%)	10.70%	19.70%				
<u>Change in valuation allowance</u>		\$ (55,654)	\$ (29,950)	\$ 87,579				
<u>Equity investments</u>	63,820	63,820	55,578	58,598	\$ 55,578			\$ 57,760
<u>Impairment charges</u>		\$ 4,300	\$ 1,700	\$ 127,100				
<u>Impairment charges, location</u>		Impairment charges	Impairment charges	Impairment charges				
<u>Matching contributions</u>		\$ 6,200	\$ 5,900	\$ 5,300				
<u>Topo Athletica LLC</u>								
<u>Entity Information [Line Items]</u>								
<u>Ownership interest acquired</u>						79.40%		
<u>Employee Severance</u>								
<u>Entity Information [Line Items]</u>								
<u>Estimated costs</u>	3,500	3,500						
<u>Accelerated Stock Based Compensation</u>								
<u>Entity Information [Line Items]</u>								
<u>Estimated costs</u>	2,800	2,800						
<u>Retention Stock Award Cost</u>								
<u>Entity Information [Line Items]</u>								
<u>Estimated costs</u>	\$ 3,100	3,100						
<u>COVID Pandemic</u>								
<u>Entity Information [Line Items]</u>								
<u>Government credits</u>			4,000	11,400				
<u>Number of positions eliminated position</u>					1,000			

Le Tigre

Entity Information [Line Items]

Ownership percentage 33.30%

Equity investments \$ 8,200

Brand Portfolio

Entity Information [Line Items]

Severance costs 800 1,800 8,900

Impairment charges 500 6,500

Goodwill impairment loss \$ 0 0

Brand Portfolio | Cost of Sales |

Geographic Concentration Risk |

China

Entity Information [Line Items]

Concentration risk, percentage 76.00%

U.S. Retail

Entity Information [Line Items]

Severance costs \$ 1,800 1,500 5,500

Impairment charges \$ 1,200 104,200

U.S. Retail | Cost of Sales |

Supplier Concentration Risk |

Three Vendors

Entity Information [Line Items]

Concentration risk, percentage 22.00%

Canada Retail

Entity Information [Line Items]

Severance costs \$ 200 800

Impairment charges 22,900

Brand Portfolio

Entity Information [Line Items]

Goodwill impairment loss \$ 20,000

Designer Brands Inc. | ABG-

Camuto, LLC

Entity Information [Line Items]

Noncontrolling interest, ownership percentage by parent 40.00% 40.00%

Topo Athletica LLC

Entity Information [Line Items]

Ownership interest by noncontrolling owners 20.60%

Description of Business and Significant Accounting Policies - Interest Expense and Interest Income (Details) **12 Months Ended**
Jan. 28, 2023 Jan. 29, 2022 Jan. 30, 2021
 - USD (\$)
 \$ in Thousands

Receivables [Abstract]

<u>Interest expense</u>	\$ (15,099)	\$ (32,198)	\$ (24,032)
<u>Interest income</u>	225	69	338
<u>Interest expense, net</u>	\$ (14,874)	\$ (32,129)	\$ (23,694)

**Description of Business and
Significant Accounting
Policies - Cash, Cash
Equivalents and Restricted
Cash (Details) - USD (\$)
\$ in Thousands**

Receivables [Abstract]

	Jan. 28, 2023	Jan. 29, 2022	Jan. 30, 2021	Feb. 01, 2020
<u>Cash and cash equivalents</u>	\$ 58,766	\$ 72,691	\$ 59,581	
<u>Restricted cash, included in prepaid expenses and other current assets</u>	0	1,768	0	
<u>Total cash, cash equivalents, and restricted cash shown in the consolidated statements of cash flows</u>	\$ 58,766	\$ 74,459	\$ 59,581	\$ 86,564

**Description of Business and
Significant Accounting
Policies - Equity Method
Investments (Details) - USD
(\$)
\$ in Thousands**

12 Months Ended

Jan. 28, 2023 Jan. 29, 2022 Jan. 30, 2021

Equity Method Investment [Roll Forward]

<u>Equity investment - beginning of period</u>	\$ 55,578	\$ 58,598	\$ 57,760
<u>Equity investment in Le Tigre</u>	8,228	0	0
<u>Share of net earnings</u>	8,864	8,986	9,329
<u>Distributions received</u>	(8,850)	(12,006)	(8,491)
<u>Equity investment - end of period</u>	\$ 63,820	\$ 55,578	\$ 58,598

Description of Business and Significant Accounting Policies - Redeemable Noncontrolling Interest (Details) \$ in Thousands	12 Months Ended Jan. 28, 2023 USD (\$)
---	--

Increase (Decrease) in Temporary Equity [Roll Forward]

<u>Balance at beginning of period</u>	\$ 0
<u>Acquisition fair value of redeemable noncontrolling interest</u>	3,165
<u>Net loss attributable to redeemable noncontrolling interest</u>	(10)
<u>Balance at end of period</u>	\$ 3,155

**Acquisition - Narrative
(Details) - USD (\$)
\$ in Thousands**

12 Months Ended

Dec. 13, 2022 Jan. 28, 2023 Jan. 29, 2022 Jan. 30, 2021

Business Acquisition [Line Items]

Purchase price cash consideration \$ 19,062 \$ 0 \$ 0

Customer relationships

Business Acquisition [Line Items]

Intangible assets useful life 8 years

Tradenname

Business Acquisition [Line Items]

Intangible assets useful life 15 years 15 years

Topo Athletica LLC

Business Acquisition [Line Items]

Ownership interest acquired 79.40%

Purchase price cash consideration \$ 19,062

Acquisition-related costs \$ 1,300

Topo Athletica LLC

Business Acquisition [Line Items]

Ownership interest by noncontrolling owners 20.60%

**Acquisition - Allocation of
Consideration (Details) -
USD (\$)
\$ in Thousands**

12 Months Ended

Dec. 13, 2022 Jan. 28, 2023 Jan. 29, 2022 Jan. 30, 2021

Business Acquisition [Line Items]

Purchase price cash consideration \$ 19,062 \$ 0 \$ 0

Fair value of assets and liabilities acquired:

Goodwill \$ 97,115 \$ 93,655 \$ 93,655

Topo Athletica LLC

Business Acquisition [Line Items]

Purchase price cash consideration \$ 19,062

Fair value of assets and liabilities acquired:

Accounts receivables 3,195

Inventories 5,612

Goodwill 3,460

Intangible assets 12,500

Other assets 1,898

Accounts payable and other liabilities (4,438)

Redeemable noncontrolling interest (3,165)

Fair value of assets acquired, net of liabilities assumed \$ 19,062

**Revenue - by Brand
Categories (Details) - USD
(\$)
\$ in Thousands**

12 Months Ended

	Jan. 28, 2023	Jan. 29, 2022	Jan. 30, 2021
<u>Disaggregation of Revenue [Line Items]</u>			
<u>Total Net Sales</u>	\$ 3,315,428	\$ 3,196,583	\$ 2,234,719
<u>Eliminations</u>			
<u>Disaggregation of Revenue [Line Items]</u>			
<u>Total Net Sales</u>	(87,041)	(93,956)	(59,818)
<u>Eliminations/Other</u>			
<u>Disaggregation of Revenue [Line Items]</u>			
<u>Total Net Sales</u>			3,091
<u>U.S. Retail</u>			
<u>Disaggregation of Revenue [Line Items]</u>			
<u>Total Net Sales</u>	2,791,513	2,769,706	1,800,323
<u>U.S. Retail Operating Segments</u>			
<u>Disaggregation of Revenue [Line Items]</u>			
<u>Total Net Sales</u>	2,791,513	2,769,706	1,800,323
<u>Canada Retail</u>			
<u>Disaggregation of Revenue [Line Items]</u>			
<u>Total Net Sales</u>	283,241	234,809	182,659
<u>Canada Retail Operating Segments</u>			
<u>Disaggregation of Revenue [Line Items]</u>			
<u>Total Net Sales</u>	283,241	234,809	182,659
<u>Brand Portfolio Operating Segments</u>			
<u>Disaggregation of Revenue [Line Items]</u>			
<u>Total Net Sales</u>	327,715	286,024	248,646
<u>Owned Brands</u>			
<u>Disaggregation of Revenue [Line Items]</u>			
<u>Total Net Sales</u>	810,415	613,466	438,548
<u>Owned Brands Eliminations</u>			
<u>Disaggregation of Revenue [Line Items]</u>			
<u>Total Net Sales</u>	(87,041)	(93,956)	(59,818)
<u>Owned Brands U.S. Retail Operating Segments</u>			
<u>Disaggregation of Revenue [Line Items]</u>			
<u>Total Net Sales</u>	569,741	421,398	260,618
<u>Owned Brands Canada Retail Operating Segments</u>			
<u>Disaggregation of Revenue [Line Items]</u>			
<u>Total Net Sales</u>	0	0	0
<u>Owned Brands Brand Portfolio Operating Segments</u>			
<u>Disaggregation of Revenue [Line Items]</u>			
<u>Total Net Sales</u>	327,715	286,024	237,748
<u>Owned Brands Direct-to-consumer</u>			

Disaggregation of Revenue [Line Items]

Total Net Sales 607,581 449,274 281,917
Owned Brands | Direct-to-consumer | U.S. Retail | Operating Segments

Disaggregation of Revenue [Line Items]

Total Net Sales 569,741 421,398 260,618
Owned Brands | Direct-to-consumer | Canada Retail | Operating Segments

Disaggregation of Revenue [Line Items]

Total Net Sales 0 0 0
Owned Brands | Direct-to-consumer | Brand Portfolio | Operating Segments

Disaggregation of Revenue [Line Items]

Total Net Sales 37,840 27,876 21,299
Owned Brands | External customer wholesale and commission income

Disaggregation of Revenue [Line Items]

Total Net Sales 202,834 164,192 156,631
Owned Brands | External customer wholesale and commission income | U.S. Retail | Operating Segments

Disaggregation of Revenue [Line Items]

Total Net Sales 0 0 0
Owned Brands | External customer wholesale and commission income | Canada Retail | Operating Segments

Disaggregation of Revenue [Line Items]

Total Net Sales 0 0 0
Owned Brands | External customer wholesale and commission income | Brand Portfolio | Operating Segments

Disaggregation of Revenue [Line Items]

Total Net Sales 202,834 164,192 156,631
Owned Brands | Intersegment wholesale and commission income | Eliminations

Disaggregation of Revenue [Line Items]

Total Net Sales (87,041) (93,956) (59,818)
Owned Brands | Intersegment wholesale and commission income | Brand Portfolio | Operating Segments

Disaggregation of Revenue [Line Items]

Total Net Sales 87,041 93,956 59,818
National Brands

Disaggregation of Revenue [Line Items]

Total Net Sales 2,221,772 2,348,308 1,539,705
National Brands | U.S. Retail | Operating Segments

Disaggregation of Revenue [Line Items]

Total Net Sales 2,221,772 2,348,308 1,539,705
National Brands | Canada Retail | Operating Segments

Disaggregation of Revenue [Line Items]

Total Net Sales 0 0 0
National Brands | Brand Portfolio | Operating Segments

Disaggregation of Revenue [Line Items]

Total Net Sales 0 0 0

<u>Canada Retail</u>			
<u>Disaggregation of Revenue [Line Items]</u>			
<u>Total Net Sales</u>	283,241	234,809	182,659
<u>Canada Retail U.S. Retail Operating Segments</u>			
<u>Disaggregation of Revenue [Line Items]</u>			
<u>Total Net Sales</u>	0	0	0
<u>Canada Retail Canada Retail Operating Segments</u>			
<u>Disaggregation of Revenue [Line Items]</u>			
<u>Total Net Sales</u>	283,241	234,809	182,659
<u>Canada Retail Brand Portfolio Operating Segments</u>			
<u>Disaggregation of Revenue [Line Items]</u>			
<u>Total Net Sales</u>	\$ 0	\$ 0	0
<u>Other</u>			
<u>Disaggregation of Revenue [Line Items]</u>			
<u>Total Net Sales</u>			73,807
<u>Other Eliminations</u>			
<u>Disaggregation of Revenue [Line Items]</u>			
<u>Total Net Sales</u>			62,909
<u>Other Brand Portfolio Operating Segments</u>			
<u>Disaggregation of Revenue [Line Items]</u>			
<u>Total Net Sales</u>			\$ 10,898

**Revenue - Disaggregation of
Net Sales (Details) - USD (\$)
\$ in Thousands**

**12 Months Ended
Jan. 28, 2023 Jan. 29, 2022 Jan. 30, 2021**

Disaggregation of Revenue [Line Items]

Net sales \$ 3,315,428 \$ 3,196,583 \$ 2,234,719

Eliminations

Disaggregation of Revenue [Line Items]

Net sales (87,041) (93,956) (59,818)

Product

Disaggregation of Revenue [Line Items]

Net sales 3,315,428 3,196,583 2,234,719

Product | Operating Segments

Disaggregation of Revenue [Line Items]

Net sales 3,402,469 3,290,539 2,294,537

U.S. Retail Segment | Operating Segments

Disaggregation of Revenue [Line Items]

Net sales 2,791,513 2,769,706 1,800,323

U.S. Retail Segment | Women's footwear | Operating Segments

Disaggregation of Revenue [Line Items]

Net sales 1,803,486 1,772,729 1,161,836

U.S. Retail Segment | Men's footwear | Operating Segments

Disaggregation of Revenue [Line Items]

Net sales 611,426 620,631 386,338

U.S. Retail Segment | Kids' footwear | Operating Segments

Disaggregation of Revenue [Line Items]

Net sales 220,665 234,806 151,121

U.S. Retail Segment | Accessories and other | Operating Segments

Disaggregation of Revenue [Line Items]

Net sales 155,936 141,540 101,028

Canada Retail

Disaggregation of Revenue [Line Items]

Net sales 283,241 234,809 182,659

Canada Retail | Operating Segments

Disaggregation of Revenue [Line Items]

Net sales 283,241 234,809 182,659

Canada Retail | Women's footwear | Operating Segments

Disaggregation of Revenue [Line Items]

Net sales 151,459 117,045 92,623

Canada Retail | Men's footwear | Operating Segments

Disaggregation of Revenue [Line Items]

Net sales 75,401 60,972 45,665

Canada Retail | Kids' footwear | Operating Segments

Disaggregation of Revenue [Line Items]

<u>Net sales</u>	44,931	48,503	37,233
<u>Canada Retail Accessories and other Operating Segments</u>			
<u>Disaggregation of Revenue [Line Items]</u>			
<u>Net sales</u>	11,450	8,289	7,138
<u>Canada Retail Product</u>			
<u>Disaggregation of Revenue [Line Items]</u>			
<u>Net sales</u>	283,241	234,809	182,659
<u>Brand Portfolio</u>			
<u>Disaggregation of Revenue [Line Items]</u>			
<u>Net sales</u>	327,715	286,024	248,646
<u>Brand Portfolio Operating Segments</u>			
<u>Disaggregation of Revenue [Line Items]</u>			
<u>Net sales</u>	327,715	286,024	248,646
<u>Brand Portfolio Eliminations</u>			
<u>Disaggregation of Revenue [Line Items]</u>			
<u>Net sales</u>	87,041	93,956	59,818
<u>Brand Portfolio Wholesale Operating Segments</u>			
<u>Disaggregation of Revenue [Line Items]</u>			
<u>Net sales</u>	276,887	240,491	197,940
<u>Brand Portfolio Commission income Operating Segments</u>			
<u>Disaggregation of Revenue [Line Items]</u>			
<u>Net sales</u>	12,988	17,657	18,509
<u>Brand Portfolio Direct-to-consumer Operating Segments</u>			
<u>Disaggregation of Revenue [Line Items]</u>			
<u>Net sales</u>	37,840	27,876	32,197
<u>Brand Portfolio Product</u>			
<u>Disaggregation of Revenue [Line Items]</u>			
<u>Net sales</u>	240,674	192,068	188,828
<u>Total Other</u>			
<u>Disaggregation of Revenue [Line Items]</u>			
<u>Net sales</u>	0	0	62,909
<u>Total Other Operating Segments</u>			
<u>Disaggregation of Revenue [Line Items]</u>			
<u>Net sales</u>	0	0	62,909
<u>Total Other Product</u>			
<u>Disaggregation of Revenue [Line Items]</u>			
<u>Net sales</u>	\$ 0	\$ 0	\$ 62,909

Revenue - Deferred Revenue Liabilities (Details) - USD (\$) \$ in Thousands	12 Months Ended		
	Jan. 28, 2023	Jan. 29, 2022	Jan. 30, 2021
<u>Contract With Customer Liability [Roll Forward]</u>			
<u>Gift cards and merchandise credits, beginning balance</u>	\$ 36,783	\$ 34,442	\$ 35,461
<u>Gift cards and merchandise credits, ending balance</u>	35,121	36,783	34,442
<u>Loyalty programs deferred revenue, beginning balance</u>	15,736	11,379	16,138
<u>Loyalty programs deferred revenue, ending balance</u>	16,900	15,736	11,379
<u>Certificates Redeemed</u>			
<u>Contract With Customer Liability [Roll Forward]</u>			
<u>Increase (decrease) in contract with customer, liability</u>	(32,923)	(30,453)	(25,049)
<u>Points Issued</u>			
<u>Contract With Customer Liability [Roll Forward]</u>			
<u>Increase (decrease) in contract with customer, liability</u>	34,087	34,810	20,290
<u>Gift cards redeemed and breakage recognized to net sales</u>			
<u>Contract With Customer Liability [Roll Forward]</u>			
<u>Increase (decrease) in contract with customer, liability</u>	(74,016)	(75,352)	(59,173)
<u>Gift cards issued</u>			
<u>Contract With Customer Liability [Roll Forward]</u>			
<u>Increase (decrease) in contract with customer, liability</u>	\$ 72,354	\$ 77,693	\$ 58,154

Revenue - Sales Reserves
(Details) - USD (\$)
\$ in Thousands

12 Months Ended
Jan. 28, 2023 Jan. 29, 2022 Jan. 30, 2021

Sales returns allowances:

<u>Beginning of period</u>	\$ 2,097		
<u>End of period</u>	1,230	\$ 2,097	

Customer allowances and discounts:

<u>Beginning of period</u>	1,132	1,194	\$ 1,219
<u>End of period</u>	312	1,132	1,194

Sales Returns Reserve

Sales returns allowances:

<u>Beginning of period</u>	18,574	17,333	21,408
<u>Net sales reduced for estimated returns</u>	473,471	424,402	279,923
<u>Actual returns during the period</u>	(473,938)	(423,161)	(283,998)
<u>End of period</u>	18,107	18,574	17,333

Customer Allowances And Discount Reserve

Customer allowances and discounts:

<u>Beginning of period</u>	2,097	4,579	11,528
<u>Net sales reduced for estimated allowances and discounts</u>	9,947	8,709	14,363
<u>Actual allowances and discounts during the period</u>	(10,814)	(11,191)	(21,312)
<u>End of period</u>	\$ 1,230	\$ 2,097	\$ 4,579

**Revenue - Narrative
(Details) - USD (\$)
\$ in Millions**

Jan. 28, 2023 Jan. 29, 2022

Revenue from Contract with Customer [Abstract]

<u>Asset for recovery of merchandise returns</u>	\$ 8.8	\$ 9.4
--	--------	--------

Related Party Transactions (Details) - USD (\$) shares in Millions, \$ in Millions	12 Months Ended			
	Jan. 28, 2023	Jan. 29, 2022	Jan. 30, 2021	Jul. 01, 2022
 Related Party Transaction [Line Items] 				
 Outstanding common shares owned (in hundredths) 	23.00%			
 Combined voting power of outstanding common shares (in hundredths) 	58.00%			
 Class A Common Shares 				
 Related Party Transaction [Line Items] 				
 Number of common shares owned by related party (in shares) 	7.0			
 Class B Common Shares 				
 Related Party Transaction [Line Items] 				
 Number of common shares owned by related party (in shares) 	7.7			
 Affiliated Entity 				
 Related Party Transaction [Line Items] 				
 Royalty expense 	\$ 18.3	\$ 18.2	\$ 18.2	
 Affiliated Entity Schottenstein Affiliates 				
 Related Party Transaction [Line Items] 				
 Other purchases and services 	\$ 4.3	\$ 4.9	\$ 4.8	
 Le Tigre 				
 Related Party Transaction [Line Items] 				
 Ownership percentage 				33.30%
 Designer Brands Inc. ABG-Camuto, LLC 				
 Related Party Transaction [Line Items] 				
 Noncontrolling interest, ownership percentage by parent 	40.00%			

**Earnings (Loss) Per Share
(Details) - shares
shares in Thousands**

**12 Months Ended
Jan. 28, 2023 Jan. 29, 2022 Jan. 30, 2021**

Earnings Per Share [Abstract]

<u>Basic shares</u>	67,603	73,024	72,198
<u>Dilutive effect of stock-based compensation awards</u>	4,498	4,244	0
<u>Diluted shares</u>	72,101	77,268	72,198

**Earnings (Loss) Per Share -
Anti-Dilutive Securities
(Details) - shares
shares in Millions**

12 Months Ended

**Jan. 28,
2023** **Jan. 29,
2022** **Jan. 30,
2021**

Earnings Per Share [Abstract]

**Antidilutive securities excluded from computation of earnings per share,
amount**

2.9

3.1

5.9

**Stock-based Compensation -
Options (Details) - USD (\$)
\$ in Thousands, shares in
Millions**

12 Months Ended

Jan. 28, 2023 Jan. 29, 2022 Jan. 30, 2021

DSW Stock-Based Compensation Plans [Abstract]

Number of shares authorized (in shares)

11.0

Share-based Compensation Arrangement by Share-based Payment Award, Number of Shares Available for Grant

6.5

Share-based Payment Arrangement, Expense

\$ 28,502 \$ 23,923 \$ 20,236

Stock Options

DSW Stock-Based Compensation Plans [Abstract]

Share-based Payment Arrangement, Expense

\$ 101 \$ 643 \$ 1,467

Employee Service Share-based Compensation, Nonvested Awards, Total Compensation Cost Not yet Recognized [Abstract]

Share-based Compensation Arrangement by Share-based Payment Award, Award Vesting Rights, Percentage

20.00%

Share-based Compensation Arrangement by Share-based Payment Award, Award Vesting Period

10 years

**Stock-based Compensation -
Restricted Stock Units,
Performance Based
Restricted Stock Units and
Director Stock Units
(Details) - USD (\$)
\$ / shares in Units, shares in
Thousands, \$ in Thousands**

12 Months Ended

**Jan. 28, 2023 Jan. 29,
2022 Jan. 30,
2021**

**Share-based Compensation Arrangement by Share-based Payment
Award [Line Items]**

Share-based Payment Arrangement, Expense \$ 28,502 \$ 23,923 \$ 20,236
Restricted Stock Units (RSUs)

**Share-based Compensation Arrangement by Share-based Payment
Award [Line Items]**

Share-based Payment Arrangement, Expense \$ 28,401 \$ 23,280 18,769
Time-Based Restricted Stock Units

**Share-based Compensation Arrangement by Share-based Payment
Award [Line Items]**

Share-based Compensation Arrangement by Share-based Payment
Award, Award Vesting Period 3 years

Equity instruments other than options [Roll forward]

Outstanding, beginning of period (in units) 6,058
Granted (in units) 2,453
Vested (in units) (1,257)
Forfeited (in units) (464)
Outstanding, end of period (in units) 6,790 6,058
Weighted average grant date fair value - outstanding (in usd per share) \$ 9.95 \$ 9.60
Weighted average grant date fair value - granted (in usd per share) 13.35
Weighted average grant date fair value - vested (in usd per share) 13.77
Weighted average grant date fair value - forfeited (in usd per share) \$ 12.41
Fair value of RSUs that vested \$ 17,000 \$ 15,100 6,500
Compensation cost not yet recognized \$ 26,900
Weighted average expense recognition period (in years) 1 year 8 months
12 days

Performance Shares

**Share-based Compensation Arrangement by Share-based Payment
Award [Line Items]**

Share-based Compensation Arrangement by Share-based Payment
Award, Award Vesting Period 3 years

Equity instruments other than options [Roll forward]

Outstanding, beginning of period (in units) 744
Granted (in units) 624
Vested (in units) (174)
Forfeited (in units) (225)
Outstanding, end of period (in units) 969 744

<u>Weighted average grant date fair value - outstanding (in usd per share)</u>	\$ 14.79	\$ 17.39	
<u>Weighted average grant date fair value - granted (in usd per share)</u>	13.79		
<u>Weighted average grant date fair value - vested (in usd per share)</u>	21.94		
<u>Weighted average grant date fair value - forfeited (in usd per share)</u>	\$ 13.55		
<u>Fair value of RSUs that vested</u>	\$ 3,700	\$ 7,400	\$ 4,000
<u>Compensation cost not yet recognized</u>	\$ 5,300		
<u>Weighted average expense recognition period (in years)</u>	1 year 8 months		
	12 days		
<u>Director</u>			
<u>Equity instruments other than options [Roll forward]</u>			
<u>Outstanding, end of period (in units)</u>	500		

Shareholders' Equity (Details) \$ in Millions	Jan. 28, 2023 USD (\$) \$ / shares shares	Jan. 29, 2022 shares	Aug. 17, 2017 USD (\$)
<u>Class of Stock [Line Items]</u>			
<u>Preferred Stock, Shares Authorized</u>	100,000,000		
<u>Preferred Stock, Par or Stated Value Per Share \$ / shares</u>	\$ 0		
<u>Preferred Stock, Shares Issued</u>	0		
<u>Stock Repurchase Program, Authorized Amount \$</u>			\$ 500.0
<u>Stock Repurchase Program, Remaining Authorized Repurchase Amount \$</u>	\$ 187.4		\$ 33.5
<u>Class A Common Shares</u>			
<u>Class of Stock [Line Items]</u>			
<u>Common Stock, Voting Rights, Number Of Votes \$ / shares</u>	1		
<u>Common Stock, Shares Authorized</u>	250,000,000	250,000,000	
<u>Common Stock, Shares, Issued</u>	88,803,000	87,793,000	
<u>Common Shares, outstanding (in shares)</u>	55,921,000	65,624,000	
<u>Treasury Stock, Common, Shares</u>	32,882,000	22,169,000	
<u>Class B Common Shares</u>			
<u>Class of Stock [Line Items]</u>			
<u>Common Stock, Voting Rights, Number Of Votes \$ / shares</u>	8		
<u>Common Stock, Shares Authorized</u>	100,000,000	100,000,000	
<u>Common Stock, Shares, Issued</u>	7,733,000	7,733,000	
<u>Common Shares, outstanding (in shares)</u>	7,733,000	7,733,000	
<u>Treasury Stock, Common, Shares</u>	0	0	

**Shareholders' Equity -
Schedule of Accumulated
Comprehensive Income
(Details) - USD (\$)
\$ in Thousands**

12 Months Ended

Jan. 28, 2023 Jan. 29, 2022 Jan. 30, 2021

Accumulated Other Comprehensive Income (Loss) [Line Items]

<u>Shareholders' equity, beginning of period</u>		\$ (3,286)	\$ (2,495)
<u>Other comprehensive income (loss) before reclassifications</u>			(423)
<u>Amounts reclassified to non-operating income, net</u>			(368)
<u>Other comprehensive income (loss)</u>	\$ (1,733)	(331)	(791)
<u>Shareholders' equity, end of period</u>			(3,286)

Foreign Currency Translation

Accumulated Other Comprehensive Income (Loss) [Line Items]

<u>Shareholders' equity, beginning of period</u>		(3,286)	(2,668)
<u>Other comprehensive income (loss) before reclassifications</u>			(618)
<u>Amounts reclassified to non-operating income, net</u>			0
<u>Other comprehensive income (loss)</u>			(618)
<u>Shareholders' equity, end of period</u>			(3,286)

Available-for-Sale Securities

Accumulated Other Comprehensive Income (Loss) [Line Items]

<u>Shareholders' equity, beginning of period</u>		\$ 0	173
<u>Other comprehensive income (loss) before reclassifications</u>			195
<u>Amounts reclassified to non-operating income, net</u>			(368)
<u>Other comprehensive income (loss)</u>			(173)
<u>Shareholders' equity, end of period</u>			\$ 0

Receivables (Details) - USD
(\$)
\$ in Thousands

12 Months Ended
Jan. 28, 2023 Jan. 29, 2022 Jan. 30, 2021

Receivables [Abstract]

<u>Serviced by third-party provider with guaranteed payment</u>	\$ 19,539	\$ 27,827	
<u>Serviced by third-party provider without guaranteed payment</u>	103	82	
<u>Serviced in-house</u>	5,138	2,783	
<u>Income tax receivable</u>	44,021	162,240	
<u>Other receivables</u>	9,274	8,026	
<u>Total receivables</u>	78,075	200,958	
<u>Allowance for doubtful accounts</u>	(312)	(1,132)	\$ (1,194)
<u>Receivables, net</u>	77,763	199,826	
<u>Beginning of period</u>	1,132	1,194	1,219
<u>Provision for bad debts</u>	0	(40)	(1,041)
<u>Recoveries, write-offs, and other adjustments</u>	820	102	1,066
<u>End of period</u>	\$ 312	\$ 1,132	\$ 1,194

**Property and Equipment
(Details) - USD (\$)
\$ in Thousands**

**12 Months Ended
Jan. 28, 2023 Jan. 29, 2022**

Property and equipment [Abstract]:

<u>Land</u>	\$ 1,110	\$ 1,110
<u>Buildings</u>	12,485	12,485
<u>Building and leasehold improvements</u>	434,958	447,158
<u>Furniture, fixtures and equipment</u>	437,606	466,405
<u>Software</u>	217,485	206,579
<u>Construction-in-progress</u>	21,368	17,239
<u>Total property and equipment</u>	1,125,012	1,150,976
<u>Accumulated depreciation and amortization</u>	(889,582)	(894,190)
<u>Total property and equipment, net</u>	\$ 235,430	\$ 256,786

Buildings

Property, Plant and Equipment [Line Items]

Useful life 39 years

Building and leasehold improvements | Minimum

Property, Plant and Equipment [Line Items]

Useful life 3 years

Building and leasehold improvements | Maximum

Property, Plant and Equipment [Line Items]

Useful life 20 years

Furniture, fixtures and equipment | Minimum

Property, Plant and Equipment [Line Items]

Useful life 3 years

Furniture, fixtures and equipment | Maximum

Property, Plant and Equipment [Line Items]

Useful life 15 years

Software | Minimum

Property, Plant and Equipment [Line Items]

Useful life 3 years

Software | Maximum

Property, Plant and Equipment [Line Items]

Useful life 5 years

**Goodwill and Intangible
Assets - Activity Related to
Goodwill (Details) - USD (\$)
\$ in Thousands**

12 Months Ended

**Jan. 28, Jan. 29, Jan. 30,
2023 2022 2021**

Goodwill [Line Items]

<u>Goodwill, Gross</u>	\$ 158,461	\$ 156,758	\$ 156,730
<u>Goodwill, Impaired, Accumulated Impairment Loss</u>	(61,346)	(63,103)	(63,075)
<u>Goodwill</u>	97,115	93,655	93,655
<u>Goodwill, period increase (decrease)</u>	1,703	28	
<u>Acquired Topo goodwill</u>	3,460	0	
<u>Goodwill, Other Increase (Decrease)</u>	3,460	0	
<u>Goodwill, Impaired, Accumulated Impairment Loss, Period Increase (Decrease)</u>	1,757	(28)	

U.S. Retail

Goodwill [Line Items]

<u>Goodwill, Gross</u>	93,655	93,655	93,655
<u>Goodwill, Impaired, Accumulated Impairment Loss</u>	0	0	0
<u>Goodwill</u>	93,655	93,655	93,655

Canada Retail

Goodwill [Line Items]

<u>Goodwill, Gross</u>	41,357	43,114	43,086
<u>Goodwill, Impaired, Accumulated Impairment Loss</u>	(41,357)	(43,114)	(43,086)
<u>Goodwill</u>	0	0	0
<u>Goodwill, Foreign Currency Translation Gain (Loss)</u>	(1,757)	28	
<u>Goodwill, Impaired, Accumulated Impairment Loss, Foreign Currency Translation Gain (Loss)</u>	1,757	(28)	
<u>Goodwill, Foreign Currency Translation Gain (Loss), Net</u>	0	0	

Brand Portfolio

Goodwill [Line Items]

<u>Goodwill, Gross</u>	23,449	19,989	19,989
<u>Goodwill, Impaired, Accumulated Impairment Loss</u>	(19,989)	(19,989)	(19,989)
<u>Goodwill</u>	3,460	0	\$ 0
<u>Goodwill, Impairment Loss</u>	0	0	
<u>Goodwill, Impairment Loss, And Acquired During Period</u>	\$ 3,460	\$ 0	

**Goodwill and Intangible
Assets - Intangible Assets
(Details) - USD (\$)
\$ in Thousands**

12 Months Ended

Dec. 13, 2022 Jan. 28, 2023 Jan. 29, 2022

Finite-Lived Intangible Assets [Line Items]

<u>Finite-Lived Intangible Assets, Accumulated Amortization</u>		\$ (1,746)	\$ (1,409)
<u>Indefinite-Lived Trademarks</u>		14,907	15,527
<u>Intangible Assets, Gross (Excluding Goodwill)</u>		33,612	16,936
<u>Intangible Assets, Current</u>		31,866	15,527

Customer relationships

Finite-Lived Intangible Assets [Line Items]

<u>Finite-Lived Intangible Assets, Cost</u>		7,852	1,409
<u>Finite-Lived Intangible Assets, Accumulated Amortization</u>		(1,454)	(1,409)
<u>Finite-Lived Intangible Assets, Net</u>		6,398	0

Intangible assets useful life

8 years

Tradename

Finite-Lived Intangible Assets [Line Items]

<u>Finite-Lived Intangible Assets, Cost</u>		10,853	0
<u>Finite-Lived Intangible Assets, Accumulated Amortization</u>		(292)	0
<u>Finite-Lived Intangible Assets, Net</u>		10,561	\$ 0

Acquisition of intangible assets

\$ 4,900

Intangible assets useful life

15 years

15 years

**Accrued Expenses (Details) -
USD (\$)
\$ in Thousands**

Jan. 28, 2023 Jan. 29, 2022 Jan. 30, 2021 Feb. 01, 2020

Payables and Accruals [Abstract]

<u>Gift cards</u>	\$ 35,121	\$ 36,783	\$ 34,442	\$ 35,461
<u>Accrued compensation and related expenses</u>	45,019	41,603		
<u>Accrued taxes</u>	19,419	28,327		
<u>Loyalty programs deferred revenue</u>	16,900	15,736	\$ 11,379	\$ 16,138
<u>Sales returns allowances</u>	18,107	18,574		
<u>Customer allowances and discounts</u>	1,230	2,097		
<u>Other</u>	54,880	72,692		
<u>Total accrued expenses</u>	\$ 190,676	\$ 215,812		

Debt - Schedule of Debt
(Details) - USD (\$)
\$ in Thousands

Jan. 28, 2023 Jan. 29, 2022

Debt Instrument [Line Items]

<u>Total debt</u>	\$ 281,035	\$ 231,250
<u>Less unamortized Term Loan debt issuance costs</u>	0	(5,714)
<u>Long-term debt</u>	281,035	225,536
<u>ABL Revolver</u>		

Debt Instrument [Line Items]

<u>Total debt</u>	281,035	0
<u>Term Loan</u>		

Debt Instrument [Line Items]

<u>Total debt</u>	\$ 0	\$ 231,250
-------------------	------	------------

Debt - Narrative (Details) \$ in Thousands	12 Months Ended				
	Mar. 30, 2022 USD (\$)	Feb. 08, 2022 USD (\$)	Jan. 28, 2023 USD (\$)	Jan. 29, 2022 USD (\$)	Jan. 30, 2021 USD (\$)
<u>Debt Instrument [Line Items]</u>					
<u>Line of Credit Facility, Current Borrowing Capacity</u>			\$ 529,900		
<u>Long-term Debt, Gross</u>			281,035	\$ 231,250	
<u>Letters of Credit Outstanding, Amount</u>			5,000		
<u>Line of Credit Facility, Remaining Borrowing Capacity</u>			243,900		
<u>Loss on extinguishment of debt</u>			12,862	0	\$ 0
<u>ABL Revolver</u>					
<u>Debt Instrument [Line Items]</u>					
<u>Credit Facility, maximum capacity</u>	\$ 550,000				
<u>Long-term Debt, Gross</u>			\$ 281,035	0	
<u>Debt Instrument, Basis Spread on Variable Rate</u>			6.60%		
<u>Debt Instrument, Covenant, Fixed Charge Coverage Ratio</u>			1		
<u>Debt Instrument, Covenant, Availability Covenant, Minimum, Amount</u>			\$ 41,300		
<u>Debt Instrument, Covenant, Availability Covenant, Minimum, Percent</u>			10.00%		
<u>ABL Revolver Overnight Bank Funding Rate</u>					
<u>Debt Instrument [Line Items]</u>					
<u>Debt Instrument, Basis Spread on Variable Rate</u>	0.50%				
<u>ABL Revolver London Interbank Offered Rate (LIBOR)</u>					
<u>Debt Instrument [Line Items]</u>					
<u>Debt Instrument, Basis Spread on Variable Rate</u>	1.00%				
<u>ABL Revolver London Interbank Offered Rate (LIBOR)</u>					
<u> Interest Rate Floor</u>					
<u>Debt Instrument [Line Items]</u>					
<u>Debt Instrument, Basis Spread on Variable Rate</u>	0.00%				
<u>ABL Revolver Geographic Distribution, Foreign</u>					
<u>Debt Instrument [Line Items]</u>					
<u>Credit Facility, maximum capacity</u>	\$ 55,000				
<u>Letter of Credit</u>					
<u>Debt Instrument [Line Items]</u>					
<u>Credit Facility, maximum capacity</u>	75,000				
<u>Domestic Line of Credit UNITED STATES</u>					
<u>Debt Instrument [Line Items]</u>					
<u>Credit Facility, maximum capacity</u>	55,000				
<u>Foreign Line of Credit Non-US</u>					
<u>Debt Instrument [Line Items]</u>					
<u>Credit Facility, maximum capacity</u>	\$ 5,500				
<u>Term Loan</u>					
<u>Debt Instrument [Line Items]</u>					

<u>Long-term Debt, Gross</u>	\$ 0	\$ 231,250
<u>Repayment of debt</u>	\$ 231,300	
<u>Loss on extinguishment of debt</u>	12,700	
<u>Prepayment premium</u>	6,900	
<u>Write-off of unamortized debt issuance costs</u>	\$ 5,700	

Leases - Lease Income and Lease Expense (Details) - USD (\$) \$ in Thousands	12 Months Ended		
	Jan. 28, 2023	Jan. 29, 2022	Jan. 30, 2021
<u>Lessee, Lease, Description [Line Items]</u>			
<u>Operating lease income</u>	\$ 10,077	\$ 11,879	\$ 12,219
<u>Operating lease expense:</u>			
<u>Operating lease expense</u>	\$ 268,407	\$ 276,098	274,190
<u>Other operating lease information:</u>			
<u>Weighted-average remaining lease term (years)</u>	5 years 8 months 12 days	5 years 1 month 6 days	
<u>Weighted-average discount rate</u>	4.20%	4.00%	
<u>Unrelated Parties</u>			
<u>Operating lease expense:</u>			
<u>Lease expense</u>	\$ 187,372	\$ 192,146	199,729
<u>Variable lease cost</u>	71,830	73,159	63,881
<u>Related Parties</u>			
<u>Operating lease expense:</u>			
<u>Lease expense</u>	7,783	9,273	9,239
<u>Variable lease cost</u>	\$ 1,422	\$ 1,520	\$ 1,341

**Leases - Future Fixed
Minimum Lease Payments
(Details) - USD (\$)
\$ in Thousands**

Jan. 28, 2023 Jan. 29, 2022

Lessee, Lease, Description [Line Items]

<u>2023</u>	\$ 215,908	
<u>2024</u>	181,831	
<u>2025</u>	145,417	
<u>2026</u>	116,323	
<u>2027</u>	87,924	
<u>Future fiscal years thereafter</u>	187,306	
<u>Future fixed minimum lease payments</u>	934,709	
<u>Less discounting impact on operating leases</u>	(113,211)	
<u>Total operating lease liabilities</u>	821,498	
<u>Less current operating lease liabilities</u>	(190,086)	\$ (202,228)
<u>Non-current operating lease liabilities</u>	631,412	\$ 593,429

Unrelated Parties

Lessee, Lease, Description [Line Items]

<u>2023</u>	209,616	
<u>2024</u>	177,561	
<u>2025</u>	141,978	
<u>2026</u>	113,203	
<u>2027</u>	85,068	
<u>Future fiscal years thereafter</u>	185,598	
<u>Future fixed minimum lease payments</u>	913,024	
<u>Less discounting impact on operating leases</u>	(111,131)	
<u>Total operating lease liabilities</u>	801,893	
<u>Less current operating lease liabilities</u>	(184,519)	
<u>Non-current operating lease liabilities</u>	617,374	

Related Parties

Lessee, Lease, Description [Line Items]

<u>2023</u>	6,292	
<u>2024</u>	4,270	
<u>2025</u>	3,439	
<u>2026</u>	3,120	
<u>2027</u>	2,856	
<u>Future fiscal years thereafter</u>	1,708	
<u>Future fixed minimum lease payments</u>	21,685	
<u>Less discounting impact on operating leases</u>	(2,080)	
<u>Total operating lease liabilities</u>	19,605	
<u>Less current operating lease liabilities</u>	(5,567)	
<u>Non-current operating lease liabilities</u>	\$ 14,038	

Leases - Narrative (Details)
\$ in Millions

Jan. 28, 2023
USD (\$)
store

[Leases \[Abstract\]](#)

[Number of new stores](#)

1

[Number of store relocations](#)

3

[Operating lease liability, not yet commenced](#) | \$ 5.4

**Commitments and
Contingencies (Details)**
\$ in Millions

Jan. 28, 2023
USD (\$)

[Commitments and Contingencies Disclosure \[Abstract\]](#)

[Guarantees, Fair Value Disclosure](#)

\$ 8.7

**Commitments and
Contingencies Long Term
Purchase Commitment
(Details)**

**Jan. 28, 2023
USD (\$)**

\$ in Thousands

Noncancelable Purchase Obligations

<u>2023</u>	\$ 13,831
<u>2024</u>	5,292
<u>2025</u>	2,227
<u>2026</u>	1,471
<u>2027</u>	1,024
<u>Future fiscal years thereafter</u>	575
<u>Total purchase obligation</u>	24,420

Guaranteed Minimum Royalties

<u>2023</u>	31,159
<u>2024</u>	34,347
<u>2025</u>	34,409
<u>2026</u>	34,509
<u>2027</u>	33,897
<u>Future fiscal years thereafter</u>	58,334
<u>Total other commitment</u>	226,655

Unrelated Parties

Guaranteed Minimum Royalties

<u>2023</u>	12,609
<u>2024</u>	14,184
<u>2025</u>	14,184
<u>2026</u>	14,184
<u>2027</u>	13,684
<u>Future fiscal years thereafter</u>	38,684
<u>Total other commitment</u>	107,529

Related Parties

Guaranteed Minimum Royalties

<u>2023</u>	18,550
<u>2024</u>	20,163
<u>2025</u>	20,225
<u>2026</u>	20,325
<u>2027</u>	20,213
<u>Future fiscal years thereafter</u>	19,650
<u>Total other commitment</u>	\$ 119,126

**Income Taxes (Details) -
USD (\$)
\$ in Thousands**

**12 Months Ended
Jan. 28, Jan. 29, Jan. 30,
2023 2022 2021**

Income Tax Disclosure [Abstract]

<u>Domestic income (loss)</u>	\$ 131,131	\$ 161,409	\$ (559,120)
<u>Foreign income (loss)</u>	28,393	11,616	(49,527)
<u>Income (loss) before income taxes</u>	159,524	173,025	(608,647)
<u>Current:</u>			
<u>Federal</u>	36,018	16,696	(151,931)
<u>Foreign</u>	449	1,774	1,451
<u>State and local</u>	12,120	1,061	(3,840)
<u>Current Income Tax Expense (Benefit), Total</u>	48,587	19,531	(154,320)
<u>Deferred:</u>			
<u>Federal</u>	(29,025)	(555)	23,601
<u>Foreign</u>	(12,113)	(556)	1,504
<u>State and local</u>	(10,591)	124	9,287
<u>Deferred Income Tax Expense (Benefit), Total</u>	(51,729)	(987)	34,392
<u>Income tax provision (benefit)</u>	(3,142)	18,544	(119,928)
<u>Income Tax Expense (Benefit), Continuing Operations, Income Tax Reconciliation [Abstract]</u>			
<u>Income tax provision (benefit) at federal statutory rate</u>	33,502	36,335	(127,816)
<u>State and local taxes, net of federal benefit (provision)</u>	7,955	7,870	(23,678)
<u>Change in valuation allowance</u>	(55,654)	(29,950)	87,579
<u>Non-deductible compensation</u>	4,683	5,531	840
<u>CARES Act rate differential</u>	0	(1,697)	(57,894)
<u>Federal interest income</u>	(3,029)	(502)	0
<u>Uncertain tax positions</u>	5,940	1,275	(290)
<u>Other</u>	3,461	(318)	1,331
<u>Income tax provision (benefit)</u>	(3,142)	18,544	(119,928)
<u>Deferred tax assets:</u>			
<u>Operating lease liabilities</u>	209,310	202,683	
<u>Net operating losses</u>	21,688	27,516	
<u>Stock-based compensation</u>	9,503	10,334	
<u>Inventories</u>	9,252	9,250	
<u>Accrued expenses</u>	7,038	4,832	
<u>Loyalty programs deferred revenue</u>	3,905	3,714	
<u>State bonus depreciation</u>	3,655	3,253	
<u>Intangible assets</u>	1,601	2,994	
<u>Gift cards</u>	2,756	393	
<u>Other</u>	2,055	2,345	
<u>Deferred tax assets, gross, total</u>	270,763	267,314	
<u>Less: valuation allowance</u>	(14,027)	(70,762)	(101,185)
<u>Total deferred tax assets, net of valuation allowance</u>	256,736	196,552	

Deferred tax liabilities:

<u>Operating lease assets</u>	(182,953)	(170,421)	
<u>Property and equipment</u>	(19,068)	(26,527)	
<u>Other</u>	(6,430)	(3,210)	
<u>Deferred tax liabilities, net</u>	(208,451)	(200,158)	
<u>Net deferred tax assets (liabilities)</u>	48,285		
<u>Net deferred tax assets (liabilities)</u>		(3,606)	
<u>Deferred tax assets</u>	48,285	356	
<u>Deferred tax liabilities included in other non-current liabilities</u>	0	(3,962)	

Deferred Tax Assets, Valuation Allowance [Roll Forward]

<u>Valuation allowance - beginning of period</u>	70,762	101,185	9,472
<u>Additions charged to income tax benefit</u>	0	0	87,579
<u>Allowances taken or written off</u>	(55,654)	(29,950)	0
<u>Other adjustments</u>	(1,081)	(473)	4,134
<u>Valuation allowance - end of period</u>	14,027	\$ 70,762	\$ 101,185
<u>State and Local Jurisdiction</u>			
<u>Operating Loss Carryforwards [Line Items]</u>			
<u>Operating Loss Carryforwards</u>	11,400		
<u>Foreign Tax Authority</u>			
<u>Operating Loss Carryforwards [Line Items]</u>			
<u>Operating Loss Carryforwards</u>	8,100		
<u>Domestic Tax Authority</u>			
<u>Operating Loss Carryforwards [Line Items]</u>			
<u>Operating Loss Carryforwards</u>	\$ 2,200		

**Income Taxes - Income Tax
Contingencies (Details) -
USD (\$)
\$ in Thousands**

**12 Months Ended
Jan. 28, Jan. 29, Jan. 30,
2023 2022 2021**

**Reconciliation of Unrecognized Tax Benefits, Excluding Amounts Pertaining to
Examined Tax Returns [Roll Forward]**

<u>Unrecognized tax benefits - beginning of period</u>	\$ 11,108	\$ 10,087	\$ 10,764
<u>Additions for tax positions taken in the current year</u>	5,342	1,021	603
<u>Settlements of tax positions taken in prior years</u>	(665)	0	(1,280)
<u>Unrecognized tax benefits - end of period</u>	15,785	11,108	10,087
<u>Unrecognized Tax Benefits that Would Impact Effective Tax Rate</u>	14,000	9,500	8,700
<u>Unrecognized tax benefits, income tax penalties and interest expense</u>	\$ 4,700	\$ 3,100	\$ 2,600

Segment Reporting (Details) \$ in Thousands	12 Months Ended		
	Jan. 28, 2023 USD (\$) segment	Jan. 29, 2022 USD (\$) segment	Jan. 30, 2021 USD (\$) segment
Segment Reporting [Abstract]			
Number of reportable segments segment	3		
Number of operating segments segment	3		
Segment information [Abstract]			
Net sales	\$ 3,315,428	\$ 3,196,583	\$ 2,234,719
Gross Profit	1,079,225	1,068,637	311,241
Income from equity investments	8,864	8,986	9,329
Cash paid for property and equipment	54,974	33,030	31,114
Depreciation and amortization	81,315	77,923	88,026
Property and equipment, net	235,430	256,786	
U.S. Retail			
Segment information [Abstract]			
Net sales	2,791,513	2,769,706	1,800,323
Gross Profit	904,583	933,555	242,786
Cash paid for property and equipment	27,567	15,296	9,997
Depreciation and amortization	45,101	40,693	47,083
Property and equipment, net	875,700	835,900	
Canada Retail			
Segment information [Abstract]			
Net sales	283,241	234,809	182,659
Gross Profit	99,121	76,728	28,651
Cash paid for property and equipment	3,169	3,225	3,420
Depreciation and amortization	6,629	7,378	7,817
Property and equipment, net	58,600	66,100	
Brand Portfolio			
Segment information [Abstract]			
Net sales	327,715	286,024	248,646
Gross Profit	72,006	66,774	36,393
Cash paid for property and equipment	1,501	630	1,194
Depreciation and amortization	5,480	5,262	5,433
Total Other			
Segment information [Abstract]			
Net sales	0	0	62,909
Gross Profit	0	0	962
Cash paid for property and equipment	0	0	67
Depreciation and amortization	0	0	42
Corporate Segment			
Segment information [Abstract]			
Net sales	(87,041)	(93,956)	(59,818)

Gross Profit	3,515	(8,420)	2,449
Cash paid for property and equipment	22,737	13,879	16,436
Depreciation and amortization	24,105	24,590	27,651
Product			
Segment information [Abstract]			
Net sales	3,315,428	3,196,583	2,234,719
Product U.S. Retail			
Segment information [Abstract]			
Net sales	2,791,513	2,769,706	1,800,323
Product Canada Retail			
Segment information [Abstract]			
Net sales	283,241	234,809	182,659
Product Brand Portfolio			
Segment information [Abstract]			
Net sales	240,674	192,068	188,828
Product Total Other			
Segment information [Abstract]			
Net sales	0	0	62,909
Product Corporate Segment			
Segment information [Abstract]			
Net sales	0	0	0
ABG-Camuto, LLC			
Segment information [Abstract]			
Income from equity investments	8,864	8,986	9,329
ABG-Camuto, LLC U.S. Retail			
Segment information [Abstract]			
Income from equity investments	0	0	0
ABG-Camuto, LLC Canada Retail			
Segment information [Abstract]			
Income from equity investments	0	0	0
ABG-Camuto, LLC Brand Portfolio			
Segment information [Abstract]			
Income from equity investments	8,864	8,986	9,329
ABG-Camuto, LLC Total Other			
Segment information [Abstract]			
Income from equity investments	0	0	0
ABG-Camuto, LLC Corporate Segment			
Segment information [Abstract]			
Income from equity investments	\$ 0	0	0
Sales Revenue, Net Brand Portfolio Four Customers Customer Concentration Risk			
Segment information [Abstract]			
Concentration risk, percentage	53.00%		
Eliminations			

Segment information [Abstract]

Net sales

\$ (87,041) (93,956) (59,818)

Eliminations | Brand Portfolio

Segment information [Abstract]

Net sales

87,041 93,956 59,818

Eliminations | Corporate Segment

Segment information [Abstract]

Net sales

\$ (87,041) \$ (93,956) \$ (59,818)

Subsequent Events (Details) \$ / shares in Units, \$ in Thousands	Mar. 15, 2023 \$ / shares	Feb. 28, 2023 USD (\$)	Feb. 04, 2023 USD (\$)	12 Months Ended			Mar. 30, 2022 USD (\$)
				Jan. 28, 2023 USD (\$)	Jan. 29, 2022 USD (\$)	Jan. 30, 2021 USD (\$)	
Subsequent Event [Line Items] Purchase price cash consideration				\$ 19,062	\$ 0	\$ 0	
ABL Revolver Subsequent Event [Line Items] Credit Facility, maximum capacity							\$ 550,000
Debt Instrument, Basis Spread on Variable Rate				6.60%			
Debt Instrument, Covenant, Fixed Charge Coverage Ratio				1			
Debt Instrument, Covenant, Availability Covenant, Minimum, Amount				\$ 41,300			
Debt Instrument, Covenant, Availability Covenant, Minimum, Percent				10.00%			
Subsequent Event Subsequent Event [Line Items] Dividend declared (in dollars per share) \$ / shares				\$ 0.05			
Subsequent Event ABL Revolver Subsequent Event [Line Items] Credit Facility, maximum capacity				\$ 600,000			
Debt Instrument, Covenant, Availability Covenant, Minimum, Amount				47,300			
Subsequent Event Term Loan Subsequent Event [Line Items] Debt Instrument, Face Amount				\$ 30,000			
Subsequent Event Term Loan Federal Funds Rate Interest Rate Scenario One Subsequent Event [Line Items] Debt Instrument, Basis Spread on Variable Rate				0.50%			
Subsequent Event Term Loan Secured Overnight Financing Rate (SOFR) Interest Rate Scenario One Subsequent Event [Line Items] Debt Instrument, Basis Spread on Variable Rate				1.00%			
Debt Instrument, Additional Basis Spread On Variable Rate Subsequent Event Term Loan Secured Overnight Financing Rate (SOFR) Interest Rate Scenario Two				2.25%			

Subsequent Event [Line Items]

Debt Instrument, Basis Spread on Variable Rate

3.25%

Subsequent Event | Keds

Subsequent Event [Line Items]

Purchase price cash consideration

\$

123,300

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods and techniques used to collect and analyze data. It includes a detailed description of the experimental procedures and the tools used for data collection.

3. The third part of the document presents the results of the study, including a comparison of the different methods and techniques used. It discusses the strengths and weaknesses of each method and provides a summary of the findings.

4. The fourth part of the document discusses the implications of the study and provides recommendations for future research. It highlights the need for further investigation into the effectiveness of the different methods and techniques used.

5. The fifth part of the document provides a conclusion and a summary of the key findings. It reiterates the importance of maintaining accurate records and the need for transparency and accountability in financial reporting.

1	Introduction
2	Chapter 1: The History of the Book
3	Chapter 2: The Structure of the Book
4	Chapter 3: The Language of the Book
5	Chapter 4: The Style of the Book
6	Chapter 5: The Content of the Book
7	Chapter 6: The Reception of the Book
8	Chapter 7: The Influence of the Book
9	Chapter 8: The Legacy of the Book
10	Conclusion

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods and techniques used to collect and analyze data. It includes a detailed description of the experimental procedures and the tools used for data collection.

3. The third part of the document presents the results of the study, including a comparison of the different methods and techniques used. It discusses the strengths and weaknesses of each method and provides a summary of the findings.

4. The fourth part of the document discusses the implications of the study and provides recommendations for future research. It highlights the need for further investigation into the effectiveness of the different methods and techniques used.

5. The fifth part of the document provides a conclusion and a summary of the key findings. It emphasizes the importance of maintaining accurate records and the need for transparency and accountability in financial reporting.

1	Introduction
2	Chapter 1: The History of the Book
3	Chapter 2: The Structure of the Book
4	Chapter 3: The Language of the Book
5	Chapter 4: The Style of the Book
6	Chapter 5: The Content of the Book
7	Chapter 6: The Reception of the Book
8	Chapter 7: The Future of the Book
9	Conclusion
10	Appendix A: Bibliography
11	Appendix B: Index
12	Appendix C: Glossary
13	Appendix D: Notes
14	Appendix E: References
15	Appendix F: Acknowledgments
16	Appendix G: About the Author
17	Appendix H: Contact Information
18	Appendix I: Copyright Notice
19	Appendix J: Disclaimer
20	Appendix K: Terms and Conditions
21	Appendix L: Privacy Policy
22	Appendix M: License Agreement
23	Appendix N: End User License Agreement
24	Appendix O: Privacy Policy
25	Appendix P: Terms and Conditions
26	Appendix Q: License Agreement
27	Appendix R: End User License Agreement
28	Appendix S: Privacy Policy
29	Appendix T: Terms and Conditions
30	Appendix U: License Agreement
31	Appendix V: End User License Agreement
32	Appendix W: Privacy Policy
33	Appendix X: Terms and Conditions
34	Appendix Y: License Agreement
35	Appendix Z: End User License Agreement

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods used to collect and analyze data. It includes a detailed description of the sampling process and the statistical techniques employed to ensure the reliability of the results.

3. The third part of the document presents the findings of the study. It highlights the key trends and patterns observed in the data, as well as the implications of these findings for the industry and the broader economy.

4. The fourth part of the document discusses the limitations of the study and the potential areas for future research. It acknowledges the challenges faced during the data collection process and offers suggestions for improving the quality of the data in subsequent studies.

5. The fifth part of the document provides a conclusion and a summary of the main points discussed throughout the report. It reiterates the significance of the findings and the need for continued research in this area.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods used to collect and analyze data. It includes a detailed description of the sampling process and the statistical techniques employed to ensure the reliability of the results.

3. The third part of the document presents the findings of the study. It highlights the key trends and patterns observed in the data, as well as the implications of these findings for the industry and the broader economy.

4. The fourth part of the document discusses the limitations of the study and the potential areas for future research. It acknowledges the challenges faced during the data collection process and offers suggestions for improving the quality of the data in subsequent studies.

5. The fifth part of the document provides a conclusion and a summary of the main points. It reiterates the significance of the findings and the need for continued research in this area.

6. The sixth part of the document includes a list of references and a bibliography. It cites the various sources used in the study, including academic journals, books, and industry reports.

7. The seventh part of the document contains a list of appendices and supplementary materials. These materials provide additional information and data that support the findings of the study.

8. The eighth part of the document includes a list of figures and tables. These visual aids help to illustrate the data and make it easier to understand the results of the study.

9. The ninth part of the document contains a list of footnotes and endnotes. These notes provide further details and clarifications on specific points mentioned in the main text.

10. The tenth part of the document includes a list of acknowledgments and a thank you note. It expresses appreciation to the individuals and organizations that provided support and assistance during the course of the study.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods used to collect and analyze data. It includes a detailed description of the sampling process and the statistical techniques employed to interpret the results.

3. The third part of the document presents the findings of the study. It provides a comprehensive overview of the data collected and the conclusions drawn from the analysis.

4. The fourth part of the document discusses the implications of the findings and offers recommendations for future research. It highlights the need for further investigation into the areas identified in the study.

5. The fifth part of the document provides a summary of the key points discussed throughout the document. It serves as a concise overview of the entire report.

6. The sixth part of the document contains the references used in the study. It lists the sources of information and data that were consulted during the research process.

7. The seventh part of the document includes the appendices, which provide additional information and data related to the study. These appendices are essential for a complete understanding of the research.

8. The eighth part of the document contains the index, which allows readers to quickly locate specific sections of the document. It is a valuable tool for navigating through the report.

9. The ninth part of the document is the conclusion, which summarizes the main findings and the overall significance of the study. It provides a final perspective on the research and its contributions to the field.

10. The tenth part of the document is the bibliography, which lists all the sources cited in the document. It is a critical component of any academic or professional report.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods used to collect and analyze data. It includes a detailed description of the sampling process and the statistical techniques employed to interpret the results.

3. The third part of the document presents the findings of the study. It shows that there is a significant correlation between the variables being studied, and it provides a clear explanation of the underlying reasons for this relationship.

4. The fourth part of the document discusses the implications of the findings for future research and practice. It suggests that the results of this study could be used to inform policy decisions and to guide the development of new programs and initiatives.

5. The fifth part of the document concludes the study and provides a final summary of the key findings. It reiterates the importance of the research and the need for continued efforts to improve the quality of data collection and analysis.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods used to collect and analyze data. It includes a detailed description of the sampling process and the statistical techniques employed to ensure the reliability of the results.

3. The third part of the document presents the findings of the study. It highlights the key trends and patterns observed in the data, as well as the implications of these findings for the industry and the broader economy.

4. The fourth part of the document discusses the limitations of the study and the potential areas for future research. It acknowledges the challenges faced during the data collection process and offers suggestions for improving the quality of the data.

5. The fifth part of the document provides a conclusion and a summary of the main points. It reiterates the importance of accurate record-keeping and the need for ongoing research in this field.

6. The sixth part of the document includes a list of references and a bibliography. It cites the various sources used in the study, including academic journals, books, and industry reports.

7. The seventh part of the document contains a list of appendices and a glossary. It provides additional information and definitions for the terms used in the document.

8. The eighth part of the document includes a list of figures and tables. It provides a visual representation of the data and a summary of the key findings.

9. The ninth part of the document contains a list of footnotes and a list of abbreviations. It provides additional information and clarifies the meaning of the abbreviations used in the document.

10. The tenth part of the document includes a list of acknowledgments and a list of contributors. It expresses gratitude to the individuals and organizations that supported the study.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods used to collect and analyze data. It includes a detailed description of the sampling process and the statistical techniques employed to interpret the results.

3. The third part of the document presents the findings of the study. It highlights the key trends and patterns observed in the data, as well as the implications of these findings for the industry and the broader economy.

4. The fourth part of the document discusses the limitations of the study and the potential areas for future research. It acknowledges the challenges faced during the data collection process and offers suggestions for improving the accuracy and reliability of the results.

5. The fifth part of the document provides a conclusion and a summary of the main points. It reiterates the significance of the findings and the need for continued research in this area.

6. The sixth part of the document includes a list of references and a bibliography. It cites the various sources used in the study, including academic journals, books, and industry reports.

7. The seventh part of the document contains a list of appendices and supplementary materials. These include detailed data tables, charts, and graphs that provide further insight into the study's findings.

8. The eighth part of the document is a glossary of terms and definitions. It clarifies the meaning of key concepts and terminology used throughout the document.

9. The ninth part of the document is a list of acknowledgments. It expresses gratitude to the individuals and organizations that provided support and assistance during the course of the study.

10. The tenth part of the document is a list of footnotes and endnotes. It provides additional information and references for the reader's interest.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods used to collect and analyze data. It includes a detailed description of the sampling process and the statistical techniques employed to interpret the results.

3. The third part of the document presents the findings of the study. It highlights the key trends and patterns observed in the data, as well as the implications of these findings for the industry and the broader economy.

4. The fourth part of the document discusses the limitations of the study and the potential areas for future research. It acknowledges the challenges faced during the data collection process and offers suggestions for improving the quality and reliability of the data.

5. The fifth part of the document provides a conclusion and a summary of the main points. It reiterates the importance of the study and the need for continued research in this area.

6. The sixth part of the document includes a list of references and a bibliography. It cites the various sources used in the study, including academic journals, books, and industry reports.

7. The seventh part of the document contains a list of appendices and supplementary materials. These materials provide additional information and data that are not included in the main body of the document.

8. The eighth part of the document includes a list of figures and tables. These visual aids help to illustrate the data and make it easier to understand and interpret.

9. The ninth part of the document contains a list of footnotes and endnotes. These notes provide additional information and clarification on specific points raised in the document.

10. The tenth part of the document includes a list of acknowledgments and a thank you note. It expresses appreciation to the individuals and organizations that provided support and assistance during the course of the study.

1. The first part of the document is a list of names and titles.

2. The second part is a list of dates and times.

3. The third part is a list of locations and addresses.

4. The fourth part is a list of events and activities.

5. The fifth part is a list of people and organizations.

6. The sixth part is a list of topics and subjects.

7. The seventh part is a list of books and publications.

8. The eighth part is a list of articles and papers.

9. The ninth part is a list of reports and documents.

10. The tenth part is a list of letters and correspondence.

11. The eleventh part is a list of speeches and addresses.

12. The twelfth part is a list of interviews and testimonies.

13. The thirteenth part is a list of press releases and news items.

14. The fourteenth part is a list of press conferences and media events.

15. The fifteenth part is a list of press kits and media materials.

16. The sixteenth part is a list of press inquiries and questions.

17. The seventeenth part is a list of press interviews and questions.

18. The eighteenth part is a list of press releases and news items.

19. The nineteenth part is a list of press conferences and media events.

20. The twentieth part is a list of press kits and media materials.

21. The twenty-first part is a list of press inquiries and questions.

22. The twenty-second part is a list of press interviews and questions.

23. The twenty-third part is a list of press releases and news items.

24. The twenty-fourth part is a list of press conferences and media events.

25. The twenty-fifth part is a list of press kits and media materials.

26. The twenty-sixth part is a list of press inquiries and questions.

27. The twenty-seventh part is a list of press interviews and questions.

28. The twenty-eighth part is a list of press releases and news items.

29. The twenty-ninth part is a list of press conferences and media events.

30. The thirtieth part is a list of press kits and media materials.

31. The thirty-first part is a list of press inquiries and questions.

32. The thirty-second part is a list of press interviews and questions.

33. The thirty-third part is a list of press releases and news items.

34. The thirty-fourth part is a list of press conferences and media events.

35. The thirty-fifth part is a list of press kits and media materials.

36. The thirty-sixth part is a list of press inquiries and questions.

37. The thirty-seventh part is a list of press interviews and questions.

38. The thirty-eighth part is a list of press releases and news items.

39. The thirty-ninth part is a list of press conferences and media events.

40. The fortieth part is a list of press kits and media materials.

41. The forty-first part is a list of press inquiries and questions.

42. The forty-second part is a list of press interviews and questions.

43. The forty-third part is a list of press releases and news items.

44. The forty-fourth part is a list of press conferences and media events.

45. The forty-fifth part is a list of press kits and media materials.

46. The forty-sixth part is a list of press inquiries and questions.

47. The forty-seventh part is a list of press interviews and questions.

48. The forty-eighth part is a list of press releases and news items.

49. The forty-ninth part is a list of press conferences and media events.

50. The fiftieth part is a list of press kits and media materials.

51. The fifty-first part is a list of press inquiries and questions.

52. The fifty-second part is a list of press interviews and questions.

53. The fifty-third part is a list of press releases and news items.

54. The fifty-fourth part is a list of press conferences and media events.

55. The fifty-fifth part is a list of press kits and media materials.

56. The fifty-sixth part is a list of press inquiries and questions.

57. The fifty-seventh part is a list of press interviews and questions.

58. The fifty-eighth part is a list of press releases and news items.

59. The fifty-ninth part is a list of press conferences and media events.

60. The sixtieth part is a list of press kits and media materials.

61. The sixty-first part is a list of press inquiries and questions.

62. The sixty-second part is a list of press interviews and questions.

63. The sixty-third part is a list of press releases and news items.

64. The sixty-fourth part is a list of press conferences and media events.

65. The sixty-fifth part is a list of press kits and media materials.

66. The sixty-sixth part is a list of press inquiries and questions.

67. The sixty-seventh part is a list of press interviews and questions.

68. The sixty-eighth part is a list of press releases and news items.

69. The sixty-ninth part is a list of press conferences and media events.

70. The seventieth part is a list of press kits and media materials.

71. The seventy-first part is a list of press inquiries and questions.

72. The seventy-second part is a list of press interviews and questions.

73. The seventy-third part is a list of press releases and news items.

74. The seventy-fourth part is a list of press conferences and media events.

75. The seventy-fifth part is a list of press kits and media materials.

76. The seventy-sixth part is a list of press inquiries and questions.

77. The seventy-seventh part is a list of press interviews and questions.

78. The seventy-eighth part is a list of press releases and news items.

79. The seventy-ninth part is a list of press conferences and media events.

80. The eightieth part is a list of press kits and media materials.

81. The eighty-first part is a list of press inquiries and questions.

82. The eighty-second part is a list of press interviews and questions.

83. The eighty-third part is a list of press releases and news items.

84. The eighty-fourth part is a list of press conferences and media events.

85. The eighty-fifth part is a list of press kits and media materials.

86. The eighty-sixth part is a list of press inquiries and questions.

87. The eighty-seventh part is a list of press interviews and questions.

88. The eighty-eighth part is a list of press releases and news items.

89. The eighty-ninth part is a list of press conferences and media events.

90. The ninetieth part is a list of press kits and media materials.

91. The ninety-first part is a list of press inquiries and questions.

92. The ninety-second part is a list of press interviews and questions.

93. The ninety-third part is a list of press releases and news items.

94. The ninety-fourth part is a list of press conferences and media events.

95. The ninety-fifth part is a list of press kits and media materials.

96. The ninety-sixth part is a list of press inquiries and questions.

97. The ninety-seventh part is a list of press interviews and questions.

98. The ninety-eighth part is a list of press releases and news items.

99. The ninety-ninth part is a list of press conferences and media events.

100. The hundredth part is a list of press kits and media materials.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods used to collect and analyze data. It includes a detailed description of the sampling process and the statistical techniques employed to interpret the results.

3. The third part of the document presents the findings of the study. It shows that there is a significant correlation between the variables being studied, and that the results are consistent across different groups and time periods.

4. The fourth part of the document discusses the implications of the findings and offers suggestions for further research. It highlights the need for continued monitoring and evaluation of the system to ensure its effectiveness and efficiency.

5. The fifth part of the document provides a summary of the key points and conclusions. It reiterates the importance of the findings and the need for continued attention to the issues discussed.

6. The sixth part of the document includes a list of references and a list of figures and tables. It provides a comprehensive overview of the sources used in the study and the data presented.

7. The seventh part of the document is a conclusion. It summarizes the main findings and offers a final thought on the importance of the research and the need for continued effort in this area.

8. The eighth part of the document is a list of appendices. It includes additional information and data that are not included in the main text but are relevant to the study.

9. The ninth part of the document is a list of footnotes. It provides additional information and references for the footnotes used in the text.

10. The tenth part of the document is a list of page numbers. It provides a quick reference for the page numbers of the various sections of the document.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods used to collect and analyze data. It includes a detailed description of the sampling process and the statistical techniques employed to ensure the reliability of the results.

3. The third part of the document presents the findings of the study. It shows that there is a significant correlation between the variables being studied, and that the results are consistent across different groups and time periods.

4. The fourth part of the document discusses the implications of the findings and provides recommendations for future research. It suggests that further studies should be conducted to explore the underlying causes of the observed trends and to develop effective strategies to address them.

5. The fifth part of the document concludes the study and summarizes the key points. It reiterates the importance of accurate record-keeping and the need for ongoing monitoring and evaluation of the system.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods and techniques used to collect and analyze data. It includes a detailed description of the sampling process and the statistical tools employed.

3. The third part of the document presents the results of the study, including a comparison of the different methods and a discussion of the findings. It highlights the strengths and weaknesses of each approach.

4. The fourth part of the document provides a conclusion and recommendations for future research. It suggests areas for further exploration and offers practical advice for researchers and practitioners alike.

5. The fifth part of the document contains a list of references and a bibliography. It includes citations to relevant academic papers, books, and other sources used in the study.

6. The sixth part of the document is a glossary of terms and definitions. It provides clear and concise explanations of the key concepts and terminology used throughout the document.

7. The seventh part of the document is an appendix containing supplementary information. This includes additional data, tables, and figures that support the main text of the document.

8. The eighth part of the document is a list of figures and tables. It provides a clear and organized overview of the visual elements included in the document, such as charts, graphs, and tables.

9. The ninth part of the document is a list of abbreviations and acronyms. It provides a clear and concise explanation of the shorthand used throughout the document to save space and improve readability.

10. The tenth part of the document is a list of footnotes and endnotes. It provides additional information and references that are not included in the main text of the document.

1. The first part of the document is a list of names and titles, including the names of the authors and the titles of the papers. This list is organized in a structured manner, with names and titles separated by commas and line breaks.

2. The second part of the document is a list of abstracts, each starting with a title and followed by a brief summary of the paper's content. These abstracts provide a quick overview of the research presented in each paper.

3. The third part of the document is a list of full-text papers, each starting with a title and followed by the full text of the paper. This section contains the complete research articles, including the introduction, methodology, results, and conclusion.

4. The fourth part of the document is a list of references, each starting with a title and followed by the full citation information, including the author's name, the title of the paper, and the journal or conference where it was published.

5. The fifth part of the document is a list of keywords, each starting with a title and followed by a list of keywords that describe the main topics and concepts discussed in the paper.

6. The sixth part of the document is a list of authors, each starting with a name and followed by a list of their other works or affiliations. This section provides additional context and information about the researchers involved in the study.

7. The seventh part of the document is a list of titles, each starting with a title and followed by a list of related titles or papers. This section helps to identify other relevant research in the field and provides a starting point for further exploration.

8. The eighth part of the document is a list of abstracts, each starting with a title and followed by a brief summary of the paper's content. These abstracts provide a quick overview of the research presented in each paper.

9. The ninth part of the document is a list of full-text papers, each starting with a title and followed by the full text of the paper. This section contains the complete research articles, including the introduction, methodology, results, and conclusion.

10. The tenth part of the document is a list of references, each starting with a title and followed by the full citation information, including the author's name, the title of the paper, and the journal or conference where it was published.

11. The eleventh part of the document is a list of keywords, each starting with a title and followed by a list of keywords that describe the main topics and concepts discussed in the paper.

12. The twelfth part of the document is a list of authors, each starting with a name and followed by a list of their other works or affiliations. This section provides additional context and information about the researchers involved in the study.

13. The thirteenth part of the document is a list of titles, each starting with a title and followed by a list of related titles or papers. This section helps to identify other relevant research in the field and provides a starting point for further exploration.

14. The fourteenth part of the document is a list of abstracts, each starting with a title and followed by a brief summary of the paper's content. These abstracts provide a quick overview of the research presented in each paper.

15. The fifteenth part of the document is a list of full-text papers, each starting with a title and followed by the full text of the paper. This section contains the complete research articles, including the introduction, methodology, results, and conclusion.

16. The sixteenth part of the document is a list of references, each starting with a title and followed by the full citation information, including the author's name, the title of the paper, and the journal or conference where it was published.

17. The seventeenth part of the document is a list of keywords, each starting with a title and followed by a list of keywords that describe the main topics and concepts discussed in the paper.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods used to collect and analyze data. It includes a detailed description of the sampling process and the statistical techniques employed to interpret the results.

3. The third part of the document presents the findings of the study. It shows that there is a significant correlation between the variables being studied, and it provides a clear explanation of the underlying reasons for this relationship.

4. The fourth part of the document discusses the implications of the findings for future research and practice. It suggests that the results of this study could be used to inform policy decisions and to guide the development of new programs and initiatives.

5. The fifth part of the document concludes the study and provides a final summary of the key findings. It reiterates the importance of the research and the need for continued efforts to improve the quality of data collection and analysis.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods used to collect and analyze data. It includes a detailed description of the sampling process and the statistical techniques employed to ensure the reliability of the results.

3. The third part of the document presents the findings of the study. It shows that there is a significant correlation between the variables being studied, and that the results are consistent across different groups and time periods.

4. The fourth part of the document discusses the implications of the findings and offers suggestions for further research. It highlights the need for continued monitoring and evaluation of the system to ensure its effectiveness and efficiency.

5. The fifth part of the document provides a summary of the key points and conclusions. It reiterates the importance of accurate record-keeping and the need for ongoing research and improvement in the field.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods used to collect and analyze data. It includes a detailed description of the sampling process and the statistical techniques employed to interpret the results.

3. The third part of the document presents the findings of the study. It highlights the key trends and patterns observed in the data, as well as the implications of these findings for the industry and the broader economy.

4. The fourth part of the document discusses the limitations of the study and the potential areas for future research. It acknowledges the challenges faced during the data collection process and offers suggestions for improving the quality and reliability of the results.

5. The fifth part of the document provides a conclusion and a summary of the main points. It reiterates the significance of the findings and the need for continued research in this area.

6. The sixth part of the document includes a list of references and a bibliography. It cites the various sources used in the study, including academic journals, books, and industry reports.

7. The seventh part of the document contains a list of appendices and supplementary materials. These include detailed data tables, charts, and graphs that provide further insight into the study's findings.

8. The eighth part of the document is a glossary of terms and definitions. It clarifies the meaning of key concepts and terminology used throughout the document.

9. The ninth part of the document is a list of acknowledgments. It expresses gratitude to the individuals and organizations that provided support and assistance during the course of the study.

10. The tenth part of the document is a list of footnotes and endnotes. It provides additional information and references for the reader's interest.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods and techniques used to collect and analyze data. It includes a detailed description of the experimental procedures and the statistical tools employed.

3. The third part of the document presents the results of the study, including a comparison of the different methods and a discussion of the implications of the findings.

4. The fourth part of the document provides a conclusion and a summary of the key points. It also includes a list of references and a bibliography.

5. The fifth part of the document contains a list of figures and tables, along with their respective captions and descriptions.

6. The sixth part of the document includes a list of appendices, which provide additional information and data related to the study.

7. The seventh part of the document contains a list of footnotes and a glossary of terms.

8. The eighth part of the document includes a list of acknowledgments and a list of authors.

9. The ninth part of the document contains a list of references and a bibliography.

10. The tenth part of the document includes a list of appendices, which provide additional information and data related to the study.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods used to collect and analyze data. It includes a detailed description of the sampling process and the statistical techniques employed to ensure the reliability of the results.

3. The third part of the document presents the findings of the study. It shows that there is a significant correlation between the variables being studied, and that the results are consistent across different groups and time periods.

4. The fourth part of the document discusses the implications of the findings and offers suggestions for further research. It highlights the need for continued monitoring and evaluation of the system to ensure its effectiveness and efficiency.

5. The fifth part of the document provides a summary of the key points and conclusions. It reiterates the importance of the findings and the need for continued attention to the issues discussed.

6. The sixth part of the document includes a list of references and a bibliography. It cites the various sources used in the study and provides information on how to access them.

7. The seventh part of the document contains a list of appendices and supplementary materials. It includes additional data, charts, and tables that provide further detail on the study's findings.

8. The eighth part of the document is a list of figures and tables. It provides a clear and concise overview of the data presented in the study, making it easier for readers to understand the results.

9. The ninth part of the document is a list of footnotes and endnotes. It provides additional information on specific points raised in the text and clarifies any potential ambiguities.

10. The tenth part of the document is a list of acknowledgments. It expresses gratitude to the individuals and organizations that provided support and assistance throughout the study.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods used to collect and analyze data. It includes a detailed description of the sampling process and the statistical techniques employed to interpret the results.

3. The third part of the document presents the findings of the study. It highlights the key trends and patterns observed in the data, as well as the implications of these findings for the industry and the broader economy.

4. The fourth part of the document discusses the limitations of the study and the potential areas for future research. It acknowledges the challenges faced during the data collection process and offers suggestions for improving the accuracy and reliability of the results.

5. The fifth part of the document provides a conclusion and a summary of the main points. It reiterates the significance of the findings and the need for continued research in this area.

6. The sixth part of the document includes a list of references and a bibliography. It cites the various sources of information used in the study, including academic journals, books, and industry reports.

7. The seventh part of the document contains a list of appendices and supplementary materials. These include detailed data tables, charts, and graphs that provide further insight into the study's findings.

8. The eighth part of the document is a glossary of terms and definitions. It clarifies the meaning of key concepts and terminology used throughout the document, ensuring that the reader has a clear understanding of the subject matter.

9. The ninth part of the document is a list of acknowledgments. It expresses gratitude to the individuals and organizations that provided support and assistance during the course of the study.

10. The tenth part of the document is a list of footnotes and endnotes. These provide additional information and references related to the study, including details about the data sources and the methods used.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods used to collect and analyze data. It includes a detailed description of the sampling process and the statistical techniques employed to interpret the results.

3. The third part of the document presents the findings of the study. It highlights the key trends and patterns observed in the data, as well as the implications of these findings for the field of research.

4. The fourth part of the document discusses the limitations of the study and suggests areas for future research. It acknowledges the potential biases and limitations of the data and the methods used, and offers suggestions for how these issues can be addressed in future studies.

5. The fifth part of the document provides a conclusion and a summary of the main points. It reiterates the importance of the research and the need for continued efforts to improve the quality of data collection and analysis.

6. The sixth part of the document includes a list of references and a list of figures. The references list the sources of the data and the methods used, while the figures provide a visual representation of the key findings.

7. The seventh part of the document is a list of appendices. These appendices provide additional information and data that are not included in the main text of the document.

8. The eighth part of the document is a list of tables. These tables provide a detailed breakdown of the data and the results of the statistical analysis.

9. The ninth part of the document is a list of footnotes. These footnotes provide additional information and clarification for the text of the document.

10. The tenth part of the document is a list of page numbers. This list provides a quick reference to the location of each section of the document.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods used to collect and analyze data. It includes a detailed description of the sampling process and the statistical techniques employed to interpret the results.

3. The third part of the document presents the findings of the study. It shows that there is a significant correlation between the variables being studied, which supports the hypothesis of the research.

4. The fourth part of the document discusses the implications of the findings and provides recommendations for future research. It suggests that further studies should be conducted to explore the underlying causes of the observed trends.

5. The fifth part of the document concludes the study and summarizes the key points. It reiterates the importance of the research and the need for continued efforts in this field.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods used to collect and analyze data. It includes a detailed description of the sampling process and the statistical techniques employed to interpret the results.

3. The third part of the document presents the findings of the study. It shows that there is a significant correlation between the variables being studied, and it provides a clear explanation of the underlying reasons for this relationship.

4. The fourth part of the document discusses the implications of the findings for practice. It suggests that the results can be used to inform decision-making and to develop more effective strategies for managing the organization.

5. The fifth part of the document concludes the study and provides a final summary of the key points. It also includes a list of references and a list of appendices.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods and techniques used to collect and analyze data. It includes a detailed description of the experimental procedures and the statistical tools employed.

3. The third part of the document presents the results of the study, showing the trends and patterns observed in the data. It includes several tables and graphs to illustrate the findings.

4. The fourth part of the document discusses the implications of the results and the potential applications of the findings. It highlights the significance of the study and the need for further research in this area.

5. The fifth part of the document provides a conclusion and a summary of the key points discussed throughout the document. It also includes a list of references and a bibliography.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods used to collect and analyze data. It includes a detailed description of the sampling process and the statistical techniques employed to interpret the results.

3. The third part of the document presents the findings of the study. It provides a clear and concise summary of the key results, highlighting the most significant trends and patterns observed in the data.

4. The fourth part of the document discusses the implications of the findings and offers recommendations for future research. It suggests areas where further investigation is needed to better understand the underlying causes of the observed phenomena.

5. The fifth part of the document concludes the study and provides a final summary of the key points. It reiterates the importance of the research and the potential impact of the findings on the field.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods and techniques used to collect and analyze data. It highlights the importance of using reliable sources and ensuring the accuracy of the information gathered.

3. The third part of the document focuses on the analysis and interpretation of the collected data. It discusses the various statistical and analytical tools used to identify trends and patterns in the data.

4. The fourth part of the document discusses the implications of the findings and the potential impact of the research. It highlights the need for further research and the importance of sharing the results with the relevant stakeholders.

5. The fifth part of the document provides a conclusion and summarizes the key findings of the study. It emphasizes the need for continued research and the importance of staying up-to-date on the latest developments in the field.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods and techniques used to collect and analyze data. It includes a detailed description of the experimental procedures and the tools used for data collection.

3. The third part of the document presents the results of the study, including a comparison of the different methods and techniques used. It discusses the strengths and weaknesses of each method and provides a summary of the findings.

4. The fourth part of the document discusses the implications of the study and provides recommendations for future research. It highlights the need for further investigation into the effectiveness of the different methods and techniques used.

5. The fifth part of the document provides a conclusion and a summary of the key findings. It reiterates the importance of maintaining accurate records and the need for transparency and accountability in financial reporting.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods and techniques used to collect and analyze data. It includes a detailed description of the experimental procedures and the tools used for data collection.

3. The third part of the document presents the results of the study. It includes a series of tables and graphs that illustrate the findings of the research. The data shows a clear trend in the relationship between the variables being studied.

4. The fourth part of the document discusses the implications of the findings. It highlights the potential applications of the research in various fields and the need for further investigation in this area.

5. The fifth part of the document concludes the study and provides a summary of the key findings. It also includes a list of references and a bibliography of the sources used in the research.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods used to collect and analyze data. It includes a detailed description of the sampling process and the statistical techniques employed to ensure the reliability of the results.

3. The third part of the document presents the findings of the study. It shows that there is a significant correlation between the variables being studied, and that the results are consistent across different groups and time periods.

4. The fourth part of the document discusses the implications of the findings and offers suggestions for further research. It highlights the need for continued monitoring and evaluation of the system to ensure its effectiveness and efficiency.

5. The fifth part of the document provides a summary of the key points and conclusions. It reiterates the importance of accurate record-keeping and the need for ongoing research and improvement in the field.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods and techniques used to collect and analyze data. It includes a detailed description of the experimental procedures and the tools used for data collection.

3. The third part of the document presents the results of the study, including a comparison of the different methods and techniques used. It discusses the strengths and weaknesses of each method and provides a summary of the findings.

4. The fourth part of the document discusses the implications of the study and provides recommendations for future research. It highlights the need for further investigation into the effectiveness of the different methods and techniques used.

5. The fifth part of the document provides a conclusion and a summary of the key findings. It emphasizes the importance of maintaining accurate records and the need for transparency and accountability in financial reporting.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods and techniques used to collect and analyze data. It includes a detailed description of the experimental procedures and the statistical tools employed.

3. The third part of the document presents the results of the study, showing the trends and patterns observed in the data. It includes several tables and graphs to illustrate the findings.

4. The fourth part of the document discusses the implications of the results and provides recommendations for future research. It also addresses the limitations of the study and suggests ways to improve the methodology.

5. The final part of the document is a conclusion that summarizes the key findings and the overall significance of the research. It highlights the contributions of the study to the field and the potential for further exploration.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods and techniques used to collect and analyze data. It includes a detailed description of the experimental procedures and the statistical tools employed.

3. The third part of the document presents the results of the study, showing the trends and patterns observed in the data. It includes several tables and graphs to illustrate the findings.

4. The fourth part of the document discusses the implications of the results and the potential applications of the findings. It highlights the significance of the study and the need for further research in this area.

5. The fifth part of the document provides a conclusion and a summary of the key points discussed throughout the document. It also includes a list of references and a bibliography.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods used to collect and analyze data. It includes a detailed description of the sampling process and the statistical techniques employed to interpret the results.

3. The third part of the document presents the findings of the study. It provides a comprehensive overview of the data collected and discusses the implications of the results for the field of research.

4. The fourth part of the document discusses the limitations of the study and suggests areas for future research. It highlights the need for further investigation into the issues identified during the study.

5. The fifth part of the document provides a conclusion and summarizes the key findings of the study. It reiterates the importance of accurate record-keeping and the need for ongoing research in this area.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

2. The second part of the document outlines the various methods used to collect and analyze data. It includes a detailed description of the sampling process and the statistical techniques employed to interpret the results.

3. The third part of the document presents the findings of the study. It highlights the key trends and patterns observed in the data, as well as the implications of these findings for the field of research.

4. The final part of the document provides a conclusion and offers recommendations for future research. It suggests areas where further investigation is needed and provides guidance on how to address these areas.