

Executing Our Plan to Drive Profitable Growth

Investor Presentation

Q3 2021

CHICO'S FAS INC

chico's®

WHBM
WHITEHOUSEBLACKMARKET™

SOMA®



Forward-looking language

This presentation contains statements concerning our current expectations, assumptions, plans, estimates, judgments and projections about our business and our industry and other statements that are not historical facts. These statements, including without limitation the sections captioned “Business Highlights” and “Fiscal 2021 Fourth Quarter Outlook,” are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. In most cases, words or phrases such as “anticipates,” “believes,” “could,” “estimates,” “expects,” “intends,” “may,” “will,” “plans,” “path,” “outlook,” “project,” “should,” “strategy,” “potential,” “confident” and similar expressions identify forward-looking statements. These forward-looking statements are based largely on information currently available to our management and are subject to various risks and uncertainties that could cause actual results to differ materially from historical results or those expressed or implied by such forward-looking statements. Although we believe our expectations are based on reasonable estimates and assumptions, they are not guarantees of performance. There is no assurance that our expectations will occur or that our estimates or assumptions will be correct, and we caution investors and all others not to place undue reliance on such forward-looking statements. Factors that could cause actual results to differ include, but are not limited to, those described in Item 1A, “Risk Factors” in our most recent Annual Report on Form 10-K and, from time to time, in Item 1A, “Risk Factors” of our Quarterly Reports on Form 10-Q and the following:

The effects of the pandemic, including uncertainties about its depth and duration, new variants of COVID-19 that have emerged, the speed, efficacy and availability of vaccines and treatments, its impact on general economic conditions, consumer behavior and discretionary spending, the effectiveness of any actions taken in response to the pandemic, and the impact of the pandemic on our manufacturing operations; the extent, availability and effectiveness of any pandemic stimulus packages or loan programs, including the CARES Act; the ability of our suppliers, logistics providers, vendors and landlords, to meet their obligations to us in light of financial stress, staffing shortages, liquidity challenges, bankruptcy filings by other industry participants, and supply chain and other disruptions; increases in unemployment rates and taxes; general economic conditions, inflation, consumer confidence, consumer spending patterns and market disruptions including pandemics or significant health hazards, severe weather conditions, natural disasters, terrorist activities, financial crises, political crises or other major events, or the prospect of these events; shifts in consumer behavior, and our ability to adapt, identify and respond to new and changing fashion trends and customer preferences, and to coordinate product development with buying and planning; changes in the general or specialty retail or apparel industries, including market demand and overall level of spending for women’s private branded clothing and related accessories; our ability to secure and maintain customer acceptance of styles and in-store and online concepts; competition in the markets in which we operate, including our ability to remain competitive with customer shipping terms and costs; customer traffic at our stores; fluctuations in foreign currency exchange rates; significant changes in the costs of manufacturing, raw materials, transportation, importing, distribution, labor and advertising; the quality and timeliness of merchandise received from suppliers; our ability to manage our store fleet, including achieving the expected results of store openings or store closures; our ability to appropriately manage our inventory and allocation processes and leverage targeted promotions; our ability to maintain our cost saving discipline; our ability to operate our retail websites in a profitable manner; our ability to successfully identify and implement additional sales and distribution channels; our ability to successfully execute and achieve the expected results of our business and brand strategies, awareness, merchandising and marketing programs including, but not limited to, the Company’s turnaround strategy, retail fleet optimization plan, sales initiatives and multi-channel strategies and five operating priorities for fiscal 2021, which are: 1) continuing our ongoing digital transformation; 2) further refining product through fit, quality, fabric and innovation in each of our brands; 3) driving increased customer engagement through marketing; 4) maintaining our operating and cost discipline; and 5) further enhancing the productivity of our real estate portfolio; our ability to utilize our distribution center and other support facilities in an efficient and effective manner; our reliance on sourcing from foreign suppliers, including significant economic labor, political or other shifts (including the impact of changes in tariffs, taxes or other import regulations, particularly with respect to China, or legislation prohibiting certain imports from China); U.S. and foreign governmental actions and policies and changes thereto; the continuing performance, implementation and integration of our management information systems; the impact of any system failure, cyber security or other data security breaches, including any security breaches resulting in the theft, transfer, or unauthorized disclosure of customer, employee, or company information; our ability to comply with any domestic and foreign information security and privacy laws, regulations and technology platform rules or other obligations related to data privacy and security; the ability to attract, hire, train, motivate and retain qualified employees in an inclusive environment; the successful recruitment of leadership and transition of members of our senior management team; uncertainties regarding future unsolicited offers to buy the Company and actions of activist shareholders and others and our ability to respond effectively; our ability to secure and protect our intellectual property rights and to protect our reputation and brand images; unanticipated changes in legal, regulatory or tax laws; and our ability to comply with the terms of our Credit Agreement, which includes restrictive provisions limiting our flexibility in operating our business and obtaining credit on reasonable terms.

These factors should be considered in evaluating forward-looking statements contained herein. All forward-looking statements that are made or attributable to us are expressly qualified in their entirety by this cautionary notice. The forward-looking statements included herein are only made as of the date of this presentation. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

We Are... Chico's FAS

Founded by women, led by women. With our service and products, we strive to create a world where women never have to compromise, providing solutions to give them confidence and joy. Our portfolio consists of three brands: Chico's, WHBM and Soma—specialty retailers of women's apparel, intimates, accessories and related products—found in over 1,000 boutiques throughout the United States and online.



A Digital-First, Customer-Led Company on a Clear Path to Growth

- Continuing our ongoing digital transformation
- Further refining product through styling, fabric and innovation
- Driving significant increased customer engagement through digital storytelling
- Maintaining our operating and cost discipline
- Delivering higher productivity in our real estate portfolio



Q3 2021 Business Highlights

CONTINUED PROFITABLE GROWTH

Continued profitable growth posting EPS of \$0.15 per share GAAP and \$0.18 per share adjusted

21.8% YTD Customer Growth

CONTINUING DIGITAL TRANSFORMATION

Q3 2021 digital sales grew 13% over 2020 levels and 32% over 2019

Proprietary digital styling tools continue to gain traction and result in higher conversion rates and order values

ENHANCED MARKETING DRIVING TRAFFIC, NEW CUSTOMERS

Allocated more resources to digital storytelling, social influencers and other social efforts

Continue to acquire new customers, average age continues to trend younger than existing customers, reinforcing runway for all three brands

IMPROVING GROSS MARGIN

Gross margin improved to 41%, best performance in 18 consecutive quarters

MAINTAINING OPERATING AND COST DISCIPLINE

Continued cost discipline efforts and sales leverage resulted in a decline in SG&A to 35.8%, an improvement over both Q3 2020 and Q3 2019

ENHANCING PRODUCTIVITY OF REAL ESTATE PORTFOLIO

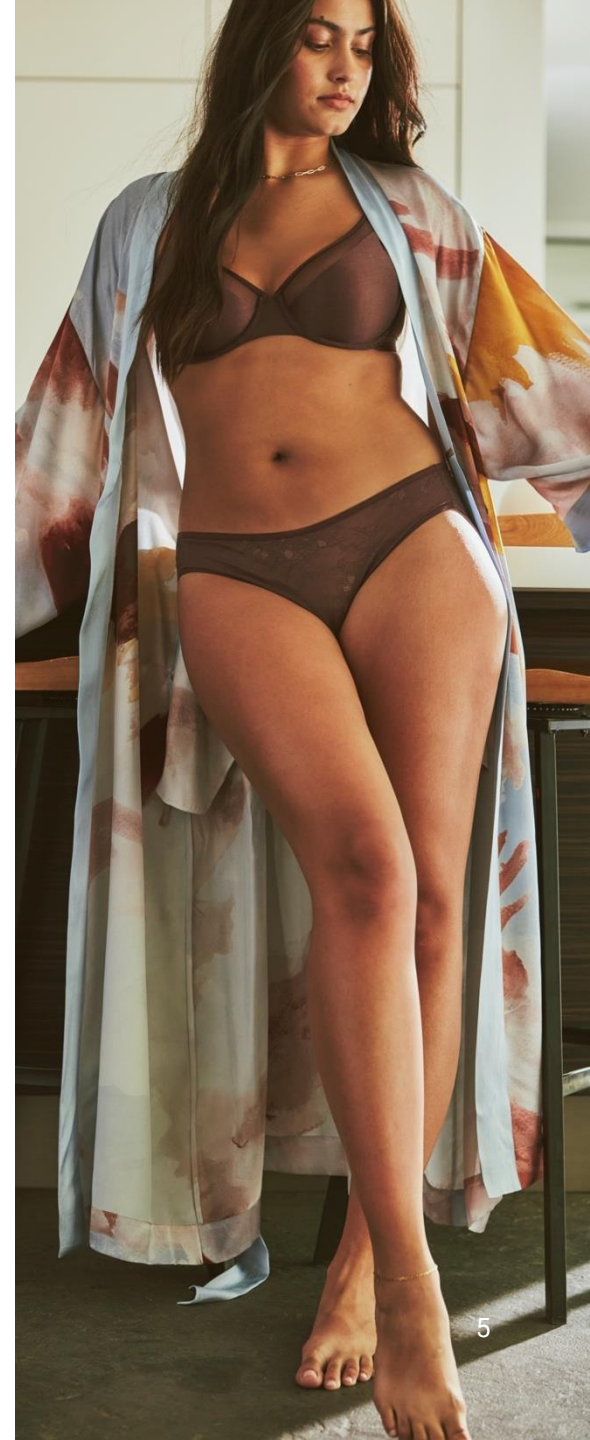
Opened 17 shop-in-shops in Chico's stores in Q3, driving new customers to both brands and further expanding digital business

Obtained \$7 million in incremental rent reductions, bringing total rent savings to \$87 million since commencing program in 2020

STRONG BALANCE SHEET

\$137M+ in cash and marketable securities at end of Q3 2021

Repaid one-third of long-term debt on credit facility (\$50M)



Q3 Financial Highlights⁽¹⁾

(in millions except per share and % data)

Q3 Fiscal 2021 comparable sales increased 28% to 2020 and ran ~97% of 2019 on lower on-hand inventory relative to both years

	Q3 2021	Q3 2020	Q3 2019
Total Sales	\$454M	\$351M	\$485M
Gross Margin	40.7%	22.0%	35.3%
SG&A	35.8%	43.6%	37.3%
Operating Income (Loss)	\$22M	\$(76)M	\$(10)M
Net Income (Loss) per Diluted Share ⁽²⁾	Reported: \$0.15 Adjusted: \$0.18	\$(0.48)	\$(0.07)
Inventory On-Hand	\$175M	\$202M	\$216M
Q3 Free Cash Flow ^(2,3)	\$51M	\$25M	\$(22)M



chico's®

Modernizing Our Unique
Heritage to Expand
Customer Loyalty
and Following



CHICO'S FAS INC

chico's®

Q3 2021 Highlights

Unaudited

\$203.5M

Net Sales

24.2%

Net Sales Growth YoY

23.3%

Comparable Sales to 2020

19.9%

Customer Growth YTD

629

Stores





CHICOS FAS INC

WHBM
WHITEHOUSEBLACKMARKET®

Building the Leading Boutique Destination for Versatile Feminine Wardrobing

Q3 2021 Highlights

Unaudited

\$138.2M

Net Sales

32.8%

Net Sales Growth YoY

33.4%

Comparable Sales to 2020

13.0%

Customer Growth YTD

394

Stores



SOMA

Building One of the
Largest Intimate
Apparel Brands

A group of five diverse women of various body types and ethnicities are smiling and posing together. They are wearing SOMA bras in different colors (pink, white, purple, brown). The woman on the far left is standing, wearing a pink bra and brown pants. The woman next to her is sitting, wearing a white bra and a tan cardigan. The woman in the center is sitting, wearing a purple bra and a white shirt. The woman on the far right is sitting, wearing a brown bra. The woman in the back center is standing, wearing a brown bra and a light-colored shirt. The background is a plain, light-colored wall.

SOMA

You're our inspiration. We know you work hard at everything you do, so we're working hard to create beautiful bra solutions for you, for all of us.

It's not about the runway, it's about the real way.

We are embodying the journey of women supporting women. We are here to listen to you, to help to tell your story and design product that support your needs.

Everything we do starts with you.

SOM ~~AS~~

Q3 2021 Highlights

Unaudited

\$112.0M

Net Sales

34.0%

Net Sales Growth YoY

30.2%

Comparable Sales to 2020

33.0%

Customer Growth YTD

256

Stores



CHICO'S FAS INC

chico's WHBM SOMA

Compelling Digital & ECOM Capabilities

Technology as an Enabler

Customers Using Our Proprietary Digital Tools are More Engaged and Have Higher Conversion Rates, UPTs and Average Order Value

My Closet / Launched 2020

- Personalized experience enabling customers to augment their closets by coordinating their wardrobe with past purchases
- Generates strong conversion, exceeding 6x the site average

Shop the Look / Launched 2020

- Leveraging customers' shopping behaviors and likes to help guide our customers and build confidence and urgency through reviews, and other social proofing mechanisms

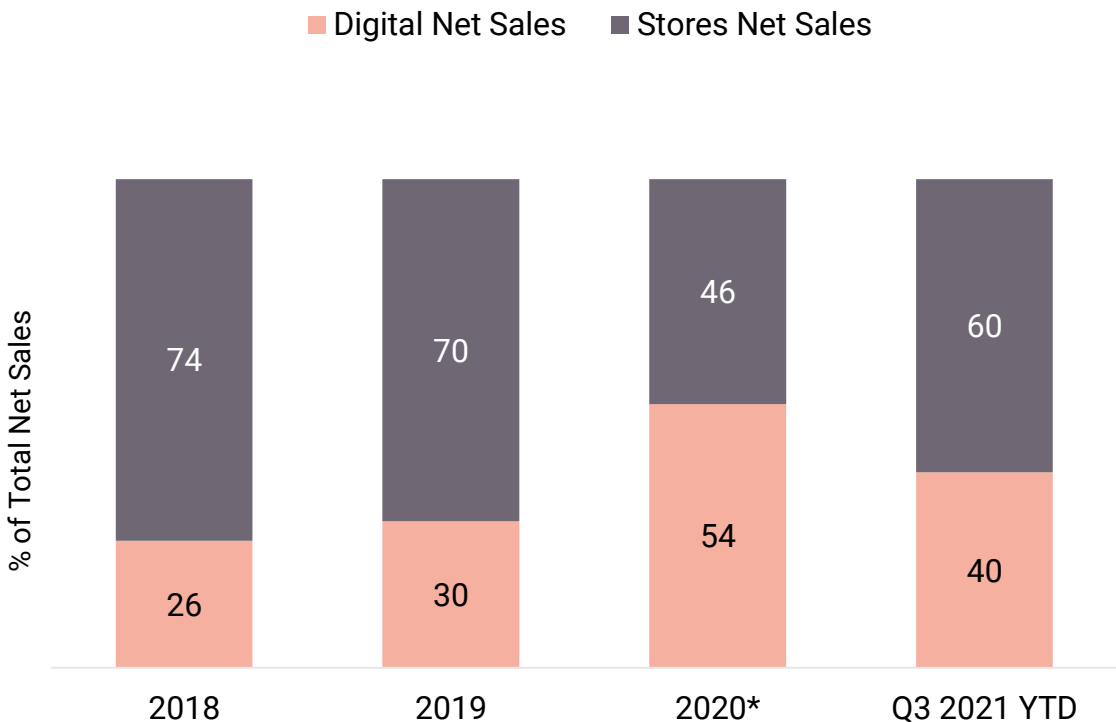
StyleConnectSM / Launched 2019

- Proprietary digital styling and selling tool
- Allows for intimate distance connection in a meaningful manner that is resonating with customers
- At nearly half customer file enrolled in StyleConnect; approximately 3 million

BOPIS / Launched 2019

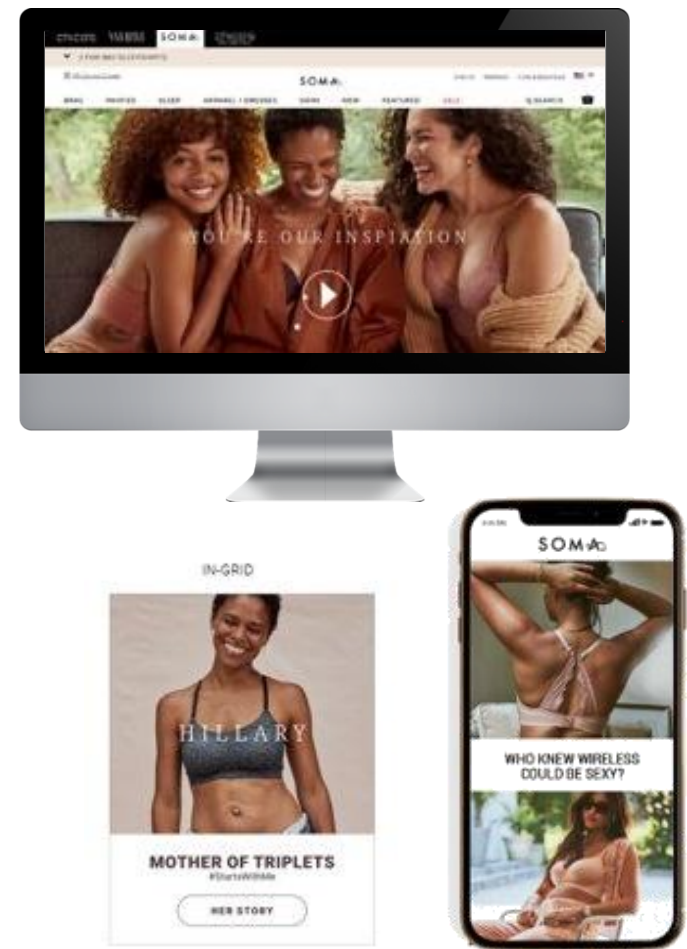
- Decreases shipping costs, drives traffic and enhances in-store engagement

YTD Digital Penetration Increased from 26% in 2018 to 40% in Q3 2021



* 2020 reflects impact of temporary store closure period in Q1/Q2 2020

New Investments in Marketing, Technology and Innovation Are Driving Digital-First Transformation



Store Experience Coupled with Digital Innovation

REAL TIME PERSONALIZATION

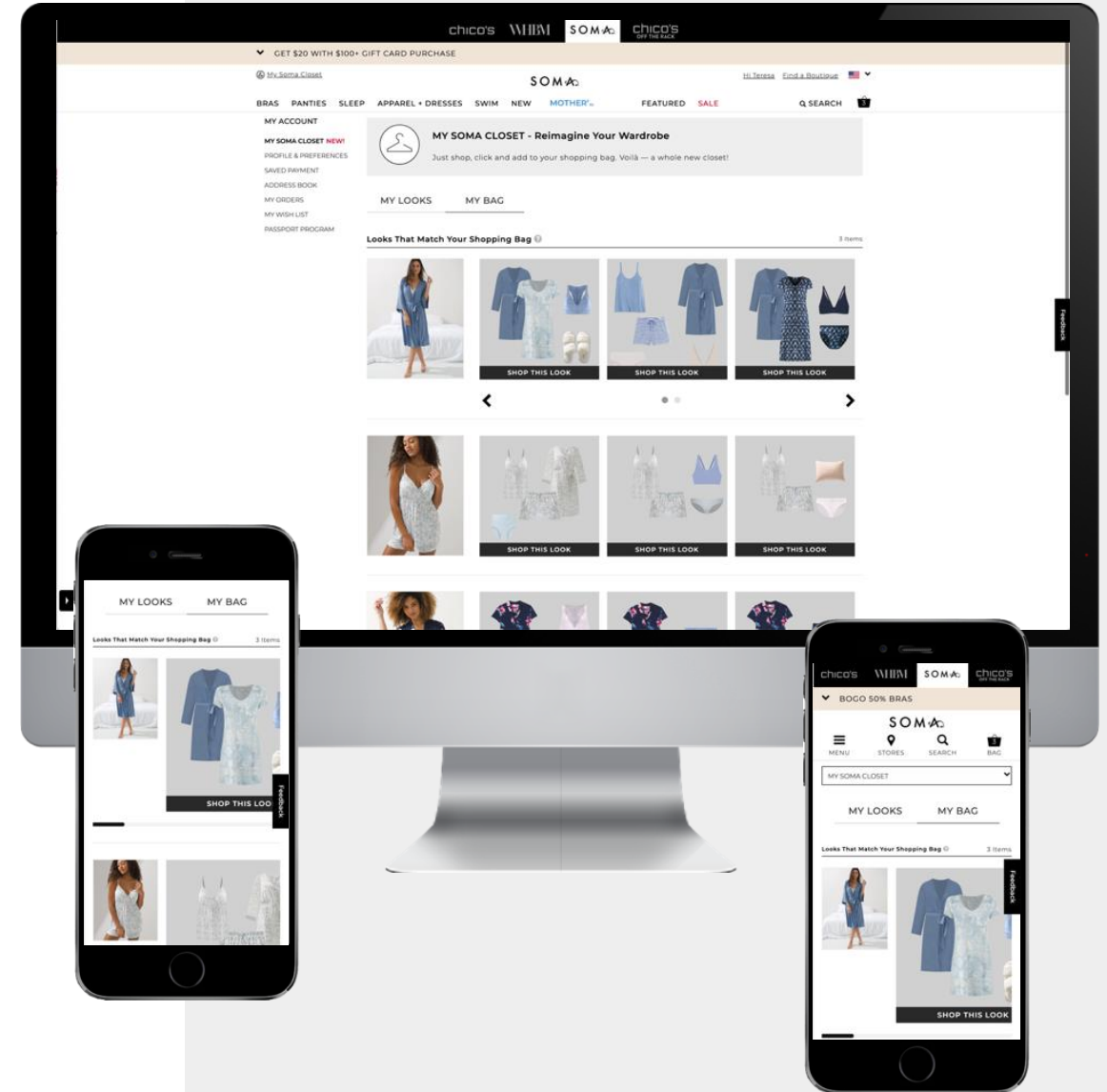
- Site enhancements leveraging AI technology from Reflektion to serve up personalized recommendations based on customers shopping behavior through search enhancements, product recommendations and category and landing pages

DIGITAL STORY TELLING

- Driving engagement through weekly social selling
- Leveraging influencers to communicate the brand story
- Enabling store associates to create social content

FASTER, EASIER, MORE CONNECTED EXPERIENCE

- New mobile POS
- Enhanced navigation touch points across all brands
- Launch/Enhance Mobile selling via App and Clienteling
- Elevated content including UGC and SEO optimizations



Current Capital Allocation Priorities



MAINTAIN STRONG LIQUIDITY

- Support liquidity as necessary to navigate macro volatility



INVESTMENT IN BRANDS AND SHARED PLATFORM

- Invest in current strategies to fuel growth



REPAY DEBT

- Manage balance sheet to minimize financial risk



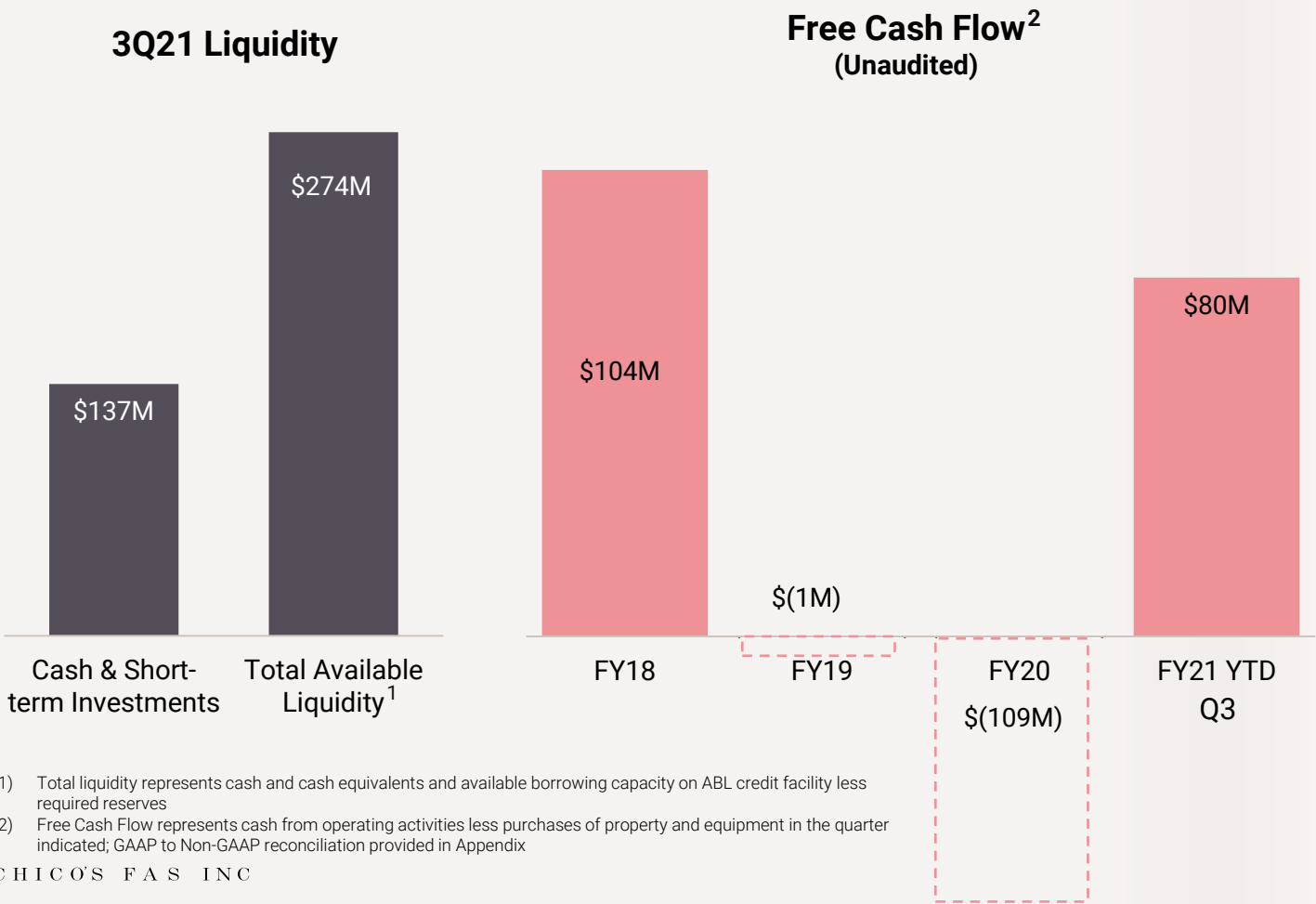
ENHANCE SHAREHOLDER RETURNS

- Consider share repurchases
- Evaluate re-establishing dividend



Liquidity and Free Cash Flow (Unaudited)

(in millions)

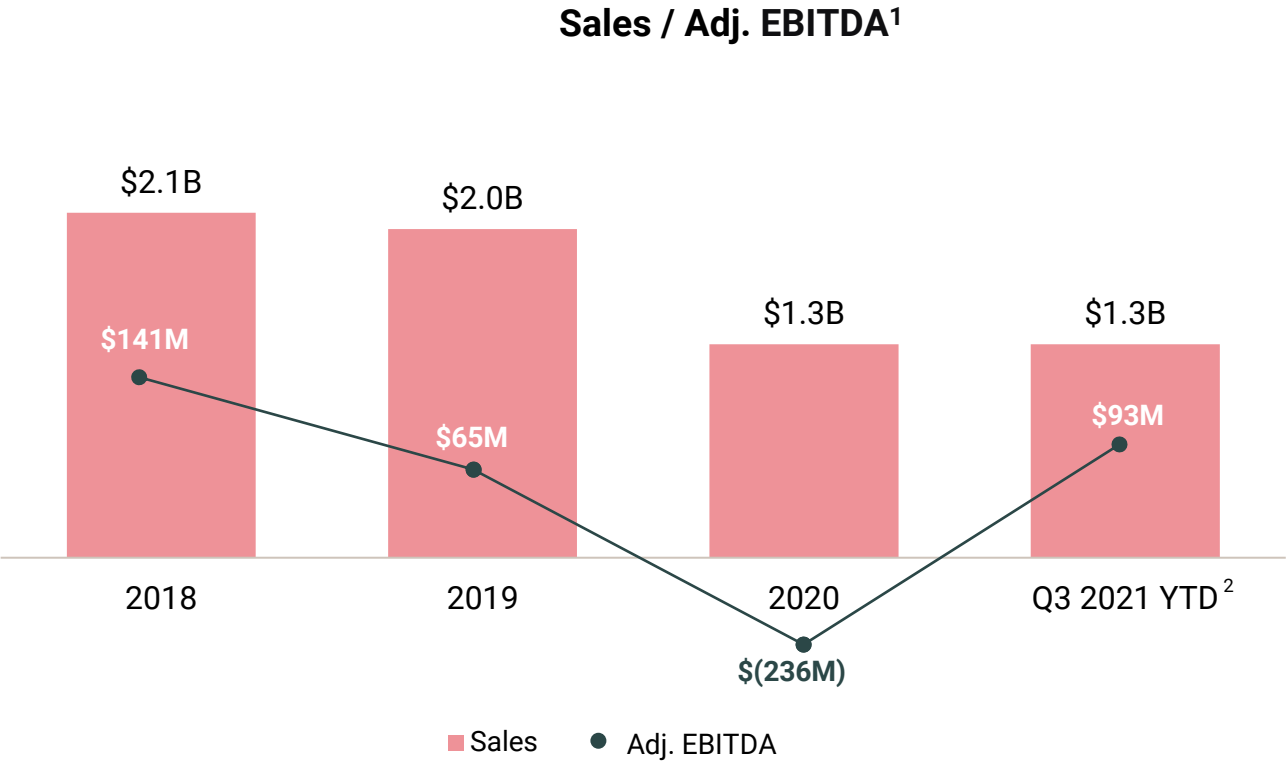


CHICO'S FAS INC



Restoring Growth and Profitability

(Unaudited)
(Sales in billions and EBITDA in millions)



(1) Adjusted EBITDA excludes goodwill impairment and other charges as reflected in the accompanying GAAP to Non-GAAP reconciliation

(2) 39 Weeks ended October 30, 2021



Real Estate and Operating Discipline



Real Estate Strategies are Enhancing Portfolio Productivity, Driving Brand Awareness and Generating Sales



Stores Continue to Be a Strategic Asset

Digital sales are typically higher in markets where we have a retail presence



Existing centers allow brand agnostic store operations team and back of house operations for orders, shipment, replenishment

Rebalancing Store Footprint and Digital Platform to Align with How, When and Where She Shops



- Growing Soma footprint from 256 stores in 2021 to a projected 400 stores in 2025



- Opening more than 70 Shop-in-Shops in Chico's storefronts — driving brand awareness and generating both store and digital sales in markets where Soma is not represented



- Focus on improving WHBM store profitability and emphasize digital platform



- Obtained approximately \$22M YTD in incremental savings from landlords for a total of \$87M in rent reductions and abatements

Real Estate Footprint

	Mall	Open Air	Outlet	Total Store Count as of Q3 2021
Chicos	131	375	123	629
WHBM	157	183	54	394
Soma	112	126	18	256
Total	400	684	195	1,279



Q4 2021 Outlook

	Q4 2021	Growth Drivers
Consolidated Net Sales	\$495 – 510M	YoY store traffic and digital improvement
Gross Margin Rate as Percent of Net Sales	33.0 – 34.5%	Increased full price sales with lower promotional activity and occupancy leverage
SG&A Expenses as Percent of Net Sales	32.3 – 32.8%	Sales leverage and full year 2021 benefit of 2020 cost reductions
Effective Income Tax Rate¹	33.0%	
EPS	\$0.00 – 0.05	

(1) Expect full-year effective tax rate of 24%



A Digital-First, Customer-Led Company on a **Clear Path to Growth**



Powerful portfolio with **three unique brands** each thriving in its own market white space, providing solutions that over seven million women say give them confidence and joy



Compelling digital tools and **ECOM experiences** are driving amazing personal interaction and building a customer community



Optimizing real estate and leveraging stores to optimize back of the house operations, shipments, replenishments, orders



Operating excellence – fast track sourcing, eliminating redundancies, analytics informed fulfillment strategy



Prioritizing people – associates and customers – so they are at the center of all we do



New talent with relevant experience are re-establishing brands as a fashion destination and driving digital transformation



Appendix

Income Statement

(Unaudited)
(in thousands, except per share data)

	Thirteen Weeks Ended				Thirty-Nine Weeks Ended			
	October 30, 2021		October 31, 2020		October 30, 2021		October 31, 2020	
	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales	Amount	% of Sales
Net Sales:								
Chico's	\$ 203,505	44.9 %	\$ 163,847	46.6 %	\$ 601,914	45.8 %	\$ 434,868	46.4 %
White House Black Market	138,159	30.4 %	104,024	29.6 %	364,250	27.7 %	270,197	28.8 %
Soma	111,980	24.7 %	83,545	23.8 %	347,500	26.5 %	232,789	24.8 %
Total Net Sales	453,644	100.0 %	351,416	100.0 %	1,313,664	100.0 %	937,854	100.0 %
Cost of goods sold	269,205	59.3 %	274,252	78.0 %	820,973	62.5 %	827,019	88.2 %
Gross Margin	184,439	40.7 %	77,164	22.0 %	492,691	37.5 %	110,835	11.8 %
Selling, general and administrative expenses	162,469	35.8 %	153,096	43.6 %	442,637	33.7 %	390,571	41.6 %
Goodwill and intangible impairment charges	-	0.0 %	-	0.0 %	-	0.0 %	113,180	12.1 %
Income (Loss) from Operations	21,970	4.9 %	(75,932)	(21.6)%	50,054	3.8 %	(392,916)	(41.9)%
Interest expense, net	(1,744)	(0.4)%	(536)	(0.2)%	(5,170)	(0.4)%	(1,387)	(0.1)%
Income (Loss) before Income Taxes	20,226	4.5 %	(76,468)	(21.8)%	44,884	3.4 %	(394,303)	(42.0)%
Income tax provision (benefit)	2,000	0.5 %	(20,600)	(5.9)%	9,400	0.7 %	(113,300)	(12.0)%
Net Income (Loss)	\$ 18,226	4.0 %	\$ (55,868)	(15.9)%	\$ 35,484	2.7 %	\$ (281,003)	(30.0)%
Per Share Data:								
Net income (loss) per common share - basic	\$ 0.15		\$ (0.48)		\$ 0.30		\$ (2.43)	
Net income (loss) per common and common equivalent share – diluted	\$ 0.15		\$ (0.48)		\$ 0.29		\$ (2.43)	
Weighted average common shares outstanding – basic	117,304		116,174		117,005		115,887	
Weighted average common and common equivalent shares outstanding – diluted	123,166		116,174		121,897		115,887	
Dividends declared per share	\$ -		\$ -		\$ -		\$ 0.0900	

Balance Sheet

(Unaudited)
(in thousands)

	October 30, 2021	January 30, 2021	October 31, 2020
Assets			
Current Assets:			
Cash and cash equivalents	\$ 134,458	\$ 90,791	\$ 126,497
Marketable securities, at fair value	3,006	18,559	18,667
Inventories	277,738	203,983	256,542
Prepaid expenses and other current assets	51,841	30,565	36,766
Income taxes receivable	13,125	58,140	56,774
Total Current Assets	480,168	402,038	495,246
Property and Equipment, net	199,853	241,370	256,715
Right of Use Assets	494,808	586,061	582,074
Other Assets:			
Goodwill	16,360	16,360	16,360
Other intangible assets, net	5,000	5,000	6,164
Other assets, net	25,413	24,049	37,839
Total Other Assets	46,773	45,409	60,363
	\$ 1,221,602	\$ 1,274,878	\$ 1,394,398
Liabilities & Shareholders' Equity			
Current Liabilities:			
Accounts payable	\$ 172,897	\$ 116,506	\$ 147,354
Current lease liabilities	177,563	194,551	208,351
Other current and deferred liabilities	140,982	120,729	123,474
Total Current Liabilities	491,442	431,786	479,179
Noncurrent Liabilities:			
Long-term debt	99,000	149,000	149,000
Long-term lease liabilities	415,458	515,797	509,118
Other noncurrent and deferred liabilities	6,647	11,863	14,284
Deferred taxes	1,500	1,313	52
Total Noncurrent Liabilities	522,605	677,973	672,454
Shareholders' Equity:			
Preferred stock	-	-	-
Common stock	1,225	1,197	1,199
Additional paid-in capital	505,419	498,488	496,993
Treasury stock, at cost	(494,395)	(494,395)	(494,395)
Retained earnings	195,306	159,765	238,877
Accumulated other comprehensive gain	(0)	64	91
Total Shareholders' Equity	207,555	165,119	242,765
	\$ 1,221,602	\$ 1,274,878	\$ 1,394,398

Cash Flow Statement

(Unaudited)
(in thousands)

	Thirty-Nine Weeks Ended	
	October 30, 2021	October 31, 2020
Cash Flows from Operating Activities:		
Net income (loss)	\$ 35,484	\$ (281,003)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Goodwill and intangible impairment charges	-	113,180
Inventory write-offs	374	59,687
Depreciation and amortization	39,662	48,536
Non-cash lease expense	139,116	163,072
Exit of frontline Canada operations	-	498
Right of use asset impairment	-	3,236
Loss on disposal and impairment of property and equipment, net	1,432	27,554
Deferred tax benefit	190	(18,409)
Share-based compensation expense	8,836	5,600
Changes in assets and liabilities:		
Inventories	(74,129)	(71,004)
Prepaid expenses and other assets	(13,830)	(2,704)
Income tax receivable	45,015	(49,643)
Accounts payable	56,503	12,923
Accrued and other liabilities	16,643	19,097
Lease liability	(166,990)	(94,500)
Net cash provided by (used in) operating activities	88,306	(63,880)
Cash Flows from Investing Activities:		
Purchases of marketable securities	(269)	(5,351)
Proceeds from sale of marketable securities	15,753	50,500
Purchases of property and equipment	(8,246)	(9,537)
Net cash provided by investing activities	7,238	35,612
Cash Flows from Financing Activities:		
Proceeds from borrowings	-	255,500
Payments on borrowings	(50,000)	(149,000)
Payments of debt issuance costs	-	(4,279)
Proceeds from issuance of common stock	-	412
Dividends paid	-	(10,701)
Payments of tax withholdings related to share-based awards	(1,877)	(1,133)
Net cash (used in) provided by financing activities	(51,877)	90,799
Effects of exchange rate changes on cash and cash equivalents	-	(6)
Net increase in cash and cash equivalents	43,667	62,525
Cash and Cash Equivalents, Beginning of period	90,791	63,972
Cash and Cash Equivalents, End of period	\$ 134,458	\$ 126,497

GAAP to Non-GAAP Reconciliation: EBITDA Performance

(Unaudited)
(in thousands)

	Q3 Fiscal 2021 (13 Weeks)	Q3 Fiscal 2021 YTD (39 Weeks)	Fiscal 2020 (52 Weeks)	Fiscal 2019 (52 Weeks)	Fiscal 2018 (52 Weeks)
Net Income	\$ 18,266	\$ 35,484	\$ (360,144)	\$ (12,754)	\$ 35,613
Adjustments to Net Income:					
Interest expense, net	1,744	5,170	3,102	(119)	353
Income tax	2,000	9,400	(99,900)	800	7,700
Depreciation and amortization	12,083	38,970	63,152	76,912	89,915
Deferred financing costs	230	321	120	150	66
EBITDA	34,323	89,345	(393,670)	64,989	133,647
Adjustments to EBITDA					
Litigation settlement charges	3,910	3,910	-	-	-
Long-lived asset impairment	-	-	21,942	-	7,123
Right of use asset impairment	-	-	3,001	-	-
Goodwill and intangible impairment	-	-	100,959	-	-
Deferred tax asset valuation allowance	-	-	32,051	-	-
Adjusted EBITDA	\$ 38,233	\$ 93,255	\$ (235,717)	\$ 64,989	\$ 140,770

GAAP to Non-GAAP Reconciliation: Total Liquidity

(Unaudited)
(in thousands)

	Q3 2021	Q3 2020	Q3 2019
Cash	\$134,458	\$126,497	\$70,188
Marketable Securities	3,006	18,667	57,253
Total Credit Facility Availability	136,715	93,007	133,534
Total Liquidity	274,179	238,171	260,975

GAAP to Non-GAAP Reconciliation: Net Income and Income Per Diluted Share

(Unaudited)
(in thousands)

		Thirteen Weeks Ended
		October 30, 2021
Net Income:		
GAAP basis		\$18,226
Litigation settlement charges		3,910
Non-GAAP adjusted basis		22,136
Net income per common and common equivalent share — diluted:		
GAAP basis		\$0.15
Litigation settlement charges		0.03
Non-GAAP adjusted basis		\$0.18

GAAP to Non-GAAP Reconciliation: Free Cash Flow

(Unaudited)
(in thousands)

	Fiscal 2021	Fiscal 2020	Fiscal 2019	Fiscal 2018
Q3 Quarter-to-Date				
Cash Flows from Operating Activities	\$54,276	\$26,339	\$(13,810)	\$19,163
Purchases of Property and Equipment	(3,096)	(1,356)	(8,050)	(16,757)
Free Cash Flow¹	\$51,180	\$24,983	\$(21,860)	\$2,406
	Fiscal 2021	Fiscal 2020	Fiscal 2019	Fiscal 2018
Q3 Year-to-Date				
Cash Flows from Operating Activities	\$88,306	\$(63,880)	\$7,207	\$118,764
Purchases of Property and Equipment	(8,246)	(9,537)	(22,126)	(36,601)
Free Cash Flow¹	\$80,060	\$(73,417)	\$(14,919)	\$82,163
		Fiscal 2020	Fiscal 2019	Fiscal 2018
Fiscal Year				
Cash Flows from Operating Activities		\$(97,832)	\$33,344	\$158,074
Purchases of Property and Equipment		(11,360)	(33,939)	(54,187)
Free Cash Flow¹		\$(109,192)	\$(595)	\$103,887

(1) Free Cash Flow represents cash from operating activities less purchases of property and equipment in the period indicated