

# FIVE BELOW



INVESTOR PRESENTATION - JANUARY 8, 2024

# FORWARD LOOKING STATEMENTS



## Forward-Looking Statements:

This news release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 as contained in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, which reflect management's current views and estimates regarding the Company's industry, business strategy, goals and expectations concerning its market position, future operations, margins, profitability, capital expenditures, liquidity and capital resources, store count potential and other financial and operating information. Investors can identify these statements by the fact that they use words such as "anticipate," "assume," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "future" and similar terms and phrases. The Company cannot assure investors that future developments affecting the Company will be those that it has anticipated. Actual results may differ materially from these expectations due to risks related to disruption to the global supply chain, risks related to the Company's strategy and expansion plans, risks related to disruptions in our information technology systems and our ability to maintain and upgrade those systems, risks related to the inability to successfully implement our online retail operations, risks related to cyberattacks or other cyber incidents, risks related to our ability to select, obtain, distribute and market merchandise profitably, risks related to our reliance on merchandise manufactured outside of the United States, the availability of suitable new store locations and the dependence on the volume of traffic to our stores, risks related to changes in consumer preferences and economic conditions, risks related to increased operating costs, including wage rates, risks related to inflation and increasing commodity prices, risks related to potential systemic failure of the banking system in the United States or globally, risks related to extreme weather, pandemic outbreaks (in addition to COVID-19), global political events, war, terrorism or civil unrest (including any resulting store closures, damage, or loss of inventory), risks related to leasing, owning or building distribution centers, risks related to our ability to successfully manage inventory balance and inventory shrinkage, quality or safety concerns about the Company's merchandise, increased competition from other retailers including online retailers, risks related to the seasonality of our business, risks related to our ability to protect our brand name and other intellectual property, risks related to customers' payment methods, risks related to domestic and foreign trade restrictions including duties and tariffs affecting our domestic and foreign suppliers and increasing our costs, including, among others, the direct and indirect impact of current and potential tariffs imposed and proposed by the United States on foreign imports, risks associated with the restrictions imposed by our indebtedness on our current and future operations, the impact of changes in tax legislation and accounting standards and risks associated with leasing substantial amounts of space. For further details and a discussion of these risks and uncertainties, see the Company's periodic reports, including the annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, filed with or furnished to the Securities and Exchange Commission and available at [www.sec.gov](http://www.sec.gov). If one or more of these risks or uncertainties materialize, or if any of the Company's assumptions prove incorrect, the Company's actual results may vary in material respects from those projected in these forward-looking statements. Any forward-looking statement made by the Company in this news release speaks only as of the date on which the Company makes it. Factors or events that could cause the Company's actual results to differ may emerge from time to time, and it is not possible for the Company to predict all of them. The Company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by any applicable securities laws.

# OUR STORY... READ ON!



**ABOUT five BEL°W**

**OUR UNIQUE EXPERIENCE**

**OUR POWERFUL STORE MODEL**

**THE NUMBERS**

**OUR VISION FOR GROWTH:  
TRIPLE-DOUBLE**

# five BELOW is a unique INVESTMENT OPPORTUNITY



**CURATED “WOW” ASSORTMENT THAT FLEXES ACROSS 8 WORLDS**

**INCREDIBLE VALUE WITH A FUN, DIFFERENTIATED STORE EXPERIENCE**

**LEADING NEW STORE MODEL: < 1 YEAR PAYBACK**  
ALLOWS FOR SELF-FUNDED GROWTH & NO DEBT

**SIGNIFICANT WHITE SPACE:**  
**> 3,500 U.S. LOCATIONS BY 2030**

**GROWING SCALE WITH EXPANDING MARGINS**

**ABOUT  
five  
BELOW.**

**CHECK IT  
OUT!**

**THE**  
**PURPOSE-DRIVEN VALUE RETAILER**  
**FOR TWEENS + TEENS AND BEYOND**



**fiVE BELoW**<sup>®</sup>

**KNOWS Life is WAY BETTER WHEN YOU'RE FREE TO**

**LET GO & HAVE FUN**

**in an**

**AMAZING EXPERIENCE**

**filled with**

**UNLIMITED POSSIBILITIES**

**PRICED SO LOW,  
YOU CAN ALWAYS SAY**

**YES!**

**TO  
THE**

**NEWEST, COOLEST STUFF!**

# five BELOW DNA: OUR DEEPLY HELD VALUES AND BELIEFS



## VALUES & BEHAVIORS.

### WOW OUR CUSTOMERS.

the customer is everything. every decision we make begins and ends with them in mind. we do more than they expect and create an awesome experience they won't find anywhere else.

### UNLEASH YOUR PASSION.

five below is like a team of unstoppable superheroes. everyone's unique backgrounds and experiences blend together to form one incredible team that "bleeds five below blue". we're all pumped about what we do and all empowered to make a difference.

### HOLD THE PENNY HOSTAGE.

we're on a mission to make everything as close to free as it can be for teens and tweens. when we pile up the pennies, we're able to wow our customers with the most incredible must-haves and gotta-gets for \$5 and below.

### ACHIEVE THE IMPOSSIBLE.

we are five below; a one-of-a-kind experience! with our gutsy attitude and relentless drive to be better, we accomplish what others wouldn't even think about trying. we take risks and win or lose as a team. integrity always rules and coasting is never, ever an option.

### WORK HARD, HAVE FUN, BUILD A CAREER.

anywhere you see the five below name something awesome is going on. people are succeeding, accomplishing impossible things, taking control of their future, helping their community, throwing a party or making friends. face it, being the best is hard work, but all work and no play is not ok, so we live a little.



## OUR HEART & SOUL

purpose • beliefs • values & behaviors

ENVIRONMENTAL

SOCIAL

GOVERNANCE

For more information please click [here](#).

# TREND-RIGHT "WOW" PRODUCTS AT GREAT VALUE ACROSS 8 AWESOME WORLDS



**PLAY.**

**TECH.**



**CREATE.**

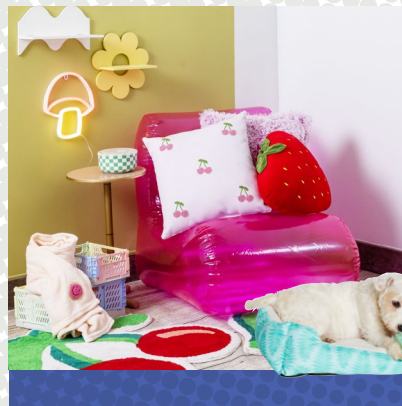


**PARTY.**



**CANDY.**

**STYLE.**



**ROOM.**



**NEW & NOW.**

**five BELOW**



# UNLIMITED POSSIBILITIES DRIVEN BY THE NEWEST, COOLEST STUFF



**"CRAZE" TRENDS**



**LICENSED TRENDS & BRANDS**



**ON-TREND ASSORTMENT (RELEVANCY)**



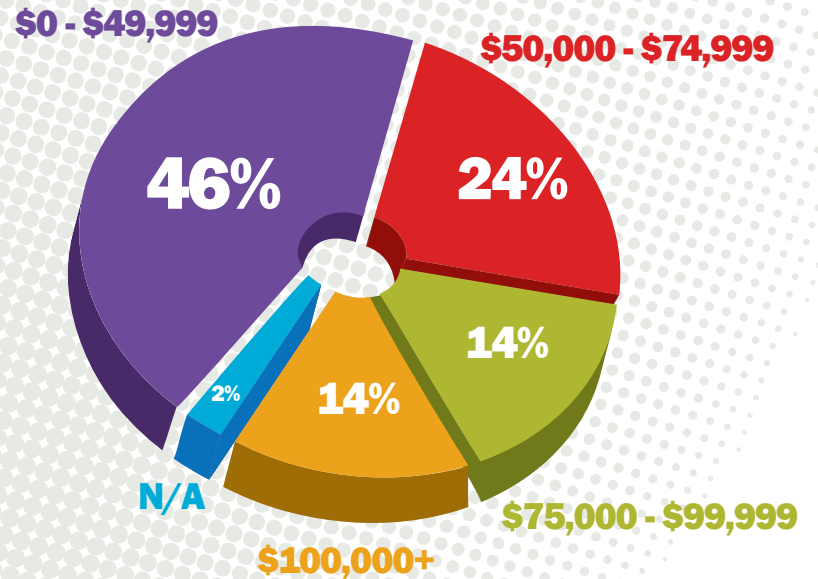
# TWEEN & TEEN-FOCUSED WITH BROAD CUSTOMER APPEAL



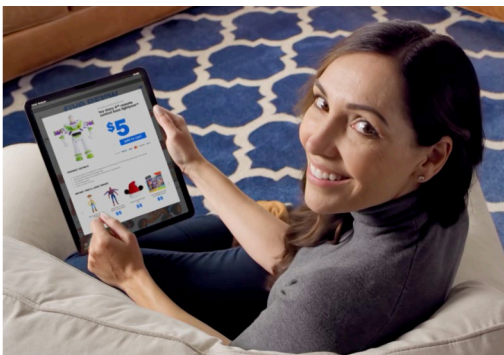
**Gen Z**  
8-14 yr olds  
(Girls & Boys)



## AVERAGE HOUSEHOLD INCOME\*



## TARGET CUSTOMERS



**Millennial / Gen X**  
24-44 yr olds  
(Parents)



\*December '22 third-party consumer study

**OUR  
UNIQUE  
EXPERIENCE.**



# an amazing, fun experience

NO ONE ELSE DOES  
WHAT WE DO IN A  
9,500 SQ. FT. STORE!



unique & engaging  
in-store experience  
like a treasure hunt!

fun & dynamic with  
friendly “wow crew”  
& upbeat music

easy-to-navigate  
with vibrant signs &  
low sightlines across  
the store

iconic fixtures that  
encourage interaction  
with products

products are extreme  
\$1-\$5 value, plus some  
incredible finds that  
go beyond \$5!



# OUR CUSTOMERS 🥰 US BECAUSE WE'RE STILL THE YES! STORE!



## INSTAGRAM 📷

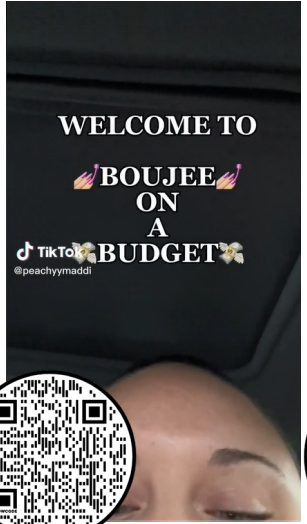


**Singer Walker Hayes**  
28K Engagements  
450K Views



**32K Engagements**

## TIKTOK 🎵



**466K Engagements**  
**3.1M Views!**



**83K Engagements**  
**500K Views!**

## FACEBOOK f

**five BELOW** Five Below ✓  
3d · 🌐

📌 SUNDAY SQUISHDAY IS TOMORROW! 📌 see any faces that you recognize? 🐼 grow your #SquishmallowsSquad & shop our new #... See more



74 comments 42 shares



scan to see more customer 📄

**FOLLOW US!** 🎵 📷 f 🐼 📺 🐦

**five BELOW**

# OUR POWERFUL STORE MODEL.

WHERE  
THE ACTION  
IS!

# PROVEN SUCCESS ACROSS DIVERSE MARKETS



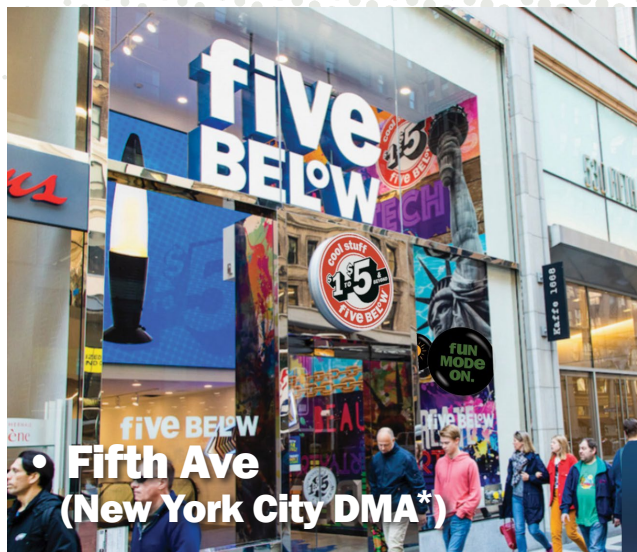
**URBAN**



**SUBURBAN**



**SEMI-RURAL**



• **Fifth Ave**  
(New York City DMA\*)

- **New York, NY**
- **Los Angeles, CA**
- **Miami, FL**



• **Pasadena, TX**  
(Houston DMA\*)

- **Redlands, CA**
- **Roseville, MI**
- **Greensboro, NC**



• **Lake City, FL**  
(Jacksonville DMA\*)

- **London, KY**
- **Tupelo, MS**
- **San Angelo, TX**

\*designated market area

- **currently lease all store locations**
- **prototype 9,500 sq. ft. per store**
- **majority 10-year initial terms with options to extend**

# INDUSTRY-LEADING NEW STORE MODEL & PERFORMANCE

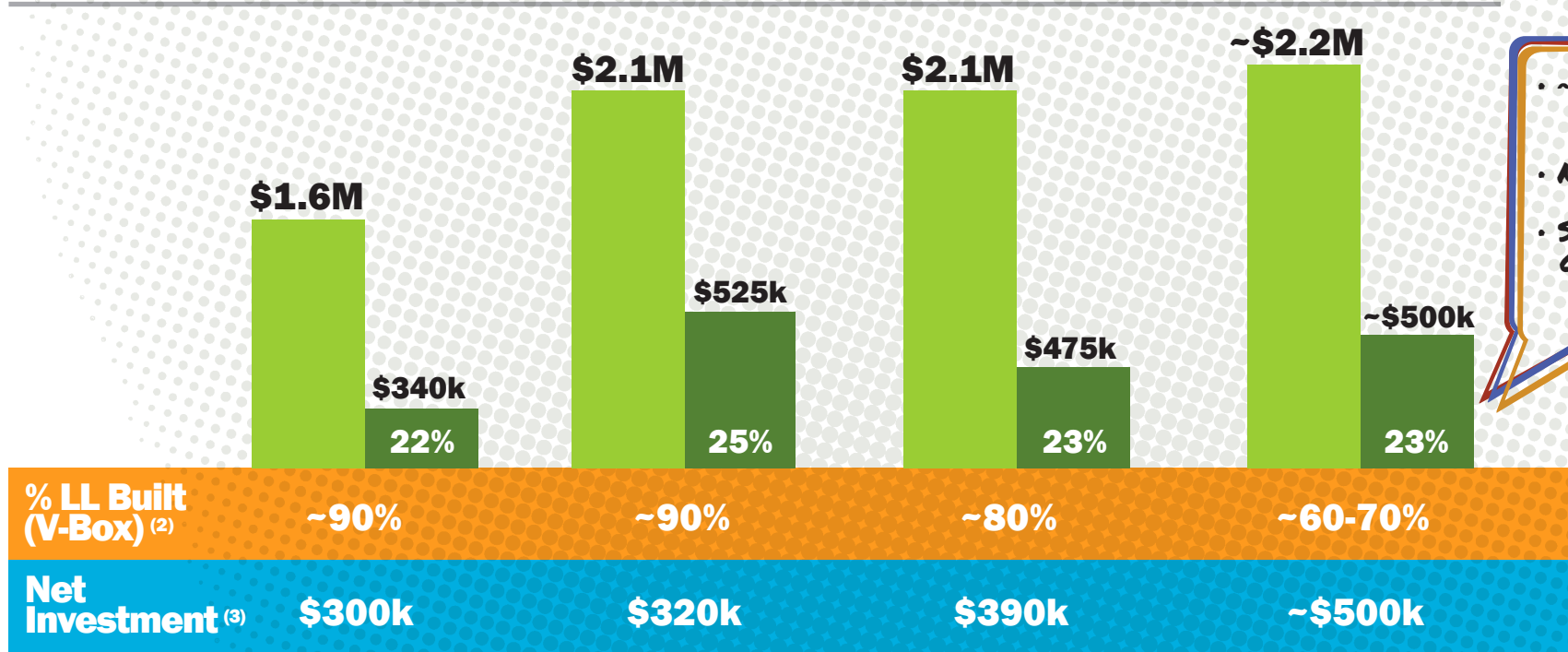


**2012**  
(@IPO Model)

**2016-2018**  
**Actual**  
Pre-Pandemic (Avg)

**2020-2022**  
**Actual**  
Pandemic/Inflation (Avg)

**2024+**  
Current Outlook



**Year 1 Sales**  
(Avg. Unit Volume)

**Year 1 4-Wall Store EBITDA<sup>(1)</sup>**

(1) 4-wall EBITDA excludes distribution, buying and pre-opening expenses  
 (2) Landlord builds and delivers commercial space (structures & utilities) as compared to "As-Is" where Five Below is responsible for construction and build out of leased space  
 (3) Net investment includes net capital expenditures for store build out, inventories net of payables and cash pre-opening expenses (labor, utilities, marketing)

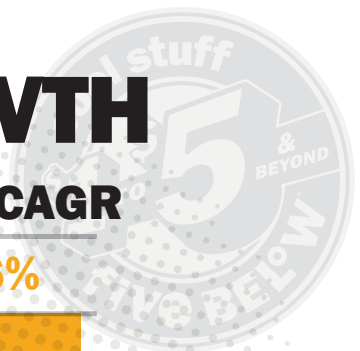
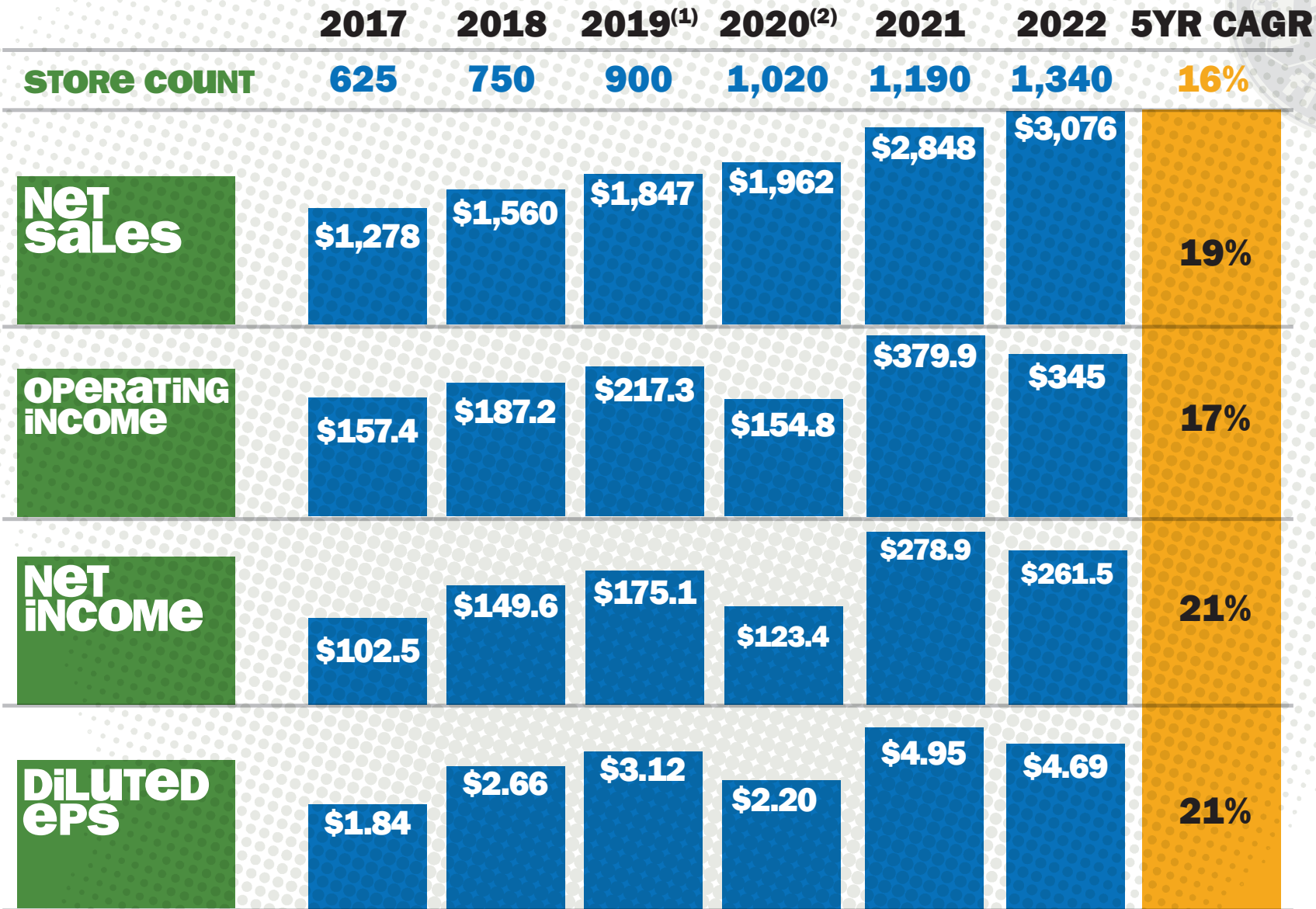
Note: 2019 new store class excluded from chart above as the year 1 performance was impacted by COVID



# THE NUMBERS.

WE'RE ALL  
ABOUT  
RESULTS!

# DISCIPLINED AND PROFITABLE GROWTH



dollars in millions.

(1) 2019 was impacted by six fewer shopping days between Thanksgiving and Christmas.

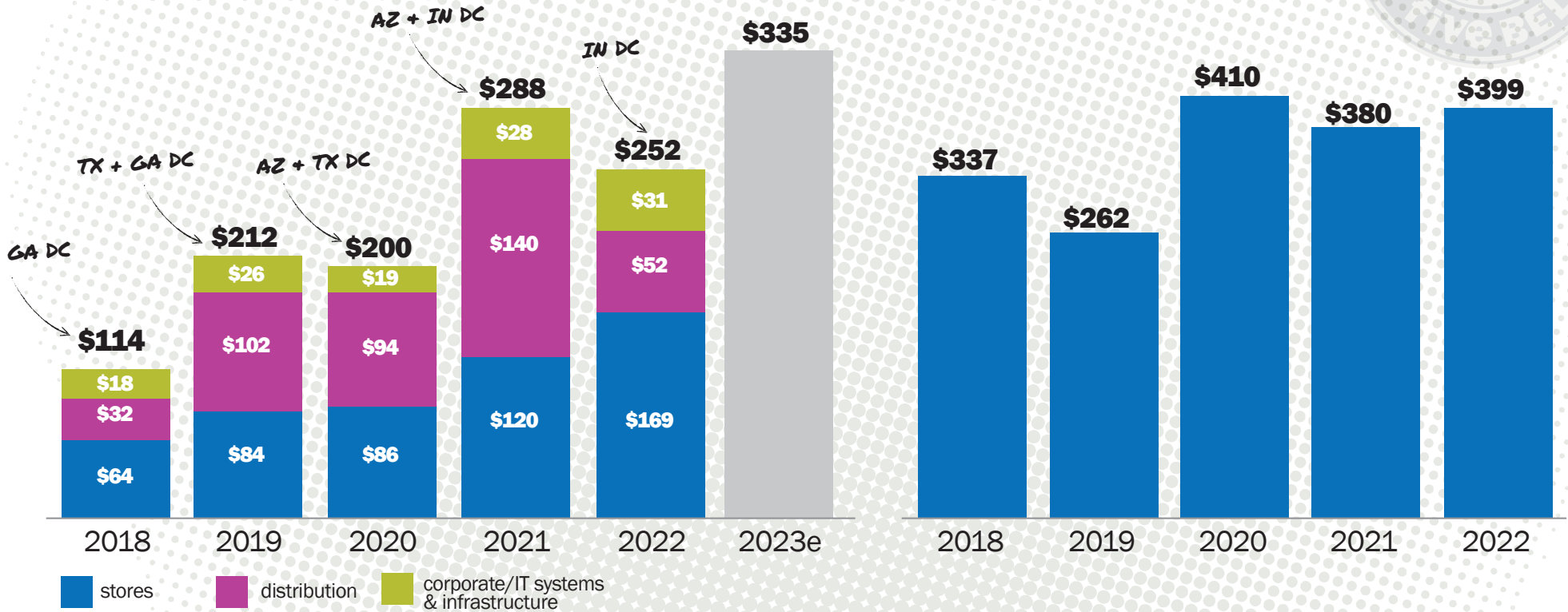
(2) 2020 was impacted by temporary store closures due to the COVID-19 pandemic.

# STRONG BUSINESS MODEL DRIVES SELF-FUNDED GROWTH



## CAPEX<sup>(1)</sup>

## STRONG CASH POSITION<sup>(2)</sup>



- modest capital expenditures for stores
- \$100M share repurchase authorization
- debt free balance sheet
- \$225M line of credit & room to increase

dollars in millions.  
 (1) gross capital expenditures, excluding tenant allowances.  
 (2) cash and short-term investments at EOY.

# OUR VISION FOR GROWTH.

FUTURE'S  
SO  
BRIGHT...

# ViSiON fOR GRoWTH



**five BELoW**

**3X  
2X**

**TRIPLE  
DOUBLE!**

FROM 1,200  
TO 3,500+  
BY 2030

**TRIPLE**  
U.S. STORE BASE

SALES = DOUBLE  
EPS = DOUBLE

**DOUBLE**  
TOP LINE & BOTTOM LINE

# FIVE PILLARS TO ACHIEVE TRIPLE-DOUBLE GROWTH



# SCALE UP!

## STORE EXPANSION

expand our reach  
with FIVE BEL'W  
anywhere!

## STORE POTENTIAL

accelerate comp stores  
growth & achieve  
FIVE BEYOND  
everywhere!

## PRODUCT & BRAND STRATEGY

relentlessly pursue  
value, trends, wow  
& newness

## INVENTORY OPTIMIZATION

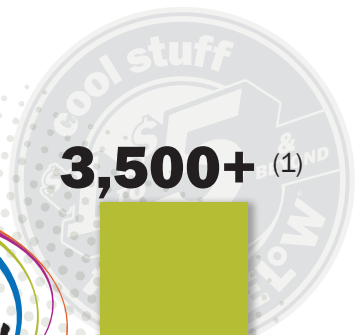
maximize inventory  
as an asset to drive  
sales & profit!

## CREW INNOVATION

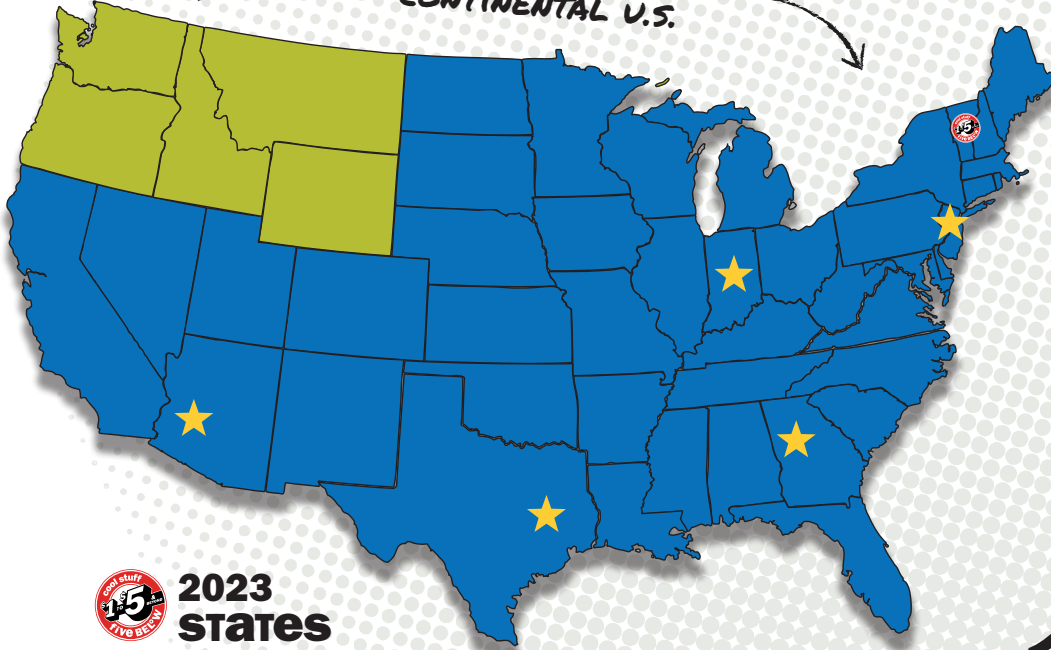
create amazing  
experiences from crew  
to customers!

POWERED BY: CUSTOMER RELEVANCY • TECHNOLOGY ENGINE • DATA & ANALYTICS

# STORE EXPANSION **five below anywhere**



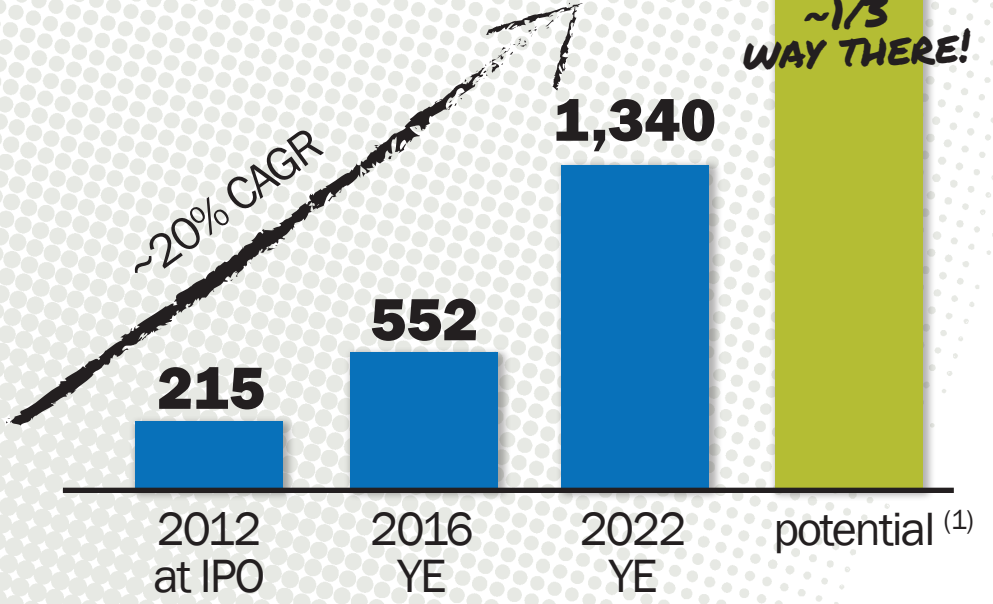
PLAN TO COVER THE CONTINENTAL U.S.



**2023 states**

★ Shipcenters in Conroe, TX, Forsyth, GA, Indianapolis, IN, Pedericktown, NJ and Buckeye, AZ

**204 NET NEW STORES IN 2023!**



- continued focus on densifying existing markets
- largest states planned to be CA, TX, FL, NY and PA

(1) management's estimated store count potential in the U.S. based on third party study from 2022.

# STORE POTENTIAL FIVE BEYOND EVERYWHERE



**BUY ONLINE,  
PICK UP IN STORE!**

**NEW  
EAR PIERCING  
+ BALLOON  
LAUNCHES!**



**EXTREME  
VALUE**



# PRODUCT & BRAND STRATEGY

value, trends & wow!



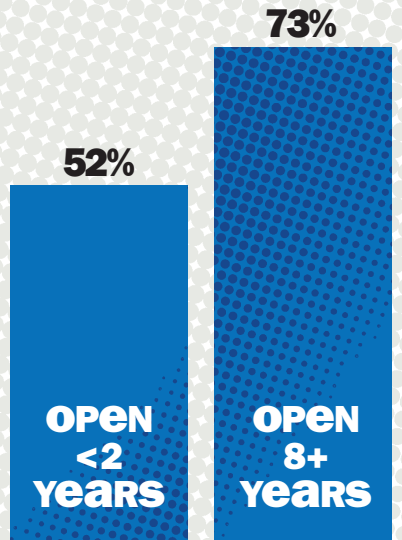
## "S" TRENDS!



**FUN FOR  
JUST a  
BUCK**

**SURPRISE &  
DELIGHT WITH  
DISTORTED  
VALUE!**

**BIG OPPORTUNITY  
TO INCREASE  
BRAND AWARENESS\***



## FIVE BEYOND

it's new, beyond \$5 and still  
WAAAY BELW THE REST!



\*aided brand awareness. source: december 2022 third-party consumer study

# **iNVENTORY OPTiMiZatiON** drive sales & profits



# CREW INNOVATION create amazing experiences



**THE WOW CREW!**

in our stores



**THE SHIP CREW!**

in our DCs



in our offices

**THE WOWNOWN CREW!**



## CULTURE.

- bring our purpose of “let go & have fun” to life
- foster best-in-class environment and values
- live our values each & every day

## TALENT.

- attain & retain top-tier leaders throughout the company
- build field organization for sustained growth

## SCALE.

- evolve organizational structure to drive continued growth
- invest in systems & infrastructure

**ALL OF THIS COMBINED MAKES UP THE AMAZING, INSPIRING, & DOWNRIGHT FUN fIVE BELoW DNA!**

# DISCIPLINED GROWTH LED BY EXPERIENCED LEADERSHIP



EXECUTIVE	ROLE	YEAR JOINED	EXPERIENCE
<b>JOEL</b> ANDERSON	President & Chief Executive Officer	2014	Walmart, Lenox, Toys 'R Us
<b>KEN</b> BULL	Chief Operating Officer	2005	Urban Outfitters, Eagle's Eye
<b>KRISTY</b> CHIPMAN	Chief Financial Officer & Treasurer	2023	Ruth's Hospitality Group, Inc., Orangetheory Fitness, Domino's Pizza, McDonald's Corp
<b>ERIC</b> SPECTER	Chief Administrative Officer	2014	Ascena Retail Group, Charming Shoppes
<b>MICHAEL</b> ROMANKO	Chief Merchandising Officer	2015	Patriarch Partners, Toys "R" Us, Lenox, Linens N Things, Macy's
<b>GEORGE</b> HILL	Chief Retail Officer	2017	Dick's Sporting Goods, Office Depot, Home Depot
<b>AMIT</b> JHUNJHUNWALA	Chief Information Officer	2022	Adidas, Infosys

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- LEADING NEW STORE MODEL: < 1 YEAR PAYBACK**  
ALLOWS FOR SELF-FUNDED GROWTH & NO DEBT
- SIGNIFICANT WHITE SPACE:**  
**> 3,500 U.S. LOCATIONS BY 2030**
- GROWING SCALE WITH EXPANDING MARGINS**

LET GO &  
HAVE FUN!



[fivebelow.com](http://fivebelow.com)