

LEVI STRAUSS & CO.

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

FOR THE FOURTH QUARTER OF 2017

The following information relates to non-GAAP financial measures, and should be read in conjunction with the investor call held on February 7, 2018, discussing the company's financial condition and results of operations as of and for the quarter ended November 26, 2017.

Free cash flow:

	Year Ended	
	November 26, 2017	November 27, 2016
	(Dollars in millions)	
Most comparable GAAP measure:		
Net cash provided by operating activities	\$ 525.9	\$ 306.6
Non-GAAP measure:		
Net cash provided by operating activities	\$ 525.9	\$ 306.6
Purchases of property, plant and equipment	(118.8)	(103.0)
Proceeds on settlement of forward foreign exchange contracts not designated for hedge accounting	(5.8)	17.2
Payment of debt extinguishment costs	(21.9)	—
Repurchase of common stock, including shares surrendered for tax withholdings on equity exercises	(25.1)	(2.6)
Dividend to stockholders	(70.0)	(60.0)
Free cash flow	\$ 284.3	\$ 158.2

Net debt:

	November 26, 2017	November 27, 2016
		(Dollars in millions)
Most comparable GAAP measure:		
Total long-term and short-term debt	\$ 1,077.3	\$ 1,045.2
Non-GAAP measure:		
Total long-term and short-term debt	\$ 1,077.3	\$ 1,045.2
Cash and cash equivalents	(633.6)	(375.6)
Net debt	\$ 443.7	\$ 669.6

Adjusted EBIT and Adjusted EBITDA:

(Dollars in millions)	Three Months Ended		Year Ended	
	November 26, 2017	November 27, 2016	November 26, 2017	November 27, 2016
	(Unaudited)			
Most comparable GAAP measure:				
Net income	\$ 117.2	\$ 96.2	\$ 284.6	\$ 291.2
Non-GAAP measure:				
Net income	\$ 117.2	\$ 96.2	\$ 284.6	\$ 291.2
Income tax expense	21.7	39.3	64.2	116.1
Interest expense	16.3	18.7	68.6	73.2
Loss on early extinguishment of debt	—	—	22.8	—
Other income (expense), net	(5.4)	(11.5)	27.0	(18.2)
Restructuring and related charges, severance and asset impairment charges, net	7.2	3.3	13.4	17.6
Pension and postretirement benefit plan curtailment and net settlement (gains) losses,	—	0.2	0.3	(0.1)
Adjusted EBIT	\$ 157.0	\$ 146.2	\$ 480.9	\$ 479.8
Depreciation and amortization			117.4	103.9
Adjusted EBITDA			\$ 598.3	\$ 583.7

Gross Debt to Adjusted EBITDA ratio:

	November 26, 2017	November 27, 2016
	(Dollars in millions)	
Total debt	\$ 1,077.3	\$ 1,045.2
LTM Adjusted EBITDA	\$ 598.3	\$ 583.7
Gross Debt to Adjusted EBITDA ratio	1.8	1.8