

LEVI STRAUSS & CO.
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
FOR THE FIRST QUARTER OF 2018

The following information relates to non-GAAP financial measures, and should be read in conjunction with the investor call held on April 10, 2018, discussing the company's financial condition and results of operations as of and for the quarter ended February 25, 2018.

Free cash flow:

	Three Months Ended	
	February 25, 2018	February 26, 2017
(Dollars in millions)	(Unaudited)	
Most comparable GAAP measure:		
Net cash provided by operating activities	\$ 66.2	\$ 49.0
Non-GAAP measure:		
Net cash provided by operating activities	\$ 66.2	\$ 49.0
Purchases of property, plant and equipment	(31.0)	(25.1)
(Payments) proceeds on settlement of forward foreign exchange contracts not designated for hedge accounting	(10.3)	9.1
Repurchase of common stock, including shares surrendered for tax withholdings on equity award exercises	(14.8)	(0.2)
Dividend to stockholders	(45.0)	(35.0)
Free cash flow	\$ (34.9)	\$ (2.2)

Net debt:

	February 25, 2018	November 26, 2017
	(Unaudited)	
Most comparable GAAP measure:		
Total debt	\$ 1,087.2	\$ 1,077.3
Non-GAAP measure:		
Total debt	\$ 1,087.2	\$ 1,077.3
Cash and cash equivalents	(590.2)	(633.6)
Net debt	\$ 497.0	\$ 443.7

Adjusted EBIT and Adjusted EBITDA:

	Three Months Ended		Twelve Months Ended	
	February 25, 2018	February 26, 2017	February 25, 2018	February 26, 2017
(Dollars in millions)	(Unaudited)			
Most comparable GAAP measure:				
Net (loss) income	\$ (18.6)	\$ 60.1	\$ 205.8	\$ 285.0
Non-GAAP measure:				
Net (loss) income	(18.6)	60.1	\$ 205.8	\$ 285.0
Income tax expense	167.7	28.7	203.2	111.6
Interest expense	15.5	19.9	64.2	78.2
Loss on early extinguishment of debt	—	—	22.8	—
Other (income) expense, net	9.6	(0.4)	37.0	(20.8)
Restructuring and related charges, severance and other, net	0.3	1.3	12.4	11.2
Pension and postretirement benefit plan curtailment and net settlement losses, net	—	—	0.3	(0.1)
Adjusted EBIT	\$ 174.5	\$ 109.6	\$ 545.7	\$ 465.1
Depreciation and amortization			122.8	106.2
Adjusted EBITDA			\$ 668.5	\$ 571.3

Gross Debt to Adjusted EBITDA ratio:

	February 25, 2018	February 26, 2017
	(Dollars in millions)	(Unaudited)
Total debt	\$ 1,087.2	\$ 1,040.8
LTM Adjusted EBITDA	\$ 668.5	\$ 571.3
Gross Debt to Adjusted EBITDA ratio	1.6	1.8

Adjusted net income:

	Three Months Ended	
	February 25, 2018	February 26, 2017
(Dollars in millions)	(Unaudited)	
Most comparable GAAP measure:		
Net (loss) income	\$ (18.6)	\$ 60.1
Non-GAAP measure:		
Net (loss) income	(18.6)	60.1
Provisional charge for transitional impact from the 2017 Tax Cuts and Jobs Act	136.0	—
Adjusted net income	\$ 117.4	\$ 60.1