

LEVI STRAUSS & CO.

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

FOR THE SECOND QUARTER OF 2018

The following information relates to non-GAAP financial measures, and should be read in conjunction with the investor call held on July 10, 2018, discussing the company's financial condition and results of operations as of and for the quarter ended May 27, 2018.

Free cash flow:

(Dollars in millions)	Six Months Ended	
	May 27, 2018	May 28, 2017
	(Unaudited)	
Most comparable GAAP measure:		
Net cash provided by operating activities	\$ 227.6	\$ 217.1
Non-GAAP measure:		
Net cash provided by operating activities	\$ 227.6	\$ 217.1
Purchases of property, plant and equipment	(61.2)	(52.9)
(Payments) proceeds on settlement of forward foreign exchange contracts not designated for hedge accounting	(18.1)	4.1
Payment of debt extinguishment costs	—	(21.9)
Repurchase of common stock, including shares surrendered for tax withholdings on equity award exercises	(22.0)	(11.5)
Dividend to stockholders	(45.0)	(35.0)
Free cash flow	\$ 81.3	\$ 99.9

Net debt:

(Dollars in millions)	May 27, 2018	November 26, 2017
	(Unaudited)	
	Most comparable GAAP measure:	
Total debt	\$ 1,057.2	\$ 1,077.3
Non-GAAP measure:		
Total debt	\$ 1,057.2	\$ 1,077.3
Cash and cash equivalents	(698.7)	(633.6)
Net debt	\$ 358.5	\$ 443.7

Adjusted EBIT and Adjusted EBITDA:

	Three Months Ended		Six Months Ended	
	May 27, 2018	May 28, 2017	May 27, 2018	May 28, 2017
(Dollars in millions)	(Unaudited)			
Most comparable GAAP measure:				
Net income	\$ 77.0	\$ 17.7	\$ 58.4	\$ 77.8
Non-GAAP measure:				
Net income	77.0	17.7	\$ 58.4	\$ 77.8
Income tax (benefit) expense	(1.3)	(13.8)	166.4	14.9
Interest expense	14.5	17.9	30.0	37.8
Loss on early extinguishment of debt	—	22.8	—	22.8
Other (income) expense, net	(13.7)	18.1	(4.1)	17.7
Restructuring and related charges, severance and other, net	0.8	4.0	1.1	5.3
Pension and postretirement benefit plan curtailment and net settlement losses, net	(0.1)	0.2	(0.1)	0.2
Adjusted EBIT	\$ 77.2	\$ 66.9	\$ 251.7	\$ 176.5
Depreciation and amortization			64.7	55.8
Adjusted EBITDA			\$ 316.4	\$ 232.3

Gross Debt to Adjusted EBITDA ratio:

	May 27, 2018	May 28, 2017
	(Unaudited)	
(Dollars in millions)		
Total debt	\$ 1,057.2	\$ 1,038.9
LTM Adjusted EBITDA	\$ 682.3	\$ 578.3
Gross Debt to Adjusted EBITDA ratio	1.5	1.8