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# LEVI STRAUSS & CO.

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## FOR IMMEDIATE RELEASE

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### LEVI STRAUSS & CO. TO ACQUIRE ACTIVEWEAR BRAND BEYOND YOGA

- *The acquisition provides entry into the high-growth activewear segment and further diversifies LS&Co.'s business.*
- *Beyond Yoga will provide substantial net revenue opportunity over time through channel, geographic, gender and category expansion.*
- *The transaction is expected to be immediately accretive to gross margins, EBIT margins and EPS, while also contributing more than \$100 million to net revenue in FY22.*

**SAN FRANCISCO (Aug 5, 2021)** – Levi Strauss & Co. (NYSE: LEVI) and Beyond Yoga, a fast-growing, premium athletic and lifestyle apparel brand based in the U.S., today announced that they have signed a purchase agreement for the sale of Beyond Yoga to LS&Co. The transaction will be financed with cash and is expected to close during the fourth quarter of 2021, subject to customary closing conditions. Following closing of the transaction, additional financial and operational details will be provided.

This acquisition will bring the Beyond Yoga brand to more consumers through direct-to-consumer expansion, including brick-and-mortar retail, gender and category growth, and further development of the wholesale footprint with premium partners. With this transaction, LS&Co. enters the activewear category, complementing LS&Co.'s growing women's business and enabling LS&Co. to allocate its global resources and infrastructure to significantly expand Beyond Yoga, building on its largely digital ecosystem. LS&Co.'s successful brand-building capabilities will help Beyond Yoga grow globally as it capitalizes on the continued consumer uptake of premiumization, casualization and wellness trends.

"This acquisition establishes LS&Co.'s presence in the fast-growing activewear segment with a brand with tremendous growth potential," said **Chip Bergh, president and chief executive officer of LS&Co.** "The foundation the Beyond Yoga team has built, combined with LS&Co.'s resources, global reach and scale, make me confident that Beyond Yoga will become a powerful growth engine for LS&Co. and help drive our strategic priorities. Beyond Yoga's values-led approach to business, centered on inclusivity and authenticity, makes it a natural fit to our company portfolio. We look forward to welcoming the Beyond Yoga team to LS&Co."

"Beyond Yoga is an excellent addition to our brand portfolio and will accelerate our long-term growth algorithm," said **Harmit Singh, chief financial officer of LS&Co.** "The brand has more than doubled its revenue and grown profitability in a disciplined manner over the last three years. This acquisition further

strengthens LS&Co.'s revenue trajectory, enhances our gross and EBIT margins and is immediately accretive to our earnings. Given our strong liquidity position, this transaction, which is consistent with our capital allocation strategy, allows us to profitably scale a high-return, digital business."

Following completion of the transaction, Beyond Yoga will operate as a standalone division within LS&Co. **Co-founder Michelle Wahler** will continue to be chief executive officer of Beyond Yoga and will report to Chip Bergh.

"We are honored and excited to become a part of the LS&Co. family," said **Michelle Wahler**. "Joining their portfolio will enable us to accelerate our growth by leveraging the experience and resources of their team and their global infrastructure. We are thrilled to have LS&Co. help us expand our brand to a wider audience, as we continue to promote our mission of inclusivity and acceptance for all."

"I have always had one goal: to make women feel good in their bodies. Beyond Yoga was created with this mission in mind, and it has served as the touchstone of the company," said **Jodi Guber Brufsky, founder and chief creative officer of Beyond Yoga**. "It was important to me that when the time came, the company would move into the hands of someone whose values matched ours. We are so excited about this partnership and look forward to a successful future."

#### **About Beyond Yoga**

Headquartered in Los Angeles, California, Beyond Yoga is a body positive, premium athleisure apparel brand focused on quality, fit and comfort for all shapes and sizes. The company was founded in 2005 to promote body positivity, honoring and celebrating every body from XXS-4X. The brand produces clothing that fosters wellbeing in luxuriously soft, no-hassle care fabrics for styles that keep up with the toughest workouts and beyond. Beyond Yoga is about more than just comfort and performance; the brand has created an inclusive community centered on body positivity, the celebration of diversity, and giving back to causes in which it believes. The company is female-founded, female-run and over 85% female-led.

#### **About Levi Strauss & Co.**

Levi Strauss & Co. is one of the world's largest brand-name apparel companies and a global leader in jeanswear. The company designs and markets jeans, casual wear and related accessories for men, women and children under the Levi's®, Dockers®, Signature by Levi Strauss & Co.™, and Denizen® brands. Its products are sold in more than 110 countries worldwide through a combination of chain retailers, department stores, online sites, and a global footprint of approximately 3,000 retail stores and shop-in-shops. Levi Strauss & Co.'s reported 2020 net revenues were \$4.5 billion. For more information, go to <http://levistrauss.com>, and for company news and announcements go to <http://investors.levistrauss.com>.

#### **Forward-Looking Statements**

*This press release contains, in addition to historical information, forward-looking statements, including statements related to the company's prospects for financial performance and growth, including net*

revenue, EPS, gross margin and EBIT margin, future financial results and contributing factors to such future financial results, and future channel, geographic, gender and category expansion. The company has based these forward-looking statements on its current assumptions, expectations and projections about future events. Words such as, but not limited to, "believe," "will," "so we can," "when," "anticipate," "intend," "estimate," "expect," "project," "confident" and similar expressions are used to identify forward-looking statements, although not all forward-looking statements contain these words. These forward-looking statements are necessarily estimates reflecting the best judgment of senior management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Investors should consider the information contained in the company's filings with the U.S. Securities and Exchange Commission (SEC), including its Annual Report on Form 10-K for fiscal year 2020 and its Quarterly Report on Form 10-Q for the quarter ended May 30, 2021, especially in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" sections. Other unknown or unpredictable factors also could have material adverse effects on future results, performance or achievements. In addition to previously disclosed risk factors in the reports filed with the SEC and those identified elsewhere in this press release, the following factors, among others, could cause actual results to differ materially from forward-looking statements or historical performance: ability to obtain regulatory approvals and meet other closing conditions to the acquisition; the occurrence of any event, change or other circumstance that could give rise to the right of one or both parties to terminate the purchase agreement providing for the acquisition; difficulties and delays in integrating Beyond Yoga's business or fully realizing cost savings and other benefits; business disruption following the acquisition; changes in inventory; the inability to sustain revenue and earnings growth; the inability to retain existing Beyond Yoga employees or customers; changes in interest rates and capital markets; inflation;; economic conditions; the impact of potential virus variants and COVID-19 resurgences on the combined company's business and results of operations; the ability to complete the proposed acquisition; and/or any of the other foregoing risks. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date stated or, if no date is stated, as of the date of this press release and related conference call. The company is not under any obligation and does not intend to update or revise any of the forward-looking statements contained in this press release and related conference call to reflect circumstances existing after the date of this press release and related conference call or to reflect the occurrence of future events, even if such circumstances or future events make it clear that any expected results expressed or implied by those forward-looking statements will not be realized.