

# Ross Stores, Inc.

November 2024

# Disclosure of Risk Factors

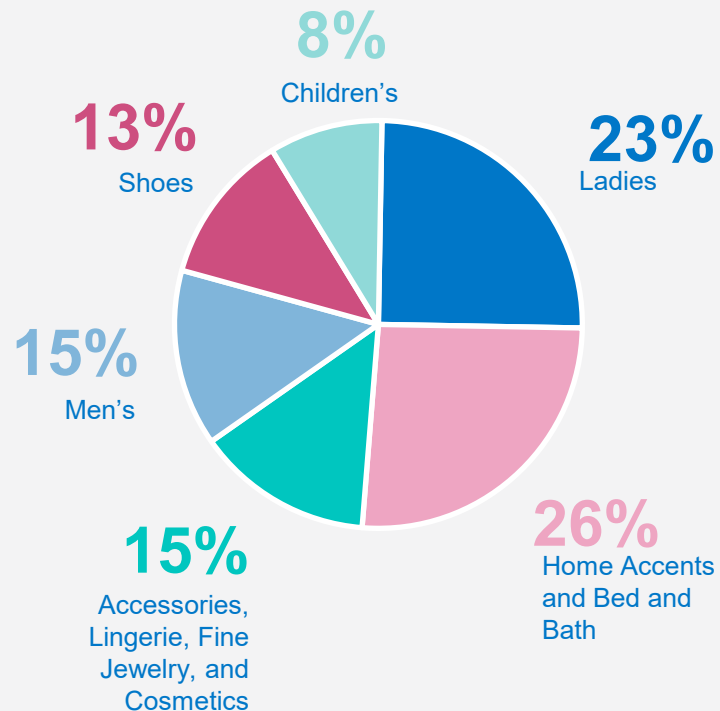
*Forward-Looking Statements:* This presentation contain forward-looking statements regarding, without limitation, projected sales, costs, and earnings, planned new store growth, capital expenditures, and other matters. These forward-looking statements reflect our then-current beliefs, plans, and estimates with respect to future events and our projected financial performance and operations, and they are subject to risks and uncertainties which could cause our actual results to differ materially from management's current expectations. The words "plan," "expect," "target," "anticipate," "estimate," "believe," "forecast," "projected," "guidance," "outlook," "looking ahead," and similar expressions identify forward-looking statements.

*Risk factors for Ross Dress for Less® ("Ross") and dd's DISCOUNTS® include without limitation, uncertainties arising from the macroeconomic environment, including inflation and the price of necessities, high interest rates, housing costs, energy and fuel costs, financial and credit market conditions, recession concerns, geopolitical conditions, and public health and public safety issues that affect consumer confidence, consumer disposable income, and shopping behavior, as well as our costs; unexpected changes in the level of consumer spending on, or preferences for, apparel and home-related merchandise, which could adversely affect us; competitive pressures in the apparel and home-related merchandise retailing industry; our need to effectively manage our inventories, markdowns, and inventory shortage in order to achieve our planned gross margins; changes in U.S. tax, tariff, or trade policy regarding apparel and home-related merchandise produced in other countries, which could adversely affect our business; risks associated with importing and selling merchandise produced in other countries, including risks from supply chain disruption, shipping delays, and higher than expected ocean freight costs; unseasonable weather or extreme temperatures that may affect shopping patterns and consumer demand for seasonal apparel and other merchandise; our dependence on the market availability, quantity, and quality of attractive brand name merchandise at desirable discounts, and on the ability of our buyers to anticipate consumer preferences and to purchase merchandise to enable us to offer customers a wide assortment of merchandise at competitive prices; information or data security breaches, including cyber-attacks on our transaction processing and computer information systems, which could disrupt our operations, and result in theft or unauthorized disclosure of confidential and valuable business information, such as customer, credit card, employee, or other private and valuable information that we handle in the ordinary course of our business; disruptions in our supply chain or in our information systems, including from ransomware or other cyber-attacks, that could impact our ability to process sales and to deliver product to our stores in a timely and cost-effective manner; our need to obtain acceptable new store sites with favorable consumer demographics to achieve our planned store openings; our need to expand in existing markets and enter new geographic markets in order to achieve planned growth and market penetration; consumer problems or legal issues involving the quality, safety, or authenticity of products we sell, which could harm our reputation, result in lost sales, and/or increase our costs; an adverse outcome in various legal, regulatory, or tax matters, or the adoption of new federal or state tax legislation that increases tax rates or adds new taxes, that could increase our costs; damage to our corporate reputation or brands that could adversely affect our sales and operating results; our need to continually attract, train, and retain associates with the retail talent necessary to execute our off-price retail strategies; our need to effectively advertise and market our business; possible volatility in our revenues and earnings; a public health or public safety crisis, or a natural or man-made disaster in California or another region where we have a concentration of stores, offices, or a distribution center, that could harm our business; and our need to maintain sufficient liquidity to support our continuing operations and our new store openings.*

*Other risk factors are set forth in our SEC filings including the Form 10-K for fiscal 2023 and fiscal 2024 Form 8-Ks and 10-Qs on file with the SEC. The factors underlying our forecasts and plans are dynamic and subject to change. As a result, any forecasts or forward-looking statements speak only as of the date they are given and do not necessarily reflect our outlook at any other point in time. We disclaim any obligation to update or revise these forward-looking statements.*

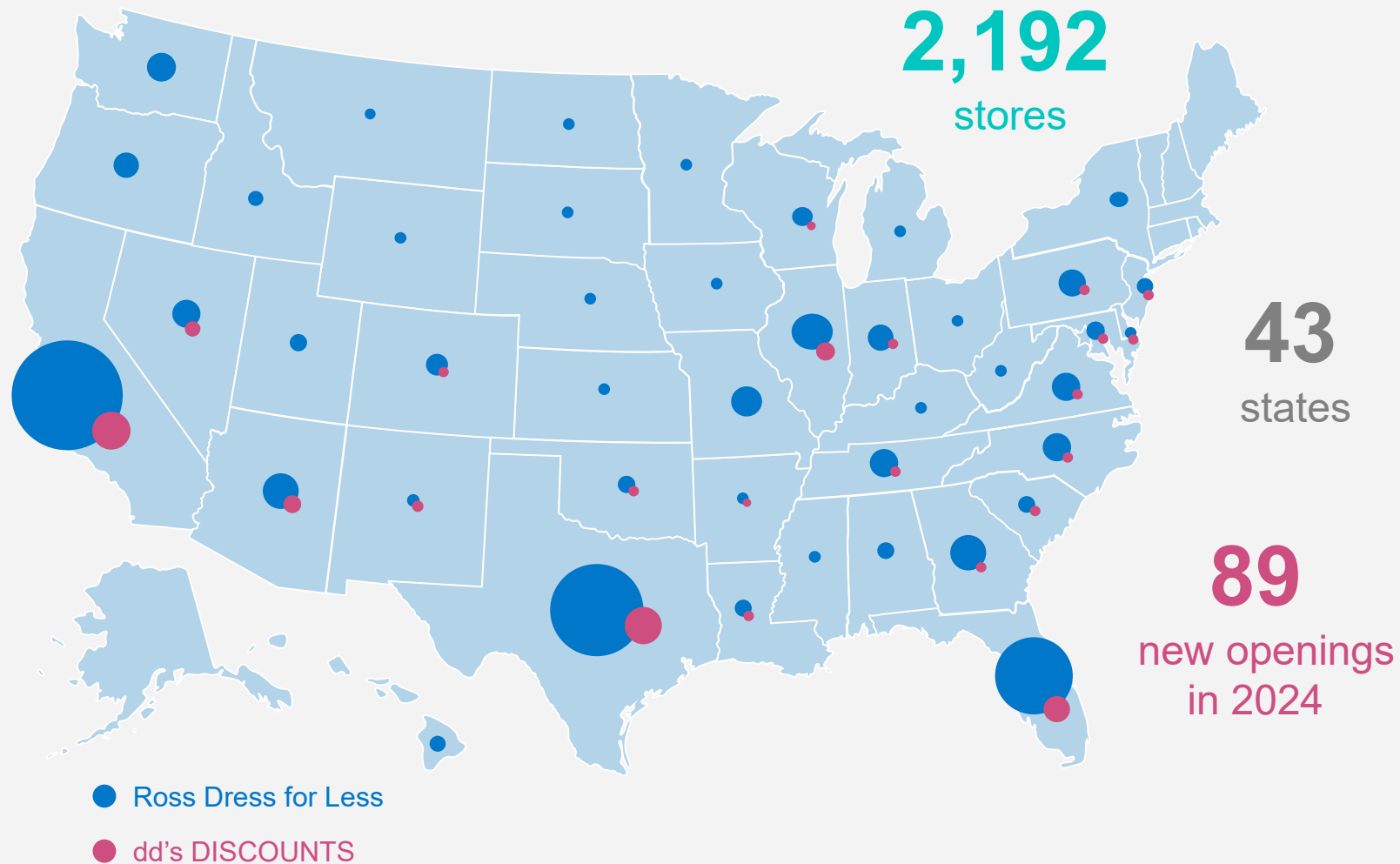
# Ross Stores, Inc. Snapshot

- S&P 500, Fortune 500 and NASDAQ 100 company with fiscal 2023 revenues of \$20.4 billion
- Ross Dress for Less® is the largest off-price apparel and home fashion chain in the U.S. with 1,836 stores in 43 states, the District of Columbia, and Guam
- Also operates 356 dd's DISCOUNTS® in 22 states



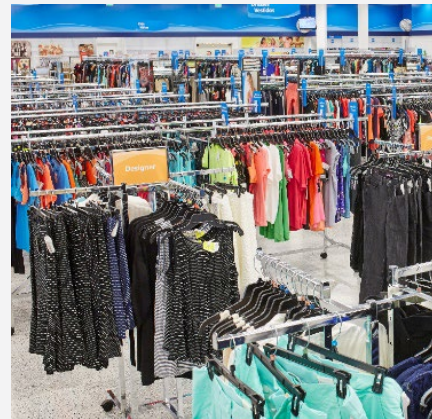
Store count is as of Q3 fiscal 2024.  
Sales mix based on Fiscal 2023 10-K.

# Store Locations



# Ross Dress for Less

- Started in California in 1982
- Efficient, low-cost format
- Opening stores with average size of 27,000 gross square feet
- Convenient self-service format
- Strong co-tenancy
- Visible and accessible retail locations at high traffic intersections
- Located in markets with a large proportion of broad income levels



# Ross Customer



- About 70% female, shopping for herself and other family members
- Wide range of household incomes – “want a bargain” versus “need a bargain”
- Price and value matter most – great deals on brands she loves is a key way of showing her that value
- Embraces the “treasure hunt” format and spends time shopping for bargains
- Core customer averages about two-to-three store visits a month
- Marketing reflects our business strategy – bargains on a wide assortment of brands and styles
- Engaging customers through a variety of channels including a mix of traditional and streaming television, digital (including social media), and radio

# dd's DISCOUNTS

- Concept launched in California in 2004
- Opening stores with average approximate size of 22,000 gross square feet
- Established shopping centers
- Easy-to-shop store environment
- Located in densely populated urban or suburban neighborhoods



# dd's Customer

- Customer is typically younger, more ethnically diverse
- Lower-to-moderate income households compared to Ross shoppers
- Price and value matter most – “need a bargain”
- Assortments feature moderate and discount brands for the family and home
- Lower average price points than Ross
- Similar to Ross, marketing reflects a strong focus on value
- Engaging customers through radio, social media, and new store grand openings





# Q3 2024 Results

**Total sales were \$5.1 billion, up from \$4.9 billion last year, with comparable store sales of 1% versus 5% last year**

- By merchandise area, Cosmetics, Accessories, and Children's were the strongest businesses
- Geographically, California and Texas were the best performing regions

**EPS was \$1.48 compared to \$1.33 last year, growth of 11%**

- Operating margin for the quarter was up 75 basis points to 11.9%, versus 11.2% last year, as lower incentive, freight, and distribution costs more than offset the planned decline in merchandise margin

## Shareholder Returns

- During the quarter, we repurchased 1.8 million common shares for \$262 million and remain on track to buy back a total of \$1.05 billion by the end of the fiscal year
- We also paid \$367 million in dividends

## Store Growth

- We opened 43 Ross Dress for Less and 4 dd's DISCOUNTS in Q3 and completed our expansion program for the year
- In the Fall season, we added Ross Dress for Less locations in Minnesota, New York, and Pennsylvania while also increasing our presence in the Sun Belt states
- At dd's, we grew our footprint in California, Florida, New Mexico, and Texas

# Investment Highlights





# Differentiated Business Model

## Opportunistic Buying & Flexible Off-Price Model

- Over 900 merchants sourcing product from a wide network of vendors
- Take advantage of imbalances between retailers' demand and manufacturers' supplies by purchasing later in the buying cycle, which allows merchants to adjust the assortment to customer preferences
- Broad market coverage and strong vendor relationships, enhanced by strategic locations of buying offices in New York, Los Angeles, and Boston
- Flexible supply chain to support off-price buying strategies

## Treasure-Hunt Shopping Experience

- Broad assortment on a wide range of brand name apparel and home fashions at 20% to 60% below department and specialty store regular prices
- Convenient, easy-to-shop, self-service format to support the treasure-hunt experience
- New merchandise is typically received in stores from three to six times per week

## Disciplined Expense & Inventory Management

- Tightly manage expenses across the entire organization
- Lean operating structure to pass savings back to the customer
- Disciplined in-store inventory management:
  - Increases the level of fresh product in front of the customer
  - Drives faster inventory turns to maximize gross margin
  - Reduces working capital needs



# Unwavering Focus on Value

## Our top priority is ensuring access to quality brands at great savings every day

- Reflected in ongoing investments in people and processes in our merchant organization
- Our highly-skilled merchants purchase product from thousands of vendors and manufacturers, enabling consistent access to quality name brand bargains that our customers value
- Buyers have on average eight years of experience, including merchandising positions with other retailers

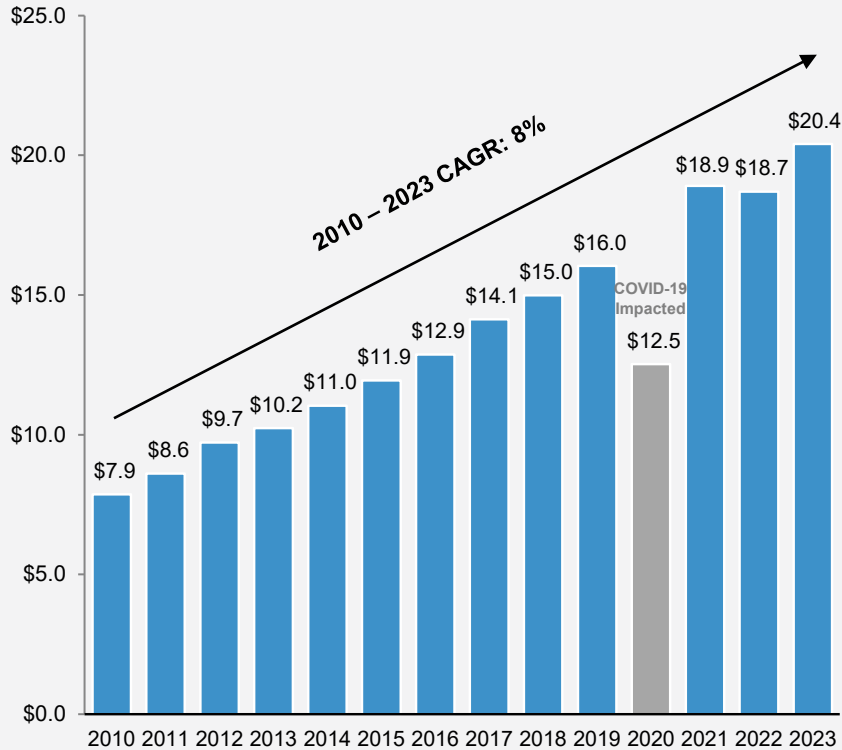
## Consumers remain value-driven when deciding where they shop

- More value-focused shopping behavior is enabling Ross and dd's DISCOUNTS to attract customers
- Offering the best bargains available retains these customers
- Also capturing market share from retailers who have closed stores and/or gone out of business

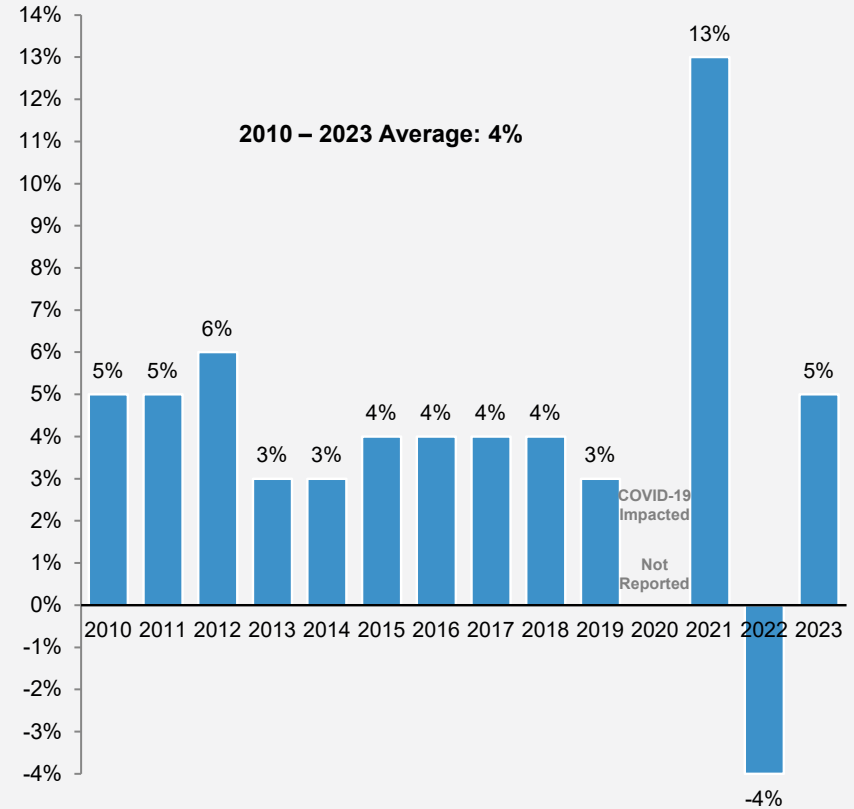


# Proven Track Record

## Sales (\$ in Billions)



## Comparable Store Sales

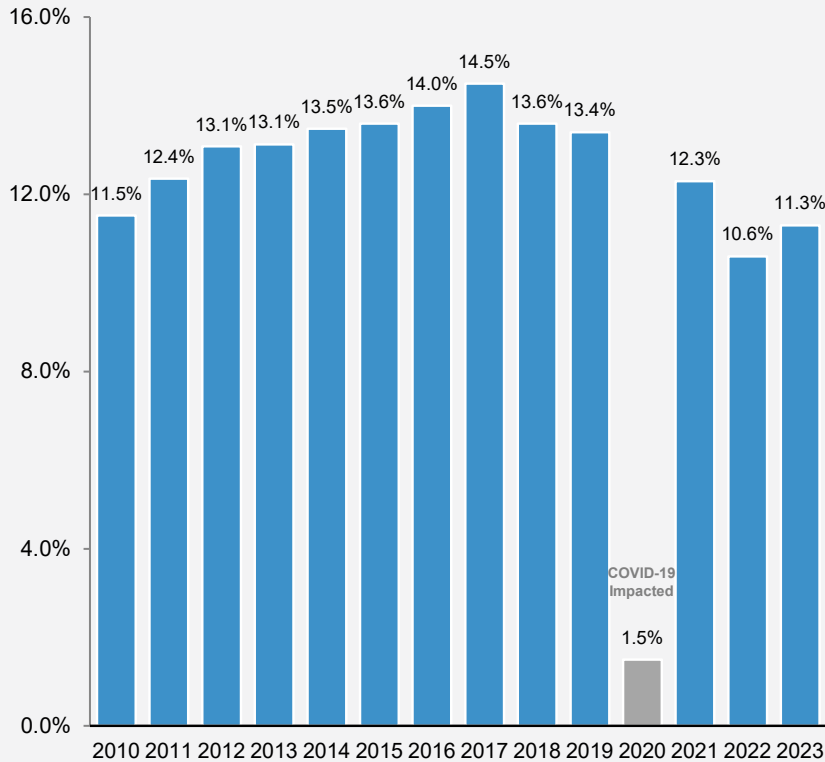


2012, 2017, and 2023 reflects 53-week years; all other fiscal years presented are 52 weeks.  
 2021 comparable sales were reported vs. 2019 as comparable sales were not reported for 2020 given the closure of all stores for a portion of the year.

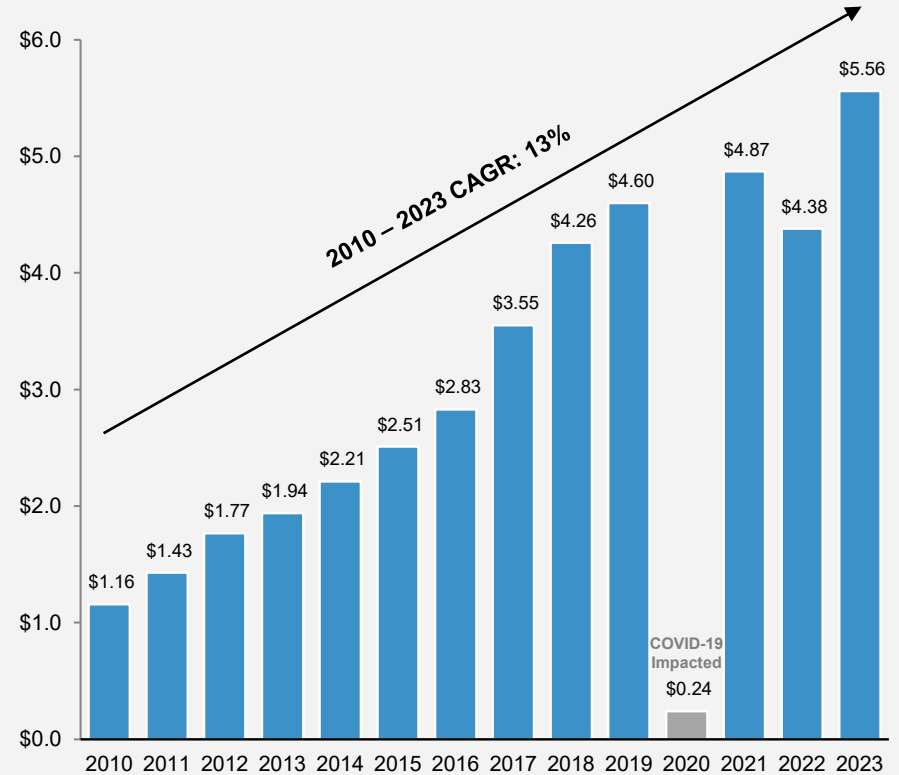


# Proven Track Record

## EBIT Margin



## Earnings Per Share



2012, 2017, 2023 reflects 53-week years; all other fiscal years presented are 52 weeks.

EPS adjusted for stock splits in 2011 and 2015.

2020 includes a one-time, pre-tax charge of \$240 million or \$0.54 per share from the refinancing of \$775 million in senior notes.



# Significant Store Growth Opportunities

## Long-Term Store Growth Potential





# Strong Financial Foundation

Ended Q3 2024 with \$5.6 billion in total liquidity, which includes unrestricted cash of \$4.3 billion and \$1.3 billion in fully available revolver capacity

Senior Notes (\$ Millions)	Maturity Date
\$700	2025
\$500	2026
\$242	2027
\$783	2030+

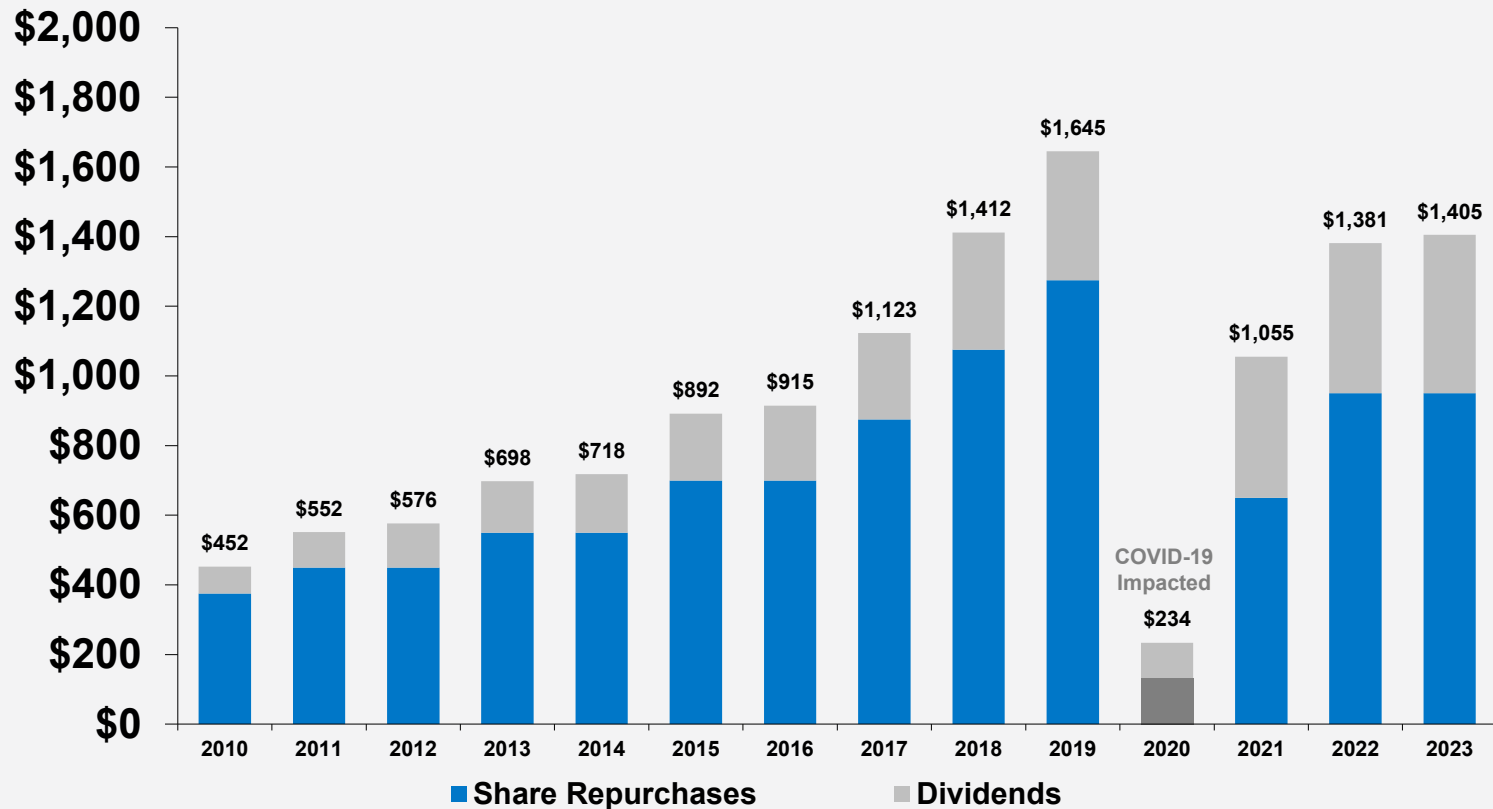
- Total unsecured debt of about \$2.2 billion
- Investment grade rating of A2 for Moody's and BBB+ for S&P





# Commitment to Enhancing Shareholder Returns

## Share Repurchases and Dividend Payments (\$ Millions)



***The Company returned \$1.4 billion to shareholders in 2023***