



COMPANY OVERVIEW

THE CHILDREN'S
PLACE

SECOND QUARTER FISCAL 2022 RESULTS



#1 PURE-PLAY CHILDREN'S SPECIALTY APPAREL RETAILER IN NORTH AMERICA

\$1.7B
in Annual Revenue*

**50% Planned Digital
Penetration**

**658 Stores in the
U.S. and Canada***

**Less than 25% of
Revenue from
Traditional Malls**

**212 International
points of distribution***

**Accelerated Amazon
Opportunity**

**Strong Portfolio of Brands
Serving Newborn to Tween**



THE CHILDREN'S
PLACE



GYMBOREE®



**sugar
& jade**

* As of July 30, 2022

- **Strong brand awareness** and **market share leader** in children's specialty apparel retail
- Strength of design, merchandising, and sourcing teams delivers an on-trend **superior product offering**, with an **strong value proposition**, across our portfolio of brands
- Industry-leading digital penetration, with focus on **mobile-first enabled transactions** and **optimizing interactions** with our customers through **enhanced brand marketing and personalization**
- **Customer centric Omni-channel focus**, supported by digital delivery, and driven by customer insights and strategy
- **Digitally led** operating model generates significant free cash flow, providing consistent **shareholder returns**
- **Experienced and talented management team**, with an average tenure of over seven years, focused on execution and operational excellence





FINANCIAL HIGHLIGHTS

	Q2 2022	% of Sales	Q2 2021	% of Sales	Q2 2019	% of Sales	22 vs. 21 Inc/(Dec)		22 vs. 19 Inc/(Dec)	
							%	BPS	%	BPS
Net Sales	\$381		\$414		\$420		-8%		-9%	
Gross Profit	115	30.2%	168	40.6%	139	33.0%	-32%	(1,040)	-17%	(280)
SG&A	114	29.8%	114	27.6%	115	27.5%	-1%	220	-2%	230
Depreciation	13	3.4%	14	3.3%	18	4.2%	-6%	10	-26%	(80)
Operating Income	(12)	-3.1%	40	9.7%	6	1.4%	-129%	(1,280)	-301%	(450)
Interest	3	0.7%	5	1.1%	2	0.5%	-45%	(40)	14%	20
Income Before Taxes	(14)	-3.8%	35	8.6%	4	0.8%	-140%	(1,240)	-503%	(460)
Income Tax	(3)		10		1		-127%		-569%	
Net Income	(\$12)	-3.1%	\$26	6.2%	\$3	0.7%	-145%	(930)	-491%	(380)
Diluted EPS	(\$0.89)		\$1.71		\$0.19		-152%		-571%	
Shares	13		15		16		-13%		-17%	
EBITDA	\$1	0.3%	\$54	13.0%	\$23	5.6%	-98%	(1,270)	-94%	(530)

Net Sales -8.0% to last year, -8.7% on comp basis:

- Impact of slowdown in consumer demand, resulting from the unprecedented inflation impacting our customer
- Increased promotional activity across the sector
- Lapping the impact of the enhanced child tax credit last July
- Impact of permanent store closures

Operating margin (3.1%), - 1,280 bps to last year and -450 bps to 2019:

- Lower merchandise margins, due to AUR pressure resulting from a slowdown in consumer demand and an increase in promotional activity across the sector
- Higher domestic supply chain costs
- Higher inbound transportation costs due to global supply chain disruptions
- Fixed costs de-leverage on lower net sales

*Adjusted measures are non-GAAP and exclude expenses and income which we believe are not indicative of the performance of the core business. A reconciliation of GAAP and non-GAAP measures is provided in the Company's earnings releases which are available at <http://investor.childrensplace.com>.

** Our comparable retail sales do not exclude temporarily closed stores impacted by the COVID-19 pandemic.

	YTD 2022	% of Sales	YTD 2021	% of Sales	YTD 2019	% of Sales	22 vs. 21 Inc/(Dec)		22 vs. 19 Inc/(Dec)	
							%	BPS	%	BPS
Net Sales	\$743		\$849		\$833		-12%		-11%	
Gross Profit	257	34.5%	357	42.1%	290	34.9%	-28%	(760)	-12%	(40)
SG&A	222	29.8%	218	25.7%	243	29.1%	2%	410	-9%	70
Depreciation	26	3.5%	28	3.3%	35	4.2%	-7%	20	-26%	(70)
Operating Income	9	1.2%	111	13.1%	12	1.5%	-92%	(1,190)	-28%	(30)
Interest	4	0.6%	9	1.1%	4	0.5%	-53%	(50)	8%	10
Income Before Taxes	5	0.6%	102	12.0%	8	1.0%	-95%	(1,140)	-45%	(40)
Income Tax	2		27		(0)		-93%		682%	
Net Income	\$3	0.4%	\$74	8.8%	\$9	1.1%	-96%	(840)	-68%	(70)
Diluted EPS	\$0.21		\$4.95		\$0.55		-96%		-62%	
Shares	14		15		16		-10%		-15%	
EBITDA	\$35	4.7%	\$139	16.4%	\$48	5.7%	-75%	(1,170)	-26%	(100)

Net Sales -12.5% to last year, -12.8% on comp basis:

- Lapping the COVID-19 government stimulus relief programs last year
- Impact of slowdown in consumer demand, resulting from the unprecedented inflation impacting our customer
- Increased promotional activity across the sector
- Impact of permanent store closures

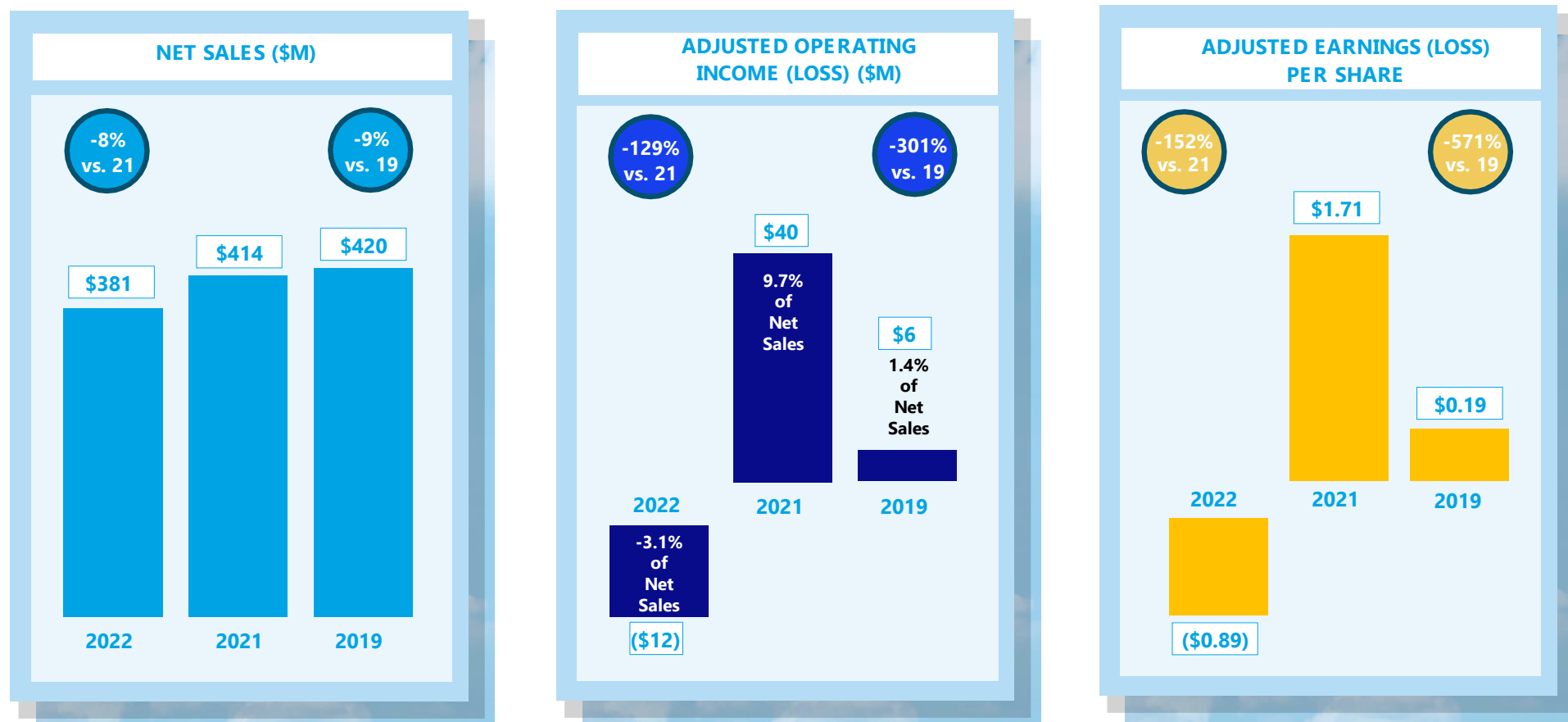
Operating margin 1.2%, - 1,190 bps to last year and -30 bps to 2019:

- Lower merchandise margins, due to AUR pressure resulting from a slowdown in consumer demand and an increase in promotional activity across the sector
- Higher inbound transportation costs due to global supply chain disruptions
- Fixed costs de-leverage on lower net sales

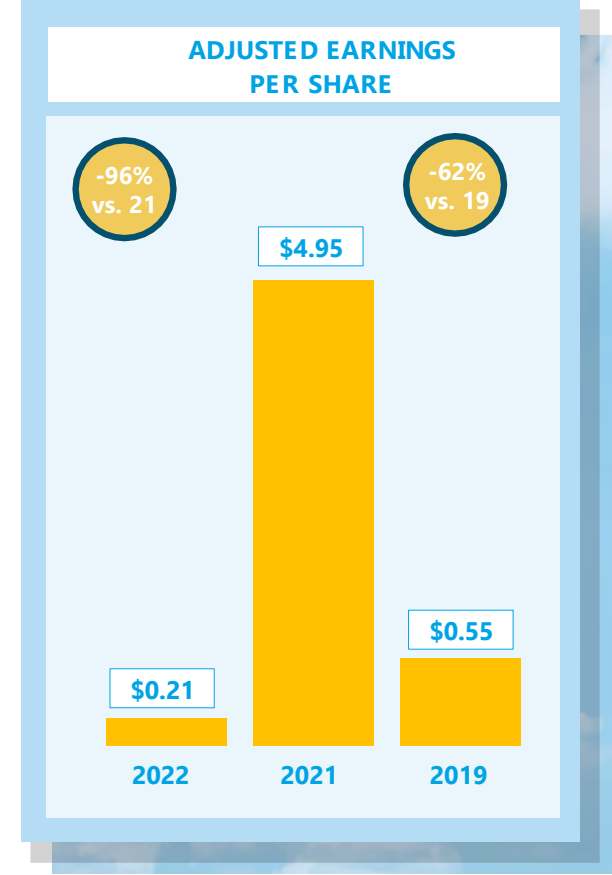
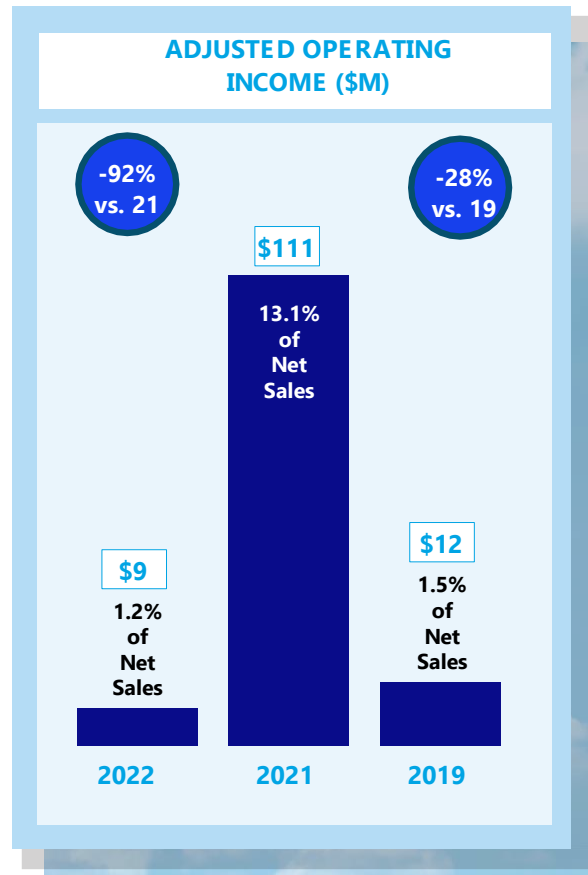
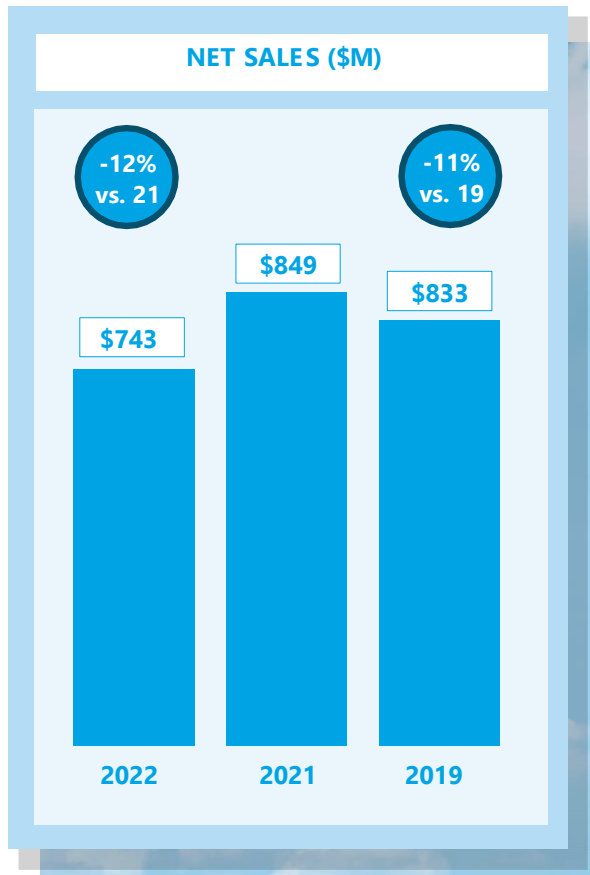
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** Our comparable retail sales do not exclude temporarily closed stores impacted by the COVID-19 pandemic.

Q2 2022 ADJUSTED RESULTS



- **Net Sales decreased 8% versus last year**, driven by the impact of a slowdown in consumer demand resulting from the unprecedented inflation impacting our customer, an increase in promotional activity across the sector, lapping the impact of the enhanced child tax credit last July, and the impact of permanent store closures.
- **Adjusted Operating Income (Loss)** was **-1,280 basis points versus last year**, driven by the decrease in comparable retail sales, lower merchandise margins, due to AUR pressure resulting from a slowdown in consumer demand and an increase in promotional activity across the sector, higher domestic supply chain costs, higher inbound transportation costs, and the deleverage of fixed expenses resulting from the decline in net sales.
- **Adjusted Earnings (Loss) per Share** was (\$0.89), versus \$1.71 in 2021 and \$0.19 in 2019



- **Net Sales decreased 12% versus last year**, driven by lapping the COVID-19 stimulus relief program last year, the impact of a slowdown in consumer demand resulting from the unprecedented inflation impacting our customer, an increase in promotional activity across the sector, and the impact of permanent store closures.
- **Adjusted Operating Income** was **-1,190 basis points versus last year**, driven by the decrease in comparable retail sales, lower merchandise margins, due to AUR pressure resulting from a slowdown in consumer demand and an increase in promotional activity across the sector, higher inbound transportation expenses, and the deleverage of fixed expenses resulting from the decline in net sales.
- **Adjusted Earnings per Share** was \$0.21, versus \$4.95 in 2021 and \$0.55 in 2019

BALANCE SHEET (2nd QTR)

2022

2021

Cash	\$28	\$64
Accounts Receivable	44	39
Inventory	616	461
Revolver	284	200
Accounts Payable	304	228
Term Loan	50	74

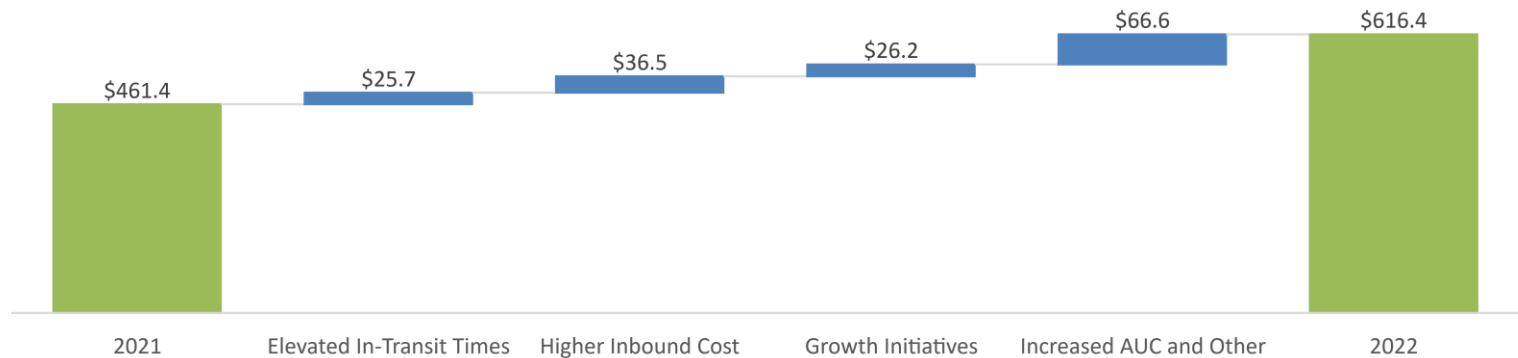
CASH FLOW (2nd QTR)

2022

2021

Operating Cash Flow	(\$34)	\$13
Capital Expenditures	(8)	(7)
Free Cash Flow	(\$42)	\$6
Share Repurchases	\$23	\$11

- Cash and short term investments of **\$28 million** versus \$64 million last year with **\$284 million** outstanding on our Revolver, compared to \$200 million outstanding last year
- Inventory **increased 34%**, with 22% of our inventory in-transit
- Accounts Payable **increased 33%**, resulting from timing of merchandise receipts and higher in-transit inventories
- Used **\$34 million** in operating cash flow in Q2 2022
- **\$23 million** in capital returned to shareholders in Q2 2022

Q2 Net
Inventory v LYActions Taken
to Manage
Inventory

- Moved inventory into the Amazon channel to accelerate Amazon growth, pre & post Prime Day, delivering outsized growth versus our Q2 internal projections
- Balanced inventory and on order by channel in Q2 to support current demand trends
- Basics inventory represents approximately 50% of our on-hand inventory, supporting several key categories with little to no markdown risk in a volatile demand environment
- Seasonal inventories well positioned, with spring and summer units down 45% to LY
- Reduced inventory on order in the back half of the year
- Inventories anticipated to remain elevated for Q3 and moderate from current levels by Q4

Our outlook reflects:

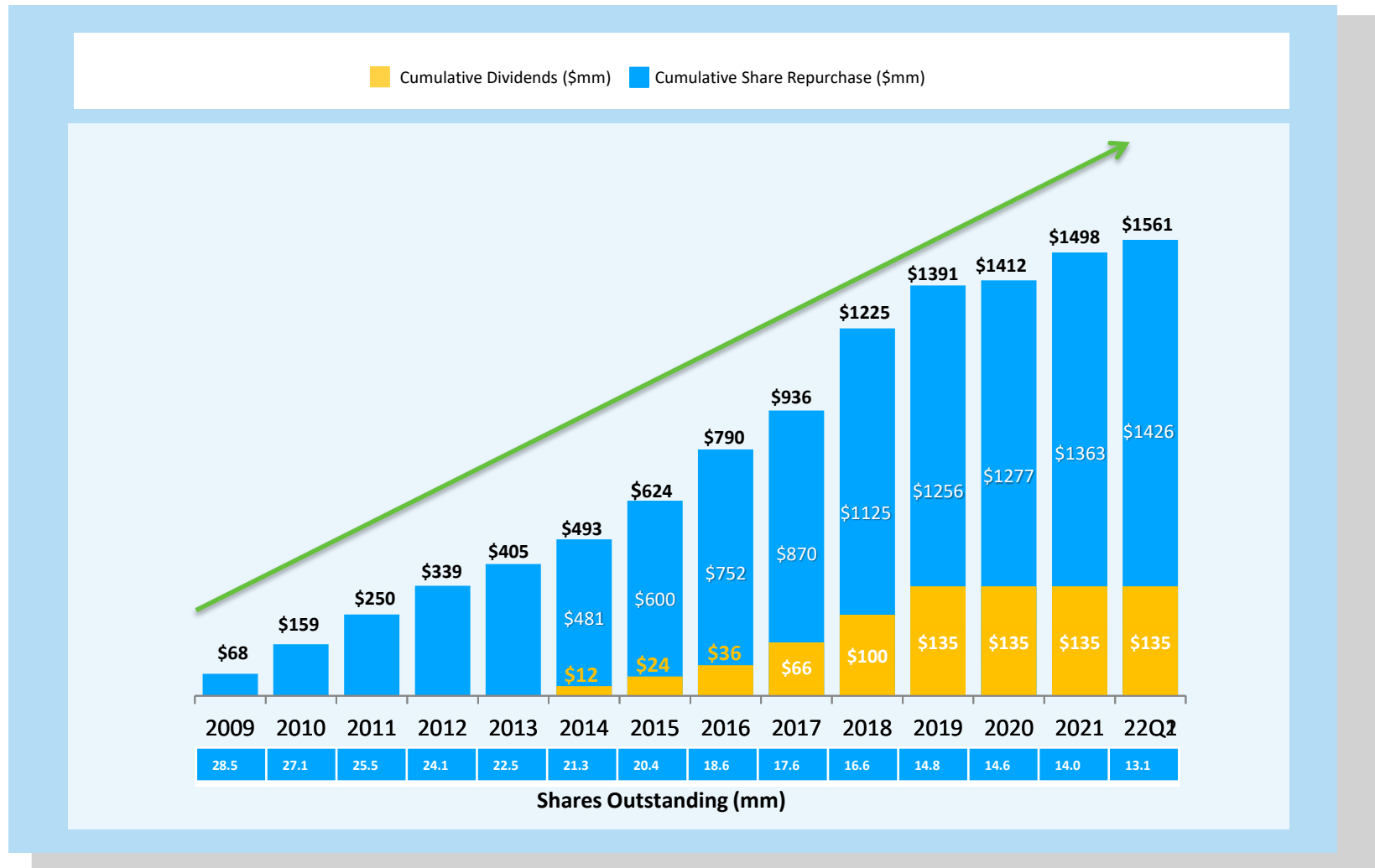
- Low single digit increases in AUR
- Strong growth in our Wholesale channel with Amazon
- Lower occupancy expenses, resulting from favorable lease negotiations, permanent store closures, and lower variable expenses
- Lower incentive compensation expense
- Lower interest expense
- Significant marketing investments in the back half

\$ in millions			
THIRD QUARTER	2022 Outlook	2021 (% vs. 2021)	2019 (% vs. 2019)
Net Sales	\$500	\$558 -10%	\$525 -5%
Adjusted Operating Income	14.0%	20.9% -690 bps	12.1% 190 bps
Adjusted Diluted EPS	\$3.95	\$5.43 -27%	\$3.03 30%

\$ in millions			
FULL YEAR	2022 Outlook	2021 (% vs. 2021)	2019 (% vs. 2019)
Net Sales	\$1,725	\$1,915 -10%	\$1,871 -8%
Adjusted Operating Income	7.5%	15.1% -760 bps	6.0% 150 bps
Adjusted Diluted EPS	\$7.00	\$13.40 -48%	\$5.36 31%

Consistent track record returning excess cash to shareholders

- **\$23 million** of share repurchases in Q2, representing **484 thousand shares**, with **\$196 million** available on our current authorization

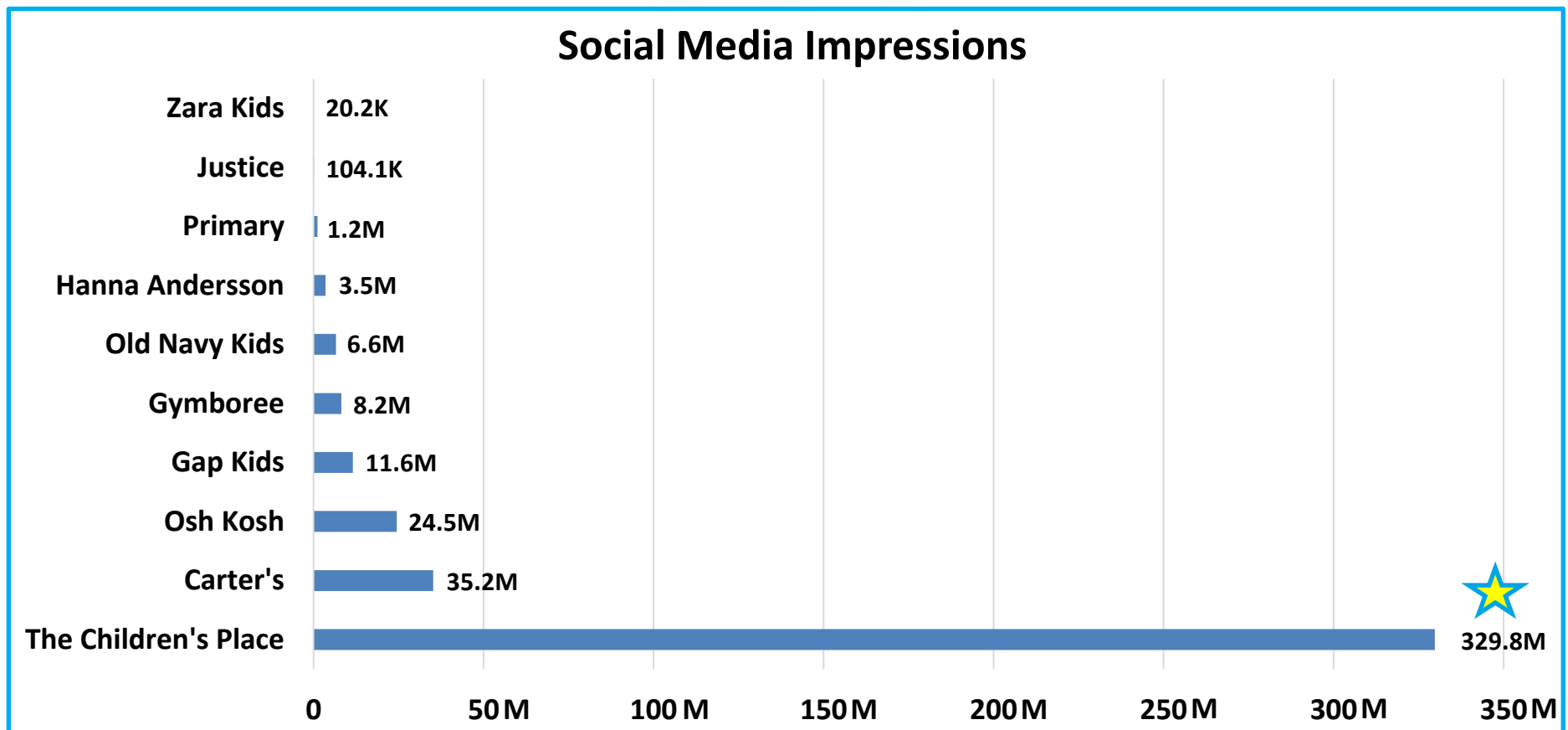




SOCIAL MEDIA

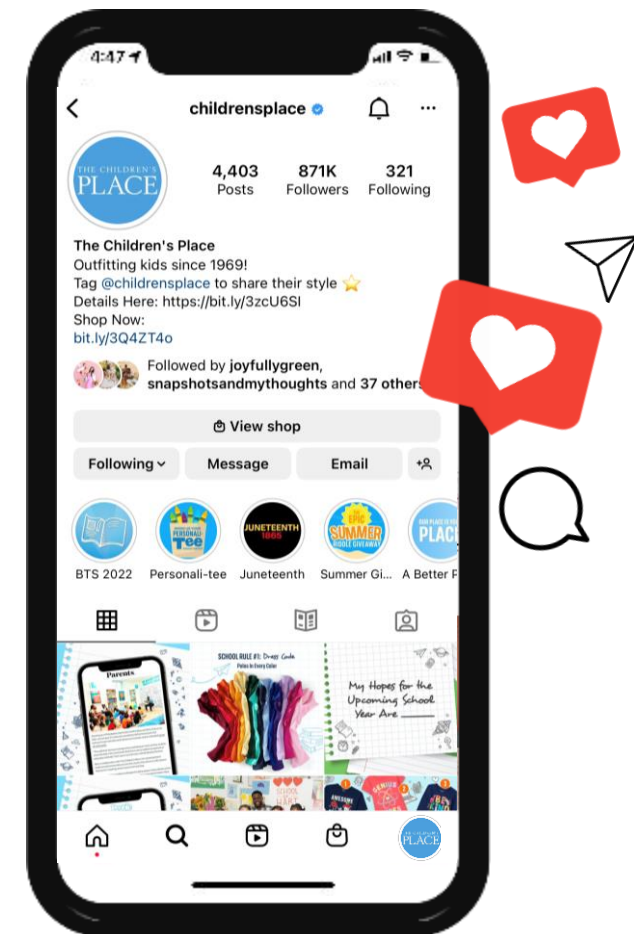
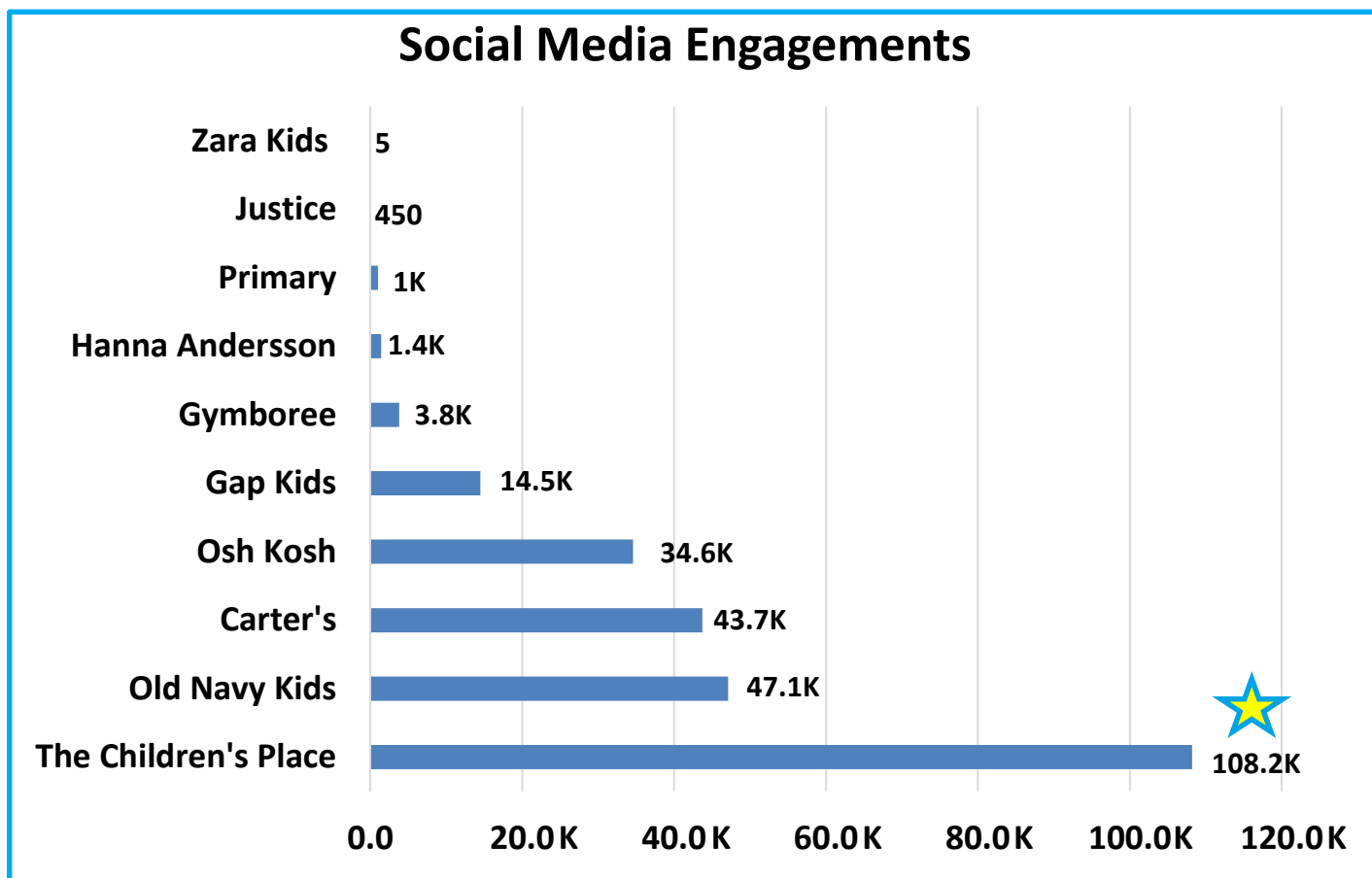
THE CHILDREN'S PLACE DOMINATES THE CATEGORY ACROSS SOCIAL MEDIA

The Children's Place **goes viral in Q2** across Facebook, Instagram and Twitter **totaling over 329M brand social media impressions**.



THE CHILDREN'S PLACE DRIVES STRONG ORGANIC SOCIAL INTERACTIONS

Significant organic social engagement growth of **+33%** versus Q1, with **over 108K social interactions** demonstrating the power of our strong and engaged followings across Facebook, Instagram and Twitter.



THE CHILDREN'S PLACE

+33% Increase in Engagement Rate vs. Q1 22

Partnered with Top-Tier Celebrity and Philanthropist, Kevin Hart, for Back-to-School brand campaign driving over **33B earned media and social impressions.**

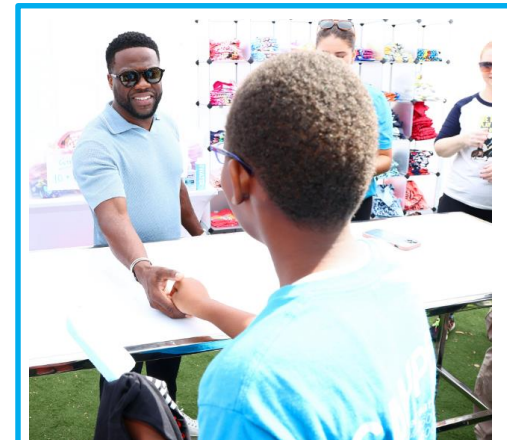
The Back-to-School season represents a time where we lift communities up and provide new clothes, new resources and new spaces to empower and nurture children - for their better today and a greater tomorrow.

- Launched national, multi-prong, Brand Campaign with brand ambassador, Kevin Hart
- Developed pop-up libraries, in partnership with BIC and ThriftBooks, in deserving neighborhoods
- Produced a grassroots press event activation at NYC Library Pop-up with Kevin Hart and hundreds of local children/families
- Hosted a Celebrity Read-A-Long live streaming event on @childrensplace



33B
Impressions

100%
Positive
Sentiment



Our 10 national pop-up libraries are located coast-to-coast – in neighborhoods that deserve it the most.

- Libraries include book resources, school supplies, and empowering artwork that encourage children's creativity.
- Each library pop-up has had a grand opening ribbon cutting event with city officials, and press.
- Our first grand opening event in East Harlem had a turnout of over 50 media and influencer outlets and 300+ children and families of the community!

Thomas Jefferson Community Center, Harlem - Opened 7/26



ROOTED IN AUTHENTICITY, EMERGING RELEVANCY AND DRIVING CONSISTENCY

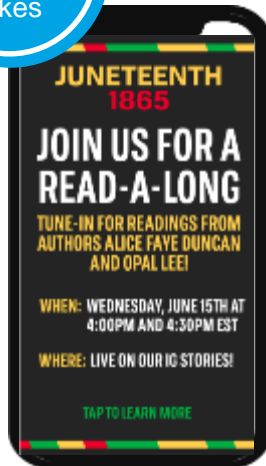
We believe we have a special responsibility to get involved and take a stand in cultural moments. **We believe in and strive to make a difference** – and **that starts with the conversations** we, collectively, have at home with our kids.

Our Cultural Campaigns – Pride Month, Memorial Day and Juneteenth campaigns - drove the **highest engaged brand and social campaigns of the quarter**, driving over 6K+ social engagements, and 30% higher in engagement rates compared to our average across our Family of Brands.

100%
Positive
Sentiment



1.2K+
Likes




6K+
Social
Engagements



Family is at the center of everything we do at The Children's Place, and because of this, we have a special responsibility to the children of today and tomorrow in contributing to a healthier, Better Place.

On 6/16 we launched our Giveback Box partnership, across all of our key digital marketing channels. **Give Back Box** gives customers a way to divert waste and promote donating outgrown clothes to those who need it the most.



OUR PLACE IS YOUR PLACE

We believe we have a special responsibility to create a better place for children and parents alike, and that begins with feeling good from the inside out.

We are The Children's Place, and our place is a better place.

Our fashionable, quality, versatile product makes families feel good and proudly empowers children with the confidence they need to do good too.

We believe children have the power to change the world, and that's why they are at the center of everything we do.

Together, let's create a better place to learn, a better place to grow and a better place to live for the children of today-and tomorrow.

- A Better Place**
Our story & mission: empowering children to learn, grow and build a better place.
- A Better Community**
Giving back and promoting diversity, equity and inclusion for a better community.
- A Better Future**
Committing to sustainability efforts and contribution to a brighter & better future.

A BETTER COMMUNITY

We believe in paving the way for kids everywhere by giving back, promoting inclusivity, embracing diversity, standing behind equality and committing to sustainability.

- 87%** of our associates are women
- 50%** of our board members & senior leadership team roles are held by women
- 64%** of our associates identify as a racially diverse
- 70%** of new hires identify as racially diverse in 2020

A BETTER FUTURE

While providing families with the quality, value and styles they love, we embrace our role in contributing to a healthier planet.

We're committed to building a better future with...

- Less water**
By 2023, we anticipate a 25% reduction of water use in our manufacturing and washing operations.
- Lower Emissions**
We've set a goal to reduce our greenhouse gas emissions by 30% by 2030.
- Less Waste**
By 2025, we are targeting to divert 80% of the waste.
- Better Materials**
By 2025, we anticipate converting our sourcing of Cotton, Polyester, and Paper to recycled materials.



GIVE BACK. GET REWARDED.

Make a donation to Give Back Box™ & get 25 My Place Rewards Bonus Points!



HERE'S HOW

HAVE YOU HEARD?
**GIVE BACK.
GET REWARDED.**



GET BETTER BY GIVING BACK.

They've outgrown it? We've partnered with Give Back Box™ so you can easily hand down gently used clothing and shoes from any of our brands.

HERE'S HOW TO GET STARTED:

- 1 Print your free shipping label.
- 2 Grab a box or bag.
(Recycle one from your recent purchases)
- 3 Pack it up, add your label, and ship it!

DO GOOD, GET REWARDED.

Feeling good starts with doing good. As a special thanks, we're getting you closer to a \$5 reward with:

+25 MY PLACE POINTS

Earn bonus points whenever you donate to Give Back Box™

Not a member? Create a free account at www.childrensplace.com



amazon



PRIME DAY

- Prime day 2022, we achieved a **305% increase** over Prime Day 2021
- TCP Prime Day deal styles were showcased on Amazon's Prime Day deal page acting as gateway advertising placement

AMAZON LIVE

- Participated in our first ever **BTS Amazon LIVE** event, spanning over 5 episodes, driving additional brand awareness and consideration going into the height of the BTS season

THE CHILDREN'S PLACE BRAND STORE

- In less than a year we have grown our store follower count to **60k+**, outpacing our competitors on Amazon.com
- Leveraging Sponsored Brands marketing, we saw a **103% higher average return** in Brand store engagement vs. non-Brand engagement



GYMBOREE LAUNCHED ON AMAZON FOR BACK-TO-SCHOOL 2022!

Gymboree's launch on Amazon.com includes a **dedicated brand store** that perfectly represents the brand's heritage of playful, colorful bow-to-toe collections. Early results and customer response are incredibly positive.

ROBUST ASSORTMENT

Focused on a combination of highly **emotional iconic collections**, and more upgraded Uniform product. The launch highlights the **Gymboree brand story** through consistent brand messaging showcased the **Gymboree storefront, advertising, and immersive product detail pages**

ENHANCED ADVERTISING

Built around **maximizing the brand's visibility** in high-impact placements, in order to engage and convert customers in the **awareness, consideration, and purchase stages**

AMAZON supported the brand launch through the following activation:

- Targeted Homepage placement on Amazon.com
- Keyword search takeover
- Prime placement across several key landing pages
 - Back-to-school
 - Amazon Fashion
 - New Arrivals



GYMBOREE

SCHOOL-READY STYLES

SHOP NOW





DIGITAL FIRST



Q2 DIGITAL PENETRATION 47%

+2%
Digital
Penetration
Growth YOY

76%
Mobile
Penetration

+36%
Mobile App
Sales
Penetration
Growth YOY

+31%
Mobile App
Sales Growth
YOY

+25%
Mobile App
Unique
Customers
Growth YOY

+17%
Mobile App
Traffic Growth
YOY

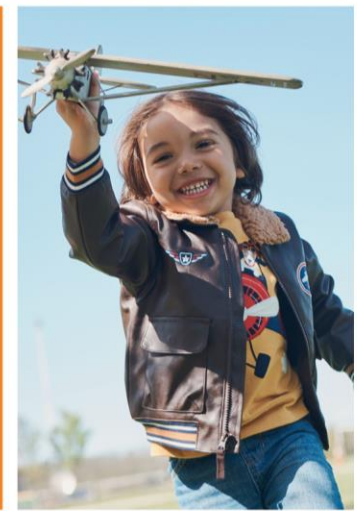
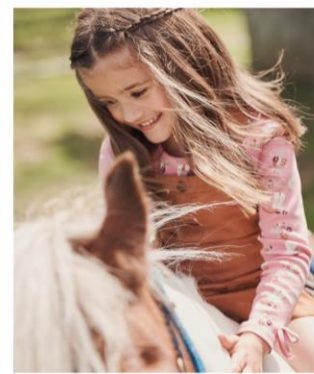


FALL 2022 COLLECTIONS



THE CHILDREN'S
PLACE
FALL 2022 COLLECTION







FALL 2022 COLLECTION





ESG

ENVIRONMENTAL, SOCIAL & GOVERNANCE

FOCUS AREAS

We continue to measure and track progress against the **22 public goals** set across our ESG focus areas.

ENVIRONMENT



Climate + Energy: Reducing GHG emissions across our operations and global supply chain.



Raw Materials: Increasing the use of more sustainable materials in our products.



Water Stewardship: Working with vendors to reduce water consumption in manufacturing and processing.



Chemical Management: Supporting implementation of responsible chemical management and wastewater systems.



Waste: Diverting the amount of our waste sent to landfill.



Circularity: Helping to avert product and material disposal through reuse and recycling.

SOCIAL: PEOPLE



Workplace Health & Safety: Safeguarding our associates and customers.



Talent: Investing in the people that make our business possible.



Diversity, Equity & Inclusion: Building an inclusive environment where all people feel welcomed and valued.



Community: Supporting children and families in need.

SOCIAL: SUPPLY CHAIN



Supply Chain Compliance: Helping to improve the lives of third-party factory workers and protect their rights in the workplace.



Worker Well-Being: Moving beyond the factory walls to improve the well-being of workers and their families.

GOVERNANCE



Board Composition: Continuing Board refreshment, prioritizing diversity and relevant experience.



Board Oversight and Risk Management: Expanding Committee responsibilities to enhance oversight of ESG.



Ethics & Integrity: Operating in an ethical and responsible manner in all aspects of our business.



Cybersecurity & Privacy: Protecting the information we receive about our customers, associates and other third-party partners.



Messaging ESG to the Consumer

After the publication of our 2020 ESG Report last November, we have been focused on scaling our ESG work and achieving our goals. As aligned with our goals, we are committed to:

A Better Place. Our story & mission: empowering children to learn, grow and build a better place.

A Better Community. Giving back and promoting diversity, equity and inclusion for a better community.

A Better Future. Committing to sustainability efforts and contributing to a brighter & better future.



Product Take-Back: Give Back Box

In June 2022, we made progress toward achieving our circularity goal by launching a partnership with Give Back Box, which will allow customers to easily hand down gently used clothing and shoes from any of our brands.

Give Back Box will partner with our preferred provider to route all customer donations to our charity of choice, Delivering Good.



GIVE BACK. GET REWARDED.

They've outgrown it? Our hand-me-down quality is made to last – you can donate it! We've partnered with Give Back Box™ so you can easily hand down gently used clothing and shoes from any of our brands. They provide an effortless and convenient way of donating while giving secondary use to old boxes and shipping bags, guaranteeing they'll be recycled – it's an all-round sustainability solution!

HERE'S HOW IT WORKS:

1. Print your free shipping label.
2. Grab a box or bag. (Recycle one from your recent purchase!)
3. Pack it up, add your label and ship it!

As a special thanks, we're getting you closer to a \$5 reward with **25 MY PLACE REWARDS BONUS POINTS**

Not a My Place Rewards member? [JOIN NOW](#) | Already a My Place Rewards member? Great! [DONATE NOW](#)

Give Back Box™ will send your donation to Delivering Good, a nonprofit organization that supports people impacted by poverty.

Doing good by getting better. Getting better by giving back.

Creating a better place for the children of today and tomorrow.

How It Works

1. **Awareness**
TCP communication of program to customers
2. **Sign Up**
Customer sign up and printing of shipping label
3. **Shipping**
Customer utilizes existing package and ships product
4. **Handling**
Product received and processed by Give Back Box
5. **Donation**
Product is donated to TCP's preferred partner, Delivering Good



FORWARD LOOKING STATEMENTS

This presentation contains or may contain forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including but not limited to statements relating to the Company's strategic initiatives and adjusted net income per diluted share. Forward-looking statements typically are identified by use of terms such as "may," "will," "should," "plan," "project," "expect," "anticipate," "estimate" and similar words, although some forward-looking statements are expressed differently. These forward-looking statements are based upon the Company's current expectations and assumptions and are subject to various risks and uncertainties that could cause actual results and performance to differ materially. Some of these risks and uncertainties are described in the Company's filings with the Securities and Exchange Commission, including in the "Risk Factors" section of its annual report on Form 10-K for the fiscal year ended January 29, 2022. Included among the risks and uncertainties that could cause actual results and performance to differ materially are the risk that the Company will be unsuccessful in gauging fashion trends and changing consumer preferences, the risks resulting from the highly competitive nature of the Company's business and its dependence on consumer spending patterns, which may be affected by changes in economic conditions, the risks related to the COVID-19 pandemic, including the impact of the COVID-19 pandemic on our business or the economy in general (including decreased customer traffic, schools adopting remote and hybrid learning models, closures of businesses and other activities causing decreased demand for our products and negative impacts on our customers' spending patterns due to decreased income or actual or perceived wealth, and the impact of legislation related to the COVID-19 pandemic, including any changes to such legislation), the risk that the Company's strategic initiatives to increase sales and margin are delayed or do not result in anticipated improvements, the risk of delays, interruptions and disruptions in the Company's global supply chain, including resulting from the COVID-19 pandemic or other disease outbreaks, foreign sources of supply in less developed countries, more politically unstable countries, or countries where vendors fail to comply with industry standards or ethical business practices, including the use of forced, indentured or child labor, the risk that the cost of raw materials or energy prices will increase beyond current expectations or that the Company is unable to offset cost increases through value engineering or price increases, various types of litigation, including class action litigations brought under consumer protection, employment, and privacy and information security laws and regulations, the imposition of regulations affecting the importation of foreign-produced merchandise, including duties and tariffs, and the uncertainty of weather patterns. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they were made. The Company undertakes no obligation to release publicly any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.



