

five BELOW[®]



**CHAMBER OF COMMERCE
OF SOUTHERN NEW
JERSEY:
EMERGING LEADERS
NETWORK**

OCTOBER 29, 2020

**LET GO &
HAVE FUN!**

agenda

- **OVERVIEW OF THE COMPANY**
- **COMMENTS ON COVID**
- **OUR STRATEGY FOR GROWTH**
- **BUILDING A GREAT TEAM/CULTURE**

ABOUT ME: MY JOURNEY



1986-1991



1993-2005

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2014 - PRESENT



2005-2007



2007-2014



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ABOUT FIVE BELOW: THROUGH THE YEARS

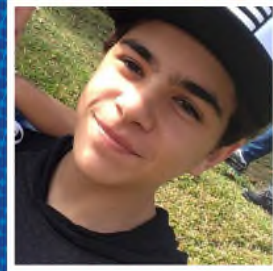
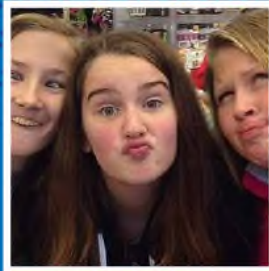
- 2002** • **FIRST STORE OPENS IN WAYNE, PA**
- 2003** • **ICONIC \$5 SPALDING BASKETBALL STARTS SELLING**
- 2008** • **100TH STORE OPENS IN PITTSBURGH**
- 2009** • **FACEBOOK PAGE LAUNCHES**
(DON'T FORGET TO FOLLOW US!)
- 2012** • **FIVE BELOW GOES PUBLIC! IPO** (NASDAQ: FIVE)
- 2013** • **ANNUAL SALES REACH \$500M!**
• **17 STORES OPEN IN TEXAS...**
(11 IN ONE DAY!)
- 2014** • **JOEL ANDERSON IS NAMED CEO TAKING FIVE BELOW TO THE NEXT LEVEL**
- 2015** • **NEW SHIPCENTER OPENS IN NJ**
(IT'S 1 MILLION SQUARE FEET!!)
- 2016** • **ANNUAL SALES REACH \$1 BILLION!**
• **E-COMMERCE WEBSITE GOES LIVE**
• **500TH STORE OPENS!!**
- 2017** • **NEW STORE EXPERIENCE LAUNCHES!**
• **FIVE BELOW ENTERS CALIFORNIA**
- 2018** • **WOWTOWN, THE NEW HQ IN PHILLY, OPENS!**
(HOME SWEET HOME!)
- 2019** • **150 STORES OPEN WITH A TOTAL OF 900 IN 36 STATES!**
• **NEW SHIPCENTER OPENS IN GA**
• **NEARLY \$23 MILLION IN DONATIONS RAISED FOR CHARITIES IN PAST 10 YEARS**

Now: Five Below continues to make it easy to say "yes!" to the newest, coolest stuff so you can "let go & have fun!"

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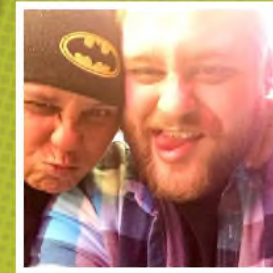
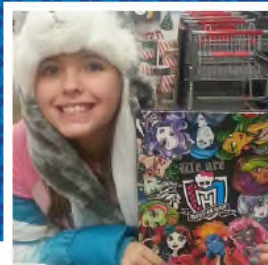
ABOUT FIVE BELOW: TWEEN & TEEN-FOCUSED WITH UNIVERSAL APPEAL FOR ALL



TARGET CUSTOMERS

Gen Z
8–14 yr olds
Girls & Boys

Millennial / Gen X
24–44 yr olds
Parents



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ABOUT FIVE BELOW: TREND-RIGHT “WOW” PRODUCTS AT GREAT VALUE ACROSS 8 AWESOME WORLDS

SPORTS. Includes Spalding NBA basketball, Monopoly board game, and a blue remote-controlled car.

TECH. Includes wired earbuds, a blue game controller, and a black headset.

CREATE. Includes a box of 'Crazy Slime', a box of 'Mii Corn Pops', and a unicorn plush toy.

PARTY. Includes heart-shaped balloons, a unicorn plush toy, and a unicorn poster.

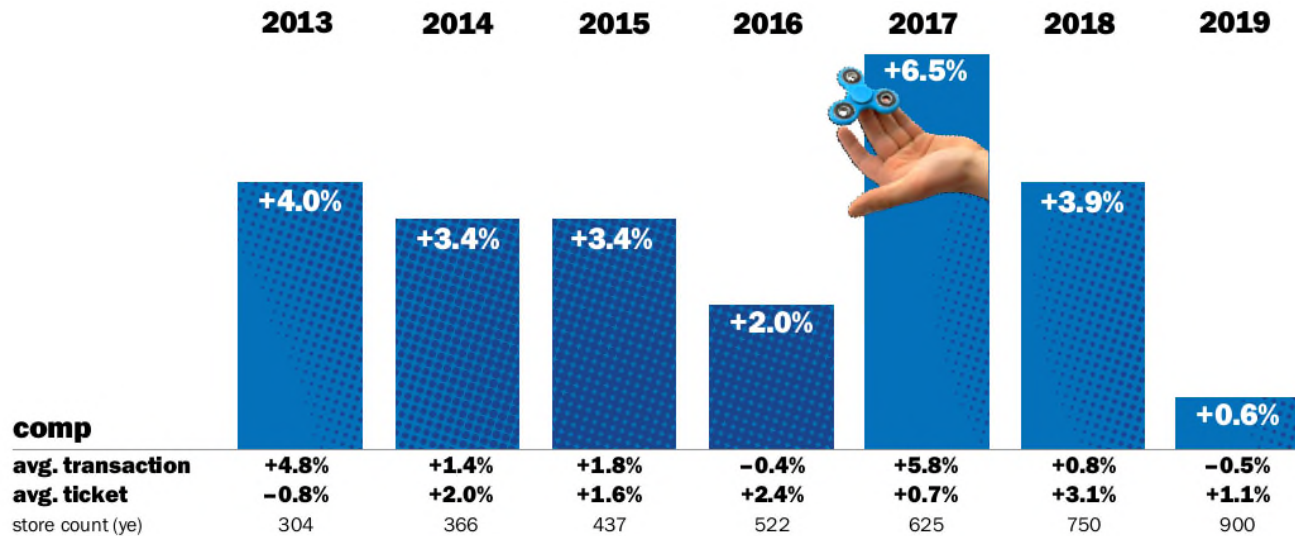
CANDY. Includes boxes of FiftyTaffy, Airheads, Warheads, and Haribo.

STYLE. Includes a boy wearing a t-shirt that says "THE INTERNET NEVER FORGETS" and a girl wearing a t-shirt that says "GOOD GIRL GOES BAD".

ROOM. Includes a black and white patterned blanket, a pink blanket, a small table, and a candle.

NEW & NOW. Includes a decorated Christmas tree, a wreath, and a gift bag that says "HOME FOR THE Holidays".

ABOUT FIVE BELOW: GREAT RESULTS!



year	store count (ye)	comp
2007	67	+5.4%
2008	82	+5.8%
2009	102	+12.1%
2010	142	+15.6%
2011	192	+7.9%
2012	244	+7.1%

8 PRODUCT WORLDS DRIVE FLEXIBILITY + RELEVANCY!

ABOUT FIVE BELOW: DIVERSE MARKETS

URBAN



• 701 Market St., PA
(Philadelphia DMA*)

- Washington D.C.
- New York, NY
- Chicago, IL

SUBURBAN



• Pasadena, TX
(Houston DMA*)

- Redlands, CA
- Canton, OH
- Greensboro, NC

SEMI-RURAL



• Lake City, FL
(Jacksonville DMA*)

- Dover, DE
- Tupelo, MS
- Abilene, TX

* Designated market area

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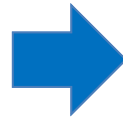
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WHAT ABOUT COVID?? - CHALLENGES

- **CLOSING & REOPENING OVER 900 STORES**
- **UNPRECEDENTED DIGITAL DEMAND**
- **OPERATING EFFECTIVELY & SAFELY**
- **WORKING REMOTELY & REOPENING WOWTOWN**
- **CONTINUING TO GROW – KEEPING MOMENTUM**

WHAT ABOUT COVID?? - RESPONSE

**CLOSING & REOPENING OVER
900 STORES**



NEVER FURLOUGHED OUR STORE MANAGERS

**LEVERAGED OUR EXPERIENCE OPENING STORES
AGGRESSIVE ON SAFETY / AGGRESSIVE ON
REOPENING**

**OPERATING EFFECTIVELY &
SAFELY**



**HYGIENE AND POSITIVITY PROTOCOLS
(CONTRACT TRACING, COMMUNICATION...ETC.)**

PPE (MASKS, FACESHIELDS)

**HEALTH CHECKS, TEMPERATURES & SOCIAL
DISTANCING**

**UNPRECEDENTED
DIGITAL DEMAND**



**LEVERAGING OUR RECENT INVESTMENT IN A NEW
ECOMMERCE PLATFORM**

RE-SHIFTING RESOURCES

WHAT ABOUT COVID?? - RESPONSE

**WORKING REMOTELY &
REOPENING WOWNOWN**



PRESENCE VS. PRESENT

STAYING CONNECTED WITH THE TEAM (TOWNHALLS)

CHALLENGE OF MAINTAINING OUR CULTURE

**CONTINUING TO GROW –
KEEPING MOMENTUM**



ALTERED PRODUCT MIX TO MEET CUSTOMER NEEDS

OPENED A NEW DC

OPENED OVER 120 STORES

OPENED OUR 1,000 STORE!

WHAT'S NEXT: STRATEGY

1 GROW OUR STORE BASE –
OUR LARGEST GROWTH DRIVER

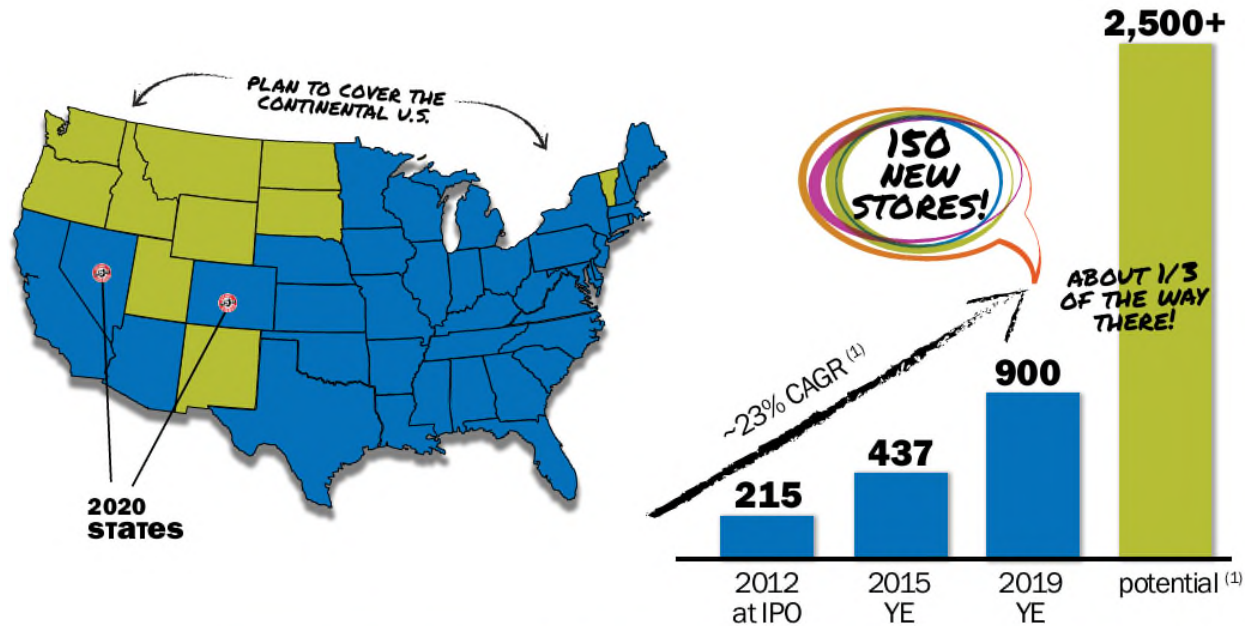
2 REINVEST IN
“WOW” MERCHANDISE

3 INCREASE
BRAND
AWARENESS

4 SCALE
SYSTEMS &
INFRASTRUCTURE

5 BUILD OUR TEAM
& CULTURE

1 – GROW OUR STORE BASE



- continued focus on densifying existing markets
- largest states planned to be CA, TX, FL, NY and PA

(1) management store count potential estimates in the U.S. based on third party studies; previous estimate was 2,000+

2 – Reinvest in “WOW” Merchandise



TREND-DRIVEN MERCHANDISING TEAM

ONGOING REINVESTMENT IN PRODUCTS

GLOBAL SOURCING WITH OVER 800 VENDORS

LOW-COST OPERATING PHILOSOPHY

**BALLS SHIP DEFLATED
WITHOUT PACKAGING**
(WE DON'T SHIP AIR, SO YOU SAVE!)



2 – REINVEST IN “WOW” MERCHANDISE

BENEFITS OF SCALE!

**micro r/c quadcopter!
whoa \$5** **2017**

**exclusive marvel®
flying figure
yep, just \$5**

**infrared helicopter
still just \$5**

r/c car just \$5 **2012**

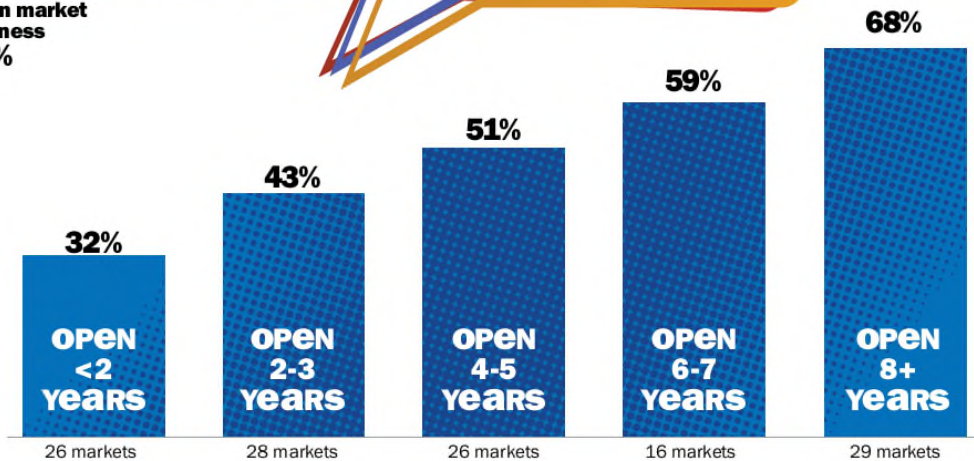
R/C PRODUCT CYCLE

3 – INCREASE BRAND AWARENESS

half of fleet is still
UNDER 60% awareness*

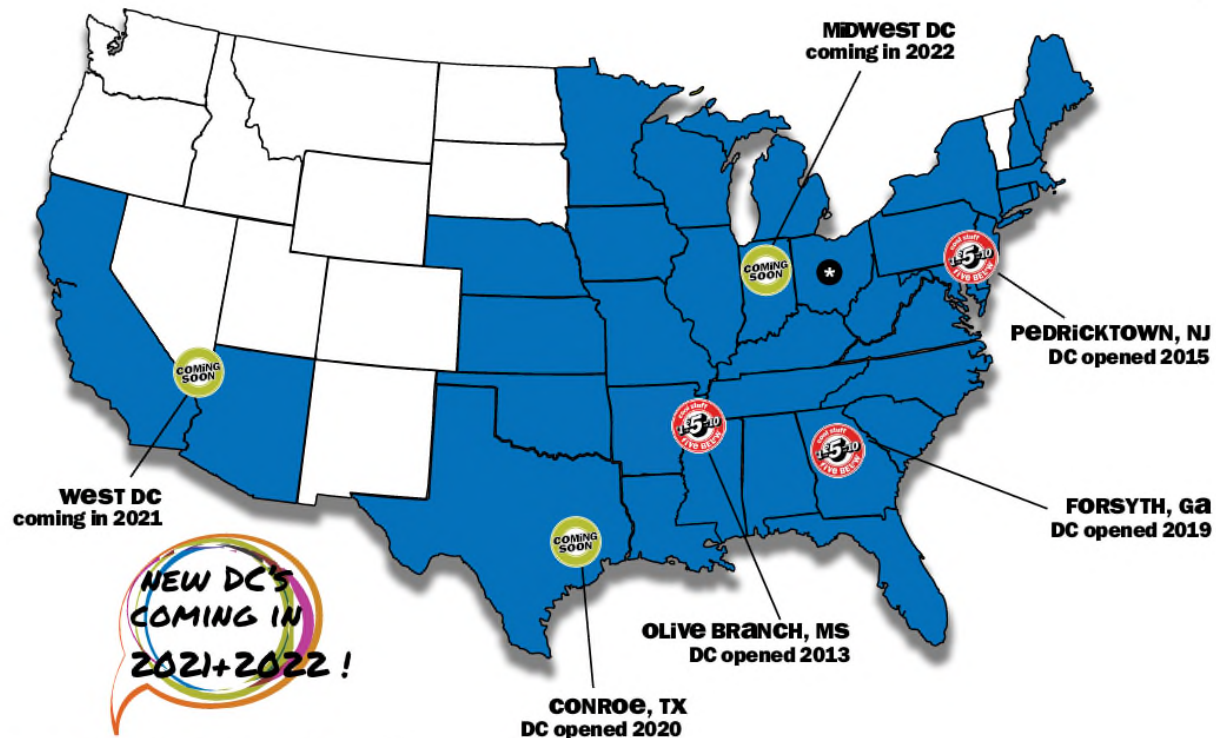
median market awareness
~50%

BIG OPPORTUNITY IN NEWER MARKETS!



*aided brand awareness. source: may 2019 3rd party consumer study

4 - scale SYSTEMS & INFRASTRUCTURE



5 – BUILD OUR TEAM & CULTURE

**CREATE AN AWESOME
EXPERIENCE TO DELIVER
LONG-TERM GROWTH!**

CULTURE.

- bring our purpose
“let go & have fun” to life
- foster best-in-class
environment and values

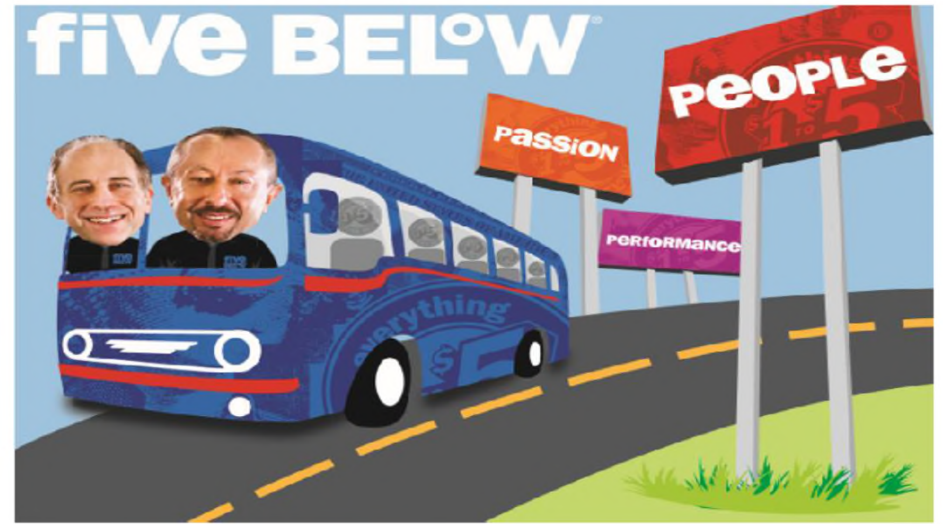
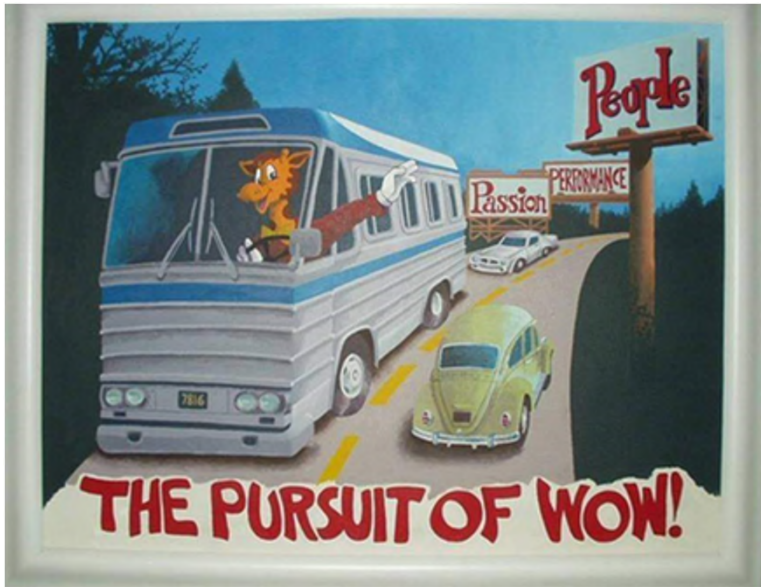
TALENT.

- attain and retain
top-tier leaders
throughout the company
- build field organization
for sustained growth

SCALE.

- evolve organizational
structure to drive
continued growth
- invest in systems and
infrastructure

IMPACT VALUES MAKE ON TEAM/CULTURE



OUR VALUES: THE FIVE BELOW WAY!

THE FIVE BELOW WAY

THIS IS HOW WE DO IT!

WOW OUR CUSTOMERS.

The customer is everything. Every decision we make begins and ends with them in mind. We do more than they expect and create an awesome experience they won't find anywhere else.

I find my customers the trendiest, highest-quality stuff.

I TREAT CUSTOMERS LIKE I'D WANT TO BE TREATED.

I strive to make all shoppers repeat Five Below-ers.

I make a positive difference in people's lives.

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UNLEASH YOUR PASSION.

Five Below is like a team of unstoppable superheroes. Everyone's unique backgrounds and experiences blend together to form one incredible team that "bleeds Five Below blue". We're all pumped about what we do and all empowered to make a difference.

I check my ego at the door.

I build people up

I listen intently & communicate openly

I do what I say I will do.

I TAKE ON MY OWN GROWTH BY SEEKING OUT FEEDBACK.

HOLD THE PENNY HOSTAGE.

We're on a mission to make everything as close to free as it can be for teens and tweens. When we pile up the pennies, we're able to wow our customers with the most incredible must-haves and gotta-gots for \$5 and below.

I treat Five Below like it's my own business.

I think about every expense

I make sure what I'm doing is best for Five Below AND my customers.

I FIND NEW WAYS TO BE MORE EFFICIENT.

ACHIEVE THE IMPOSSIBLE.

We are Five Below; a one-of-a-kind experience! With our gutsy attitude and relentless drive to be better, we accomplish what others wouldn't even think about trying. We take risks and win or lose as a team. Integrity always rules and coasting is never, ever an option.

I take risks to learn and grow.

I collaborate with others

I set the bar high!

I speak up about what the next "BIG THING" could be.

I MAKE SURE ETHICS NEVER GO OUT OF STYLE.

WORK HARD Have fun, BUILD a CAREER.

Anywhere you see the Five Below name something awesome is going on. People are succeeding, accomplishing impossible things, taking control of their future, helping their community, throwing a party or making friends. Face it, being the best is hard work, but all work and no play is not ok, so we live a little.

I come to work ready to take on the day.

I recognize people for their efforts

I develop new skills.

I create the fun I want at work.

I STAND UP FOR A HEALTHY WORK-LIFE BALANCE.

I take control of my future and destiny for greatness.

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OUR VALUES: PURPOSE

THE
PURPOSE-DRIVEN VALUE RETAILER
FOR TWEENS + BEYOND

five BELOW

KNOWS LIFE IS WAY BETTER WHEN YOU'RE FREE TO

LET GO & HAVE FUN

in an **AMAZING EXPERIENCE**

FILLED WITH

UNLIMITED POSSIBILITIES

PRICED SO LOW,
YOU CAN ALWAYS SAY

YES!

TO THE **NEWEST, COOLEST STUFF!**

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OUR VALUES: WE DELIVER OUR PURPOSE WITH PEOPLE!

**THE
WOW
CREW!**

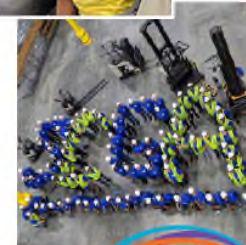
in our stores



HI! WELCOME TO FIVE BELOW!



**LET GO &
HAVE FUN!**



THE WOWTOWN CREW!

in our headquarters



**THE
SHIP
CREW!**

in our DC's

QUESTIONS

