

## Liquidity and Capital Resources

The following table sets forth certain financial data at the dates indicated and includes all operations of the Company.

	Feb. 2, 2019	Feb. 3, 2018	Jan. 28, 2017
	(dollars in millions)		
Cash and cash equivalents	\$ 167.4	\$ 39.9	\$ 48.3
Working capital	\$ 454.8	\$ 438.0	\$ 407.6
Long-term debt (includes current maturities)	\$ 65.7	\$ 88.4	\$ 82.9

### Working Capital

The Company's business is seasonal, with the Company's investment in inventory and accounts receivable normally reaching peaks in the spring and fall of each year. Historically, cash flow from operations has been generated principally in the fourth quarter of each fiscal year.

Cash flow changes: (Includes discontinued operations)

	Fiscal Year Ended		
(dollars in millions)	February 2, 2019	February 3, 2018	Increase (Decrease)
Net cash provided by operating activities	\$ 237.1	\$ 164.6	\$ 72.5
Net cash used in investing activities	(56.5)	(127.6)	71.1
Net cash used in financing activities	(52.8)	(47.4)	(5.4)
Effect of foreign exchange rate fluctuations on cash	(0.4)	2.0	(2.4)
Increase (decrease) in cash and cash equivalents	\$ 127.4	\$ (8.4)	\$ 135.8

Reasons for the major variances in cash provided by (used in) the table above are as follows:

Cash provided by operating activities was \$72.5 million higher for Fiscal 2019 compared to Fiscal 2018, primarily reflecting the following factors:

- Net loss decreased by \$59.9 million;
- A \$50.4 million increase in cash flow from changes in accounts payable reflecting changes in buying patterns and vendor mix as well as increases in Lids Sports Group accounts payable due to increased inventory purchases that were accelerated to avoid threatened tariff increases; and
- A \$43.1 million increase in cash flow from changes in other accrued liabilities reflecting increased bonus accruals in Fiscal 2019 and reduced bonus and tax accruals in Fiscal 2018; partially offset by
- A \$28.9 million decrease in cash flow from changes in inventory reflecting further reductions in ongoing inventory levels year over year that was offset by increases in Lids Sports Group inventory as receipts were accelerated to avoid threatened tariffs versus across the board reductions in inventory levels last year in all of the Company's business segments except Schuh Group.

Cash used in investing activities was \$71.1 million lower for Fiscal 2019 primarily reflecting decreased capital expenditures in Journeys Group and Schuh Group as well as discontinued operations. The Company expects capital expenditures of approximately \$45 million for Fiscal 2020.

Cash used in financing activities was \$5.4 million higher in Fiscal 2019 reflecting increased share repurchases compared to Fiscal 2018 and decreased revolver borrowings.

### Changes in inventory and accounts receivable

The \$2.7 million decrease in inventories at February 2, 2019 from February 3, 2018 levels primarily reflects decreases in all of the Company's business segments except Johnston & Murphy Group and discontinued Lids Sports Group.

Accounts receivable at February 2, 2019 decreased \$6.3 million compared to February 3, 2018 primarily due to decreased receivables in the discontinued Lids Sport Group business and also due to reduced tenant allowances and other receivables in the Company's retail businesses.