

The background of the left half of the slide is a stylized illustration. It features a man with a beard and short hair, wearing a maroon polo shirt and khaki pants, standing and holding a large, black, multi-lens binocular viewer. He is looking through the viewer. The background is a vibrant blue and green, with swirling patterns and several red worms or tentacles. In the bottom left corner, there is a black microscope on a stand. The Duluth Trading Co. logo is in the top left corner, with 'DULUTH' in large, bold, white letters and 'TRADING CO.' in smaller letters below it.

DULUTH TRADING CO.

Investor Presentation Third Quarter 2020

December 4, 2020



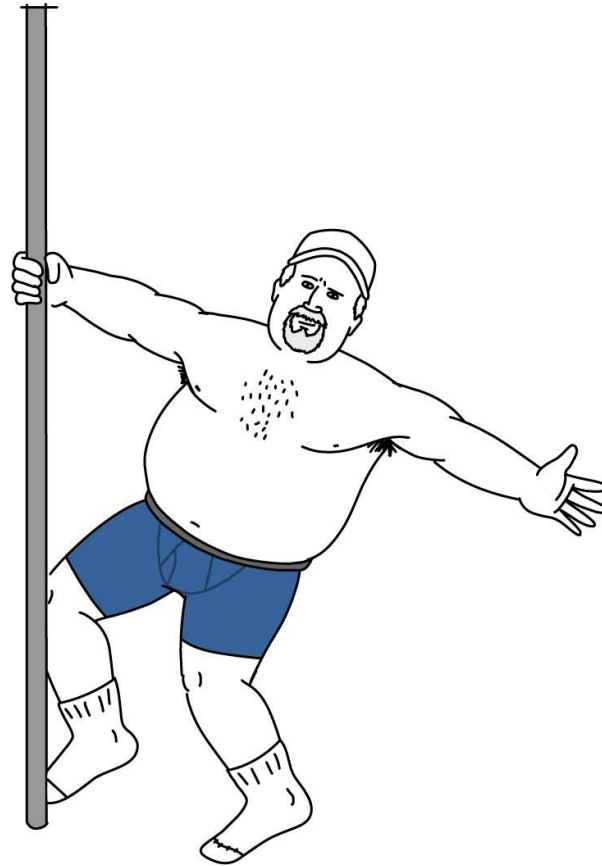
Disclaimer

Forward-Looking Statements

This presentation dated December 4, 2020 includes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts included in this presentation, including statements concerning Duluth Holdings Inc.'s (dba Duluth Trading Company) (“Duluth Trading” or the “Company”) plans, objectives, goals, beliefs, business strategies, future events, business conditions, its results of operations, financial position and its business outlook, business trends and certain other information herein are forward-looking statements, including its ability to execute on its growth strategies. You can identify forward-looking statements by the use of words such as “may,” “might,” “will,” “should,” “expect,” “plan,” “anticipate,” “could,” “believe,” “estimate,” “project,” “target,” “predict,” “intend,” “future,” “budget,” “goals,” “potential,” “continue,” “design,” “objective,” “would” and other similar expressions. The forward-looking statements are not historical facts, and are based upon Duluth Trading's current expectations, beliefs, estimates, and projections, and various assumptions, many of which, by their nature, are inherently uncertain and beyond Duluth Trading's control. Duluth Trading's expectations, beliefs and projections are expressed in good faith, and Duluth Trading believes there is a reasonable basis for them. However, there can be no assurance that management's expectations, beliefs, estimates, and projections will be achieved and actual results may vary materially from what is expressed in or indicated by the forward-looking statements. Forward-looking statements are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the forward-looking statements, including, among others, the risks, uncertainties, and factors set forth under Part 1, Item 1A “Risk Factors” in Duluth Trading's Annual Report on Form 10-K filed with the SEC on March 20, 2020, Part II, Item 1A “Risk Factors” in our first and second quarter form 10-Q and other factors as may be periodically described in Duluth Trading's subsequent filings with the SEC. Forward-looking statements speak only as of the date the statements are made. Duluth Trading assumes no obligation to update forward-looking statements to reflect actual results, subsequent events or circumstances or other changes affecting forward-looking information except to the extent required by applicable securities laws.

Non-GAAP Measurements

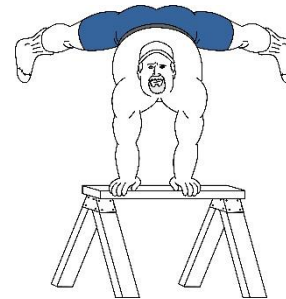
Management believes that non-GAAP financial measures may be useful in certain instances to provide additional meaningful comparisons between current results and results in prior operating periods. Within this presentation, reference is made to adjusted earnings before interest, taxes, depreciation and amortization (EBITDA). See Appendix Table “Reconciliation to Adjusted EBITDA,” for a reconciliation of net income to EBITDA and EBITDA to Adjusted EBITDA. Adjusted EBITDA is a metric used by management and frequently used by the financial community, which provides insight into an organization's operating trends and facilitates comparisons between peer companies, since interest, taxes, depreciation and amortization can differ greatly between organizations as a result of differing capital structures and tax strategies. Adjusted EBITDA excludes certain items, such as stock-based compensation. The Company provides this information to investors to assist in comparisons of past, present and future operating results and to assist in highlighting the results of on-going operations. While the Company's management believes that non-GAAP measurements are useful supplemental information, such adjusted results are not intended to replace the Company's GAAP financial results and should be read in conjunction with those GAAP results.



Introduction to Duluth Trading Co.

Duluth Trading Co. at a Glance

- Workwear Heritage is the Foundation of our Authentic, Everyday Lifestyle Brand
- Long History of Product Innovation and Solution-Based Design
- Humorous and Distinctive Marketing
- Outstanding and Engaging Customer Experience
- Nationwide Omnichannel Presence with Controlled Distribution



Investment Highlights

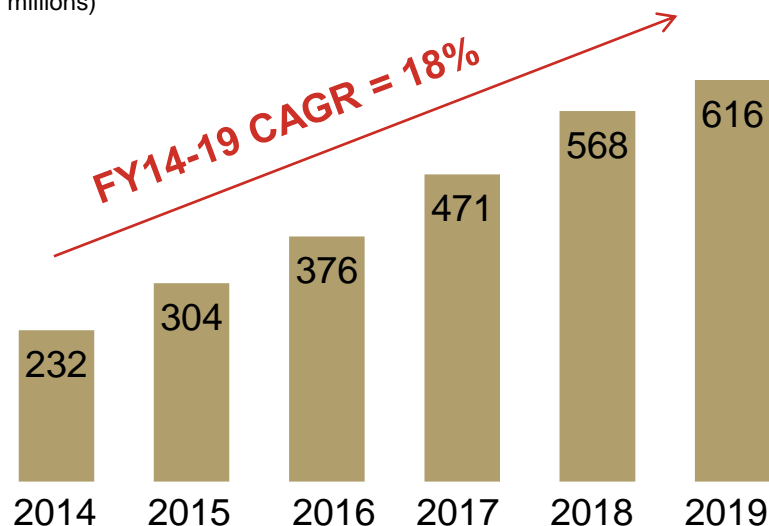
- Growing lifestyle brand with well-established direct business
- Multiple revenue growth opportunities
 - Build brand awareness to expand customer base
 - Expand retail presence with attractive unit economics
 - Grow women's business
 - Broaden men's assortment
- Strategic investments support long-term EBITDA margin expansion
- Strong balance sheet
- Seasoned and passionate management team with meaningful equity stake

Net Sales and Adjusted EBITDA

- Strong track record of 18% Net Sales and Adjusted EBITDA growth
- Strategic investments support long-term objectives

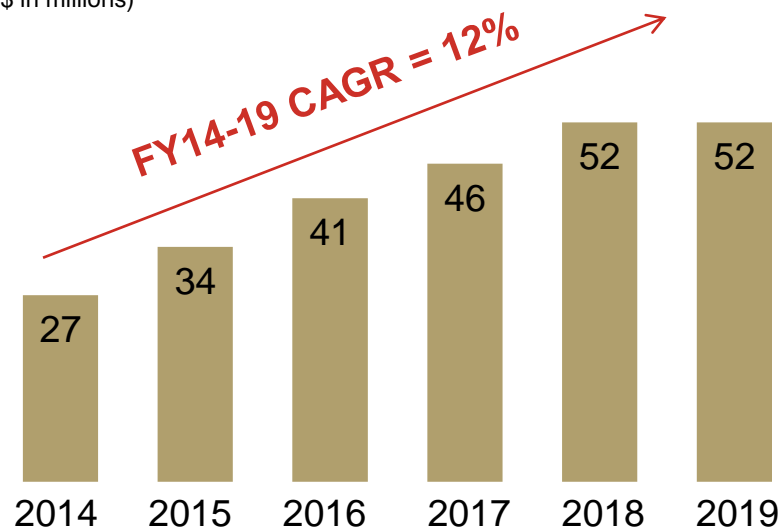
Net Sales

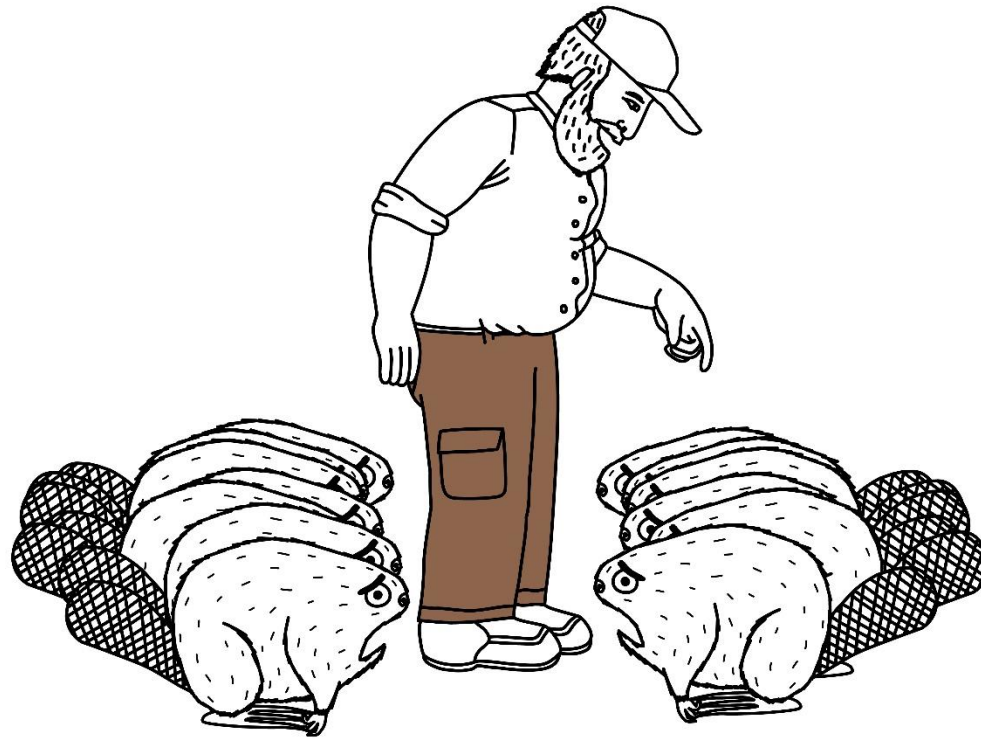
(\$ in millions)



Adjusted EBITDA¹

(\$ in millions)





Growth Strategy

Growth Strategies

1

Build
Brand
Awareness

2

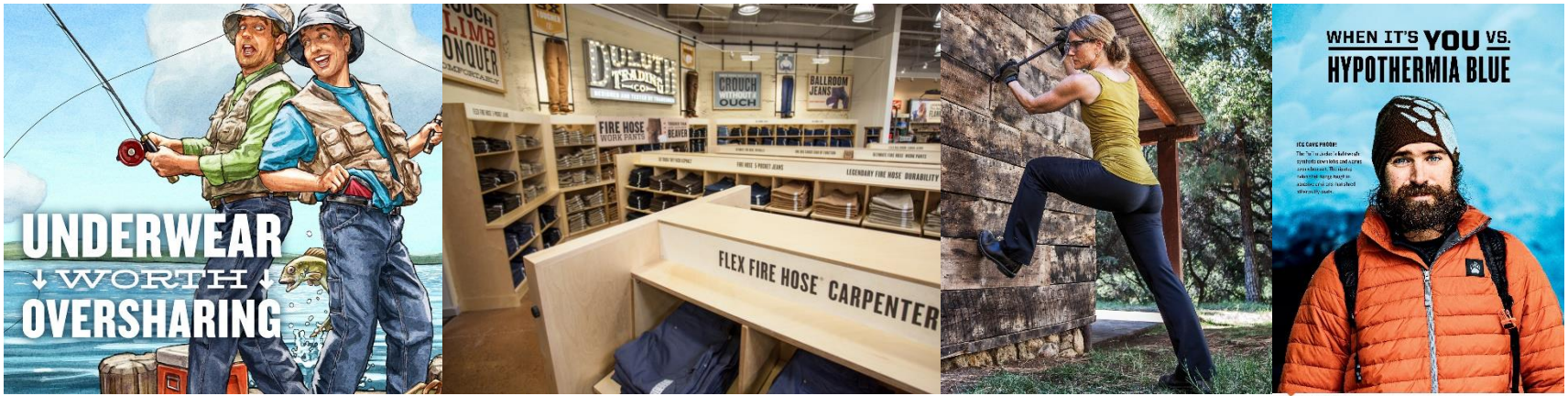
Expand
Retail
Presence

3

Grow
Women's
Business

4

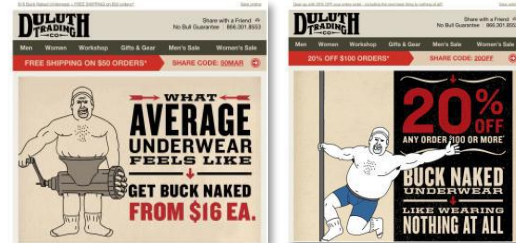
Broaden
Assortment in
Select Men's
Product
Categories



Build Brand Awareness

■ Digital Advertising

- Paid-for search and banner ads
- Social media (organic and sponsored)
- Targeted emails



■ TV Advertising

- Strategically placed national ads
- Memorable, humorous ads



■ Catalog

- Captivating storytelling
- Product layouts



■ Local marketing

- Radio and cinema
- In-store events



Expand Retail Presence

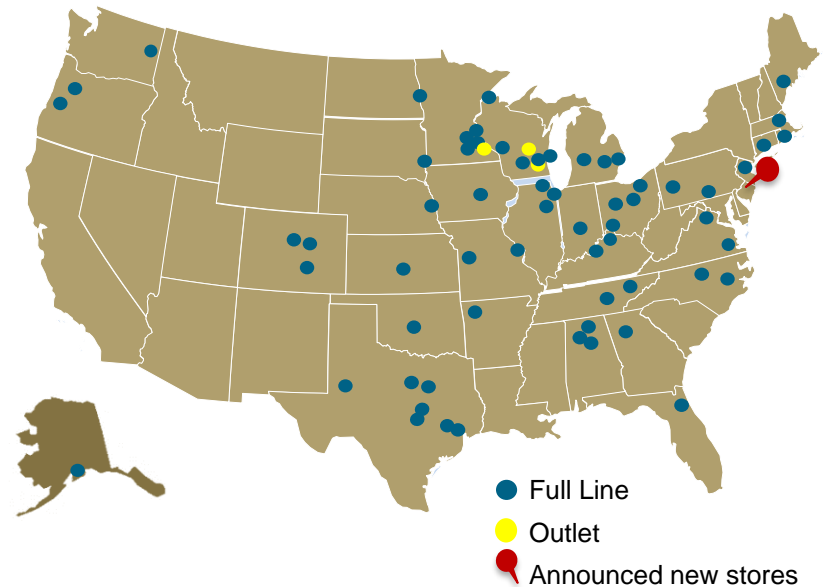
- Identified markets with ~100 potential store locations

- Utilize direct segment data to determine markets with existing customer base
- Focus on regions with demographic that aligns with target customer
- Geographic diversity indicates significant white space opportunity

- Highly attractive unit economics

- \$450 net sales per selling square feet in Year 1
- Average 4-wall margin in mid-20's percent
- Average payback < 2 years

- Top 3 Markets: New York, California, Texas



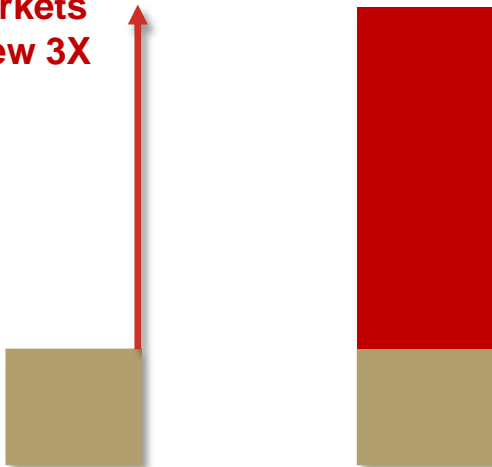
Stores Triple the Size of Markets and Revive Direct Growth Over Time

Total Sales in a store market grow up to 3X with the presence of retail

Average Increase in Total Sales in New Store Markets (2013 – 2019) (1)

■ Before Store ■ After Store

Markets Grew 3X



(1) Represents combined retail and direct sales in the store market. Excludes shipping revenues.

Direct sales growth accelerates in store markets 18 to 24 months after opening, as evidenced by the higher growth rates in older store markets

FY19 vs FY18 (2)

Direct Segment YOY Sales Growth Rate

1%

Sub-Segment "A"

0%

- Markets with stores opened in 2018 and older

Sub-Segment "B"

4.9%

- Markets with stores opened in 2017 and older

Sub-Segment "C"

5.3%

- Markets with stores opened in 2016 and older

(2) Excludes shipping revenues

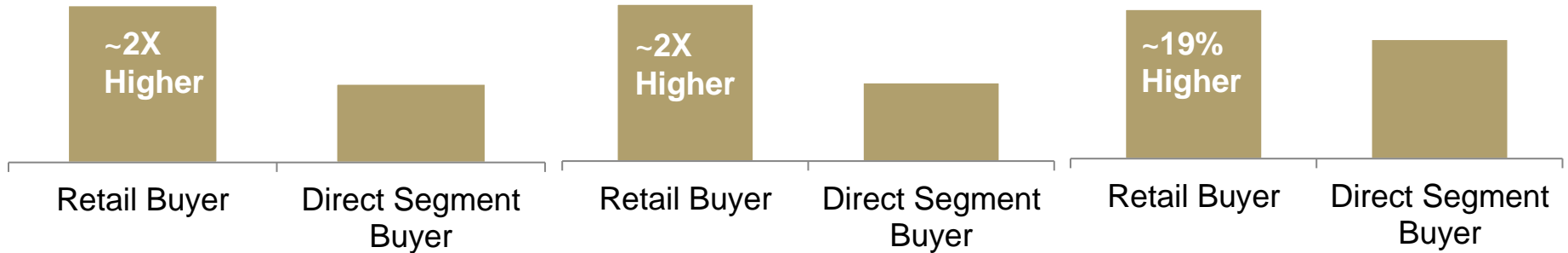
Retail Stores Attract New, More Valuable Customers

Retail customers more likely to shop across channels, categories, and spend more

Multi-Channel Buyers

Multi-Category Buyers

Sales Per Customer



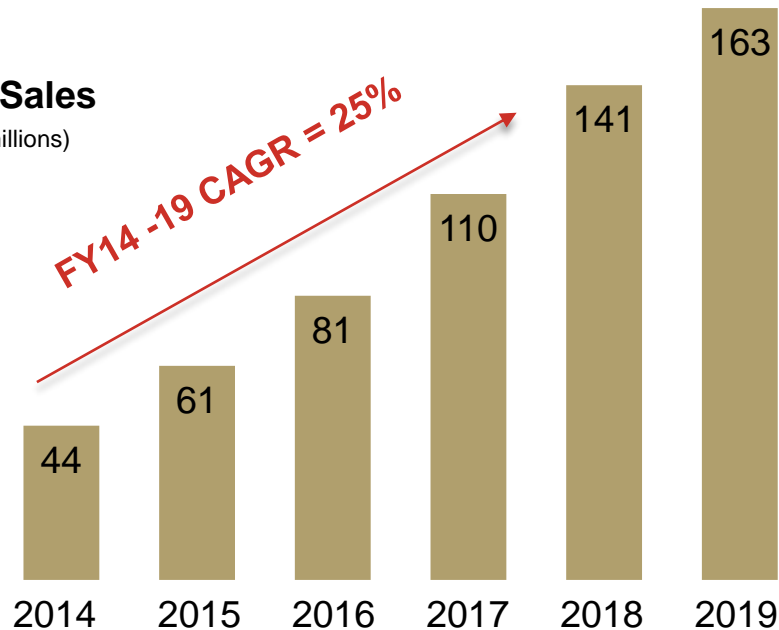
Note: Data based on internal 12-month active buyer file.

Grow Women's Business

- Net sales increased 17% in 2019
- Continued customer acquisition through marketing investments and retail presence
- Expand product offering to address more of her lifestyle
- Plus sizes grew to 11% of women's sales in Q3 2020

Net Sales

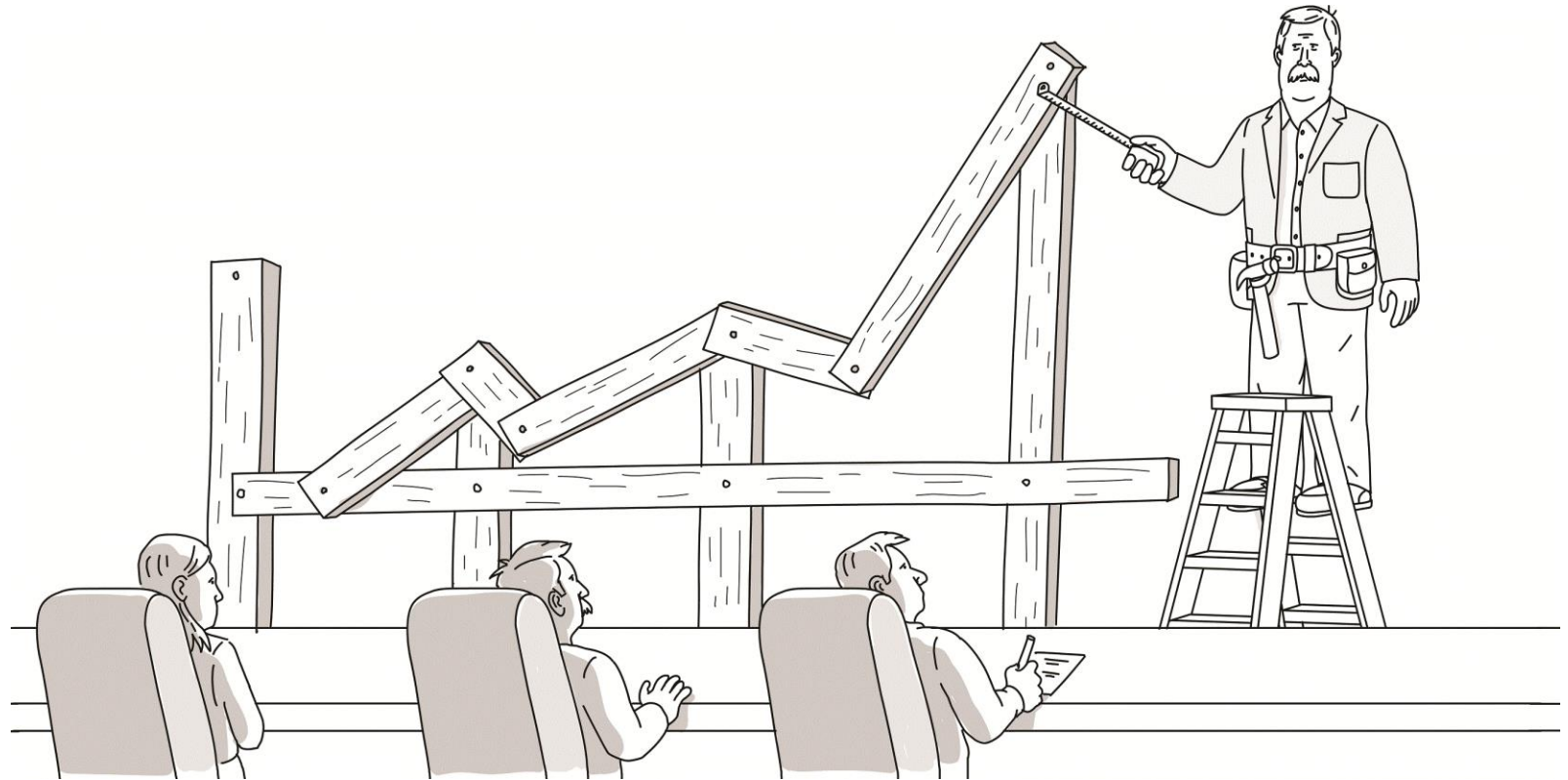
(\$ in millions)



Broaden Assortments in Select Men's Categories

- Net sales increased 8% in 2019
- Extend core products through color, fabric and size
- Increase penetration in spring and transitional product (rain, mid-weight jackets, etc.)
- Continue to introduce products that expand occasions for wear
- Expansion of closet share in sub-brands
 - Duluth-Built Business Wear
 - Alaskan Hardgear brand
 - 40 Grit
 - Best Made





Financial Review

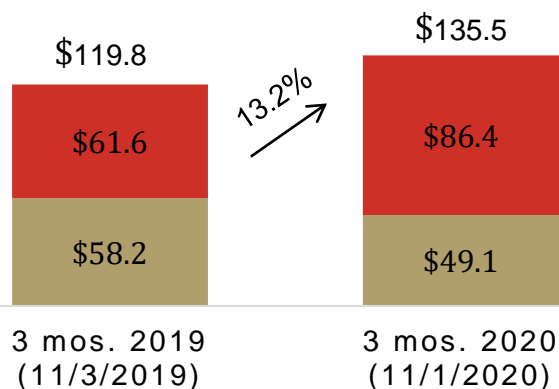
Three Months Ended November 1, 2020

Net Sales

(\$ in millions)

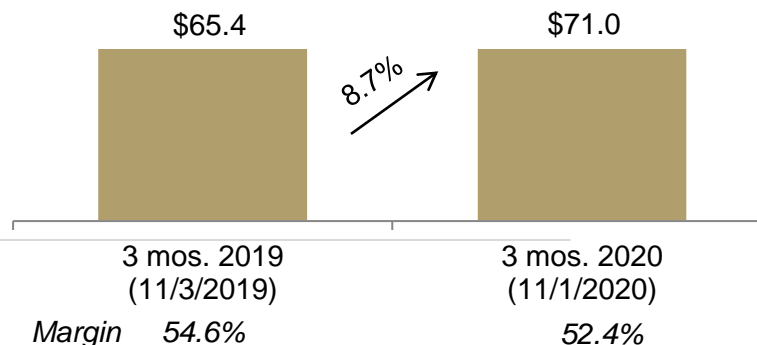
■ Retail

■ Direct



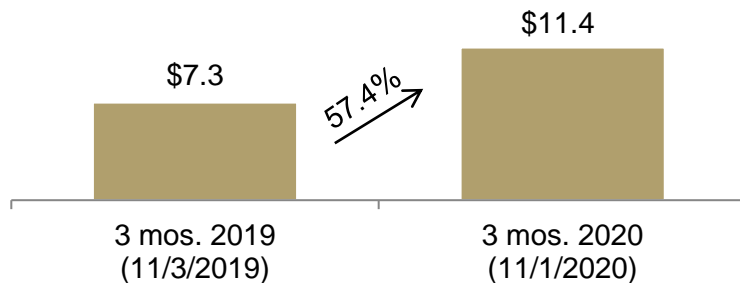
Gross Profit

(\$ in millions)



Adjusted EBITDA ¹

(\$ in millions)

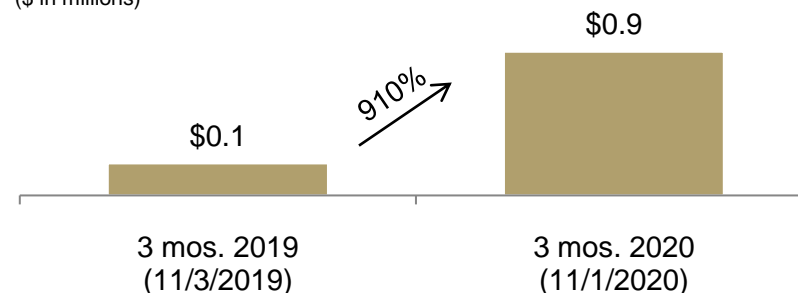


Margin 6.1%

8.4%

Net Income ²

(\$ in millions)



Margin 0.1%

0.7%



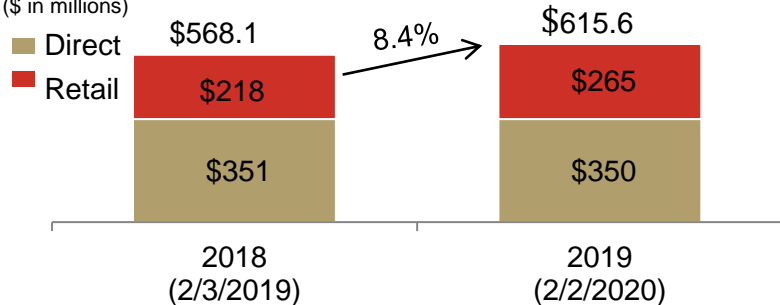
¹ Adjusted to reflect the add-back of stock compensation expense.

² Excludes net income attributable to noncontrolling interest.

Year Ended February 2, 2020

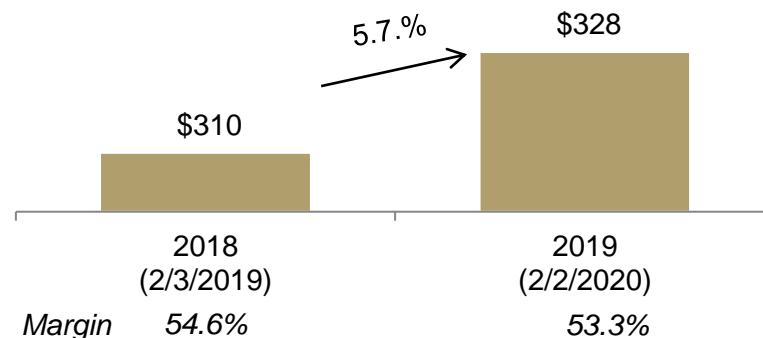
Net Sales

(\$ in millions)



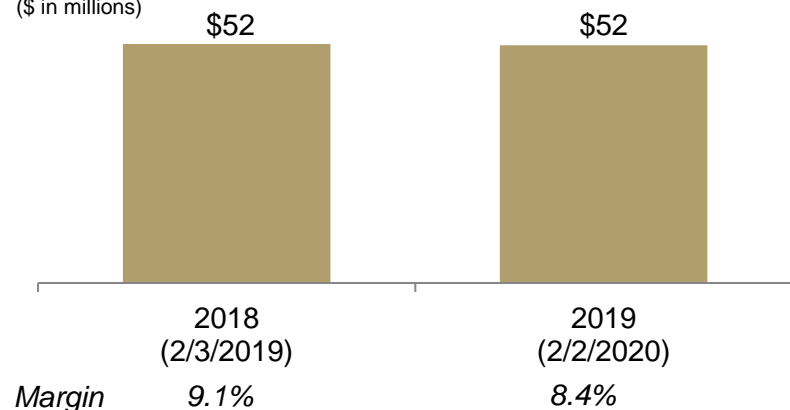
Gross Profit

(\$ in millions)



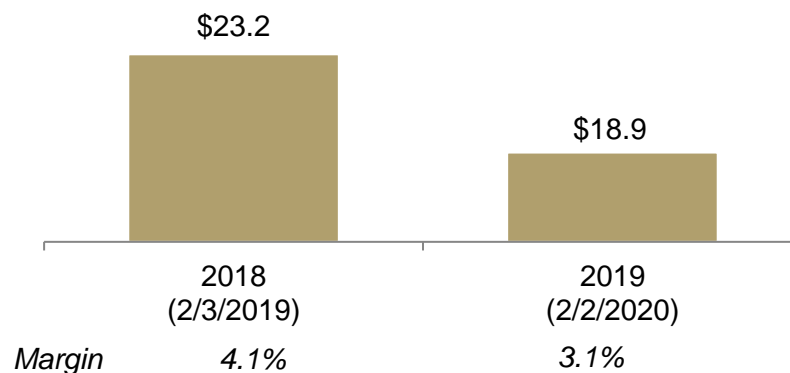
Adjusted EBITDA ¹

(\$ in millions)



Net Income ²

(\$ in millions)



¹ Adjusted to reflect the add-back of stock compensation expense.

² Excludes net income attributable to noncontrolling interest.

Strong Balance Sheet and Liquidity⁽¹⁾

	As of November 1, 2020
(\$ in millions)	
Cash	\$ 12.8
Debt:	
Line of Credit	43.0
Term Loan	48.9
Total Debt	91.9
Total Shareholders' Equity	168.8
Total Capitalization	\$ 260.7
Debt to Capital ratio	35.3%

Commentary

- \$12.8 million of cash with \$91.9 million of debt outstanding¹
- \$150.5 million credit facility (\$80 million line of credit and \$70.5 million of term loan capacity²)

¹ Balances do not include TRI Holding, LLC, a variable interest entity that is consolidated for reporting purposes.

² On April 30, 2020, the Credit Agreement was amended to include an incremental DDTL of \$20.5 million that is available to draw upon before March 31, 2021, and matures on April 29, 2021.



Appendix

Reconciliation to Adjusted EBITDA

(\$ in millions)	3 Months Ended		9 Months Ended	
	Nov 1, 2020	Nov 3, 2019	Nov 1, 2020	Nov 3, 2019
Net income (loss)	\$ 0.9	\$ 0.1	\$ (8.4)	\$ (5.7)
(+) Depreciation and amortization	7.9	6.5	21.2	15.9
(+) Interest expense	1.6	1.5	4.8	3.1
(+) Amortization of build-to-suit leases capital contribution	0.2	0.1	0.6	0.6
(-/+) Income tax benefit (expense)	0.4	(0.2)	(2.8)	(2.2)
EBITDA	\$ 11.1	\$ 8.0	\$ 15.4	\$ 11.7
(+) Stock based compensation	0.4	(0.7)	1.3	0.3
Adjusted EBITDA	\$ 11.4	\$ 7.3	\$ 16.6	\$ 12.0

Announced Store Openings

Location

Friendswood, TX
 Katy, TX
 Wichita, KS
 Spokane Valley, WA
 Jacksonville, FL
 Rogers, AR
 Danbury, CT
 Madison, AL
 Kennesaw, GA
 Round Rock, TX
 Hoover, AL
 Sandy, UT
 Bloomington, MN
 Franklin, TN
 Knoxville, TN
 Henrico, VA
 Springfield, OR
 Orland Park, IL
 Florence, KY
 Cherry Hill, NJ

Timing

Opened March 7, 2019
 Opened March 8, 2019
 Opened March 21, 2019
 Opened April 11, 2019
 Opened May 2, 2019
 Opened May 16, 2019
 Opened May 23, 2019
 Opened June 6, 2019
 Opened June 28, 2019
 Opened September 5, 2019
 Opened September 26, 2019
 Opened November 1, 2019
 Opened November 7, 2019
 Opened November 14, 2019
 Opened November 15, 2019
 Opened March 5, 2020
 Opened August 14, 2020
 Opened August 20, 2020
 Opened October 1, 2020
 Fiscal 2021

Gross Sq Ft

16,026
 16,000
 15,385
 15,656
 14,557
 15,656
 9,792
 15,656
 20,041
 15,536
 15,656
 15,602
 1,663
 11,940
 15,385
 16,828
 20,388
 10,000
 11,441
 11,441