

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended May 3, 2026

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-37641

DULUTH HOLDINGS INC.

(Exact name of registrant as specified in its charter)

Wisconsin
(State or other jurisdiction of
incorporation or organization)

201 East Front Street
Mount Horeb, Wisconsin
(Address of principal executive offices)

39-1564801
(I.R.S. Employer
Identification Number)

53572
(Zip Code)

(608) 424-1544
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class B Common Stock, No Par Value	DLTH	NASDAQ Global Select Market

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	<input type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-accelerated Filer	<input checked="" type="checkbox"/>	Smaller Reporting Company	<input checked="" type="checkbox"/>
		Emerging Growth Company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares outstanding of the Registrant's Class A common stock, no par value, as of June 8, 2026, was 3,364,200.

The number of shares outstanding of the Registrant's Class B common stock, no par value, as of June 8, 2026, was 34,637,871.

DULUTH HOLDINGS INC.
QUARTERLY REPORT ON FORM 10-Q
FOR QUARTER ENDED May 3, 2026
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PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

DULUTH HOLDINGS INC.
Condensed Consolidated Balance Sheets
(Unaudited)
(Amounts in thousands)

	May 3, 2026	February 1, 2026
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 6,134	\$ 16,345
Receivables	1,754	2,710
Inventory	132,444	131,342
Prepaid expenses & other current assets	22,732	21,654
Total current assets	163,064	172,051
Property and equipment, net	91,909	96,913
Operating lease right-of-use assets	83,382	89,283
Finance lease right-of-use assets, net	28,733	29,577
Available-for-sale security	4,676	4,763
Other assets, net	8,886	10,022
Total assets	\$ 380,650	\$ 402,609
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Trade accounts payable	\$ 40,072	\$ 48,226
Accrued expenses and other current liabilities	34,370	39,871
Current portion of operating lease liabilities	16,562	16,449
Current portion of finance lease liabilities	2,711	2,681
Line of credit	6,009	—
Current maturities of TRI long-term debt	1,043	1,020
Total current liabilities	100,767	108,247
Operating lease liabilities, less current maturities	72,015	76,008
Finance lease liabilities, less current maturities	27,251	27,940
TRI long-term debt, less current maturities	23,085	23,337
Deferred tax liabilities	962	962
Total liabilities	224,080	236,494
Shareholders' equity:		
Preferred stock, no par value; 10,000 shares authorized; no shares issued or outstanding as of May 3, 2026 and February 1, 2026	—	—
Common stock (Class A), no par value; 10,000 shares authorized; 3,364 shares issued and outstanding as of May 3, 2026 and February 1, 2026	—	—
Common stock (Class B), no par value; 200,000 shares authorized; 35,145 shares issued and 34,675 shares outstanding as of May 3, 2026 and 33,854 shares issued and 33,384 shares outstanding as of February 1, 2026	—	—
Treasury stock, at cost; 470 and 470 shares as of May 3, 2026 and February 1, 2026, respectively	(3,156)	(2,922)
Capital stock	111,560	110,794
Retained earnings	51,231	61,332
Accumulated other comprehensive loss	(260)	(231)
Total shareholders' equity of Duluth Holdings Inc.	159,375	168,973
Noncontrolling interest	(2,805)	(2,858)
Total shareholders' equity	156,570	166,115
Total liabilities and shareholders' equity	\$ 380,650	\$ 402,609

The accompanying notes are an integral part of these condensed consolidated financial statements.

DULUTH HOLDINGS INC.
Condensed Consolidated Statements of Operations
(Unaudited)
(Amounts in thousands, except per share figures)

	Three Months Ended	
	May 3, 2026	May 4, 2025
Net sales	\$ 98,594	\$ 102,704
Cost of goods sold (excluding depreciation and amortization)	41,960	49,349
Gross profit	56,634	53,355
Selling, general and administrative expenses	61,802	65,158
Impairment of long-lived assets	2,709	549
Restructuring expense	1,354	—
Operating loss	(9,231)	(12,352)
Interest expense	790	1,481
Other (loss) income, net	93	(161)
Loss before income taxes	(9,928)	(13,994)
Income tax expense	120	1,270
Net loss	(10,048)	(15,264)
Less: Net income attributable to noncontrolling interest	53	29
Net loss attributable to controlling interest	\$ (10,101)	\$ (15,293)
Basic and diluted earnings per share (Class A and Class B):		
Weighted average shares of common stock outstanding	34,712	33,714
Net loss per share attributable to controlling interest	\$ (0.29)	\$ (0.45)

The accompanying notes are an integral part of these condensed consolidated financial statements.

DULUTH HOLDINGS INC.
Condensed Consolidated Statements of Comprehensive Income (Loss)
(Unaudited)
(Amounts in thousands)

	Three Months Ended	
	May 3, 2026	May 4, 2025
Net loss	\$ (10,048)	\$ (15,264)
Other comprehensive loss		
Securities available-for sale:		
Unrealized security gain (loss) arising during the period	(29)	422
Income tax expense	—	—
Other comprehensive income (loss)	(29)	422
Comprehensive loss	(10,077)	(14,842)
Comprehensive income attributable to noncontrolling interest	53	29
Comprehensive loss attributable to controlling interest	\$ (10,130)	\$ (14,871)

The accompanying notes are an integral part of these condensed consolidated financial statements.

DULUTH HOLDINGS INC.
Condensed Consolidated Statement of Shareholders' Equity
(Unaudited)
(Amounts in thousands)

	Three Months Ended May 3, 2026						
	Capital stock		Treasury stock	Retained earnings	Accumulated other comprehensive (loss) income	Noncontrolling interest in variable interest entity	Total shareholders' equity
	Shares	Amount					
Balance at February 1, 2026	36,748	\$ 110,794	\$ (2,922)	\$ 61,332	\$ (231)	\$ (2,858)	\$ 166,115
Issuance of common stock	1,413	57	—	—	—	—	57
Stock-based compensation	—	709	—	—	—	—	709
Restricted stock forfeitures	(17)	—	—	—	—	—	—
Restricted stock surrendered for taxes	(105)	—	(234)	—	—	—	(234)
Other comprehensive income	—	—	—	—	(29)	—	(29)
Net (loss) income	—	—	—	(10,101)	—	53	(10,048)
Balance at May 3, 2026	<u>38,039</u>	<u>\$ 111,560</u>	<u>\$ (3,156)</u>	<u>\$ 51,231</u>	<u>\$ (260)</u>	<u>\$ (2,805)</u>	<u>\$ 156,570</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

DULUTH HOLDINGS INC.
Condensed Consolidated Statement of Shareholders' Equity
(Unaudited)
(Amounts in thousands)

	Three Months Ended May 4, 2025						
	Capital stock		Treasury stock	Retained earnings	Accumulated other comprehensive loss	Noncontrolling interest in variable interest entity	Total shareholders' equity
	Shares	Amount					
Balance at February 2, 2025	35,177	\$ 108,009	\$ (2,332)	\$ 77,721	\$ (722)	\$ (2,997)	\$ 179,679
Issuance of common stock	766	66	—	—	—	—	66
Stock-based compensation	—	254	—	—	—	—	254
Restricted stock forfeitures	(567)	—	—	—	—	—	—
Restricted stock surrendered for taxes	(122)	—	(264)	—	—	—	(264)
Other comprehensive income	—	—	—	—	422	—	422
Net (loss) income	—	—	—	(15,293)	—	29	(15,264)
Balance at May 4, 2025	35,254	\$ 108,329	\$ (2,596)	\$ 62,428	\$ (300)	\$ (2,968)	\$ 164,893

The accompanying notes are an integral part of these condensed consolidated financial statements.

DULUTH HOLDINGS INC.
Condensed Consolidated Statements of Cash Flows
(Unaudited)
(Amounts in thousands)

	Three Months Ended	
	May 3, 2026	May 4, 2025
Cash flows from operating activities:		
Net loss	\$ (10,048)	\$ (15,264)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	5,778	6,749
Stock based compensation	709	254
Impairment of long-lived assets	2,709	549
Deferred income taxes	—	1,371
Loss on disposal of property and equipment	1,301	748
Non-cash lease expense	4,032	3,986
Changes in operating assets and liabilities:		
Receivables	956	(278)
Inventory	(1,102)	(9,563)
Prepaid expense & other current assets	(2,026)	(1,920)
Software hosting implementation costs, net	1,859	(2,995)
Trade accounts payable	(8,123)	(28,159)
Accrued expenses and deferred rent obligations	(4,659)	(7,940)
Operating lease liabilities	(4,024)	(3,808)
Other assets	(780)	(193)
Net cash used in operating activities	<u>(13,418)</u>	<u>(56,463)</u>
Cash flows from investing activities:		
Purchases of property and equipment	(1,779)	(1,332)
Principal receipts from available-for-sale security	58	53
Net cash used in investing activities	<u>(1,721)</u>	<u>(1,279)</u>
Cash flows from financing activities:		
Proceeds from line of credit	13,093	64,450
Payments on line of credit	(7,083)	(450)
Payments on TRI long-term debt	(246)	(225)
Payments on finance lease obligations	(659)	(622)
Payments of tax withholding on vested restricted shares	(234)	(264)
Other	57	97
Net cash provided by financing activities	<u>4,928</u>	<u>62,986</u>
Increase (decrease) in cash and cash equivalents	(10,211)	5,244
Cash and cash equivalents at beginning of period	16,345	3,335
Cash and cash equivalents at end of period	<u>\$ 6,134</u>	<u>\$ 8,579</u>
Supplemental disclosure of cash flow information:		
Interest paid	\$ 790	\$ 1,481
Income taxes paid	\$ —	\$ —
Supplemental disclosure of non-cash information:		
Unpaid liability to acquire property and equipment	\$ 191	\$ 1,271

The accompanying notes are an integral part of these condensed consolidated financial statements.

DULUTH HOLDINGS INC.
Notes to Condensed Consolidated Financial Statements (Unaudited)

1. NATURE OF OPERATIONS AND BASIS OF PRESENTATION

A. Nature of Operations

Duluth Holdings Inc. (“Duluth Trading” or the “Company”), a Wisconsin corporation, is a lifestyle brand of men’s and women’s workwear, casual wear, outdoor apparel and accessories sold primarily through the Company’s own omnichannel platform. The Company’s products are marketed under the Duluth Trading Company brand, with the majority of products being exclusively developed and sold as Duluth Trading branded merchandise.

The Company identifies its operating segments according to how its business activities are managed and evaluated. The Company continues to report one reportable external segment, consistent with the Company’s omnichannel business approach. The Company’s revenues generated outside the United States were insignificant.

The Company has two classes of authorized common stock: Class A common stock and Class B common stock. The rights of holders of Class A common stock and Class B common stock are identical, except for voting and conversion rights. Each share of Class A common stock is entitled to ten votes per share and is convertible at any time into one share of Class B common stock. Each share of Class B common stock is entitled to one vote per share. The Company’s Class B common stock trades on the NASDAQ Global Select Market under the symbol “DLTH.”

B. Basis of Presentation

The condensed consolidated financial statements are prepared in accordance with U.S. Generally Accepted Accounting Principles (“U.S. GAAP”). The Company consolidates TRI Holdings, LLC (“TRI”) as a variable interest entity (see Note 6 “Variable Interest Entity” for further information). All significant intercompany balances and transactions have been eliminated in consolidation.

The Company’s fiscal year ends on the Sunday nearest to January 31 of the following year. Fiscal 2026 is a 52-week period and ends on January 31, 2027. Fiscal 2025 was a 52-week period and ended on February 1, 2026. The three months of fiscal 2026 and fiscal 2025 represent the Company’s 13-week periods ended May 3, 2026 and May 4, 2025, respectively.

The accompanying condensed consolidated financial statements as of and for the three months ended May 3, 2026 and May 4, 2025 have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”) and, in the opinion of the Company, include all adjustments (which are normal and recurring in nature) necessary to present fairly the financial position, results of operations and cash flows of the Company for the interim periods presented. Certain information and footnote disclosures normally included in consolidated financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such SEC rules and regulations as of and for the three months ended May 3, 2026 and May 4, 2025. These interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes included in the Company’s annual report on Form 10-K for the fiscal year ended February 1, 2026.

C. Inventory

Inventory consists of finished goods stated at the lower of cost or net realizable value, with cost determined using the first-in, first-out valuation method. The Company records an inventory reserve for the anticipated loss associated with selling inventories below cost. Inventory reserve for excess, obsolete items, and shrinkage was \$5.5 million and \$4.4 million as of May 3, 2026 and February 1, 2026, respectively.

DULUTH HOLDINGS INC.
Notes to Condensed Consolidated Financial Statements (Unaudited)

D. Prepaid Expenses and Other Assets

Prepaid expenses and other assets consist of the following:

<i>(in thousands)</i>	May 3, 2026	February 1, 2026
Prepaid expenses & other current assets		
Pending returns inventory, net	\$ 1,293	\$ 2,020
Current software hosting implementation costs, net	3,552	4,173
Other prepaid expenses	17,887	15,461
Prepaid expenses & other current assets	\$ 22,732	\$ 21,654
Other assets, net		
Intangible assets, net	\$ 393	\$ 397
Non-current software hosting implementation costs	7,106	8,345
Other assets, net	1,387	1,280
Other assets, net	\$ 8,886	\$ 10,022

E. Seasonality of Business

The Company's business is affected by the pattern of seasonality common to most apparel businesses. Historically, the Company has recognized a significant portion of its revenue and operating profit in the fourth fiscal quarter of each year due to increased sales during the holiday season.

F. Cash and Cash Equivalents

The Company considers short-term investments with original maturities of three months or less when purchased to be cash equivalents. Amounts receivable from credit card issuers are typically converted to cash within 2 to 4 days of the original sales transaction and are considered to be cash equivalents.

G. Reclassifications

Certain prior year amounts, which are not material, have been reclassified to conform to the current year presentation in the condensed consolidated financial statements and accompanying notes to the condensed consolidated financial statements.

H. Significant Accounting Policies

There have been no significant changes to the Company's significant accounting policies as described in the Company's Annual Report on Form 10-K for the year ended February 1, 2026.

DULUTH HOLDINGS INC.
Notes to Condensed Consolidated Financial Statements (Unaudited)

2. LEASES

The expense components of the Company's leases reflected on the Company's condensed consolidated statement of operations were as follows:

<i>(in thousands)</i>	Consolidated Statement of Operations	Three Months Ended	
		May 3, 2026	May 4, 2025
Finance lease expense			
Amortization of right-of-use assets	Selling, general and administrative expenses	\$ 722	\$ 722
Interest on lease liabilities	Interest expense	339	368
Total finance lease expense		\$ 1,061	\$ 1,090
Operating lease expense			
Amortization of build-to-suit leases capital contribution	Selling, general and administrative expenses	321	321
Variable lease expense	Selling, general and administrative expenses	3,061	2,801
Total lease expense		\$ 9,314	\$ 9,110

Other information related to leases were as follows:

<i>(in thousands)</i>	Three Months Ended	
	May 3, 2026	May 4, 2025
Cash paid for amounts included in the measurement of lease liabilities:		
Financing cash flows from finance leases	\$ 659	\$ 622
Operating cash flows from finance leases	339	368
Operating cash flows from operating leases	5,061	4,921
Right-of-use assets obtained in exchange for lease liabilities:		
Operating leases	\$ 144	\$ 1,398
Weighted-average remaining lease term (in years):		
Finance leases	9	10
Operating leases	6	6
Weighted-average discount rate:		
Finance leases	4.5%	4.5%
Operating leases	4.7%	4.4%

Future minimum lease payments under the non-cancellable leases are as follows as of May 3, 2026:

Fiscal year <i>(in thousands)</i>	Finance	Operating
2026 (remainder of fiscal year)	\$ 2,995	\$ 15,288
2027	3,993	19,182
2028	4,017	17,276
2029	4,217	14,638
2030	4,369	13,470
Thereafter	16,628	20,947
Total future minimum lease payments	\$ 36,219	\$ 100,801
Less – Discount	(6,257)	(12,224)
Lease liability	\$ 29,962	\$ 88,577

DULUTH HOLDINGS INC.
Notes to Condensed Consolidated Financial Statements (Unaudited)

In the first quarter of 2026, the Company recorded an impairment charge of \$2.7 million, which consisted of a right-of-use asset of \$2.0 million and associated leasehold improvements of \$0.7 million relating to the closure of the Salt Lake City fulfillment center as discussed in further detail in Note 13. The Company performed a recoverability test on the asset group. This test indicated that the carrying amount of the asset was not recoverable, as it exceeded the sum of the future undiscounted cash flows expected to result from the use and eventual disposition of the assets. Consequently, the Company proceeded to measure the impairment loss by comparing the asset group's carrying amount to its fair value. The fair value, which is considered to be a level 3 non-recurring fair value measurement, was determined using a discounted cash flow analysis (an income approach). The discounted cash flow analysis utilized level 3 fair value inputs including cash flow projections and discount rates. The resulting impairment charge of \$2.7 million represents the amount by which the carrying value exceeded the calculated fair value. The impairment charge recorded is included in impairment of long-lived assets in the Company's condensed consolidated statement of operations for the three months ended May 3, 2026.

3. DEBT AND CREDIT AGREEMENT

Debt consists of the following:

<i>(in thousands)</i>	May 3, 2026	February 1, 2026
TRI Senior Secured Note	\$ 20,628	\$ 20,857
TRI Note	3,500	3,500
	<u>\$ 24,128</u>	<u>\$ 24,357</u>
Less: current maturities	1,043	1,020
TRI long-term debt	<u>\$ 23,085</u>	<u>\$ 23,337</u>
Duluth Line of credit	\$ 6,009	\$ —
Less: current maturities	6,009	—
Duluth long-term debt	<u>\$ —</u>	<u>\$ —</u>

TRI Holdings, LLC

TRI entered into a senior secured note ("TRI Senior Secured Note") with an original balance of \$26.7 million. The TRI Senior Secured Note is scheduled to mature on October 15, 2038 and requires installment payments with an interest rate of 4.95%. See Note 6 "Variable Interest Entities" for further information.

TRI entered into a promissory note ("TRI Note") with an original balance of \$3.5 million. The TRI Note is scheduled to mature in November 2038 and requires annual interest payments at a rate of 3.05%, with a final balloon payment due in November 2038.

While the above notes are consolidated in accordance with ASC Topic 810, *Consolidation*, the Company is not the guarantor nor the obligor of these notes.

Credit Agreement

On April 28, 2025, the Company entered into a credit agreement (the "Credit Agreement") among the Company, certain financial institutions as Lenders thereto, and BMO Bank N.A., as Administrative Agent, a Swing Line Lender and a Letter of Credit Issuer. The Credit Agreement provides for borrowings of up to \$100.0 million in aggregate principal amount that are available under an asset-based revolving senior credit facility (the "Revolver") with a \$10.0 million sublimit for the issuance of standby letters of credit.

Under the Credit Agreement, (i) each Secured Overnight Financing Rate ("SOFR") loan will bear interest on the outstanding principal amount at a rate per annum equal to adjusted term SOFR plus 150 basis points; (ii) each base rate loan will bear interest on the outstanding principal amount from the applicable borrowing date at a rate per annum equal to the Base Rate (as defined in the Credit Agreement) plus 50 basis points; (iii) each swing line loan will bear interest on the outstanding principal amount from the applicable borrowing date at a rate per annum equal to the base rate plus the applicable margin; and (iv) each other obligation will bear interest on the unpaid amount at a rate per annum equal to the base rate plus the applicable margin.

DULUTH HOLDINGS INC.
Notes to Condensed Consolidated Financial Statements (Unaudited)

The Company is also permitted to voluntarily prepay the Credit Agreement in whole or in part at any time, where borrowings bearing interest based on the base rate may be prepaid at any time without penalty and borrowings bearing interest based on SOFR may be prepaid, subject to payment of usual and customary breakage and redeployment costs. The revolver will mature on April 28, 2030. Pursuant to the Credit Agreement, the Company may request an increase in the revolving credit commitments in the aggregate amount of up to \$25.0 million during the term of the Credit Agreement and with the consent of the Administrative Agent, subject to credit approval of the Lenders and the satisfaction of certain conditions. The Credit Agreement contains customary events of default and financial, affirmative and negative covenants and is secured by a first-priority perfected security interest in substantially all of the tangible and intangible assets of the Company.

The new \$100.0 million Revolver replaced the prior revolving credit facility at a lower interest rate and extends the availability of funds to April 28, 2030. The Company believes the Credit Agreement will provide the Company with flexibility and liquidity to finance seasonal inventory builds.

On July 16, 2025, the Company entered into the First Amendment to the Credit Agreement, pursuant to which all revolving credit loans advanced or prepaid pursuant to such Sweep to Loan Arrangement shall bear interest based on the Base Rate.

On October 1, 2025, the Company entered into the Second Amendment to the Credit Agreement, which, among other things, (i) temporarily increased the aggregate revolving credit commitment under the Credit Agreement from \$100.0 million to \$125.0 million, as allowed by the existing Credit Agreement, beginning on October 1, 2025 until March 31, 2026, as of which date the revolving credit commitment returned to \$100.0 million.

As of May 3, 2026, the Company had drawn \$6.0 million and had issued and outstanding letters of credit of \$0.7 million under the Revolver, which reduced the amount available for cash advances under the facility to \$93.3 million.

4. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consist of the following:

<i>(in thousands)</i>	May 3, 2026	February 1, 2026
Salaries and benefits	\$ 12,960	\$ 14,120
Deferred revenue	7,883	9,192
Freight	689	2,186
Product returns	3,226	4,529
Unpaid purchases of property & equipment	576	1,775
Accrued advertising	1,209	671
Other	7,827	7,398
Total accrued expenses and other current liabilities	\$ 34,370	\$ 39,871

5. FAIR VALUE

ASC Topic 820, *Fair Value Measurements and Disclosures* (“ASC 820”), defines fair value as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date (i.e., an exit price). The exit price is based on the amount that the holder of the asset or liability would receive or need to pay in an actual transaction (or in a hypothetical transaction if an actual transaction does not exist) at the measurement date. ASC 820 describes a fair value hierarchy based on three levels of inputs that may be used to measure fair value, of which the first two are considered observable and the last unobservable, as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

DULUTH HOLDINGS INC.
Notes to Condensed Consolidated Financial Statements (Unaudited)

The Company's assets and liabilities measured at fair value are categorized as Level 3 instruments. The fair value of the Company's available-for-sale security was valued based on a discounted cash flow method (Level 3), which incorporates the U.S. Treasury yield curve, credit information and an estimate of future cash flows. During the three months ended May 3, 2026, certain changes in the inputs did impact the fair value of the available-for-sale security. The calculated fair value is based on estimates that are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The amortized cost and fair value of the Company's available-for-sale security and the corresponding amount of gross unrealized gains and losses recognized in accumulated other comprehensive income are as follows:

	May 3, 2026			
	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
<i>(in thousands)</i>				
Level 3 security:				
Corporate trust	\$ 5,079	\$ —	\$ (403)	\$ 4,676
	February 1, 2026			
	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
<i>(in thousands)</i>				
Level 1 security:				
Money market funds	\$ 12,158	\$ —	\$ —	\$ 12,158
Level 3 security:				
Corporate trust	\$ 5,137	\$ —	\$ (374)	\$ 4,763

The following table presents a reconciliation of the beginning and ending balances of the Company's corporate trust security measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	Three Months Ended	
	May 3, 2026	May 4, 2025
<i>(in thousands)</i>		
Corporate trust - (Level 3)		
Beginning balance	\$ 4,763	\$ 4,491
Total gains (losses) included in OCI (Change in value)	(29)	421
Settlements	(58)	(52)
Ending balance	<u>\$ 4,676</u>	<u>\$ 4,860</u>
	May 3, 2026	February 1, 2026
Weighted Average Discount Rate	4.56%	4.43%
Own credit risk	1.50%	1.50%
Future Cash Flows (in thousands)	\$ 6,908	\$ 7,030

The Company does not intend to sell the available-for-sale-security in the near term and does not believe that it will be required to sell the security. The Company reviews its securities on a quarterly basis to monitor its exposure to other-than-temporary impairment.

No other-than-temporary impairment was recorded in the unaudited condensed consolidated statements of operations for the three months ended May 3, 2026 or May 4, 2025.

DULUTH HOLDINGS INC.
Notes to Condensed Consolidated Financial Statements (Unaudited)

The following table presents future principal receipts related to the Company's available-for-sale security by contractual maturity as of May 3, 2026.

<i>(in thousands)</i>	Amortized Cost	Estimated Fair Value
Within one year	\$ 246	\$ 214
After one year through five years	1,596	1,434
After five years through ten years	2,351	2,190
After ten years	886	838
Total	\$ 5,079	\$ 4,676

The carrying values and fair values of other financial instruments in the Consolidated Balance Sheets are as follows:

<i>(in thousands)</i>	May 3, 2026		February 1, 2026	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
TRI Long-term debt, including short-term portion	\$ 24,128	\$ 22,381	\$ 24,357	\$ 22,810

The above long-term debt, including short-term portion is attributable to the consolidation of TRI in accordance with ASC Topic 810, *Consolidation*. The fair value was also based on a discounted cash flow method (Level 3) based on credit information and an estimate of future cash flows.

6. VARIABLE INTEREST ENTITIES

Based upon the criteria set forth in ASC 810, *Consolidation*, the Company consolidates variable interest entities ("VIEs") in which it has a controlling financial interest and is therefore deemed the primary beneficiary. A controlling financial interest will have both of the following characteristics: (a) the power to direct the VIE activities that most significantly impact economic performance; and (b) the obligation to absorb the VIE losses and the right to receive benefits that are significant to the VIE. The Company has determined that it was the primary beneficiary of one VIE as of May 3, 2026 and February 1, 2026.

The Company leases the Company's headquarters in Mt. Horeb, Wisconsin from TRI. In conjunction with the lease, the Company originally invested \$6.3 million in a trust that loaned funds to TRI for the construction of the Company's headquarters. TRI is a Wisconsin limited liability company whose primary purpose and activity is to own this real property. The Company considers itself the primary beneficiary for TRI as the Company has both the power to direct the activities that most significantly impact the entity's economic performance and is expected to receive benefits that are significant to TRI. As the Company is the primary beneficiary, it consolidates TRI and the lease is eliminated in consolidation. The Company does not consolidate the trust as the Company is not the primary beneficiary.

The condensed consolidated balance sheets include the following amounts as a result of the consolidation of TRI as of May 3, 2026 and February 1, 2026:

<i>(in thousands)</i>	May 3, 2026	February 1, 2026
Cash	\$ 13	\$ 8
Property and equipment, net	21,547	21,702
Total assets	\$ 21,560	\$ 21,710
Other current liabilities	\$ 237	\$ 211
Current maturities of long-term debt	1,043	1,020
TRI long-term debt	23,085	23,337
Noncontrolling interest in VIE	(2,805)	(2,858)
Total liabilities and shareholders' equity	\$ 21,560	\$ 21,710

DULUTH HOLDINGS INC.
Notes to Condensed Consolidated Financial Statements (Unaudited)

7. EARNINGS PER SHARE

Earnings per share is computed under the provisions of ASC 260, *Earnings Per Share*. Basic earnings per share is based on the weighted average number of common shares outstanding for the period. Diluted earnings per share is based on the weighted average number of common shares plus the effect of dilutive potential common shares outstanding during the period using the treasury stock method. Dilutive potential common shares include outstanding restricted stock and are considered only for dilutive earnings per share unless considered anti-dilutive. The reconciliation of the numerator and denominator of the basic and diluted earnings per share calculation is as follows:

	Three Months Ended	
	May 3, 2026	May 4, 2025
<i>(in thousands, except per share data)</i>		
Numerator - net loss attributable to		
controlling interest	\$ (10,101)	\$ (15,293)
Denominator - weighted average shares		
(Class A and Class B)		
Basic	34,712	33,714
Dilutive shares	—	—
Diluted	34,712	33,714
Loss per share (Class A and Class B)		
Basic and diluted	\$ (0.29)	\$ (0.45)

The computation of diluted loss per share excluded 1.5 million and 0.8 million of unvested restricted stock for the three months ended May 3, 2026 and May 4, 2025, respectively, because their inclusion would be anti-dilutive due to a net loss.

8. STOCK-BASED COMPENSATION

The Company accounts for its stock-based compensation plan in accordance with ASC 718, *Stock Compensation*, which requires the Company to measure all share-based payments at grant date fair value and recognize the cost over the requisite service period of the award.

Total stock compensation expense associated with restricted stock recognized by the Company was \$0.7 million and \$0.3 million for the three months ended May 3, 2026 and May 4, 2025, respectively. The Company's total stock compensation expense is included in selling, general and administrative expenses on the Condensed Consolidated Statements of Operations.

A summary of the activity in the Company's unvested restricted stock during the three months ended May 3, 2026 is as follows:

	Shares	Weighted average fair value per share
Outstanding at February 1, 2026	2,311,132	\$ 2.47
Granted	1,389,208	3.14
Vested	(269,748)	4.31
Forfeited	(16,818)	5.71
Outstanding at May 3, 2026	3,413,774	\$ 2.58

At May 3, 2026, the Company had unrecognized compensation expense of \$7.1 million related to the restricted stock awards, which is expected to be recognized over a weighted average period of 2.4 years.

DULUTH HOLDINGS INC.
Notes to Condensed Consolidated Financial Statements (Unaudited)

9. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

<i>(in thousands)</i>	May 3, 2026	February 1, 2026
Land and land improvements	\$ 4,486	\$ 4,486
Leasehold improvements	59,552	59,828
Buildings	36,326	36,298
Vehicles	84	84
Warehouse equipment	63,156	65,608
Office equipment and furniture	55,698	55,651
Computer equipment	9,293	9,328
Software	39,167	38,872
	267,762	270,155
Accumulated depreciation and amortization	(178,739)	(175,803)
	89,023	94,352
Construction in progress	2,886	2,561
Property and equipment, net	\$ 91,909	\$ 96,913

10. REVENUE

The Company's revenue primarily consists of the sale of apparel, footwear and hard goods.

Sales disaggregated based upon sales channel is presented below.

<i>(in thousands)</i>	Three Months Ended	
	May 3, 2026	May 4, 2025
Direct-to-consumer	\$ 57,133	\$ 62,552
Stores	41,461	40,152
	\$ 98,594	\$ 102,704

Contract Assets and Liabilities

Contract assets and liabilities on the Company's consolidated balance sheets are presented in the following table:

<i>(in thousands)</i>	May 3, 2026	February 1, 2026
Contract assets	\$ 1,293	\$ 2,020
Contract liabilities	\$ 7,883	\$ 9,192

The following table provides the reconciliation of the contract liability related to gift cards for the three months ended:

<i>(in thousands)</i>	May 3, 2026	May 4, 2025
Balance as of beginning of period	\$ 9,192	\$ 9,782
Gift cards sold	2,085	2,797
Gift cards redeemed	(3,314)	(4,034)
Gift card breakage	(80)	(31)
Balance as of end of period	\$ 7,883	\$ 8,514

DULUTH HOLDINGS INC.
Notes to Condensed Consolidated Financial Statements (Unaudited)

11. INCOME TAXES

The Company's provision for income taxes during the interim reporting periods has historically been calculated by applying an estimate of the annual effective tax rate for the full year to "ordinary" income or loss (pre-tax income or loss excluding unusual or infrequently occurring discrete items) for the reporting period. The effective tax rate related to controlling interest was (1.2%) and (9.0%) for the three months ended May 3, 2026 and May 4, 2025, respectively. The income from TRI was excluded from the calculation of the Company's effective tax rate, as TRI is a limited liability company and not subject to income tax. The Company maintains a valuation allowance against its deferred tax assets as of the three months period ended May 3, 2026.

12. SEGMENT REPORTING

As of May 3, 2026 and May 4, 2025, the Company had one reportable segment. The Company's operating segment is based on how the Chief Operating Decision Maker ("CODM") makes decisions about allocating resources and assessing performance. The Company's CODM is its Chief Executive Officer. The CODM has the ultimate decision-making authority for resource allocation and assessing the performance of the Company. Thereby, the CODM regularly reviews consolidated net income as the measure of segment profit or loss, as well as significant segment expenses included in the below table, to evaluate operating performance, generate future operating plans and make strategic decisions regarding the allocation of capital. The CODM also uses these measures in monitoring plan versus actual results. The CODM does not review segment assets at a different level or category than those disclosed in the condensed consolidated balance sheets.

The following table summarizes the Company's gross margin and selling, general and administrative expenses.

	Three Months Ended	
	May 3, 2026 (13 weeks)	May 4, 2025 (13 weeks)
<i>(in thousands)</i>		
Net sales	\$ 98,594	\$ 102,704
Cost of goods sold	41,960	49,349
Gross margin	<u>\$ 56,634</u>	<u>\$ 53,355</u>
Less:		
Outbound shipping expenses	\$ 5,302	\$ 6,186
Advertising expenses	9,426	10,076
Variable expenses	9,849	10,886
Overhead expenses	37,225	38,010
Total selling, general and administrative	61,802	65,158
Impairment of long-lived assets	2,709	549
Restructuring expense	1,354	—
Operating loss	(9,231)	(12,352)
Interest expense	790	1,481
Other (loss) income, net	93	(161)
Loss before income taxes	(9,928)	(13,994)
Income tax expense	120	1,270
Net loss	(10,048)	(15,264)
Less: Net income attributable to noncontrolling interest	53	29
Net loss attributable to controlling interest	<u>\$ (10,101)</u>	<u>\$ (15,293)</u>

DULUTH HOLDINGS INC.
Notes to Condensed Consolidated Financial Statements (Unaudited)

13. RESTRUCTURING

On January 8, 2026, as a result of additional analysis of the Company's fulfillment center network, the Company communicated its intent to close the Salt Lake City fulfillment center, as such, the Company recorded employment related termination benefits and other restructuring related expenses beginning in the fourth quarter of 2025.

	<u>Three Months Ended</u>	
	<u>May 3, 2026</u>	<u>May 4, 2025</u>
<i>(in thousands)</i>		
Disposals of property and equipment	\$ 1,316	\$ —
Employee termination benefit expense	8	—
Other restructuring expense	30	—
Total restructuring expenses	<u>\$ 1,354</u>	<u>\$ —</u>

14. RECENT ACCOUNTING PRONOUNCEMENTS*Recent Accounting Pronouncements Not Yet Adopted**Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures*

In November 2024, the FASB issued ASU No. 2024-03, “Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures.” This ASU requires that each interim and annual reporting period an entity disclose more information about the components of certain expense captions that is currently disclosed in the financial statements. This update is effective for annual reporting periods beginning after December 15, 2027. Early adoption is permitted. Management is currently evaluating the effects this guidance will have on its consolidated financial statements.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of the financial condition and results of our operations should be read in conjunction with the financial statements and related notes of Duluth Holdings Inc. included in Item 1 of this Quarterly Report on Form 10-Q and with our audited financial statements and the related notes included in our Annual Report on Form 10-K for the fiscal year ended February 1, 2026 (“2025 Form 10-K”).

The Company’s fiscal year ends on the Sunday nearest to January 31 of the following year. Fiscal 2026 is a 52-week period and ends on January 31, 2027. Fiscal 2025 was a 52-week period and ended on February 1, 2026. The three months of fiscal 2026 and fiscal 2025 represent our 13-week periods ended May 3, 2026 and May 4, 2025, respectively.

Unless the context indicates otherwise, the terms the “Company,” “Duluth,” “Duluth Trading,” “we,” “our,” or “us” are used to refer to Duluth Holdings Inc.

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to risks and uncertainties. All statements other than statements of historical or current facts included in this Quarterly Report on Form 10-Q are forward-looking statements. Forward looking statements refer to our current expectations and projections relating to our financial condition, results of operations, plans, objectives, strategies, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as “anticipate,” “could,” “design,” “estimate,” “expect,” “project,” “plan,” “potential,” “intend,” “believe,” “may,” “might,” “will,” “objective,” “should,” “would,” “can have,” “likely,” and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events. For example, all statements we make relating to our estimated and projected earnings, revenue, costs, expenditures, cash flows, growth rates and financial results, our plans and objectives for future operations, growth or initiatives, strategies or the expected outcome or impact of pending or threatened litigation are forward-looking statements. All forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that we expected, including the risks and uncertainties described under Part I, Item 1A “Risk Factors,” in our 2025 Form 10-K, and other SEC filings, which factors are incorporated by reference herein. These risks and uncertainties include, but are not limited to, the following: the impact of inflation and measures to control inflation on our results of operations; the prolonged effects of economic uncertainties on store and website traffic; disruptions to our distribution network, supply chains and operations; failure to effectively manage inventory levels; our ability to maintain and enhance a strong brand and sub-brand image; adapting to declines in consumer confidence, inflation and decreases in consumer spending; disruptions to our e-commerce platform; our ability to meet customer delivery time expectations; our ability to properly allocate inventory throughout our distribution network to fulfill customer demand; our failure to meet our debt covenant ratios; natural disasters, unusually adverse weather conditions, boycotts, prolonged public health crises, epidemics or pandemics and unanticipated events; generating adequate cash from our existing stores and direct sales to support our growth; the impact of changes in corporate tax regulations and sales tax; identifying and responding to new and changing customer preferences; the success of the locations in which our stores are located; effectively relying on sources for merchandise located in foreign markets; transportation delays and interruptions, including port congestion; our inability to timely and effectively obtain shipments of products from our suppliers and deliver merchandise to our customers; the inability to maintain the performance of our maturing store portfolio; our inability to deploy marketing tactics and commit adequate resources to support marketing in order to retain and attract new customers; our ability to successfully open new stores; effectively adapting to new challenges associated with our expansion into new geographic markets; competing effectively in an environment of intense competition or elevated promotions; our ability to adapt to significant changes in sales due to the seasonality of our business; price reductions or inventory shortages resulting from failure to purchase the appropriate amount of inventory in advance of the season in which it will be sold; the potential for further increases in price and lack of availability of raw materials; our dependence on third-party vendors to provide us with sufficient quantities of merchandise at acceptable prices; the susceptibility of the price and availability of our merchandise to international trade conditions including tariffs; failure of our vendors and their manufacturing sources to use acceptable labor or other practices; our dependence upon key executive management or our inability to hire or retain the talent required for our business; increases in costs of fuel or other energy, transportation or utility costs and in the costs of labor and employment; failure of our information technology systems to support our current and growing business, before and after our planned upgrades; disruptions in our supply chain and fulfillment centers; our inability to protect our trademarks or other intellectual property rights; infringement on the intellectual property of third parties; acts of war, terrorism or civil unrest; the impact of governmental laws and regulations and the outcomes of legal proceedings; changes in U.S. and non-U.S. laws affecting the importation and taxation of goods, including imposition of unilateral tariffs on imported goods; our ability to secure the personal and/or financial information of our customers and employees; failure to comply with data privacy regulations; our ability to comply with the security standards for the credit card industry; our failure to maintain adequate internal controls over our financial and management systems; acquisition, disposition, and development risks; and other factors that may be disclosed in our SEC filings or otherwise.

Moreover, we operate in an evolving environment, new risk factors and uncertainties emerge from time to time and it is not possible for management to predict all risk factors and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. We qualify all of our forward-looking statements by these cautionary statements.

We undertake no obligation to update or revise these forward-looking statements, except as required under the federal securities laws.

Overview

We are a lifestyle brand of men's and women's workwear, casual wear, outdoor apparel and accessories sold primarily through our own omnichannel platform. We offer products nationwide through our website and direct mail. In 2010, we initiated our omnichannel platform with the opening of our first store. Since then, we have expanded our retail presence, and as of May 3, 2026, we operated 63 retail stores and three outlet stores.

We offer a comprehensive line of innovative, durable and functional products, such as our Longtail T[®] shirts, Buck Naked[®] underwear, Fire Hose[®] work pants, and No-Yank[®] Tank, which reflect our position as the Modern, Self-Reliant American Lifestyle brand. Our brand has a heritage in workwear that transcends tradesmen and appeals to a broad demographic for everyday and on-the-job use.

From our heritage as a catalog for those working in the building trades, Duluth Trading has become a widely recognized brand and proprietary line of innovative and functional apparel and gear. Over the last decade, we have created strong brand awareness, built a loyal customer base and generated sales growth. We have done so by sticking to our roots of "there's gotta be a better way" and through our relentless focus on providing our customers with quality, functional products.

A summary of our financial results is as follows:

- Net sales decreased by 4.0% over the prior year first quarter to \$98.6 million;
- Net loss decreased to \$10.0 million in fiscal 2026 first quarter compared to the prior year first quarter net loss of \$15.3 million; and
- Adjusted EBITDA increased to \$2.6 million in fiscal 2026 first quarter compared to the prior year first quarter Adjusted EBITDA of (\$3.8) million.

See the "Reconciliation of Net (Loss) Income to EBITDA and EBITDA to Adjusted EBITDA" section for a reconciliation of our net loss to EBITDA and EBITDA to Adjusted EBITDA, both of which are non-U.S. GAAP financial measures. See also the information under the heading "Adjusted EBITDA" in the section "How We Assess the Performance of Our Business" for our definition of Adjusted EBITDA.

Economic Conditions

The macroeconomic environment is experiencing inflation, including rising transportation costs, and recessionary concerns and general uncertainty regarding the future economic environment and therefore we cannot predict the ultimate impact of these economic conditions on our operational and financial performance. Given the uncertainty, we cannot reasonably estimate store traffic patterns and the prolonged impact on overall consumer demand. However, we expect that our operations will continue to be impacted by these macroeconomic headwinds, which may increase our merchandise costs, affect merchandise availability, and impact our financial performance.

On February 20, 2026, the U.S. Supreme Court issued a ruling relating to tariffs imposed under the International Emergency Economic Powers Act ("IEEPA"). Following the ruling, the U.S. Customs and Border Protection and other federal agencies issued additional guidance and took actions affecting the assessment, collection, refund, and/or protest of certain tariffs. We are evaluating the impact of these developments on previously paid tariffs and related matters, including the potential for refunds or other recovery. At this time, we cannot reasonably estimate the amount or timing of any recovery, if any, or the ultimate impact of these developments on our condensed consolidated financial statements.

How We Assess the Performance of Our Business

In assessing the performance of our business, we consider a variety of financial and operating measures that affect our operating results.

Net Sales

Net sales reflect our sale of merchandise plus shipping and handling revenue collected from our customers, less returns and discounts. Direct-to-consumer sales are recognized upon shipment to a customer, while store sales are recognized at the point of sale.

Gross Profit

Gross profit is equal to our net sales less cost of goods sold. Gross profit as a percentage of our net sales is referred to as gross margin. Cost of goods sold includes the direct cost of purchased merchandise; inventory shrinkage; inventory adjustments due to obsolescence, including excess and slow-moving inventory and lower of cost and net realizable reserves; inbound freight; and freight from our fulfillment centers to our retail stores. The primary drivers of the costs of individual goods are raw material costs. Depreciation and amortization are excluded from gross profit. Shipping and handling revenue is also reflected in our gross profit and gross profit margin. Our gross profit may not be comparable to other retailers, as we do not include distribution network and store occupancy expenses in calculating gross profit, but instead we include them in selling, general and administrative expenses.

Selling, General and Administrative Expenses

Selling, general and administrative expenses include all operating costs not included in cost of goods sold. These expenses include all payroll and payroll-related expenses and occupancy expenses related to our stores and to our operations at our headquarters, including utilities, depreciation and amortization. They also include marketing expense, which primarily includes television, digital and social media advertising, print production, mailing and print advertising costs, as well as all logistics costs associated with shipping product to our customers, consulting and software expenses and professional services fees. Selling, general and administrative expenses as a percentage of net sales is usually higher in lower-volume quarters and lower in higher-volume quarters because a portion of the costs are relatively fixed.

While we expect these expenses to increase as we continue to increase brand awareness and invest in infrastructure to support our business, we believe these expenses will decrease as a percentage of sales over time. Our shipping and handling expenses typically increase during the second half of the year due to additional surcharges during our peak selling season.

Adjusted EBITDA

We believe Adjusted EBITDA is a useful measure of operating performance, as it provides a clearer picture of operating results by excluding the effects of financing and investing activities by eliminating the effects of interest, taxes, and depreciation and amortization costs and eliminating expenses that are not reflective of underlying business performance. We use Adjusted EBITDA to facilitate a comparison of our operating performance on a consistent basis from period-to-period and to provide for a more complete understanding of factors and trends affecting our business.

We define Adjusted EBITDA as consolidated net (loss) income before depreciation and amortization, and interest expense, including non-cash and other items we do not consider representative of our ongoing operating performance. We believe Adjusted EBITDA is less susceptible to variances in actual performance resulting from depreciation, amortization and other items. This non-GAAP measure may not be comparable to similarly titled measures used by other companies.

Results of Operations

The following table summarizes our unaudited consolidated results of operations for the periods indicated, both in dollars and as a percentage of net sales.

<i>(in thousands)</i>	Three Months Ended					
	2026	% of Net Sales	2025	% of Net Sales	Change	% Change
Net sales	\$ 98,594	100.0 %	\$ 102,704	100.0 %	\$ (4,110)	(4.0) %
Cost of goods sold (excluding depreciation and amortization)	41,960	42.6 %	49,349	48.0 %	(7,389)	(15.0) %
Gross profit	56,634	57.4 %	53,355	52.0 %	3,279	6.1 %
Selling, general and administrative expenses	61,802	62.7 %	65,158	63.4 %	(3,356)	(5.2) %
Impairment of long-lived assets	2,709	2.7 %	549	0.5 %	2,160	393.4 %
Restructuring expense	1,354	1.4 %	—	- %	1,354	- %
Operating loss	(9,231)	(9.4) %	(12,352)	(12.0) %	3,121	(25.3) %
Interest expense	790	0.8 %	1,481	1.4 %	(691)	(46.7) %
Other (loss) income, net	93	0.1 %	(161)	(0.2) %	254	(157.8) %
Loss before income taxes	(9,928)	(10.1) %	(13,994)	(13.6) %	4,066	(29.1) %
Income tax expense	120	0.1 %	1,270	1.2 %	(1,150)	(90.6) %
Net loss	(10,048)	(10.2) %	(15,264)	(14.9) %	5,216	(34.2) %
Less: Net income attributable to noncontrolling interest	53	0.1 %	29	0.0 %	24	82.8 %
Net loss attributable to controlling interest	\$ (10,101)	(10.2) %	\$ (15,293)	(14.9) %	\$ 5,192	(34.0) %

Three Months Ended May 3, 2026, Compared to Three Months Ended May 4, 2025

Net Sales

The decrease in net sales for the three months ended May 3, 2026 was primarily driven by a decline in direct-to-consumer net sales resulting from declines in web traffic and web conversion due to reduced promotional activity partially offset by higher average order values. The decline in direct-to-consumer net sales was partially offset by an increase in store net sales driven by improved shopper conversion and higher average order values.

Gross Profit

The increase in gross profit and gross margin rate for the three months ended May 3, 2026 was primarily driven by an increase in average unit retail sales from reduced promotional activity coupled with an improvement in product costs from our direct to factory sourcing initiative.

Selling, General and Administrative Expenses

The decrease in selling, general and administrative expense and as a percentage of net sales for the three months ended May 3, 2026 was mainly driven by leverage on outbound shipping costs due to higher average order values coupled with a reduction in personnel and marketing related expenses.

Impairment of Long-Lived Assets

The impairment charge recorded during the three months ended May 3, 2026 related to the closure of our Salt Lake City fulfillment center and corresponding leasehold improvements, which is discussed in further detail in Note 2 of our Notes to Condensed Consolidated Financial Statements. The impairment charge recorded during the three months ended May 4, 2025 related to certain software that was no longer utilized in our operations.

Restructuring Expense

The restructuring expenses incurred for the three months ended May 3, 2026 related to the closure of our Salt Lake City fulfillment center. Refer to Note 13 of our Notes to Condensed Consolidated Financial Statements for further information on the closure of the fulfillment center.

Interest Expense

Interest expense decreased for the three months ended May 3, 2026 due to a lower average balance on our outstanding line of credit.

Income Taxes

The decrease was primarily driven by the additional valuation allowance established in the first quarter of 2025.

Reconciliation of Net Loss to EBITDA and EBITDA to Adjusted EBITDA

The following table presents reconciliations of net loss to EBITDA and EBITDA to Adjusted EBITDA, both of which are non-U.S. GAAP financial measures, for the periods indicated below. See the above section titled “How We Assess the Performance of Our Business,” for our definition of Adjusted EBITDA.

	Three Months Ended	
	May 3, 2026	May 4, 2025
<i>(in thousands)</i>		
Net loss	\$ (10,048)	\$ (15,264)
Depreciation and amortization	5,778	6,749
Amortization of internal-use software hosting subscription implementation costs	1,108	1,129
Interest expense	790	1,481
Income tax expense	120	1,270
EBITDA	\$ (2,252)	\$ (4,635)
Long-term incentive expense	824	293
Impairment expense	2,709	549
Restructuring expense	1,354	—
Adjusted EBITDA	\$ 2,635	\$ (3,793)

The increase in Adjusted EBITDA was primarily due to leverage across our cost of goods sold and operating expenses as discussed above in the “Results of Operations” section.

Liquidity and Capital Resources**General**

Our business relies on cash from operating activities and a credit facility as our primary sources of liquidity. Our primary cash needs have been for inventory, marketing and advertising, payroll, store leases, and capital expenditures associated with infrastructure and information technology. The most significant components of our working capital are cash, inventory, accounts payable and other current liabilities. At May 3, 2026, our net working capital was \$62.3 million, including \$6.1 million of cash and cash equivalents.

In April 2025, we entered into a credit agreement, which was subsequently amended throughout 2025 and provides us with borrowings of up to \$100.0 million that are available under an asset-based revolving senior credit facility with a \$10.0 million sublimit for the issuance of standby letters of credit. Due to the seasonality of our business, a significant amount of cash from operating activities is generated during the fourth quarter of our fiscal year. During the first three quarters of our fiscal year, we typically are net users of cash in our operating activities through funding received on our line of credit as we acquire inventory in anticipation of our peak selling season, which typically occurs in the fourth quarter of our fiscal year. We also use cash in our investing activities for capital expenditures throughout all four quarters of our fiscal year.

We believe that our cash flow from operating activities and the availability of cash under our credit facility will be sufficient to cover working capital requirements and anticipated capital expenditures for the foreseeable future.

Cash Flow Analysis

A summary of operating, investing and financing activities is shown in the following table.

	Three Months Ended	
	May 3, 2026	May 4, 2025
<i>(in thousands)</i>		
Net cash used in operating activities	\$ (13,418)	\$ (56,463)
Net cash used in investing activities	(1,721)	(1,279)
Net cash provided by financing activities	4,928	62,986
Increase (decrease) in cash and cash equivalents	<u>\$ (10,211)</u>	<u>\$ 5,244</u>

Net Cash Used in Operating Activities

Operating activities consist primarily of net loss adjusted for non-cash items that include depreciation and amortization, stock-based compensation and the effect of changes in operating assets and liabilities.

The decrease in cash used in operating activities for the three months ended May 3, 2026 was primarily due to the increase in gross margin rate, decrease in selling, general and administrative expenses as discussed in further detail above, and decreased trade payables and accrued expenses primarily from improved inventory management.

Net Cash Used in Investing Activities

Investing activities consist primarily of capital expenditures related to investments in infrastructure, retail stores and information technology.

The increase in cash used in investing activities was primarily driven by an increase in purchases of property and equipment.

Net Cash Provided by Financing Activities

Financing activities consist primarily of borrowings and payments related to our revolving line of credit as well as payments on finance lease obligations.

The decrease in cash provided by financing activities for the three months ended May 3, 2026 was primarily due to lower proceeds from our line of credit as a result of lower use of cash in our operations.

Contractual Obligations

There have been no significant changes to our contractual obligations as described in our Annual Report on Form 10-K for the fiscal year ended February 1, 2026.

Off-Balance Sheet Arrangements

We are not a party to any material off-balance sheet arrangements.

Critical Accounting Policies and Critical Accounting Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses, as well as the related disclosures of contingent assets and liabilities at the date of the financial statements. We evaluate our accounting policies, estimates, and judgments on an on-going basis. We base our estimates and judgments on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions and conditions and such differences could be material to the consolidated financial statements.

As of the date of this filing, there were no significant changes to any of the critical accounting policies and estimates described in our 2025 Form 10-K.

Recent Accounting Pronouncements

See Note 14 “Recent Accounting Pronouncements,” of Notes to Condensed Consolidated Financial Statements included in Part 1, Item 1, of this quarterly report on Form 10-Q for information regarding recent accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no significant changes in the market risks described in our 2025 Form 10-K. See Note 3 “Debt and Credit Agreement,” of Notes to Condensed Consolidated Financial Statements included in Part 1, Item 1, of this quarterly report on Form 10-Q, for disclosure on our interest rate related to borrowings under our credit agreement.

Item 4. Controls and Procedures***Evaluation of Disclosure Controls and Procedures***

Section 13a-15(b) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), requires management of an issuer subject to the Exchange Act to evaluate, with the participation of the issuer’s principal executive and principal financial officers, or persons performing similar functions, the effectiveness of the issuer’s disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act), as of the end of each fiscal quarter. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of such date, our disclosure controls and procedures were effective.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(d) and 15d-15(d) under the Exchange Act) that occurred during the period covered by this Quarterly Report on Form 10-Q that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

PART II. OTHER INFORMATION**Item 1. Legal Proceedings**

From time to time, we are subject to certain legal proceedings and claims in the ordinary course of business. We are not presently party to any legal proceedings the resolution of which we believe would have a material adverse effect on our business, financial condition, operating results or cash flows. We establish reserves for specific legal matters when we determine that the likelihood of an unfavorable outcome is probable and the loss is reasonably estimable.

Item 1A. Risk Factors

We operate in a rapidly changing environment that involves a number of risks that may have a material adverse effect on our business, financial condition and results of operations. For a detailed discussion of the risks that affect our business, please refer to the section entitled “Risk Factors” in our 2025 Form 10-K, or other SEC filings. There have been no material changes to our risk factors as previously disclosed in our fiscal 2025 Annual Report on Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

We did not sell any equity securities during the quarter ended May 3, 2026, which were not registered under the Securities Act.

The following table contains information regarding shares acquired by us during the quarter, which consisted solely of shares acquired from employees in lieu of amounts required to satisfy minimum tax withholding requirements upon the vesting of the employees’ restricted stock during the three months ended May 3, 2026.

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet to be purchased under the plans or programs
February 2, 2026 - March 1, 2026	1,524	\$ 2.21	—	\$ —
March 2, 2026 - April 5, 2026	87,110	2.19	—	—
April 6, 2026 - May 3, 2026	16,129	3.39	—	—
Total	104,763	\$ —	—	\$ —

Item 5. Other Information

During the three months ended May 3, 2026, no director or Section 16 officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

EXHIBIT INDEX

Exhibit No.	
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities and Exchange Act, as amended.*
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities and Exchange Act of 1934, as amended.*
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
101.INS	XBRL Instance Document**
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents**
104	The cover page from the Company’s Quarterly Report on Form 10-Q for the quarter ended May 3, 2026 has been formatted in Inline XBRL (Inline Extensible Business Reporting Language and contained in Exhibits 101).
+	Indicates a management contract or compensation plan or arrangement
*	Filed herewith
**	In accordance with Regulation S-T, the XBRL-related information in Exhibit 101 to this Quarterly Report on Form 10-Q shall be deemed to be “furnished” and not “filed.”

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: June 9, 2026

DULUTH HOLDINGS INC.
(Registrant)

/s/ Heena Agrawal

Heena Agrawal

Senior Vice President, Chief Financial Officer

(On behalf of the Registrant and as Principal Financial Officer and Interim Principal Accounting Officer)

CERTIFICATIONS

I, Stephanie Pugliese, Chief Executive Officer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Duluth Holdings Inc. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: June 9, 2026

/s/ Stephanie Pugliese
Stephanie Pugliese
Chief Executive officer

CERTIFICATIONS

I, Heena Agrawal, Chief Financial Officer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Duluth Holdings Inc. (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: June 9, 2026

/s/ Heena Agrawal

Heena Agrawal

Chief Financial Officer and Interim Chief Accounting Officer

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Duluth Holdings Inc. (the "Company") for the quarterly period ended May 3, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stephanie Pugliese, as Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"); and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Stephanie Pugliese

Name: **Stephanie Pugliese**
Title: **Chief Executive Officer**
Date: **June 9, 2026**

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability under that section. This certification shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Duluth Holdings Inc. (the "Company") for the quarterly period ended May 3, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Heena Agrawal, as Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"); and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Heena Agrawal

Name: **Heena Agrawal**
Title: **Chief Financial Officer and Interim Chief Accounting Officer**
Date: **June 9, 2026**

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability under that section. This certification shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.
