

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (date of earliest event reported): **December 7, 2018**

DULUTH HOLDINGS INC.

(Exact name of registrant as specified in its charter)

Wisconsin
(State or other jurisdiction
of incorporation)

001-37641
(Commission
File Number)

39-1564801
(IRS Employer
Identification No.)

201 East Front Street
Mount Horeb, Wisconsin 53572
(Address of principal executive offices, including zip
code)

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company X

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. X

Item 7.01 **Regulation FD Disclosure**

On December 7, 2018, Duluth Holdings Inc. issued an Investor Presentation. A copy of the Investor Presentation is attached as Exhibit 99.1, and is incorporated by reference herein.

The information reported in this Form 8-K, including the exhibit, is not deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liabilities of that section. Further, the information reported in this Form 8-K, including the exhibit, shall not be deemed to be incorporated by reference into the filings of the registrant under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filings.

Item 9.01 **Financial Statements and Exhibits**

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
<u>99.1</u>	Investor Presentation dated December 7, 2018

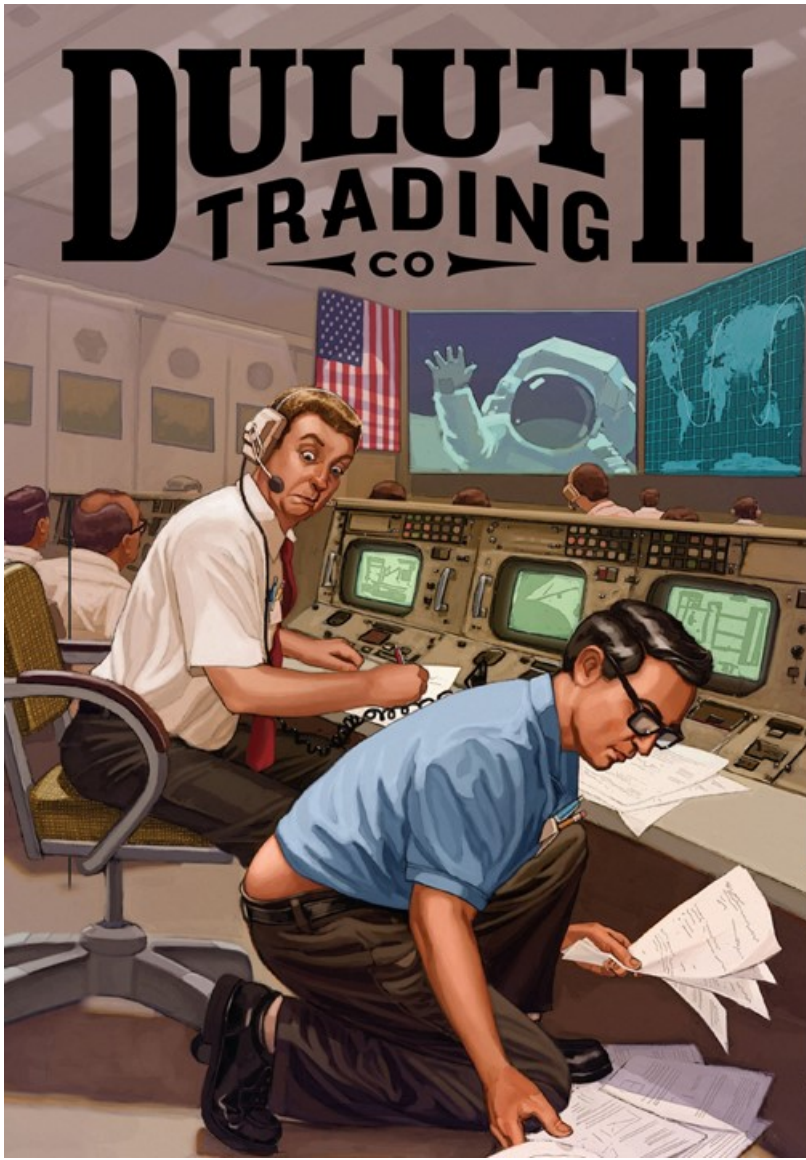
SIGNATURES

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 hereunto duly authorized.

DULUTH HOLDINGS INC.

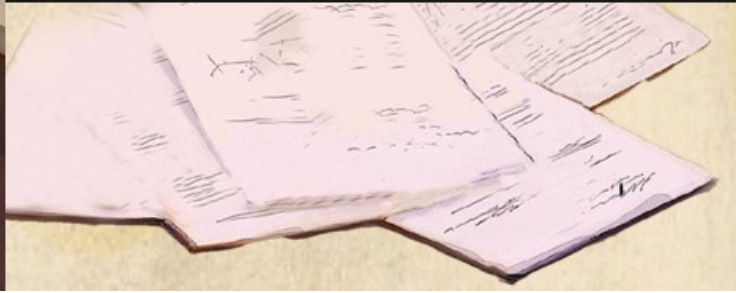
Dated: December 7, 2018

By: /s/ David Loretta
David Loretta
Senior Vice President and Chief Financial
Officer



Investor Presentation Third Quarter 2018

December 7, 2018



Disclaimer

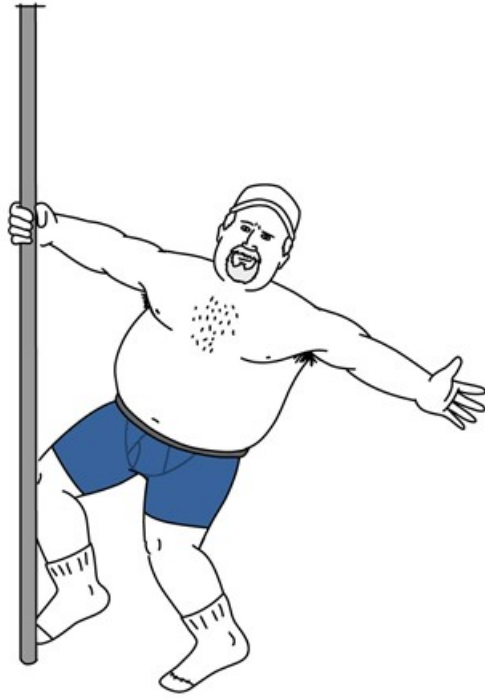
Forward-Looking Statements

This presentation dated December 7, 2018 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 21, 2018, 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



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Investment Highlights

- Rapidly 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



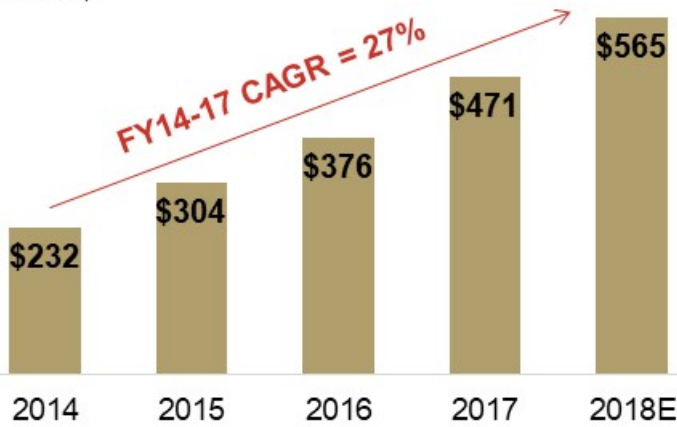
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Sales and Adjusted EBITDA

- Strong track record of 20%+ revenue and Adjusted EBITDA growth
- Strategic investments support long-term objectives

Net Sales

(\$ in millions)



Adjusted EBITDA¹

(\$ in millions)



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

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Growth Strategy

Growth Strategies

1

Build
Brand
Awareness

2

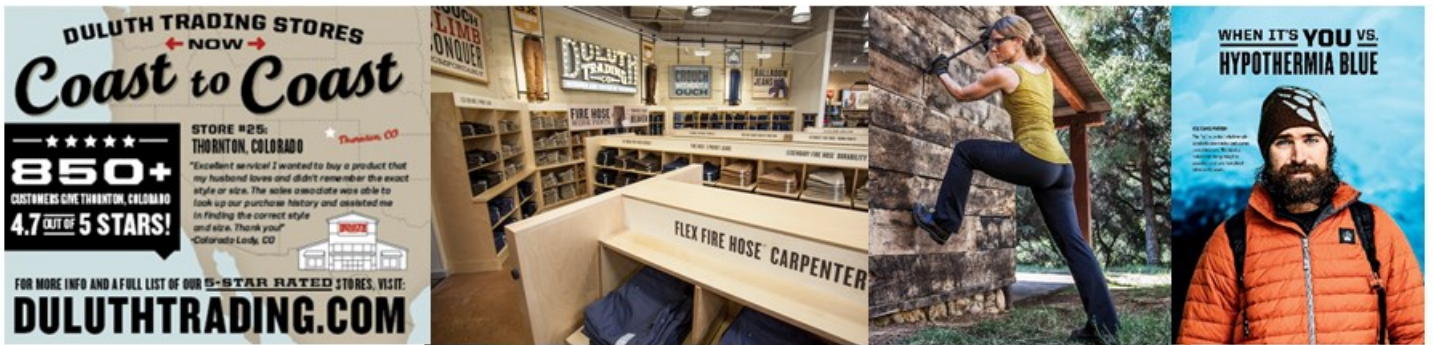
Expand
Retail
Presence

3

Grow
Women's
Business

4

Broaden
Assortment in
Select Men's
Product
Categories



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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



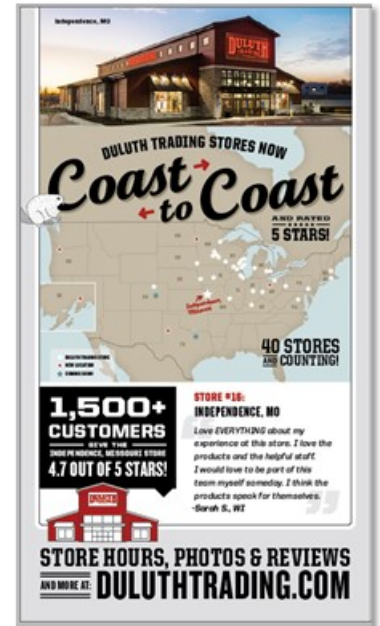
■ Catalog

- Captivating storytelling
- Product layouts



■ Local marketing

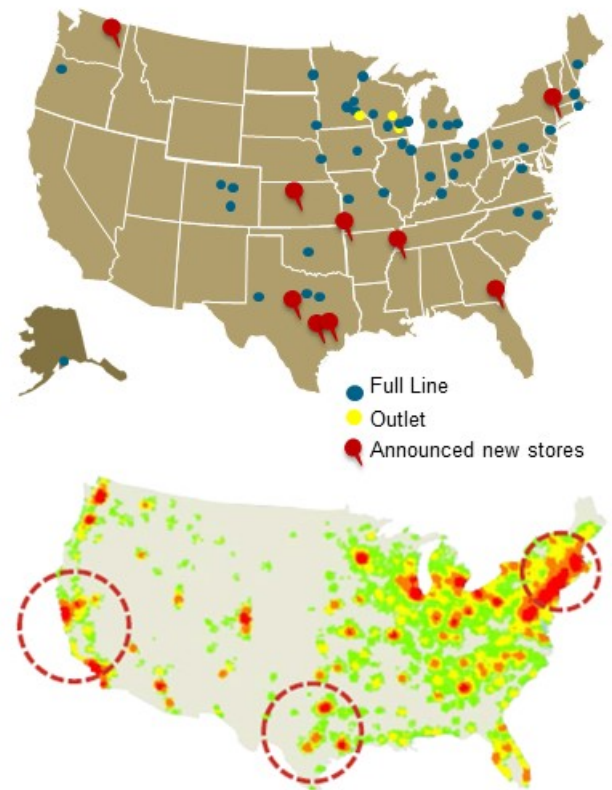
- Radio and cinema
- In-store events



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Expand Retail Presence

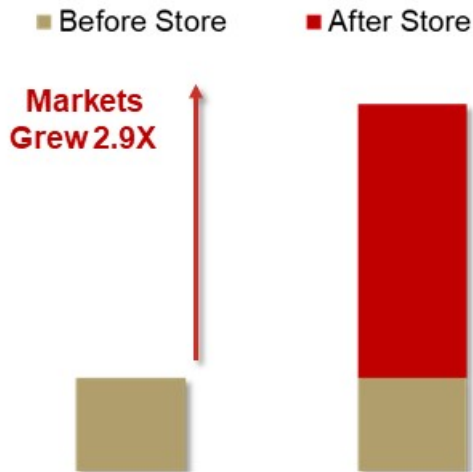
- Identified markets with ~100 potential store locations
 - Utilize direct segment data to determine markets with existing customer base
 - Focus on regions with demographic that aligns with target customer
 - Geographic diversity indicates significant white space opportunity
 - 43 stores opened at end of third quarter
- 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



Markets Grow with New Stores & Improve Over Time

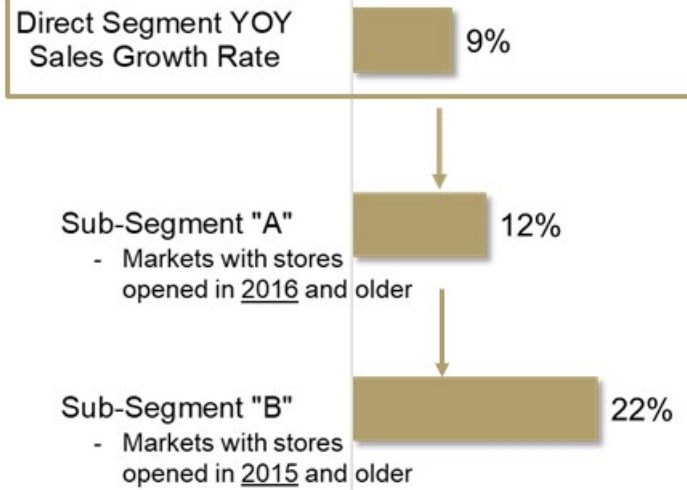
Total Sales in a store market grow up to 3X with the presence of retail

Average Increase in Total Sales in New Store Markets (2013 – 2016)¹



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

FY17 vs FY16²



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

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

~ 3X
Higher

Retail Buyer Direct Segment
Buyer

Multi-Category Buyers

~ 2X
Higher

Retail Buyer Direct Segment
Buyer

Sales Per Customer

25%
Higher

Retail Buyer Direct Segment
Buyer



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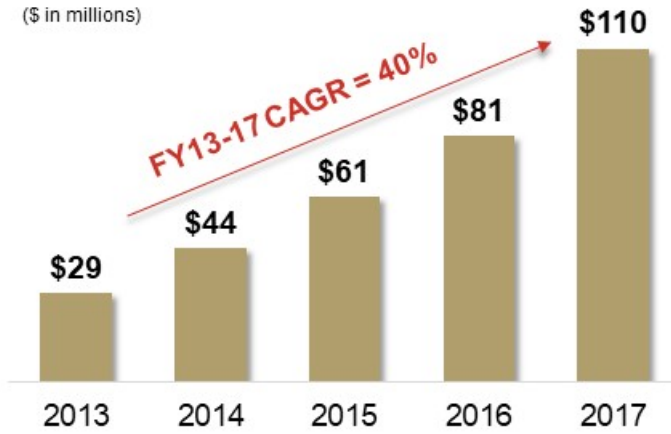
Note: Data based on internal 12-month active buyer file.

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Grow Women's Business

- Net sales increased 37% in 2017
- Continued customer acquisition through marketing investments and retail presence
- Expand product offering to address more of her lifestyle
- Introduce plus sizes in Fall 2018

(\$ in millions)



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Broaden Assortments in Select Men's Categories

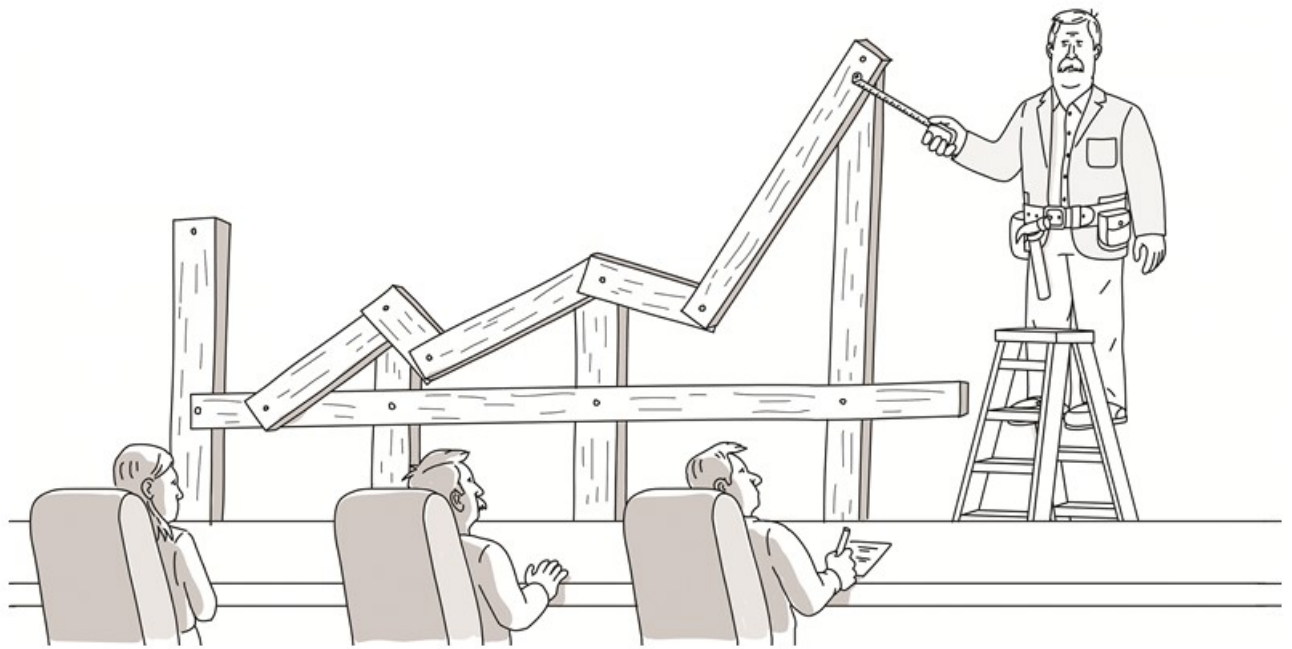
- Net sales increased 22% in 2017
- Extend core products through color, fabric and size
- Increase penetration in spring and transitional product (rain, mid-weight jackets, etc.)
- Continue to introduce products that expand occasions for wear
- Expansion of closet share in sub-brands
 - Duluth-Built Business Wear
 - Alaskan Hardgear brand



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14



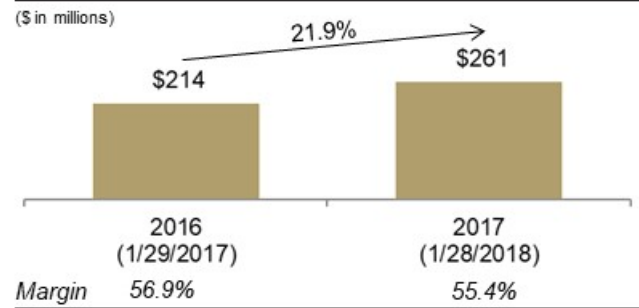
Financial Review

Year Ended January 28, 2018

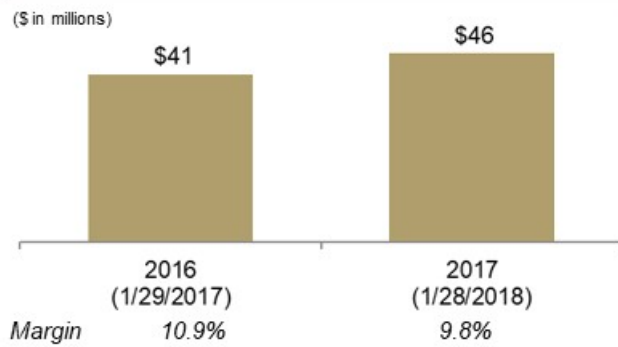
Net Sales



Gross Profit



Adjusted EBITDA¹



Net Income²



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

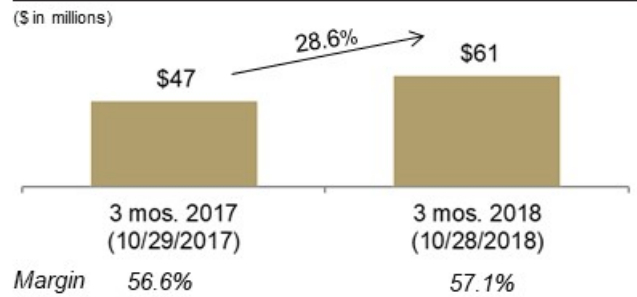
² Excludes net income attributable to noncontrolling interest.

Three Months Ended October 28, 2018

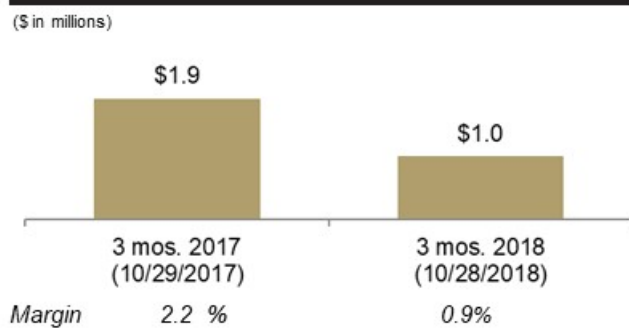
Net Sales



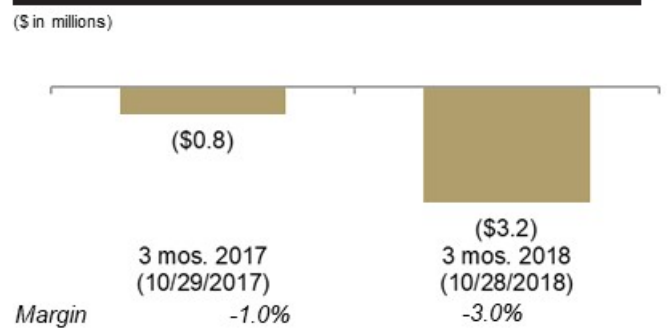
Gross Profit



Adjusted EBITDA¹



Net Loss²



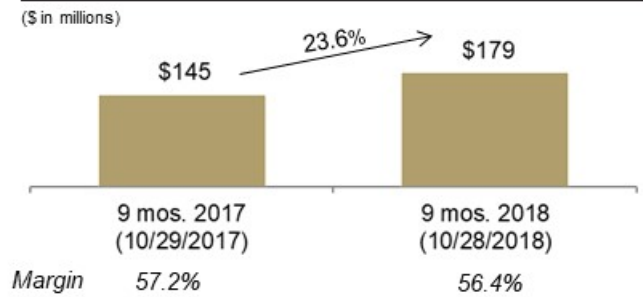
¹ Adjusted to reflect the add-back of stock compensation expense.
² Excludes net income attributable to noncontrolling interest.

Nine Months Ended October 28, 2018

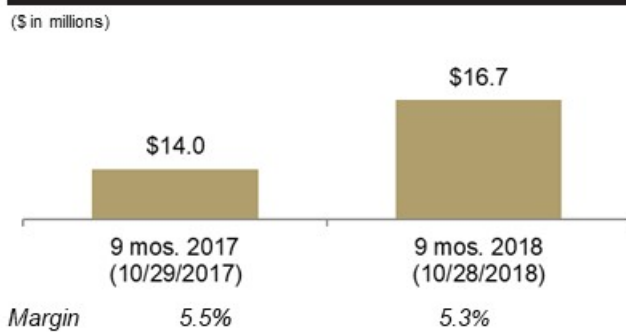
Net Sales



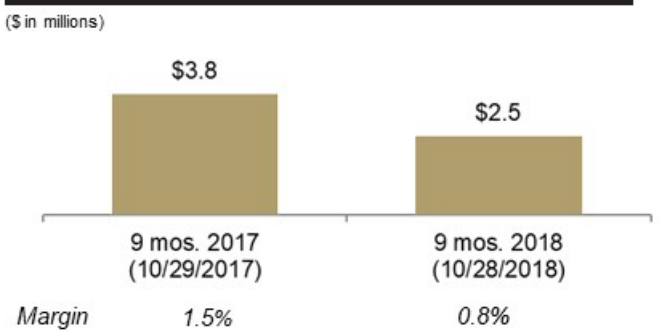
Gross Profit



Adjusted EBITDA¹



Net Income²



¹ Adjusted to reflect the add-back of stock compensation expense.
² Excludes net income attributable to noncontrolling interest.

Strong Balance Sheet and Liquidity

(\$ in millions)	As of October 28, 2018
Cash	\$ 2.5
Debt:	
SRV Term Loan	1.4
Line of Credit	65.0
Total Debt	66.4
Total Shareholders' Equity	142.7
Total Capitalization	\$ 209.1
Debt to Capital ratio	31.8%

Commentary

- \$2.5 million of cash with \$66.4 million of debt outstanding¹
- \$130 million credit facility (\$80 million line of credit and \$50 million of term loan capacity)
- Fiscal 2018 expected capital expenditures, net of proceeds from finance lease obligations, of \$50 million to \$55 million²



¹ As of October 28, 2018, \$1.4 million of such debt includes noncontrolling interest which is consolidated as a variable interest entity.

² Fiscal 2018 capital expenditures primarily include the Company's opening of 15 retail stores, investments in technology and infrastructure improvements.

FY 2018 Guidance

	2017 Actual	2018 Guidance	Assumptions
Net Sales	\$471.4M	\$555M to \$575M	Direct mid-single digit growth; Retail \$215M-\$225M
Adjusted EBITDA	\$46.4M	\$53M to \$56M	14% to 21% YOY Growth
EPS	\$0.72	\$0.79 to \$0.84	26% tax rate and 32.4 million shares o/s
CAPEX ¹	\$42.8M	\$50M to \$55M	15 new store openings in FY 2018



¹ Net of proceeds from finance lease obligations.

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Long-Term Targets

	2017 Actual	Long-term Goal	Assumptions
Net Sales	\$471.4M	~\$1 Billion	Open ~15 stores per year 50-60% retail stores / 40-50% direct
Adjusted EBITDA Margin Rate	9.8%	Low double digits	Stable gross margin Leverage expenses Benefits from IT / omnichannel investments
CAPEX	\$42.8M	\$220M Over 5 years	New stores and remodels Technology and infrastructure investments



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Appendix

Reconciliation to Adjusted EBITDA

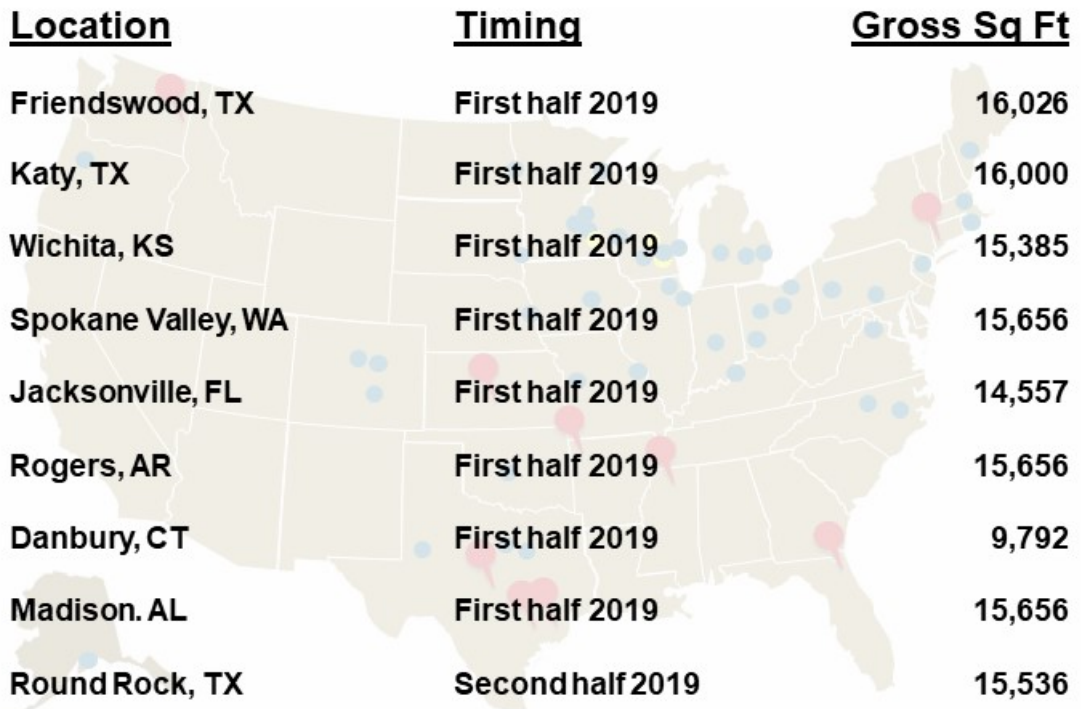
(\$ in millions)	<u>3 Months Ended</u>		<u>9 Months Ended</u>		<u>Fiscal Year Ended</u>	
	October	October	October	October	January	January
	28, 2018	29, 2017	28, 2018	29, 2017	28, 2018	29, 2017
Net Income/(Loss)	\$ (3.1)	\$ (0.7)	\$ 2.7	\$ 4.0	\$ 23.6	\$ 21.5
(+) Depreciation & Amortization	3.1	1.8	8.2	5.1	7.3	4.7
(+) Interest Expense, net	1.6	0.7	3.6	1.2	2.0	0.2
(+) Income Tax Expense/(Benefit)	(1.1)	(0.5)	0.9	2.5	11.9	13.5
EBITDA	\$ 0.6	\$ 1.3	\$ 15.4	\$ 12.8	\$ 44.8	\$ 39.9
<i>Adjustments</i>						
(+) Non-Cash Stock Based Compensation Expense	0.4	0.6	1.3	1.2	1.6	1.2
Adjusted EBITDA	\$ 1.0	\$ 1.9	\$ 16.7	\$ 14.0	\$ 46.4	\$ 41.2

(\$ in millions)	<u>Fiscal Year ended</u>	
	<u>February 3, 2019</u>	
	Low	High
<i>Forecasted</i>		
Net Income	\$ 26.0	\$ 27.5
(+) Depreciation & Amortization	12.1	12.5
(+) Interest Expense, net	4.5	5.0
(+) Income Tax Expense	9.0	9.6
EBITDA	\$ 51.6	\$ 54.5
<i>Adjustments</i>		
(+) Non-Cash Stock Based Compensation Expense	1.5	1.5
Adjusted EBITDA	\$ 53.0	\$ 56.0



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Announced Store Openings



<u>Location</u>	<u>Timing</u>	<u>Gross Sq Ft</u>
Friendswood, TX	First half 2019	16,026
Katy, TX	First half 2019	16,000
Wichita, KS	First half 2019	15,385
Spokane Valley, WA	First half 2019	15,656
Jacksonville, FL	First half 2019	14,557
Rogers, AR	First half 2019	15,656
Danbury, CT	First half 2019	9,792
Madison, AL	First half 2019	15,656
Round Rock, TX	Second half 2019	15,536



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