



DULUTH TRADING CO

**Investor Presentation
Fourth Quarter 2023**

March 7, 2024

Disclaimer

Forward-Looking Statements

This presentation dated March 7, 2024 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 17, 2023, 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) and Free Cash Flow. See Appendix Table “Adjusted EBITDA,” for a reconciliation of net income to EBITDA and EBITDA to Adjusted EBITDA and “Free Cash Flow” for a reconciliation of Net cash provided by operating activities to Free Cash Flow. 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. Management believes Free Cash Flow is a useful measure of performance as an indication of an organization’s financial strength and provides additional perspective on the ability to efficiently use capital in executing growth strategies. Free Cash Flow is used to facilitate a comparison of operating performance on a consistent basis from period-to-period and the ability to generate cash. Free Cash Flow is defined as net cash provided by operating activities less purchase of property and equipment and capital contributions towards build-to-suit stores. 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.

OUR GREATER PURPOSE

“Celebrating the can-do spirit by enabling anyone who takes on life with their own two hands.”

OUR MISSION STATEMENT

“We build high-quality, solution-based products for work, play and every day. We craft our raw materials – unique brands, durable products, standout customer service, and a No Bull Guarantee – into industry-leading consumer experiences.

Job done right means we never forget that “there’s gotta be a better way.”

Secret Sauce

Better Brands

A brood of sub-brands all bonded by the belief that you can accomplish anything that you put your own mind and own two hands to

Better Innovation

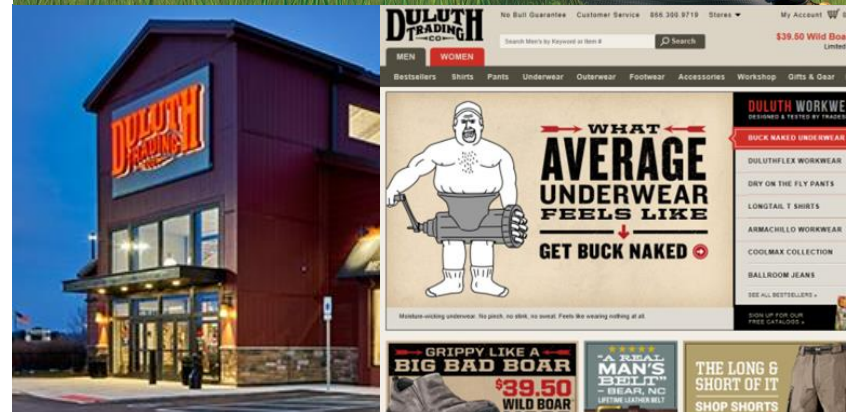
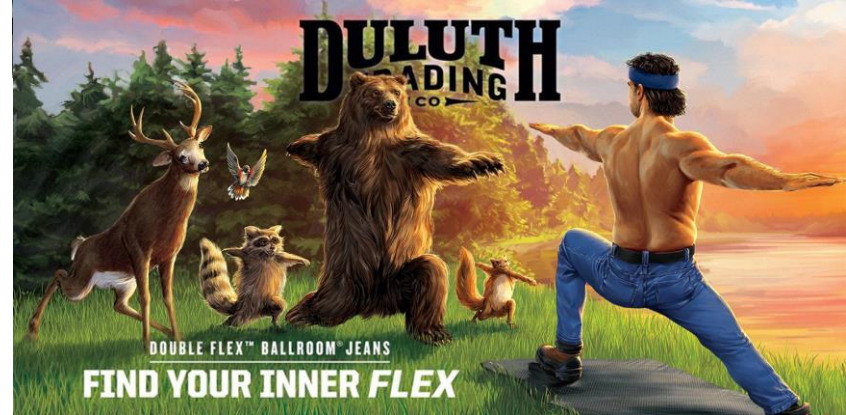
Long, colorful history of product innovation and solution-based design

Better Marketing

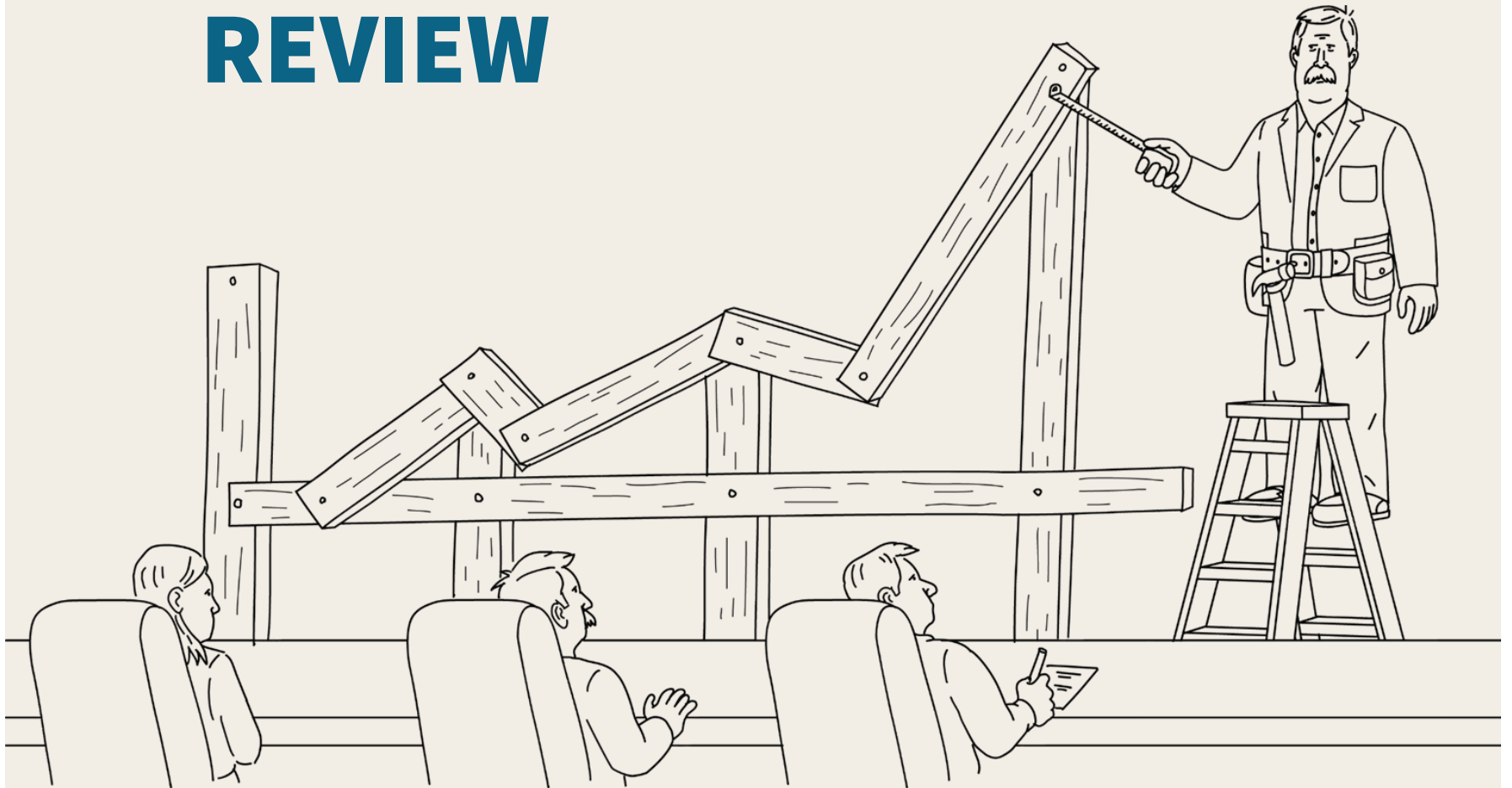
Distinctive marketing made to break through the clutter and drive buying

Better Customer Experiences

Outstanding and engaging customer experience



FINANCIAL REVIEW



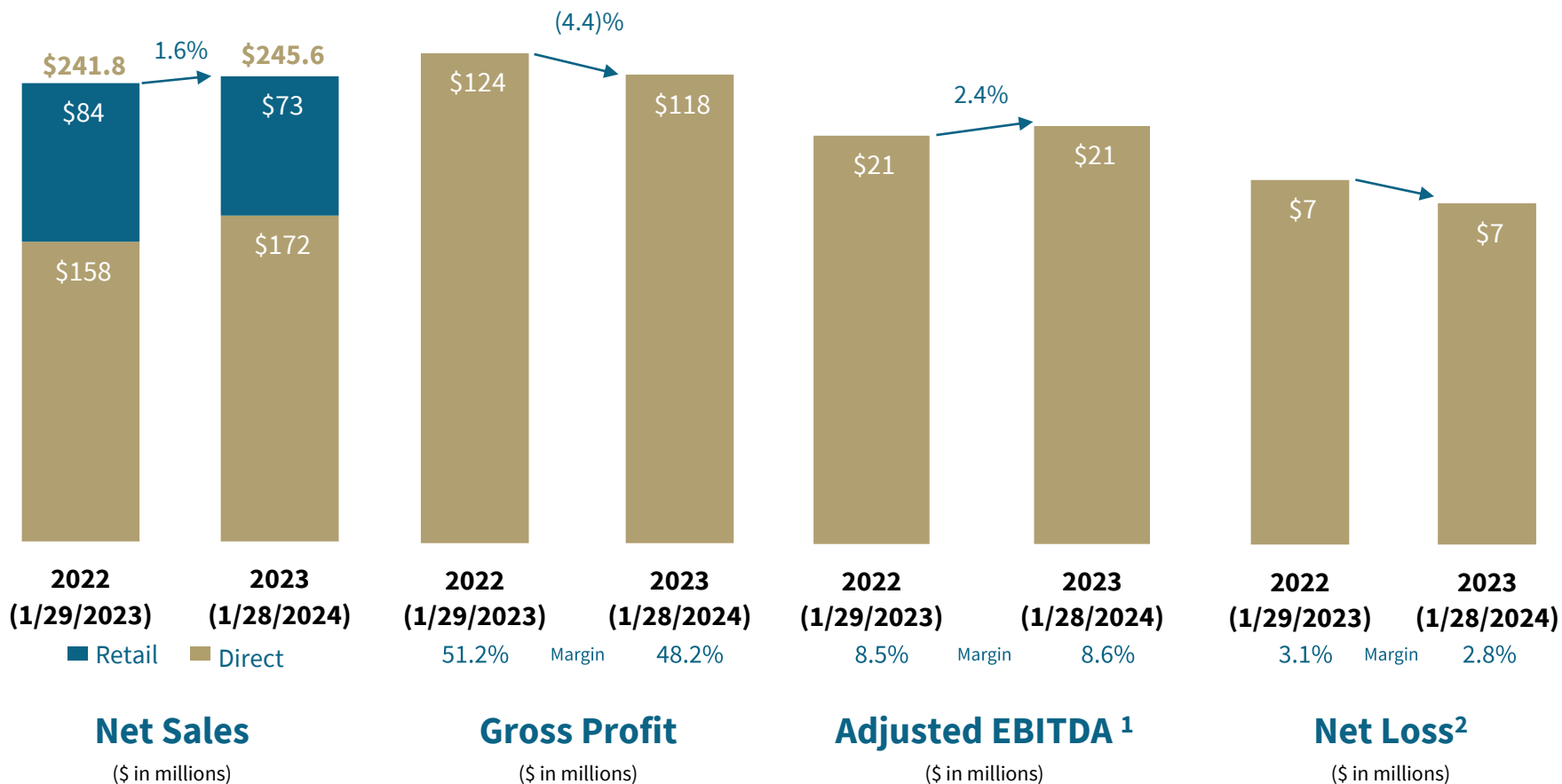
Year Ended January 28, 2024

Summary

- Net sales of \$646.7M compared to \$653.3M in the prior year
- Net loss of (\$9.4M); diluted EPS of (\$0.28)
- Adjusted EBITDA of \$33.4M reflects 5.2% of sales
- Healthy inventory composition with 90% in current products and a 30% decrease in clearance items



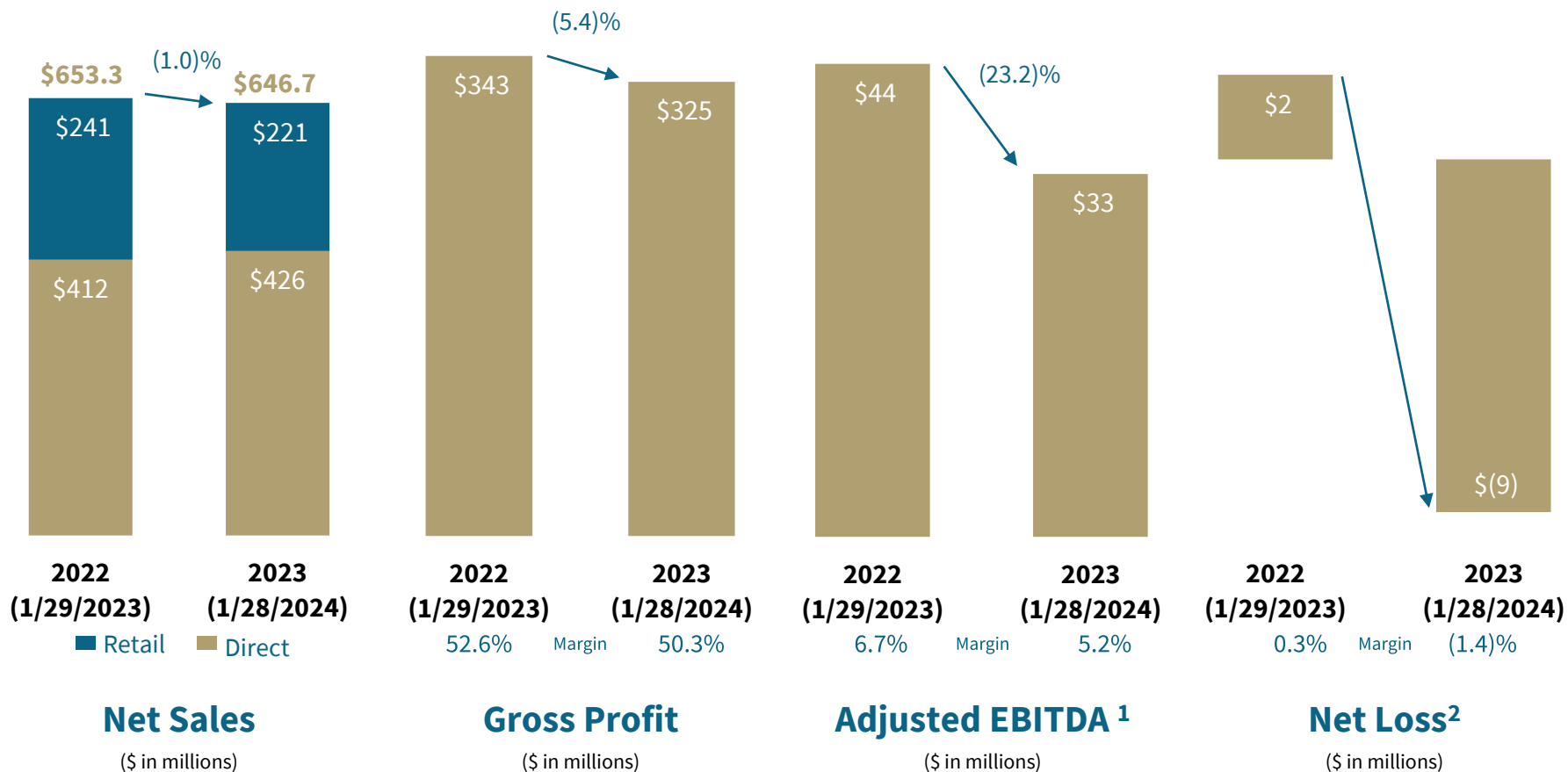
Three Months Ended January 28, 2024



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

² Excludes net income (loss) attributable to noncontrolling interest.

Twelve Months Ended January 28, 2024



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

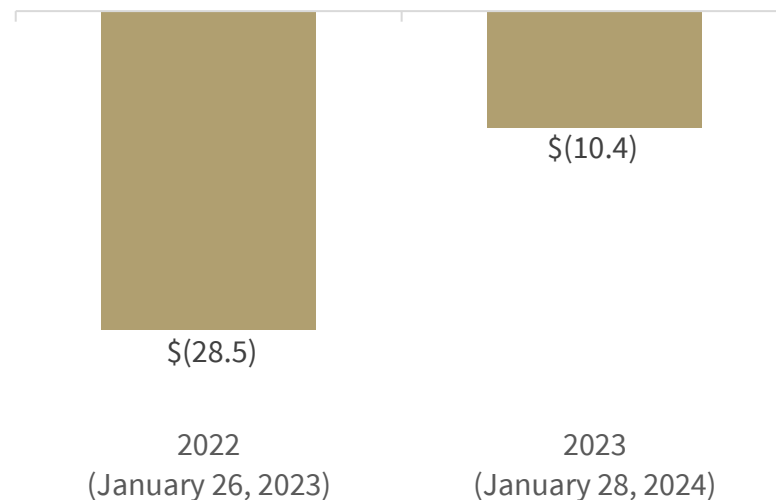
² Excludes net income (loss) attributable to noncontrolling interest.

Strong Balance Sheet, Liquidity and FCF

Debt to Capital ^(1,2)

(\$ in millions)	As of January 28, 2024
Cash	\$32.2
Debt:	
Line of Credit	0.0
<u>Term Loan</u>	<u>0.0</u>
Total Debt	0.0
Total Shareholders' Equity	\$225.2
Total Capitalization	\$257.4
Debt to Capital ratio	0.0%

Free Cash Flow



¹ Debt balances do not include TRI Holdings, LLC, a variable interest entity that is consolidated for reporting purposes

² The New Credit Agreement matures on July 8, 2027 and provides for borrowings of up to \$200.0 million that are available under a revolving senior credit facility.

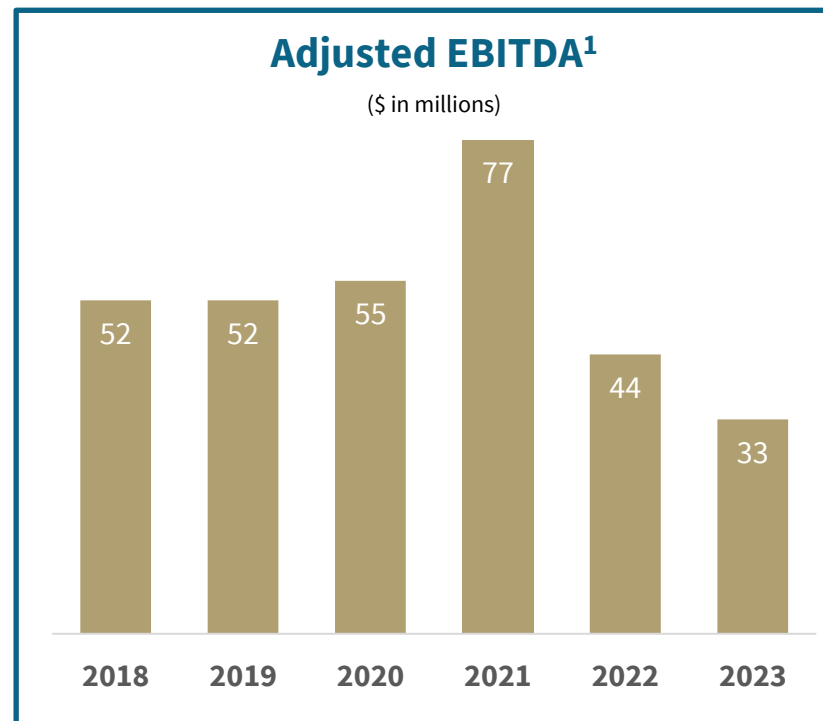
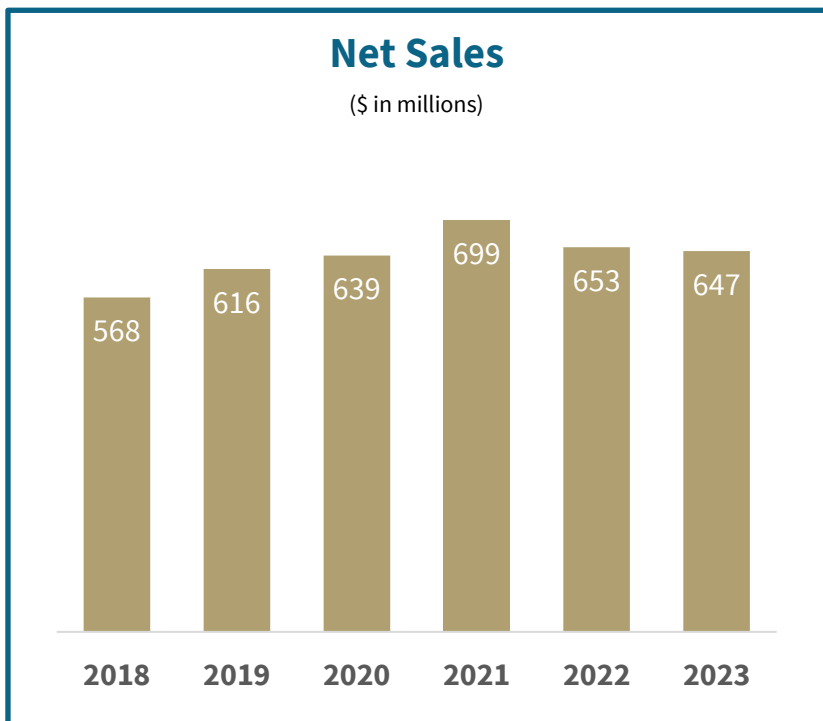
Fiscal 2024 Financial Guidance

(\$ in millions)	2023	2024 Guidance
Net Sales	\$646.7	\$640 to \$660 (1.0)% to 2.1%
Adj. EBITDA	\$33.4	\$39 to \$45 16.8% to 34.7%
EPS	\$(0.28)	\$(0.22) to \$(0.07)
CAPEX ¹	\$53.2	~\$25

Reconciliation to 2024 Forecasted Adj. EBITDA		
Fiscal Year Ended February 2, 2025		
Forecasted (\$ in millions)	Low	High
Net Loss	\$(7.4)	\$(2.3)
(+) Depreciation and amortization	34.0	34.0
(+) Amortization of internal-use software hosting subscription implementation costs	5.0	5.0
(+) Interest expense	5.6	4.8
(+) Income tax expense	(2.4)	(0.8)
EBITDA	\$34.8	\$40.8
(+) Stock based compensation	4.3	4.3
Adjusted EBITDA	\$39.0	\$45.0

¹ 2023 and 2024 include \$6.7M and ~\$11M, respectively, of additional investments in implementation costs to enhance the value of hosting arrangements, which are included in Prepaid expenses & other current assets on the Company's Consolidated Balance Sheets.

Net Sales and Adjusted EBITDA



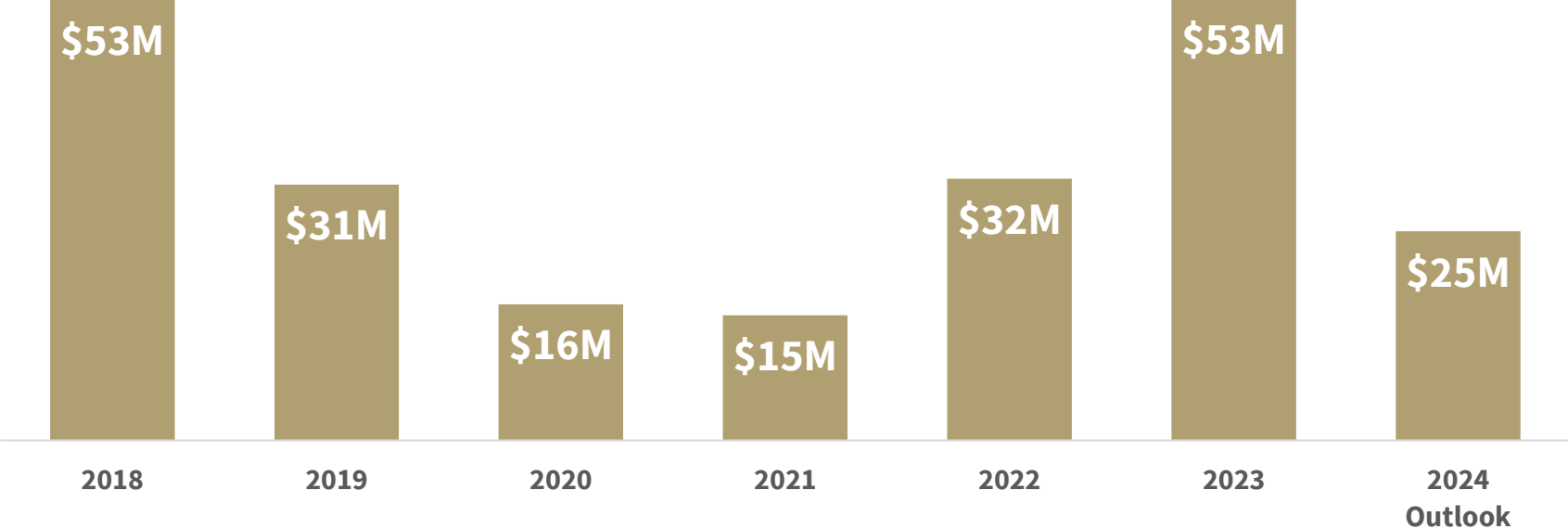
¹ Adjusted to reflect the add-back of stock compensation expense.

Investment Highlights

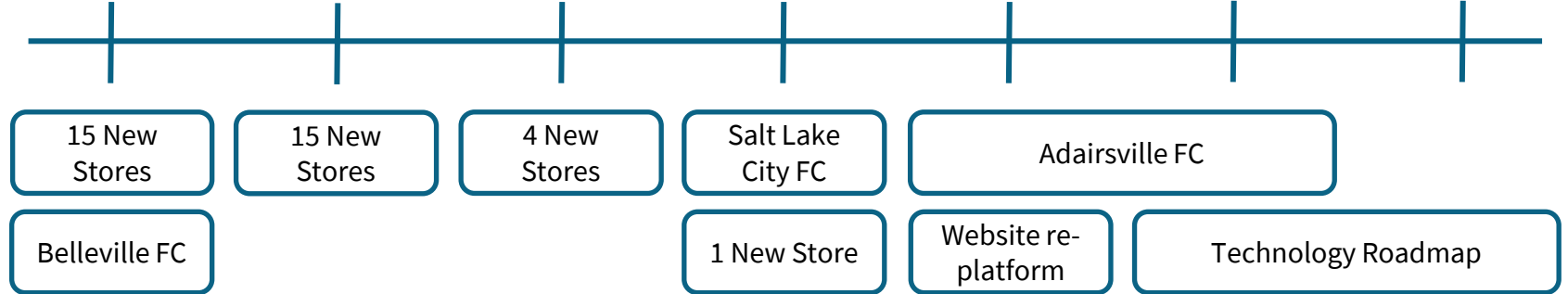
- Growing lifestyle platform of sub-brands with well-established digitally-led omnichannel business
- Multiple revenue growth opportunities led through five strategic pillars
- Strategic investments support long-term EBITDA margin expansion
- Strong balance sheet and ample liquidity

Capital Expenditures

Capital Expenditures



Initiatives



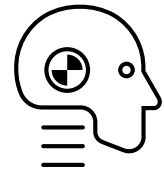
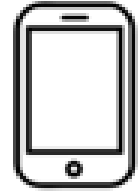


BIG DAM

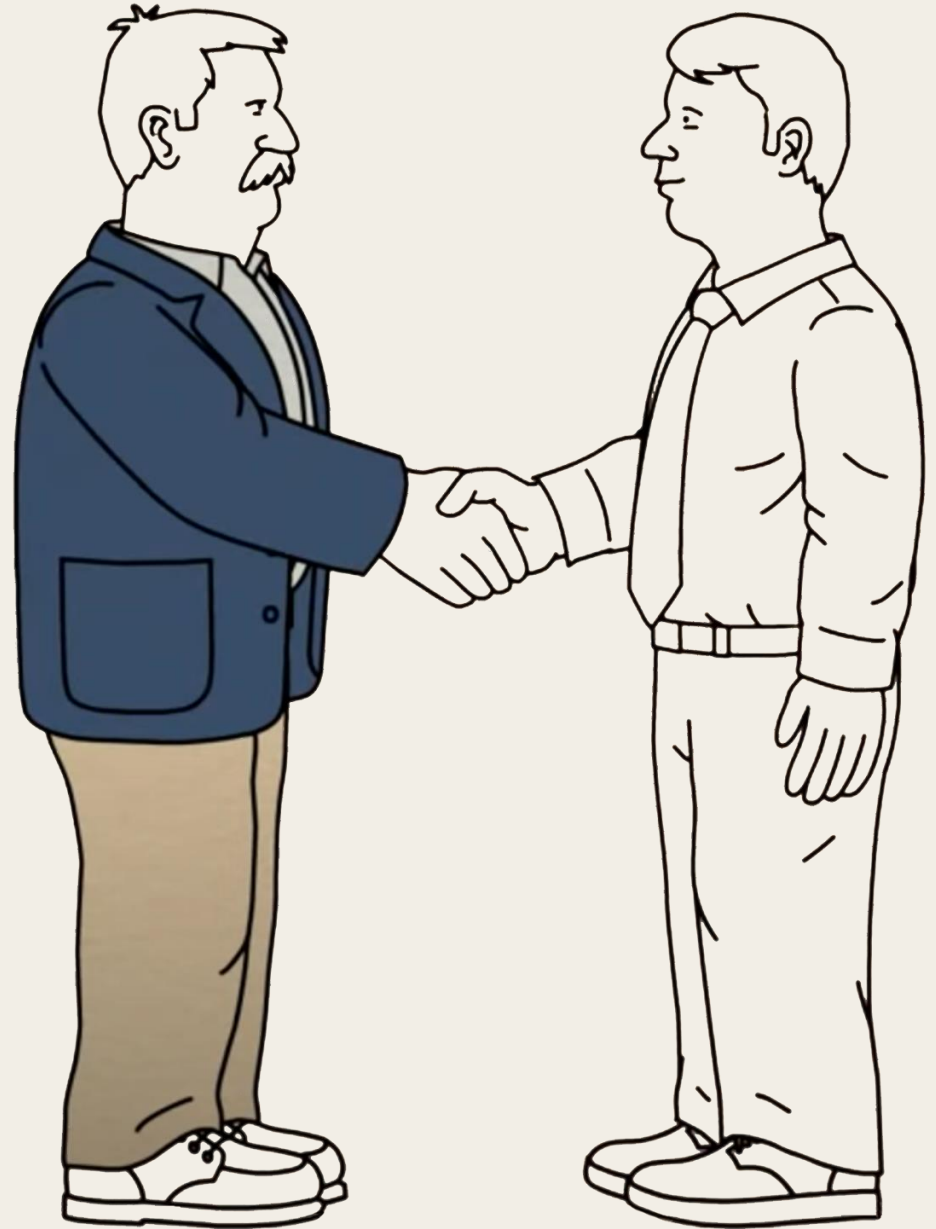
BLUEPRINT

Big Dam Blueprint Growth Drivers

1. Lead With a Digital Mindset
2. Intensify Our Efforts to Optimize Our Owned DTC Channels
3. Evolve the Company's Platform to Grow Into a Multi-brand and Multi-channel Business
4. Prioritize Test and Learn to Unlock Long-term Growth
5. Future Proof the Business Through Investments in Capabilities and Infrastructure



THANK YOU



Appendix

Reconciliation to 2023 Adjusted EBITDA and Free Cash Flow

Adjusted EBITDA

(\$ in millions)	3 Months Ended		12 Months Ended	
	January 28, 2024	January 29, 2023	January 28, 2024	January 29, 2023
Net income (loss)	\$7.0	\$7.5	\$(9.4)	\$2.2
(+) Depreciation and amortization	8.7	7.9	32.2	30.8
(+) Amortization of internal-use software hosting subscription implementation costs	1.3	1.2	5.0	3.4
(+) Interest expense	1.1	0.9	4.2	3.6
(+) Income tax expense (benefit)	2.1	2.5	(2.7)	0.7
EBITDA	\$20.2	\$19.9	\$29.2	\$40.8
(+) Stock based compensation	0.9	0.7	4.2	2.7
Adjusted EBITDA	\$21.1	\$20.6	\$33.4	\$43.5

Free Cash Flow

(\$ in millions)	12 Months Ended	
	January 28, 2024	January 29, 2023
Net cash provided by operating activities	\$38.7	\$(1.4)
Purchases of property and equipment	(49.1)	(27.1)
Free Cash Flow (non-GAAP)	\$(10.4)	\$(28.5)