
**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): January 10, 2022

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))

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 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

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.

Item 7.01 Regulation FD Disclosure

On January 10, 2022, Duluth Holdings Inc. (the “Company”) issued a press release providing its net sales results for the nine-week period from November 1, 2021 through January 2, 2022, and reaffirming the fiscal 2021 outlook. A copy of the press release is attached as Exhibit 99.1, and is incorporated by reference herein.

Also on January 10, 2022, the Company issued an Investor Presentation. A copy of the Investor Presentation is attached as Exhibit 99.2, and is incorporated by reference herein.

The information reported in this Form 8-K, including the exhibits, 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 exhibits, 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>
99.1	Press Release dated January 10, 2022
99.2	Investor Presentation dated January 10, 2022
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

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: January 10, 2022

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



Duluth Holdings Inc. Announces Strong Holiday Results

Net Sales of \$224.3 million increase 6.4% compared to 2020 Holiday Period

Reaffirms fiscal 2021 outlook

Company to participate in ICR Conference on Tuesday, January 11th

MOUNT HOREB, WI – January 10, 2022 – Duluth Holdings Inc. (dba, Duluth Trading Company) (“Duluth Trading” or the “Company”) (NASDAQ: DLTH), a lifestyle brand of men’s and women’s casual wear, workwear and accessories, today announced net sales results for the nine-week period from November 1, 2021 through January 2, 2022 (“Holiday Period”).

For updated Investor Presentation, please visit: <https://ir.duluthtrading.com/>

Highlights for the Nine-Week Holiday Period Ended January 2, 2022

- Net sales increased 6.4% to \$224.3 million compared to \$210.9 million in the 2020 Holiday Period and increased 5.4% when compared to the same period in 2019
- Retail net sales increased \$21.7 million, or 37.8%, to \$79.0 million compared to \$57.3 million in the 2020 Holiday Period and decreased 4.5% when compared to the same period in 2019
- Direct net sales decreased 5.4% to \$145.3 million compared to \$153.5 million in the 2020 Holiday Period and increased 11.7% when compared to the same period in 2019

Management Commentary

President and CEO, Sam Sato commented, “Our Holiday Period results reflect strength in our product offering, marketing effectiveness and customer demand despite facing continued supply chain headwinds. Our Holiday Period sales growth of 6.4% was achieved with excellent gross margin performance and we are pleased to reaffirm our fiscal 2021 outlook.”

Fiscal 2021 Outlook

- Net sales in the range of \$700 million to \$715 million
- Adjusted EBITDA in the range of \$73 million to \$75 million¹
- EPS in the range of \$0.81 to \$0.86 per diluted share
- Capital expenditures, inclusive of software hosting implementation costs, of approximately \$18 million

¹ See Reconciliation of forecasted net income to forecasted EBITDA and forecasted EBITDA to forecasted Adjusted EBITDA in the accompanying financial tables.

Members of Duluth Trading's management team will be meeting virtually with analysts and investors at the ICR Conference on January 10-12, 2022. The Company's virtual presentation is scheduled for 8:30 A.M. Eastern Time on Tuesday, January 11, 2022. A live audio webcast will be available at the time of the event and may be accessed through the investor section of the Company's website at <https://ir.duluthtrading.com/>. A replay of the audio webcast will be available after the event.

Forward-Looking Statements

This press release 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 press release, including statements concerning Duluth Trading's 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, including statements under the heading "Fiscal 2021 Outlook" are forward-looking statements. 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," "forecasted," "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 the Company's Annual Report on Form 10-K filed with the SEC on March 26, 2021 and other factors as may be periodically described in Duluth Trading's subsequent filings with the SEC. These risks and uncertainties include, but are not limited to, the following: the prolonged effects of COVID-19 on store traffic and disruptions to our distribution network, supply chains and operations; our ability to maintain and enhance a strong brand image; effectively adapting to new challenges associated with our expansion into new geographic markets; generating adequate cash from our existing stores to support our growth; effectively relying on sources for merchandise located in foreign markets; transportation delays and interruptions, including port congestion; 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 a maturing store portfolio; the impact of changes in corporate tax regulations; identifying and responding to new and changing customer preferences; the success of the locations in which our stores are located; our ability to attract and retain customers in the various retail venues and locations in which our stores are located; competing effectively in an environment of intense competition; 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 or global market constraints; 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; and other factors that may be disclosed in our SEC filings or otherwise. 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.

Investor Contacts:

ICR, Inc.
(646) 277-1200
DuluthIR@icrinc.com

Table Below

DULUTH HOLDINGS INC.
Reconciliation of Forecasted Net Income to Forecasted EBITDA and Forecasted EBITDA to Forecasted Adjusted EBITDA
For the Fiscal Year Ended January 30, 2022
(Unaudited)
(Amounts in thousands)

	<u>Low</u>	<u>High</u>
Forecasted		
Net income	\$26,500	\$28,100
Depreciation and amortization	28,200	28,200
Amortization of internal-use software hosting subscription implementation costs	2,000	2,000
Interest expense	4,500	4,400
Amortization of build-to-suit operating leases capital contributions	800	800
Income tax expense	8,800	9,300
EBITDA	\$70,800	\$72,800
Stock based compensation	2,200	2,200
Adjusted EBITDA	<u>\$73,000</u>	<u>\$75,000</u>



DULUTH TRADING CO



Disclaimer

Forward-Looking Statements

This presentation dated December 3, 2021 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 26, 2021, 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.

A person wearing a dark hoodie and work gloves is using a grinding wheel on a workbench. Bright sparks are flying from the point of contact. The background is a workshop with an American flag visible. The text "INTRODUCTION TO DULUTH TRADING CO." is overlaid in white, bold, sans-serif font. "INTRODUCTION TO" is on the top line, "DULUTH" is on the second line with a horizontal line underneath it, and "TRADING CO." is on the third line.

INTRODUCTION TO
DULUTH
TRADING CO.

THERE'S ALWAYS GOTTA BE A BETTER WAY

Duluth Trading Co. was founded on the belief that there's always a better way to be found. A better way to solve. A better way to make. A better way to be.

We're on a mission to build better, harder-working apparel and gear that helps enable everyone from the young — to the young at heart — to take on life with their own two hands, and live on terms that are uniquely their own.

Secret Sauce

Better Brands

A brood of 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

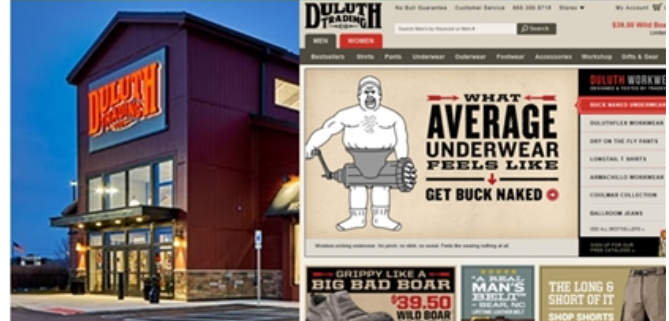
Distinctive marketing made to break through the clutter and drive buying

Better Customer Experiences

Outstanding and engaging customer experience

Better Distribution

Nationwide omnichannel presence with controlled distribution



Brand Positioning

- Common Brand Values
- Common Target Customers for Both Men and Women
- Unique Brands for Unique End Uses

The Duluth logo features the word "DULUTH" in a bold, black, sans-serif font. The letters are slightly slanted to the right, giving it a dynamic feel.

Duluth builds **hardworking** apparel and gear for hardworking men and women who live a life of doing. **Ingenious, solution-filled gear** that's designed and tested to one-up average in everything it does, for customers that do the same.

The AKHG logo consists of the letters "AKHG" in a bold, black, sans-serif font, arranged in a 2x2 grid within a black square border.

AKHG is an **outdoor brand** that **celebrates the work of play**. Mens and womens products that deliver **innovative solves** that can be worn across a wide swath of outdoor conditions, terrains and toil — equipping all who wear it to savor the strife and serene in equal measure.

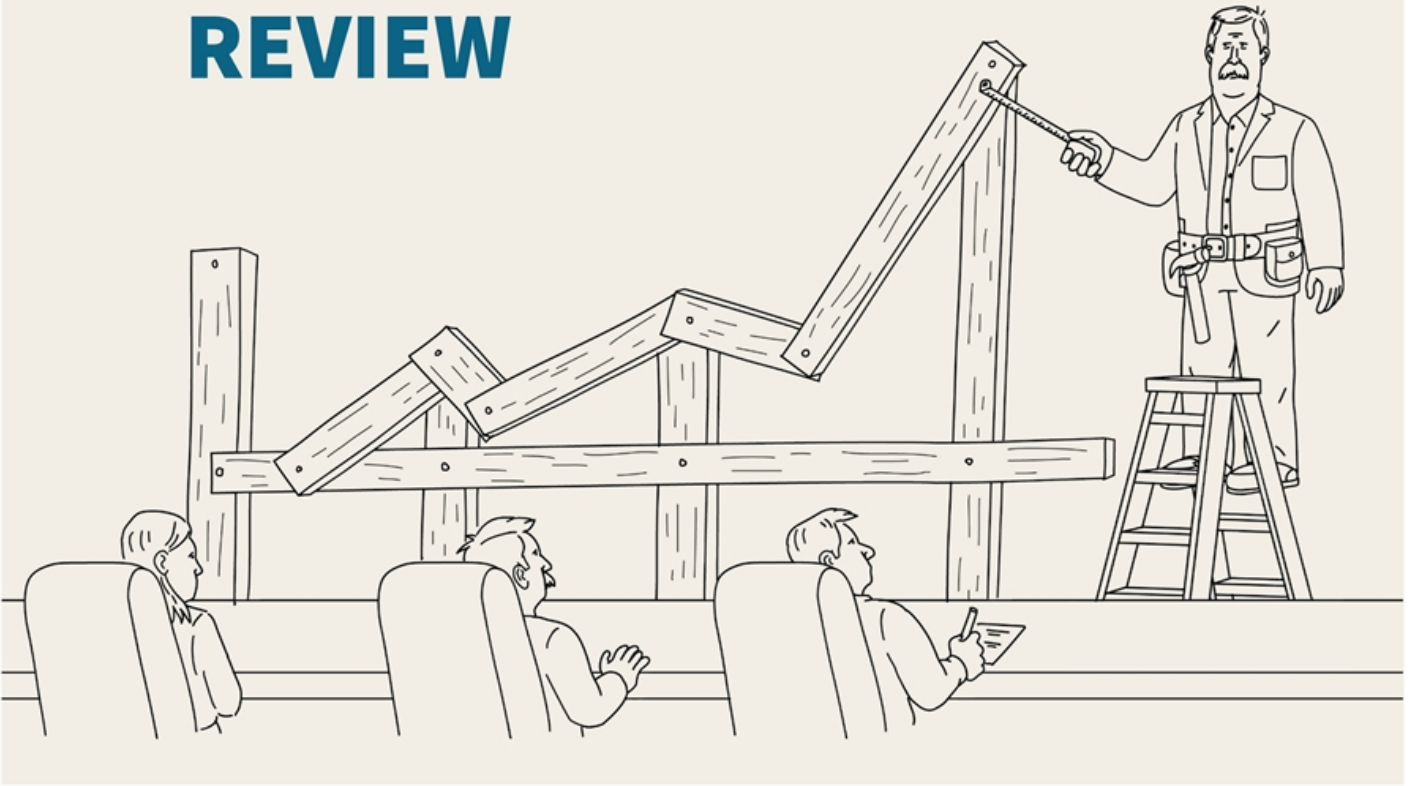


Meticulously crafted, timelessly-made, brand-forward casualwear and hardgoods. Products focused on **premium quality**, fortified by **rich storytelling** and **distinct origin stories**.



Launch "Frist Layer Brand by Duluth Trading" as a **solution-based, predominantly first layer brand**. This will allow us to elevate our underwear assortment and intensify our focus on a high value growth category. We will focus on growing key categories such as **underwear, undershirts, under layers, pajamas, and loungewear**.

FINANCIAL REVIEW



Retail Store & Distribution Center Locations

- 65 Retail Stores
 - Currently designing next generation store model for future locations
 - No new stores planned for 2022
- Highly attractive pre-COVID 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
- 3 Distribution Centers



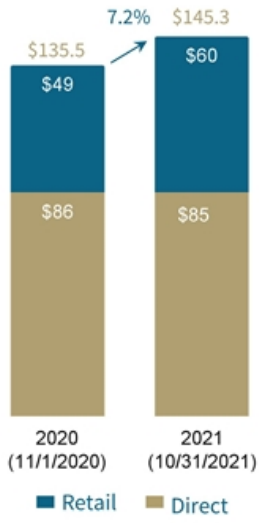
Third Quarter Ended October 31, 2021

Financial Highlights

- Q3 Net sales of \$145.3M increased 7.2% compared to Q3 2020, and increased 21.3% compared to Q3 2019
 - Direct-to-consumer net sales of \$85.2M decreased 1.4% compared to Q3 2020, and increased 38.4% compared to Q3 2019
 - Retail net sales of \$60.1M increased 22.3% compared to Q3 2020, and increased 3.3% compared to Q3 2019
 - Progressive improvement in YTD store performance metrics
- Q3 Adjusted EBITDA of \$13.2M increased \$1.8M compared to the prior year third quarter
- Year to date free cash flow positive of \$23.7M, compared to negative \$40.2M in the prior year period

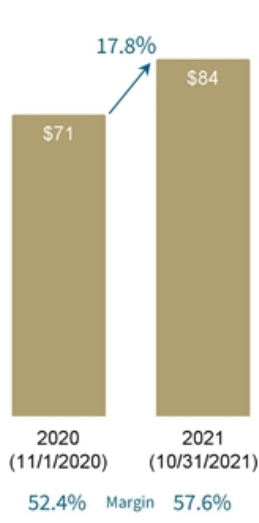


Three Months Ended October 31, 2021



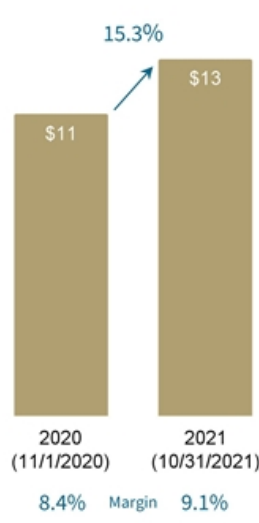
Net Sales

(\$ in millions)



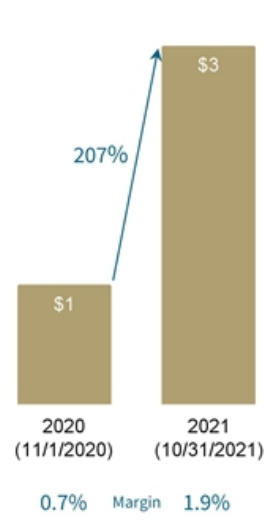
Gross Profit

(\$ in millions)



Adjusted EBITDA¹

(\$ in millions)



Net Income²

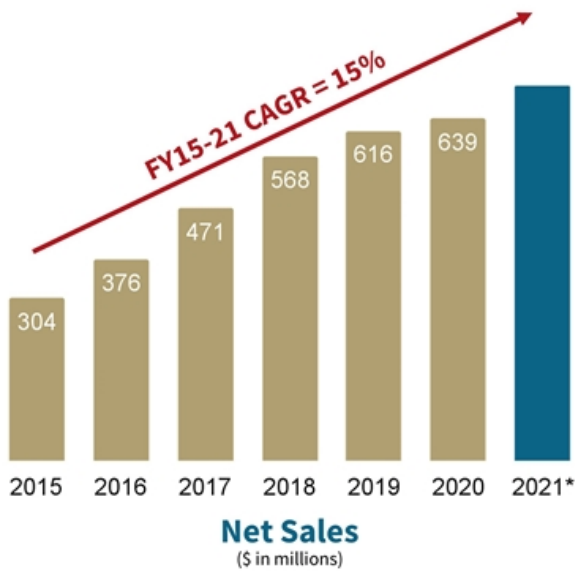
(\$ in millions)

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

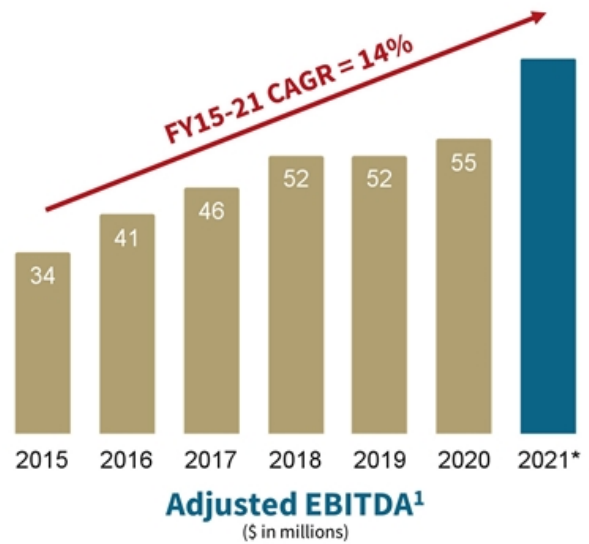
² Excludes net (loss) income attributable to noncontrolling interest.

Net Sales and Adjusted EBITDA

- Strong track record of 15% Net Sales and 14% Adjusted EBITDA growth
- Strategic investments and operating efficiencies support long-term objectives of accelerated earnings growth



*2021 reflects the full year guidance



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

Long-Term Financial Targets

	2017	2018	2019	2020	2021 Outlook	2025 Targets
Net Sales	\$471.4	\$568.1	\$615.6	\$638.8	\$700 - \$715	\$1.0B
Operating Margin %	7.9%	6.5%	4.6%	3.8%	5.7 - 5.8%	9 - 10%
Adj. EBITDA %	9.8%	9.1%	8.4%	8.7%	10.4 - 10.5%	14 - 15%
Free Cash Flow	(\$16.6)	(\$21.9)	(\$22.4)	\$38.5	\$60	\$50 - \$80

(\$ in millions)

Fiscal 2021 Updated Financial Guidance

(\$ in millions)	2020	2021 Guidance	Reconciliation to 2021 Forecasted Adj. EBITDA		
Net Sales	\$638.8	\$700 to \$715 +9.6% to +11.9%	Fiscal Year Ended January 30, 2022		
			Forecasted (\$ in millions)	Low	High
Adj. EBITDA	\$55.5	\$73 to \$75 +31.5% to +35.1%	Net Income	\$26.5	\$28.1
EPS	\$0.42	\$0.81 to \$0.86 +93% to +105%	(+) Depreciation and amortization	28.2	28.2
CAPEX ¹	\$16.4	~\$18	(+) Amortization of internal-use software hosting subscription implementation costs	2.0	2.0
			(+) Interest expense	4.5	4.4
			(+) Amortization of build-to-suit leases capital contribution	0.8	0.8
			(+) Income tax expense	8.8	9.3
			EBITDA	\$70.8	\$72.8
			(+) Stock based compensation	2.2	2.2
			Adjusted EBITDA	\$73.0	\$75.0

¹ 2020 and 2021 include \$4.1M and ~\$5M, 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.

Investment Highlights

- Growing lifestyle platform of 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
- Generating positive cash flow with a strong balance sheet



BIG DAM
BLUEPRINT

“Big Dam Blueprint” Growth Strategies

1

Lead With a Digital-First Mindset

2

Intensify Efforts to Optimize Our Owned DTC Channels

3

Evolve Our Multi-Brand Platform as a New Pathway to Grow the Business

4

Test & Learn to Unlock Long-Term Growth Potential

5

Increase/Accelerate Investments to Future Proof the Business



Lead With a Digital-First Mindset



- Transform Duluth into a **digitally-led organization** integrating data and digital technology into all areas of our business, fundamentally changing how we operate and deliver value to customers
- Our **digital transformation** will provide the structure for how we prioritize our short, mid, and long-term efforts, investments, and overall operations of the business
- We will **deepen relationships and build brand loyalty** with our customer primarily through digital experiences
- Focus on **more active, personalized engagement** achieved through leveraging first-party data and one-on-one communication based on customer preferences, informed by data that is shared by customers throughout the value exchange cycle
- We will **digitally enable operations** to stay competitive, improve efficiency and deliver value creating results

Intensify Efforts to Optimize Our Owned DTC Channels



- Increase our focus and investments in our direct channel as our primary growth vehicle
- Our customer places a high value on our stores and they will continue to serve as a critical piece of the omnichannel ecosystem:
 - Convenient touchpoint for services like buy online pick-up in store/curbside, ship to store, and returns & exchanges
 - Stores play an important role in servicing business needs, such as online fulfillment
- We are conducting research to better inform our future store decisions including location and size:
 - Market research will provide better insight into the size and composition of markets and the opportunity to capture share
 - Identify what the store of the future should look like at Duluth to best serve the needs of our customers and deliver sustainable growth and profitability
- Refine store “selling & service” model to drive continuous improvements in key KPI’s

Evolve our Multi-brand Platform as a New Pathway to Grow the Business



- Ladder to the Greater Purpose: *“Celebrating the can-do spirit by enabling anyone who takes on life with their own two hands.”*
- Brands address our **customer’s intended end use**
- Focus on **features, benefits, durability, innovation** and a strong value proposition
- Prioritize **size inclusivity**; understand how our customer likes clothes to fit
- Focus on **provocative, break-through marketing** in each brand through media channels consumed by the target customer

Test & Learn to Unlock Long-term Growth Potential



- Gain operational learnings to implement whole including logistics, systems and people needed to scale efficiently
- Gain direct-from-manufacturer operational learnings to offer unique and customized products based on customer's preferences
- Test the viability of potential drop-ship model
- Seek compelling partnerships with brands that share common threads with Duluth Trading portfolio brands

Increase and, in Some Areas, Accelerate Investments to Future Proof the Business



- Analyze and identify investments that will allow us to scale more easily and effectively, as well as deliver on ever-evolving customer expectations:
 - Increased investments in automation across our logistics network to strengthen our supply chain resilience and increasing speed from click to door
 - Further investments in technology to improve overall operations, generate positive impact and sustainable returns
 - Enhance our multi-brand platform to support growth through multiple brands, and seamlessly integrate new brands into the portfolio
 - Attract talent, skillsets, and expertise needed to scale the business

THANK YOU

