



# Investor Presentation January 2018



# Note Regarding Forward Looking Statements

This presentation contains forward-looking statements that involve risks and uncertainties, including statements regarding the upward trend in our buyer file, the expected results and momentum generated by our initiatives, our expectations regarding new product introductions, our expectations for growth in our outfitters business, our plans to become a digitally-led organization, our expectations of greater personalization through customer data, our plans to open additional retail locations, our expectations regarding our ability to leverage analytics, our expectations of improved business processes and their impact, and our five year financial targets and related strategies and drivers. All statements other than statements of historical fact, including without limitation, those with respect to the Company's goals, plans, targets, expectations and strategies set forth herein are forward-looking statements. The following important factors and uncertainties, among others, could cause actual results to differ materially from those described in these forward-looking statements: we may be unsuccessful in implementing our strategic initiatives, or our initiatives may not have their desired impact on our business; our ability to develop and offer merchandise and services that customers want to purchase; changes in customer preference from our branded merchandise; customers' use of our digital platform, including customer acceptance of our efforts to enhance our e-commerce websites; customer response to our marketing and personalization efforts across all types of media; our maintenance of a robust customer list; our dependence on information technology and a failure of information technology systems, including with respect to our e-commerce operations, or an inability to upgrade or adapt our systems; the success of our ERP implementation and other business process improvement efforts; fluctuations and increases in costs of raw materials; impairment of our relationships with our vendors; our failure to maintain the security of customer, employee or company information; our failure to compete effectively in the apparel industry; our inability to identify suitable retail locations for new stores or secure such locations on favorable terms; our inability to grow our outfitters business through the acquisition of new customers or accounts because such opportunities are not available on terms acceptable to us or at all; the performance of our "store within a store" business; if Sears Holdings Corporation sells or disposes of its retail stores, including pursuant to the recapture rights granted to Seritage Growth Properties, and other parties or if its retail business does not attract customers or does not adequately provide services to the Lands' End Shops at Sears; legal, regulatory, economic and political risks associated with international trade and those markets in which we conduct business and source our merchandise; our failure to protect or preserve the image of our brands and our intellectual property rights; increases in postage, paper and printing costs; failure by third parties who provide us with services in connection with certain aspects of our business to perform their obligations; our failure to timely and effectively obtain shipments of products from our vendors and deliver merchandise to our customers; reliance on promotions and markdowns to encourage customer purchases; our failure to efficiently manage inventory levels; unseasonal or severe weather conditions; the seasonal nature of our business; the adverse effect on our reputation if our independent vendors do not use ethical business practices or comply with applicable laws and regulations; assessments for additional state taxes; incurrence of charges due to impairment of goodwill, other intangible assets and long-lived assets; the impact on our business of adverse worldwide economic and market conditions, including economic factors that negatively impact consumer spending on discretionary items; the impact of increased costs due to a decrease in our purchasing power following our separation from Sears Holdings ("Separation") and other losses of benefits associated with being a subsidiary of Sears Holdings; the failure of Sears Holdings or its subsidiaries to perform under various transaction agreements or our failure to have necessary systems and services in place when certain of the transaction agreements expire; our agreements related to the Separation and certain agreements related to our continuing relationship with Sears Holdings were negotiated while we were a subsidiary of Sears Holdings and we may have received better terms from an unaffiliated third party; potential indemnification liabilities to Sears Holdings pursuant to the separation and distribution agreement; the ability of our principal shareholders to exert substantial influence over us; adverse effects of the Separation on our business; potential liabilities under fraudulent conveyance and transfer laws and legal capital requirements; and other risks, uncertainties and factors discussed in the "Risk Factors" section of our Annual Report on Form 10-K for the fiscal year ended January 27, 2017. These forward-looking statements are being made on, and speak only as of the date of this presentation, and we do not undertake any obligation to update such statements.

**CONNECTING WITH THE CORE.**

**Lands' End is an iconic American brand with a large and loyal core customer base.**



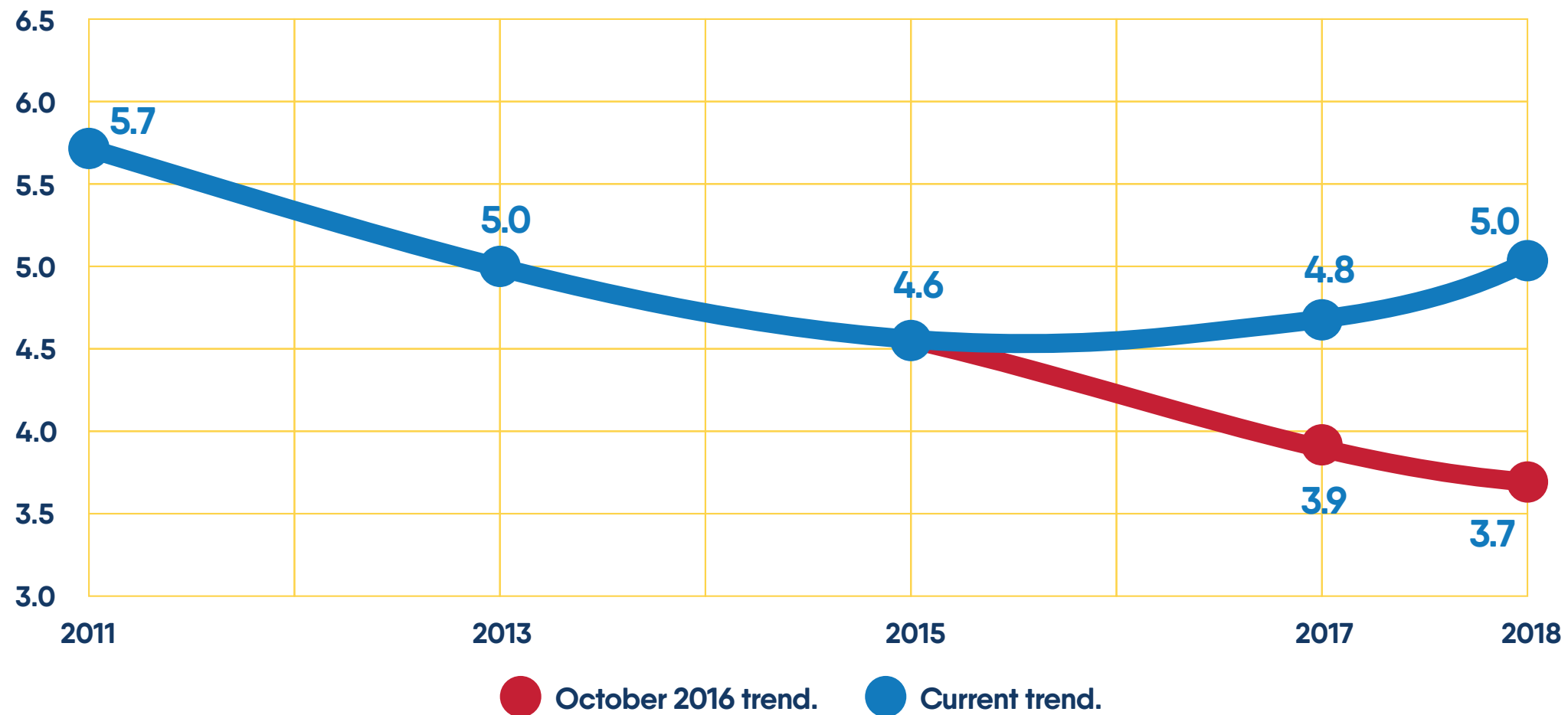
Operating out of America's heartland, our vision and values make a strong connection with our core customers.

**LANDS' END**

## CONNECTING WITH THE CORE.

# In 2017, we stabilized the brand by reconnecting with those core customers.

TOTAL BUYER TREND SHIFT (M)



Led by our online sales, performance has improved across the board throughout 2017.

**LANDS' END**

**CONNECTING WITH THE CORE.**

**In 2018, we'll build momentum through four major growth initiatives.**

**1. PRODUCTS**

**2. DIGITAL**

**3. DISTRIBUTION**

**4. PROCESS**



# The soul of the Lands' End brand has always been products with purpose.



OUTERWEAR



SWIM



PANTS



KNITWEAR

Timeless pieces made of quality materials in classic styles that offer great value to our core customers and their families.

**LANDS' END**

**In 2018, we'll introduce new products that align with the Lands' End brand.**



Guided by purchase analytics, we will strategically advance our merchandise offering.

**LANDS' END**

# The Weather Channel: the perfect partner for products with purpose.



As the Weather Channel's new Official Outfitter, Lands' End will be featured in all live, out-of-studio reporting.

**LANDS' END**



# Outfitting Delta Airlines: elevating the Lands' End B2B business.



We're positioned to grow the B2B Outfitters segment of our business with innovative products for partners and prospects.

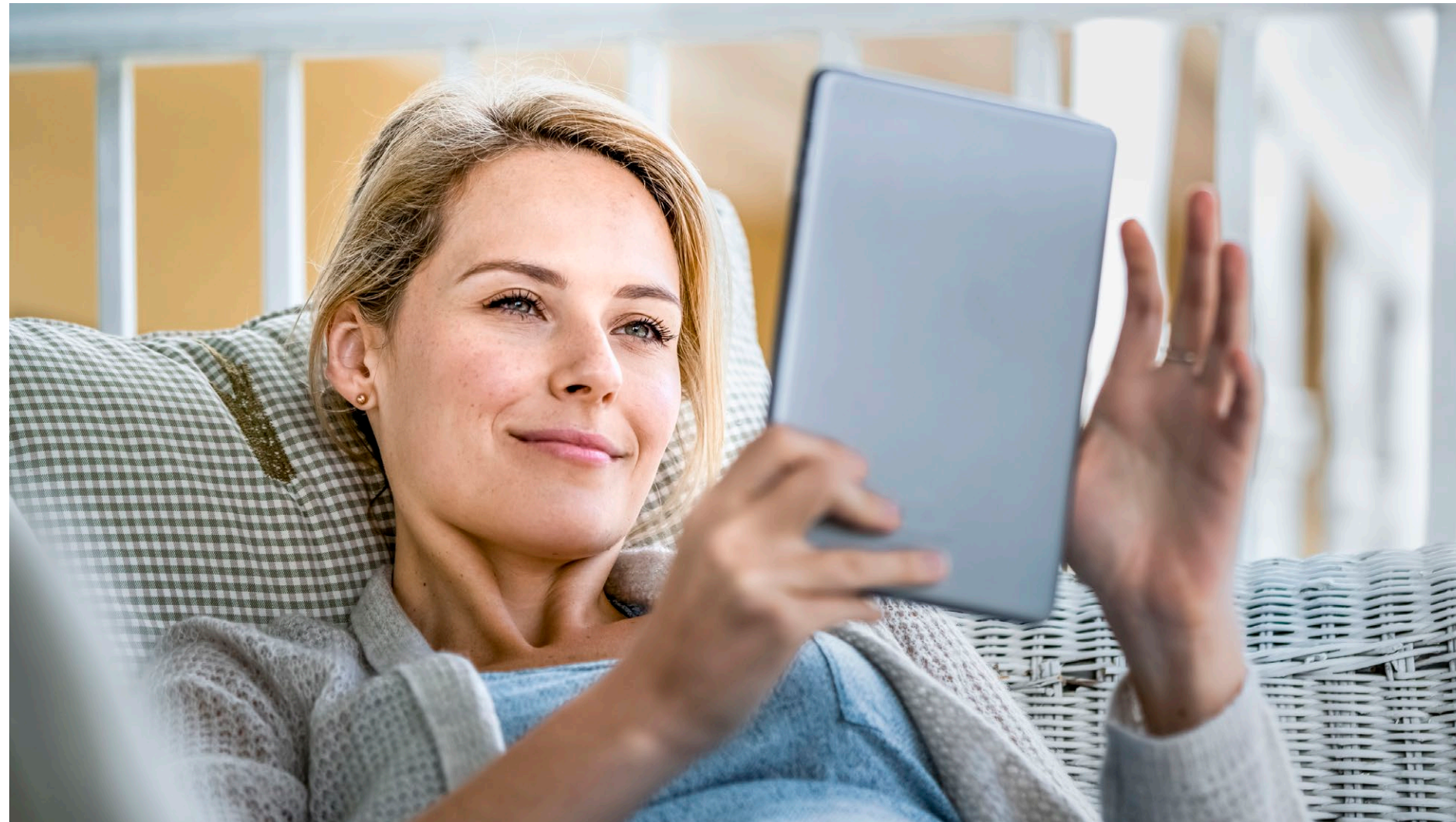
**LANDS' END**

# Going beyond e-commerce to become a digitally-led organization.



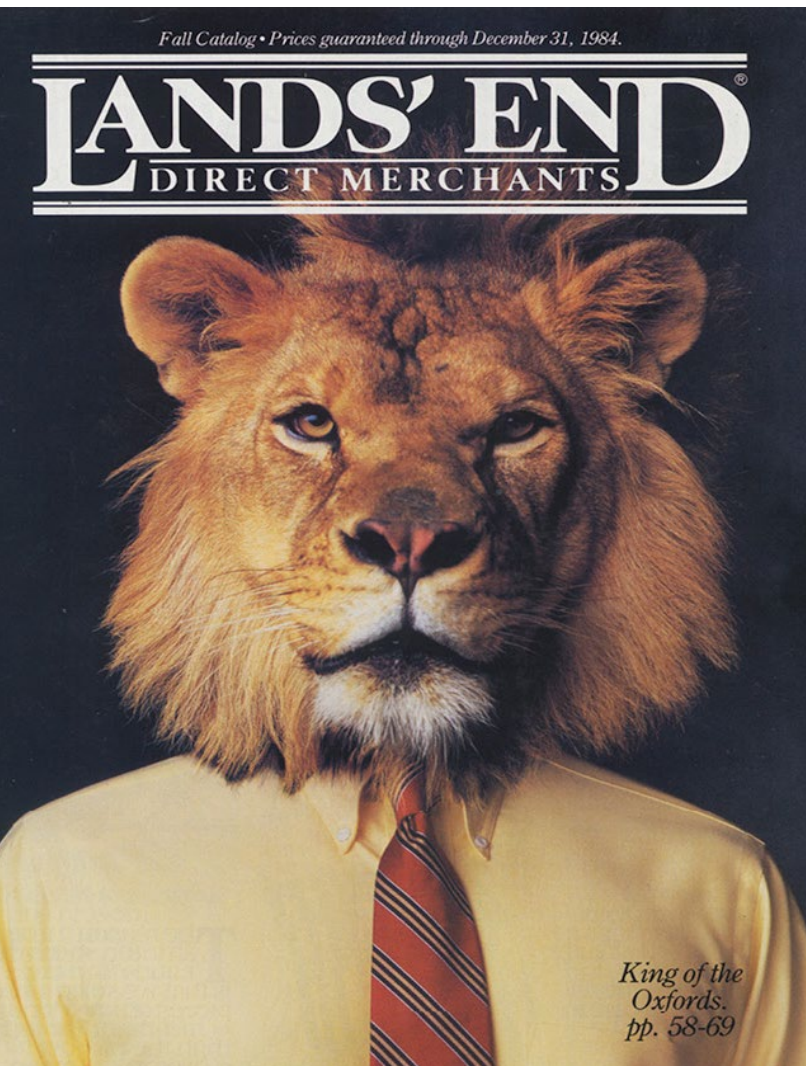
As a leader in e-commerce, we're now focused on leveraging digital technologies to enhance our customers' experience.

**Our expansive data set will allow us to tailor every customer's experience.**



We provide personalized messaging and product suggestions, to optimize performance across all customer touchpoints.

# We pioneered multi-point distribution to engage our customers on their terms.



From catalogs to digital retailing to brick and mortar, we've engaged our customers wherever they want to be.

# Retail concept: the Lands' End store.



We expect to open our first location in the Chicago area in early 2018, and are planning to open 4-6 stores in 2018 to test and refine the concept.

**LANDS' END**

# For 2018 and beyond: A customer analytics-driven distribution strategy.



We are positioned to leverage our deep data set to define product mix, personalize our message, target store locations, and identify 3rd party B2C channels.

# Building strategic competencies through improved business processes.



*Our areas of focus for 2018 and beyond include:*

- **FOCUSING ON STANDARDIZATION AND EFFICIENCY**
- **STRENGTHENING DATA STORAGE AND USAGE**
- **INTEGRATING INVENTORY PLANNING PROCESS**
- **UPGRADING ORDER MANAGEMENT SYSTEMS**
- **OPTIMIZING LOGISTICS AND TRANSPORTATION**

## FIVE YEAR FINANCIAL TARGETS

*Our long-term strategic plan has been developed to yield improvements in business and financial performance, and achievement of these Five Year Financial Targets.*

**Revenue:  
\$1.8 billion to \$2.0 billion.**

*Growth Strategies:*

- **ORGANIC GROWTH IN BOTH U.S. & INTERNATIONAL DIRECT BUSINESS**
  - Drive growth in customer file.
  - Propel digital transformation focused on increasing traffic and conversion.
- **OUTFITTER ACQUISITIONS**
  - Establish new B2B partners.
  - Expand school uniform business.
- **RETAIL**
  - Open 40-60 new stores.
  - Offset by Sears closures (currently operating 188 Sears stores).
- **THIRD PARTY WHOLESALE**
  - Partner with select brand appropriate e-commerce businesses.

**EBITDA Margin  
High-Single-Digit Range.**

*Driven by:*

- **STABLE TO SLIGHT GROSS MARGIN EXPANSION**
  - Improve inventory management.
  - Drive higher full-price sell-through.
- **IMPROVED SG&A RATE**
  - Leverage higher sales.
  - Continue to identify cost efficiencies.



**Thank you.**

