



## Lands' End Announces New Term Loan and Expanded ABL Facility

September 9, 2020

***Company Refinances Existing Term Loan debt  
New Loan Maturity In 2025  
Enhances Liquidity and Further Strengthens Balance Sheet***

DODGEVILLE, Wis., Sept. 09, 2020 (GLOBE NEWSWIRE) -- Lands' End, Inc. (NASDAQ: LE) today announced that it has secured a new term loan of \$275 million. The loan proceeds, combined with borrowings under the Company's ABL Facility, were used to refinance the Company's term loan, which was due in April 2021. Upon the closing of the refinancing, maximum availability under the ABL Facility was expanded by \$75 million to \$275 million.

"We are pleased to announce the completion of this refinancing, which accomplished several important objectives, including extending our debt duration and further enhancing our strong liquidity position with a more flexible balance sheet," stated Jim Gooch, Chief Financial Officer of Lands' End. "The strong performance we delivered in the second quarter provided further leverage for us to successfully complete this financing with attractive terms. Our dynamic eCommerce foundation, limited brick and mortar exposure and key item basics business, successfully combined with our lean operating structure, enabled us to more than triple EBITDA in the second quarter compared to the prior year. With the strong momentum in our business, along with this enhanced financial flexibility, we are optimally positioned to continue to execute our long-term growth strategies."

The loan is secured by a first lien on all non-ABL assets and a second lien on all ABL assets. Interest is payable monthly at 9.75% per annum plus the greater of LIBOR or 1.0%. Amortization is payable quarterly at 1.25% of original principal amount. The loan matures in September 2025.

The Company was advised on the transaction by JP Morgan, and the lending group consisted of affiliates of Fortress Investment Group, STORY3 Credit Partners and Blue Torch Capital.

The refinancing announcement follows the release of strong second quarter results on September 2, 2020 that were highlighted by a 23.6% revenue growth in Global ecommerce, net income of \$4.4 million (compared to a net loss of \$3.0 million in the same period last year) and adjusted EBITDA of \$23.9 million, more than triple the same period last year.

Jerome Griffith, Chief Executive Officer and President, stated, "We are very pleased to have delivered a strong second quarter leveraging the strong momentum in our global eCommerce business. Our performance reflects the execution of our strategies related to product innovation, our global eCommerce platform, data-driven marketing and commitment to optimizing our business processes and infrastructure. We will continue to build on our offering of high-quality value-oriented product assortments with growth strategies that expand our customer reach. To cap this period with a successful refinancing of our term loan debt positions us for future growth and success."

### **About Lands' End, Inc.**

Lands' End, Inc. (NASDAQ:LE) is a leading uni-channel retailer of casual clothing, accessories, footwear and home products. We offer products online at [www.landsend.com](http://www.landsend.com), on third party online marketplaces and through retail locations. We are a classic American lifestyle brand with a passion for quality, legendary service and real value, and seek to deliver timeless style for women, men, kids and the home.

### **Forward-Looking Statements**

This press release contains forward-looking statements that involve risks and uncertainties, including statements regarding the momentum of the global eCommerce business; the expected results of the refinancing; and the Company's positioning for future growth and success. The following important factors and uncertainties, among others, could cause actual results to differ materially from those described in these forward-looking statements; the impact of COVID-19 on operations, customer demand and the Company's supply chain, as well as its consolidated results of operation, financial position and cash flows; the Company may be unsuccessful in implementing its strategic initiatives, or its initiatives may not have their desired impact on its business; the Company's ability to offer merchandise and services that customers want to purchase; changes in customer preference from the Company's branded merchandise; the Company's results may be materially impacted if tariffs on imports to the United States increase and it is unable to offset the increased costs from current or future tariffs through pricing negotiations with its vendor base, moving production out of countries impacted by the tariffs, passing through a portion of the cost increases to the customer, or other savings opportunities; customers' use of the Company's digital platform, including customer acceptance of its efforts to enhance its eCommerce websites; customer response to the Company's marketing efforts across all types of media; the Company's maintenance of a robust customer list; the Company's retail store strategy may be unsuccessful; the Company's dependence on information technology and a failure of information technology systems, including with respect to its eCommerce operations, or an inability to upgrade or adapt its systems; fluctuations and increases in costs of raw materials; impairment of the Company's relationships with its vendors; the Company's failure to maintain the security of customer, employee or company information; the Company's failure to compete effectively in the apparel industry; legal, regulatory, economic and political risks associated with international trade and those markets in which the Company conducts business and sources its merchandise; the Company's failure to protect or preserve the image of its brands and its intellectual property rights; increases in postage, paper and printing costs; failure by third parties who provide the Company with services in connection with certain aspects of its business to perform their obligations; the Company's failure to timely and effectively obtain shipments of products from its vendors and deliver merchandise to its customers; reliance on promotions and markdowns to encourage customer purchases; the Company's failure to efficiently manage inventory levels; unseasonal or severe weather conditions; the adverse effect on the Company's reputation if its 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 the Company's business of adverse worldwide economic and market conditions, including economic factors that negatively impact consumer spending on discretionary items; potential indemnification liabilities to Sears Holdings pursuant to the separation and distribution agreement in connection with the Company's separation from

Sears Holdings; the ability of the Company's principal shareholders to exert substantial influence over the Company; 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 the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2020, and in the Company's Current Report on Form 8-K dated June 2, 2020. The Company intends the forward-looking statements to speak only as of the time made and does not undertake to update or revise them as more information becomes available, except as required by law.

**Reconciliation of Non-GAAP Financial Information to GAAP  
(Unaudited)**

<i>(in thousands)</i>	<b>13 Weeks Ended</b>			
	<b>July 31, 2020</b>		<b>August 2, 2019</b>	
	<b>\$s</b>	<b>% of Net revenue</b>	<b>\$s</b>	<b>% of Net revenue</b>
Net income (loss)	\$ 4,376	1.4 %	\$ (3,014)	(1.0)%
Income tax expense (benefit)	568	0.2 %	(3,174)	(1.1)%
Other expense (income), net	1,333	0.4 %	(608)	(0.2)%
Interest expense	4,916	1.6 %	6,235	2.1 %
Operating income (loss)	11,193	3.6 %	(561)	(0.2)%
Depreciation and amortization	9,378	3.0 %	7,408	2.5 %
Corporate restructuring	2,925	0.9 %	—	0.0 %
Long-lived asset impairment	400	0.1 %	—	0.0 %
Loss (gain) on property and equipment	48	0.0 %	(22)	(0.0)%
<b>Adjusted EBITDA</b>	<b>\$ 23,944</b>	<b>7.7 %</b>	<b>\$ 6,825</b>	<b>2.3 %</b>

**CONTACTS**

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