



**LANDS' END** 

Investor Presentation  
JUNE 2023

# Forward Looking Statements

This presentation contains forward-looking statements that involve risks and uncertainties, including statements regarding the Company's strategies and the expected impact of their implementation, opportunities for growth and value creation, ability to build, positioning for long-term success, focus on growing and retaining its customer base, ability to embark on the next phase of the Company's strategy and capitalize on strengths, simplify approach and drive profitability, the ability to provide a compelling opportunity to reach new customers, the potential of new customers and prospects, knowledge of customers and their concerns, customers' potential value and opportunities for expansion, fit solutions and conversion, ability to target behaviors, prioritization of high-value audiences, expectations regarding shopping behaviors, ability to retain customers, the importance of search channels and social, efficiency of targeted print and digital campaigns, ability to leverage customer purchasing history, first party online interactions, and third party behaviors and demographics, continued digital innovation by way of artificial intelligence, enhanced mobile customer experience, and strategic infrastructure advancements, projections relating to customer care and self-service, conversion rates compared to industry norms, plans for the Company's single inventory management, Warehouse Management System and PLM and their projected impact, focus on driving asset light model for increased reach and profitability, the ability to leverage expanded digital footprint and drive inventory utilization through third-party marketplace sales, the pursuit of licensing of non-core product offerings to grow brand, minimize capital cost and drive profitability, the pursuit of international growth opportunities through licensees, distributors and other partners to drive global reach in asset light manner, opportunities for growth and value creation, leveraging data and analytics to engage existing and new customers, and the Company's positioning for long term 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 Company may be unsuccessful in implementing its strategies or the strategies may not have their expected impact, global supply chain challenges in the recent past have resulted in a significant increase in inbound transportation costs and delays in receiving product; further disruption in the Company's supply chain, including with respect to its distribution centers, third-party manufacturing partners and logistics partners, caused by limits in freight capacity, increases in transportation costs, port congestion, other logistics constraints, and closure of certain manufacturing facilities and production lines due to public health crises and other global economic conditions; the impact of global economic conditions, including inflation, on consumer discretionary spending; the impact of public health crises 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 obtain additional financing on commercially acceptable terms or at all, including, the condition of the lending and debt markets, as the Company seeks to refinance its term loan; 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, including the Outfitters website; 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 Third Party channel may not develop as planned or have its desired impact; 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 as well as fluctuations in other production and distribution-related costs; impairment of the Company's relationships with its vendors; the Company's failure to maintain the security of customer, employee or company information; the risk of cybersecurity events and their impact on the Company; 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, including the impact of strikes or other labor disruptions; 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 inflation and other economic factors that negatively impact consumer spending on discretionary items; the stock repurchase program may not be executed to the full extent within its duration due to business or market conditions; the ability of the Company's principal stockholders to exert substantial influence over the Company; 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 27, 2023. 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.



# Key Investment Highlights

Lands' End is an iconic American brand well-positioned for long-term success. We have two profitable, digitally-enabled e-commerce businesses, deep customer relationships and many opportunities for growth and value creation.

LANDS'  
END

**We are a digitally-driven solutions business,** leveraging our proprietary data and analytics to engage existing and new-to-brand customers while building on our DTC roots.

Our consumer business reaches consumers where they are: LandsEnd.com, retail stores and online marketplaces including Kohl's, Amazon, Target and Macy's.

Lands' End Outfitters serves businesses of all sizes and over 4,500 schools across the US.

**We have a tremendously loyal customer base** with an average tenure of more than 18 years who come back to Lands' End time and again for our broad product portfolio.

The use of our existing buyer file (currently ~7 million customers) enables more tailored product merchandising decisions and customized, automated marketing campaigns enabled by machine learning.

We have successfully executed on our strategy to **drive growth, improve profitability and invest in infrastructure,** resulting in the Company realizing operating efficiencies.

In the first quarter of 2023, the U.S. consumer digital footprint achieved mid-single digit growth and the overall business delivered 41% year over year growth in Adjusted EBITDA.

2017 – 2021 US e-commerce Revenue CAGR of 7% and adjusted EBITDA CAGR of 20%.

# Solutions: Our Competitive Advantage



## Own the vacation

#1 Online Retailer in women's swim.

#2 Online Retailer in total swim.



## Own the weather

We offer a 365 day outerwear collection featuring all-weather protection, warm/warmer/warmest designations, and industry-leading value.

#6 Online Retailer in coats for the family.



## Own the fit

We drive loyalty and rebuy through tops and bottoms.

40% of our customers wear extended sizes (plus, petite, tall, big & tall, mastectomy and more).

Core demographic rates Lands' End #4 in fit within TrueFit's network of 10,000 brands.

# Focused on Three Strategic Pillars

As we embark on the next phase of our strategy, we aim to **capitalize on our strengths, simplify our approach** and **drive profitability**.

## Product

Our merchandising strategy is focused on **growing key items, categories and franchises**:

Swimwear

Outerwear

Bottoms

School/Business  
Uniforms

## Digital

We lead with a **digitally-native** culture and approach.

94% of our business is done online.

We leverage data to attract and retain customers.

We leverage AI to inform decision-making

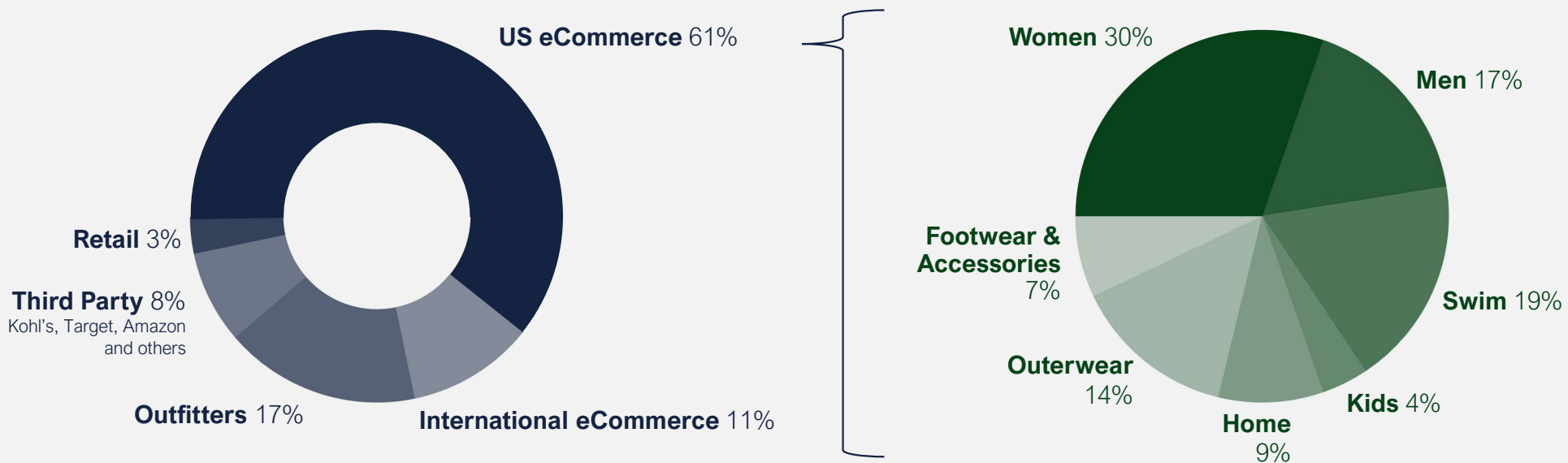
Our conversion rate is consistently greater than 2x apparel industry norms.

## Customer

We are focused on **growing and retaining our loyal customer base** of ~7 million. Our average customer has shopped with our brand for more than 18 years.

# Our Business

We meet our customers where they are and serve the whole family.



# Differentiation with B2B Offering



## School Uniform

4,500 schools currently partnering with Lands' End across the US.

~12% of US private school market.

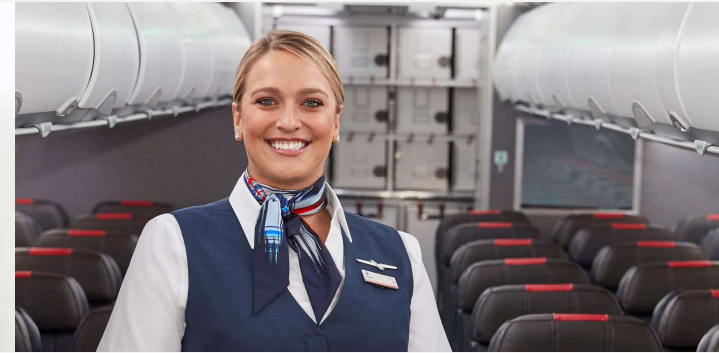
Full range of school uniform items available.



## Small & Mid-sized Businesses

150,000 accounts currently partnering with Lands' End across the US with 22,000 unique online storefronts.

Focus on business uniforms and other customized, company-branded goods such as luggage, drinkware, stationery and leisure products.



## National Accounts

Collaborating with large businesses to deliver high quality uniform solutions under multi-year contracts.



Lands' End Outfitters provides **a compelling opportunity to reach new customers.**

# We Know Our Customers

Our **existing customers** are extremely valuable to Lands' End.

80% female	Average age 60
College educated	More affluent
Married and more likely to have children at home	Household income +209% vs. US population

Existing customers spend +100% more in a year than new-to-brand customers.

Our **new customers and prospects** have high potential.

73% female	Average age 50
College educated	Affluent
More than half are single	Less than half have children at home

Fit is absolutely critical to this customer as their changing body is a primary concern.

As a digital company, we target behaviors, not specific demographics. **We prioritize high-value audiences rather than broad ones.**

# We Understand Our Customers

Leveraging our data to prioritize high-value customer cohorts.

## RESOLVERS

- Largest cohort of existing base and prospects
- Know what works for them
  - Solutions-oriented dresser
  - Prefer classic styles; often wear the same thing
  - Value quality over trends
- Shop primarily on necessity 2-3x/year

## EVOLVERS

- Second largest cohort of existing base and prospects
- Discovering and refining their style as an ongoing journey
  - What fits their current moment in life
  - Gravitate toward comfort and quality
  - Value brand story and ethos
- Have potential: spend more than Resolvers

## PLAYERS

- Smaller cohort, typically more trend driven and brand agnostic
- Embrace what feels right in the moment, fast evolution, freedom
  - Value accessibility to latest trends
  - Define value in terms of price
  - Disregard style rules
- Secondary target: Capture via selective collections and trends

*Our evolved approach of focusing on behaviors, rather than demographics, enables us to define, prioritize, reach and cater to the customers that matter most, while expanding our customer base over time.*

# We Know How to Meet and Keep Our Customers

90% of our marketing campaigns are engineered by Artificial Intelligence.

## CONSUMER-LED

Lands' End shows up **when the customer is ready to buy.**

New customers are primarily acquired via **search** channels.

We retain her with relevant contacts such as **catalogs** and **connected digital campaigns.**

**Social** is increasingly important to all customer segments at all points in the funnel.



## RESPONSIVE

We drive highly **efficient, targeted print and digital campaigns.**

We leverage:

- Our deep customer **purchase history.**
- First-party **online interactions.**
- **Third-party behaviors** and **demographics.**

# Continued Digital Innovation



## Application of Artificial Intelligence

- ✓ Target gross profit optimization through continued build-out of Dynamic Promo.
- ✓ Drive cross-category shopping by interpretation of “next product to buy.”
- ✓ Integration of SKU optimization, demand forecasting and promotion planning.

## Enhancing customer experience

- ✓ Easy order management – one click checkout, alternative payment options, easy returns.
- ✓ By 2025, 50% customer care to be self-service.
- ✓ Influencer-driven shoppable Instagram site.

## Strategic Infrastructure Advancements

- ✓ Enabling single inventory management.
- ✓ Implementing multi-phase Warehouse Management System.
- ✓ Improving concept-to-customer timelines with planned new PLM and product development calendars.

LandsEnd.com converts at greater than **2x apparel industry norms.**



Focused on driving asset light model for increased reach and profitability.

## LEVERAGING MARKETPLACES

- ✓ Leveraging expanded digital footprint and driving inventory utilization with product sold through Kohls.com, Amazon, Macys.com and Target.com.
- ✓ 75% of marketplace customers new to brand or reacquired after 5+ years.

## GROWING LICENSING

- ✓ Growing licensing of non-core product offerings to expand brand, minimize capital cost and drive profitability.
- ✓ Recently entered into licenses with third parties to broadly distribute Lands' End footwear and offer Lands' End products in Costco channel.

## INTERNATIONAL EXPANSION

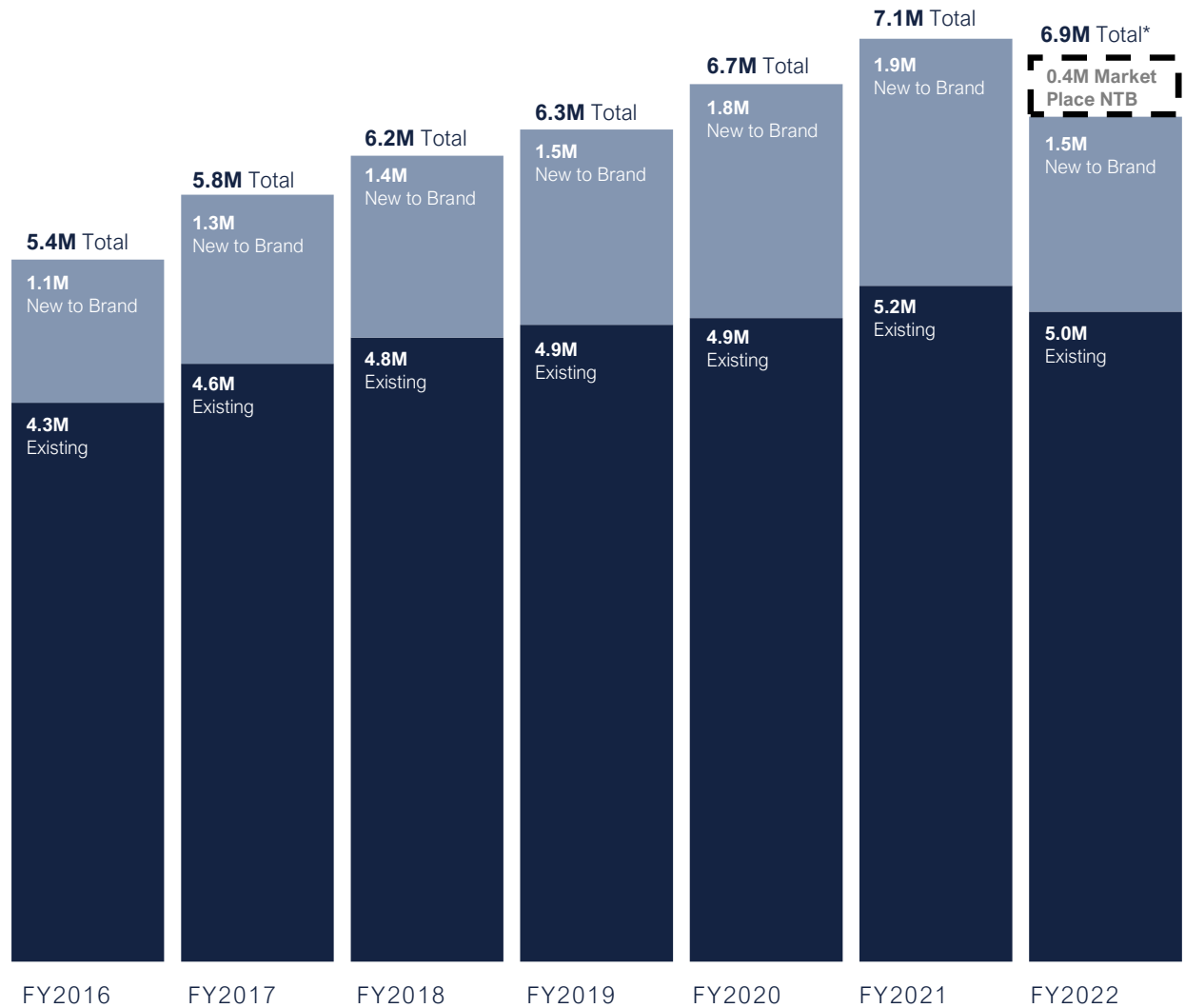
- ✓ Pursuing international growth opportunities through licensees, distributors and other partners to drive global reach in asset light manner.

# Global Customer File

Our global eCommerce existing buyer file stabilized in the first quarter of 2023 as customers came back to rebuy driven by vacation solutions products.



\* Includes New to Brand in Marketplace Channel

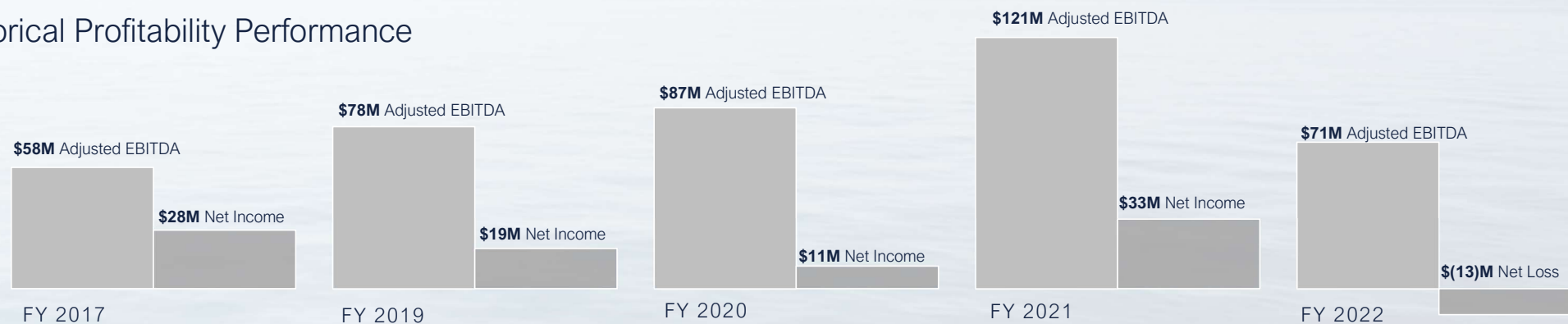


# Financial Profile

## Historical Revenue Performance



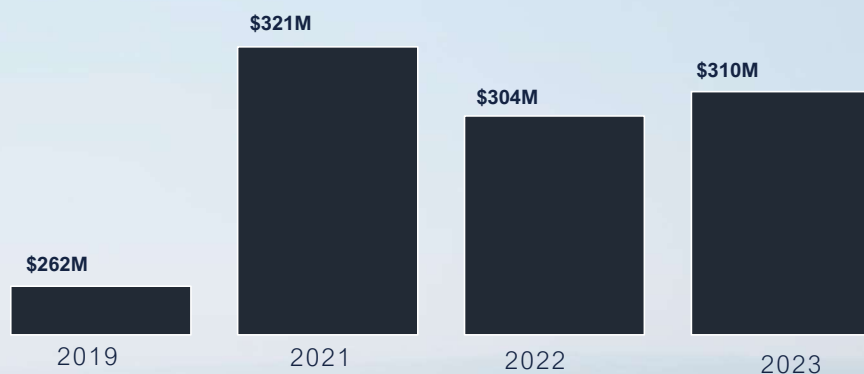
## Historical Profitability Performance



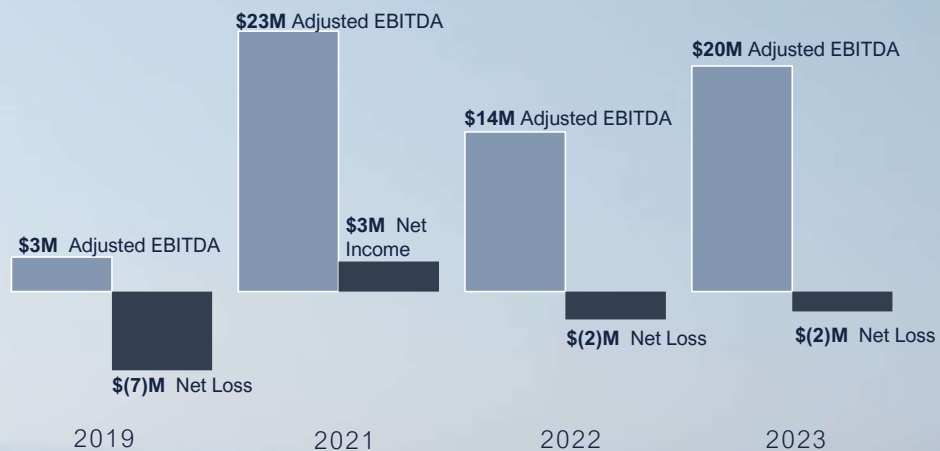
See Appendix for reconciliation of Adjusted EBITDA to Net Income.

# First Quarter Financial Profile\*

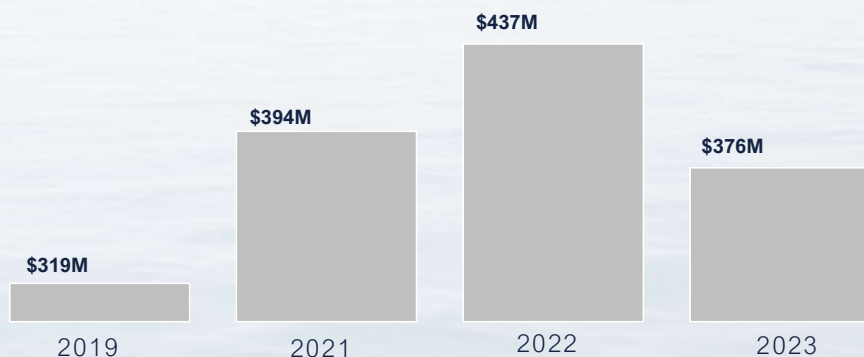
## Historical Revenue Performance



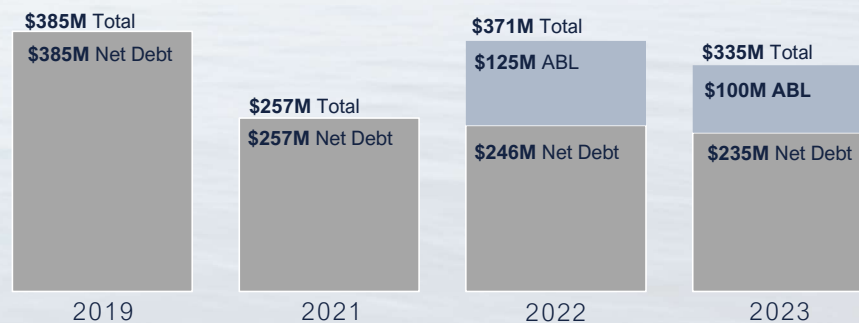
## Historical Profitability Performance



## Historical Inventory Balances



## Historical Net Debt and ABL Balances



\*Excludes 2020 due to Covid Pandemic  
See Appendix for reconciliation of Adjusted EBITDA to Net Income.



# Key Investment Highlights

Lands' End is an iconic American brand well-positioned for long-term success. We have two profitable, digitally-enabled e-commerce businesses, deep customer relationships and many opportunities for growth and value creation.

LANDS'  
END

**We are a digitally-driven solutions business,** leveraging our proprietary data and analytics to engage existing and new-to-brand customers while building on our DTC roots.

Our consumer business reaches consumers where they are: LandsEnd.com, retail stores and online marketplaces including Kohl's, Amazon, Target and Macy's.

Lands' End Outfitters serves businesses of all sizes and over 4,500 schools across the US.

**We have a tremendously loyal customer base** with an average tenure of more than 18 years who come back to Lands' End time and again for our broad product portfolio.

The use of our existing buyer file (currently ~7 million customers) enables more tailored product merchandising decisions and customized, automated marketing campaigns enabled by machine learning.

We have successfully executed on our strategy to **drive growth, improve profitability and invest in infrastructure,** resulting in the Company realizing operating efficiencies.

In the first quarter of 2023, the U.S. consumer digital footprint achieved mid-single digit growth and the overall business delivered 41% year over year growth in Adjusted EBITDA.

2017 – 2021 US e-commerce Revenue CAGR of 7% and adjusted EBITDA CAGR of 20%.

# APPENDIX

# Full Year Reconciliation of Non-GAAP Measures

(in millions)	FY 2017	FY 2019	FY 2020	FY 2021	FY 2022
Net Income/ (loss)	\$28.2	\$19.3	\$10.8	\$33.4	\$(12.5)
Taxes	(27.7)	2.1	1.8	12.6	(2.2)
Interest	25.9	26.0	27.8	34.4	39.8
Depreciation	24.9	31.1	37.3	39.2	38.7
Other Adjustments	7.0	(0.6)	9.3	1.3	6.7
<b>Adjusted EBITDA</b>	<b>\$58.3</b>	<b>\$77.9</b>	<b>\$87.0</b>	<b>\$120.9</b>	<b>\$70.5</b>

# First Quarter Reconciliation of Non-GAAP Measures

(in millions)	1Q 2019	1Q 2021	1Q 2022	1Q 2023
Net Income/ (loss)	\$(6.8)	\$2.6	\$(2.4)	\$(1.7)
Taxes	(4.9)	0.3	(1.7)	(0.5)
Interest	7.8	9.1	8.2	12.3
Depreciation	7.6	9.9	9.6	9.3
Other Adjustments	(0.7)	0.6	0.1	0.1
<b>Adjusted EBITDA</b>	<b>\$3.0</b>	<b>\$22.5</b>	<b>\$13.8</b>	<b>\$19.5</b>