
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended August 1, 2025

-OR-

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____.

Commission File Number: 001-09769

Lands' End, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

36-2512786
(I.R.S. Employer
Identification No.)

5 Lands' End Lane
Dodgeville, Wisconsin
(Address of principal executive offices)

53595
(Zip Code)

(608) 935-9341

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	LE	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES NO

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). YES NO

As of September 8, 2025, the registrant had 30,516,769 shares of common stock, \$0.01 par value, outstanding.

LANDS' END, INC.
QUARTERLY REPORT ON FORM 10-Q
FOR THE PERIOD ENDED AUGUST 1, 2025

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

LANDS' END, INC.
Condensed Consolidated Statements of Operations
(Unaudited)

	13 Weeks Ended		26 Weeks Ended	
	August 1, 2025	August 2, 2024	August 1, 2025	August 2, 2024
<i>(in thousands, except per share data)</i>				
Net revenue	\$ 294,079	\$ 317,173	\$ 555,287	\$ 602,644
Cost of sales (exclusive of depreciation and amortization)	150,661	165,288	279,143	311,779
Gross profit	143,418	151,885	276,144	290,865
Selling and administrative	129,356	135,510	252,818	262,911
Depreciation and amortization	7,656	8,692	15,947	17,697
Other operating expense, net	2,423	5,197	5,766	5,538
Operating income	3,983	2,486	1,613	4,719
Interest expense	9,262	10,447	18,527	20,783
Other (income), net	(3)	(84)	(14)	(172)
Loss before income taxes	(5,276)	(7,877)	(16,900)	(15,892)
Income tax benefit	(1,609)	(2,626)	(4,971)	(4,199)
NET LOSS	\$ (3,667)	\$ (5,251)	\$ (11,929)	\$ (11,693)
Loss per common share				
Basic	\$ (0.12)	\$ (0.17)	\$ (0.39)	\$ (0.37)
Diluted	\$ (0.12)	\$ (0.17)	\$ (0.39)	\$ (0.37)
Weighted average common shares outstanding				
Basic	30,743	31,376	30,721	31,407
Diluted	30,743	31,376	30,721	31,407

See accompanying Notes to Condensed Consolidated Financial Statements.

LANDS' END, INC.
Condensed Consolidated Statements of Comprehensive Operations
(Unaudited)

<i>(in thousands)</i>	<u>13 Weeks Ended</u>		<u>26 Weeks Ended</u>	
	<u>August 1, 2025</u>	<u>August 2, 2024</u>	<u>August 1, 2025</u>	<u>August 2, 2024</u>
NET LOSS	\$ (3,667)	\$ (5,251)	\$ (11,929)	\$ (11,693)
Other comprehensive (loss) income, net of tax				
Foreign currency translation adjustments	(565)	299	933	(214)
COMPREHENSIVE LOSS	<u>\$ (4,232)</u>	<u>\$ (4,952)</u>	<u>\$ (10,996)</u>	<u>\$ (11,907)</u>

See accompanying Notes to Condensed Consolidated Financial Statements.

LANDS' END, INC.
Condensed Consolidated Balance Sheets
(Unaudited)

<i>(in thousands, except per share data)</i>	August 1, 2025	August 2, 2024	January 31, 2025
ASSETS			
Current assets			
Cash and cash equivalents	\$ 21,255	\$ 25,648	\$ 16,180
Restricted cash	2,291	2,239	2,632
Accounts receivable, net	39,028	27,420	47,839
Inventories	301,797	312,014	265,132
Prepaid expenses	30,400	34,864	33,258
Other current assets	10,291	12,579	5,439
Total current assets	405,062	414,764	370,480
Property and equipment, net	117,205	106,758	115,618
Operating lease right-of-use asset	18,856	21,182	20,373
Intangible asset	257,000	257,000	257,000
Other assets	2,518	2,812	2,010
TOTAL ASSETS	\$ 800,641	\$ 802,516	\$ 765,481
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities			
Current portion of long-term debt	\$ 13,000	\$ 13,000	\$ 13,000
Accounts payable	147,846	143,886	111,353
Lease liability – current	4,609	5,351	4,534
Accrued expenses and other current liabilities	85,084	91,190	98,736
Total current liabilities	250,539	253,427	227,623
Long-term borrowings under ABL Facility	35,000	20,000	—
Long-term debt, net	219,550	230,227	224,888
Lease liability – long-term	17,986	20,843	20,007
Deferred tax liabilities	50,319	48,631	51,450
Other liabilities	2,123	2,874	2,291
TOTAL LIABILITIES	575,517	576,002	526,259
STOCKHOLDERS' EQUITY			
Common stock, par value \$0.01 authorized: 480,000 shares; issued and outstanding: 30,517, 31,256 and 30,843, respectively	306	313	309
Additional paid-in capital	346,841	354,768	349,940
Accumulated deficit	(106,287)	(112,284)	(94,358)
Accumulated other comprehensive loss	(15,736)	(16,283)	(16,669)
TOTAL STOCKHOLDERS' EQUITY	225,124	226,514	239,222
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 800,641	\$ 802,516	\$ 765,481

See accompanying Notes to Condensed Consolidated Financial Statements.

LANDS' END, INC.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

<i>(in thousands)</i>	26 Weeks Ended	
	August 1, 2025	August 2, 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (11,929)	\$ (11,693)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	15,947	17,697
Amortization of debt issuance costs	1,391	1,354
Loss on disposal of property and equipment	—	52
Stock-based compensation	2,250	2,658
Deferred income taxes	(1,182)	329
Long-lived asset impairment	—	2,805
Other	(422)	(276)
Change in operating assets and liabilities:		
Accounts receivable, net	9,363	7,834
Inventories	(35,420)	(10,346)
Accounts payable	36,250	14,023
Other operating assets	(1,343)	(2,031)
Other operating liabilities	(14,436)	(17,497)
Net cash provided by operating activities	469	4,909
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of property and equipment	11	20
Purchases of property and equipment	(17,163)	(11,470)
Net cash used in investing activities	(17,152)	(11,450)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings under ABL Facility	68,000	49,000
Payments of borrowings under ABL Facility	(33,000)	(29,000)
Payments on term loan	(6,500)	(6,500)
Payments of debt issuance costs	(1,103)	(724)
Payments for taxes related to net share settlement of equity awards	(810)	(1,041)
Purchases and retirement of common stock, including excise tax paid	(4,513)	(4,845)
Net cash provided by financing activities	22,074	6,890
Effects of exchange rate changes on cash, cash equivalents and restricted cash	(657)	248
NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	4,734	597
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF PERIOD	18,812	27,290
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF PERIOD	\$ 23,546	\$ 27,887
SUPPLEMENTAL CASH FLOW DATA		
Unpaid liability to acquire property and equipment	\$ 1,725	\$ 1,698
Income taxes (refunded) paid	\$ (153)	\$ 67
Interest paid	\$ 17,172	\$ 20,636
Operating lease right-of-use-assets obtained in exchange for lease liabilities	\$ 386	\$ —

See accompanying Notes to Condensed Consolidated Financial Statements.

LANDS' END, INC.
Condensed Consolidated Statements of Changes in Stockholders' Equity
(Unaudited)

<i>(in thousands)</i>	Common Stock Issued		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount				
Balance at January 31, 2025	30,843	\$ 309	\$ 349,940	\$ (94,358)	\$ (16,669)	\$ 239,222
Net loss	—	—	—	(8,262)	—	(8,262)
Cumulative translation adjustment, net of tax	—	—	—	—	1,498	1,498
Stock-based compensation expense	—	—	920	—	—	920
Vesting of restricted shares	125	1	(1)	—	—	—
Common stock withheld related to net share settlement of equity awards	(42)	—	(450)	—	—	(450)
Purchases and retirement of common stock, including excise taxes	(291)	(3)	(2,785)	—	—	(2,788)
Balance at May 2, 2025	30,635	\$ 307	\$ 347,624	\$ (102,620)	\$ (15,171)	\$ 230,140
Net loss	—	—	—	(3,667)	—	(3,667)
Cumulative translation adjustment, net of tax	—	—	—	—	(565)	(565)
Stock-based compensation expense	—	—	1,330	—	—	1,330
Vesting of restricted shares	122	1	(1)	—	—	—
Common stock withheld related to net share settlement of equity awards	(41)	—	(360)	—	—	(360)
Purchases and retirement of common stock, including excise taxes	(199)	(2)	(1,752)	—	—	(1,754)
Balance at August 1, 2025	30,517	\$ 306	\$ 346,841	\$ (106,287)	\$ (15,736)	\$ 225,124

<i>(in thousands)</i>	Common Stock Issued		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount				
Balance at February 2, 2024	31,433	\$ 315	\$ 356,764	\$ (99,417)	\$ (16,069)	\$ 241,593
Net loss	—	—	—	(6,442)	—	(6,442)
Cumulative translation adjustment, net of tax	—	—	—	—	(513)	(513)
Stock-based compensation expense	—	—	1,226	—	—	1,226
Vesting of restricted shares	90	—	—	—	—	—
Common stock withheld related to net share settlement of equity awards	(31)	—	(249)	—	—	(249)
Purchases and retirement of common stock	(85)	(1)	(870)	(143)	—	(1,014)
Balance at May 3, 2024	31,407	\$ 314	\$ 356,871	\$ (106,002)	\$ (16,582)	\$ 234,601
Net loss	—	—	—	(5,251)	—	(5,251)
Cumulative translation adjustment, net of tax	—	—	—	—	299	299
Stock-based compensation expense	—	—	1,432	—	—	1,432
Vesting of restricted shares	160	1	(1)	—	—	—
Common stock withheld related to net share settlement of equity awards	(57)	—	(792)	—	—	(792)
Purchases and retirement of common stock, including excise taxes	(254)	(2)	(2,742)	(1,031)	—	(3,775)
Balance at August 2, 2024	31,256	\$ 313	\$ 354,768	\$ (112,284)	\$ (16,283)	\$ 226,514

See accompanying Notes to Condensed Consolidated Financial Statements.

LANDS' END, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. BACKGROUND AND BASIS OF PRESENTATION

Description of Business

Lands' End, Inc. ("Lands' End" or the "Company") is a leading digital retailer of solution-based apparel, swimwear, outerwear, accessories, footwear, home products and uniforms. Lands' End offers products online at *www.landsend.com*, through third-party distribution channels, its own Company Operated stores and third-party license agreements. Lands' End also offers products to businesses and schools, for their employees and students, through the Outfitters distribution channel. Lands' End is a classic American lifestyle brand that creates solutions for life's every journey. References to *www.landsend.com* do not constitute incorporation by reference of the information at *www.landsend.com*, and such information is not part of this Quarterly Report on Form 10-Q or any other filings with the SEC, unless otherwise explicitly stated.

Terms that are commonly used in the Company's Notes to Condensed Consolidated Financial Statements are defined as follows:

- ABL Facility – Asset-based senior secured credit agreement, providing for a revolving facility, dated as of November 16, 2017, with Wells Fargo Bank, N.A. and certain other lenders, as amended to date
- ASC – Financial Accounting Standards Board Accounting Standards Codification, which serves as the source for authoritative GAAP, as supplemented by rules and interpretive releases by the SEC which are also sources of authoritative GAAP for SEC registrants
- Company Operated stores – Lands' End retail stores in the Retail distribution channel
- Debt Facilities – Collectively, the Term Loan Facility and ABL Facility
- Deferred Awards – Time vesting stock awards
- FASB – Financial Accounting Standards Board
- Fiscal 2025 – The 52 weeks ending January 30, 2026
- Fiscal 2024 – The 52 weeks ended January 31, 2025
- GAAP – Accounting principles generally accepted in the United States
- Option Awards – Stock option awards
- Performance Awards – Performance-based stock awards
- SEC – United States Securities and Exchange Commission
- SOFR – Secured Overnight Funding Rate
- Target Shares – Number of restricted stock units awarded to a recipient which reflects the number of shares to be delivered based on achievement of target performance goals
- Term Loan Adjusted SOFR – SOFR plus adjustments of either (a) 0.11448% for a one-month interest period, (b) 0.26161% for a three-month interest period, or (c) 0.42826% for a six-month interest period
- Term Loan Facility – Term loan credit agreement, dated as of December 29, 2023, among the Company, Blue Torch Capital, as Administrative Agent and Collateral Agent, and the lenders party thereto
- Year-to-Date 2025 – The 26 weeks ended August 1, 2025

Basis of Presentation

The Condensed Consolidated Financial Statements include the accounts of Lands' End, Inc. and its subsidiaries. All intercompany transactions and balances have been eliminated.

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with GAAP for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all material adjustments which are of a normal and recurring nature necessary for a fair presentation of the results for the periods presented have been reflected. Dollar amounts are reported in thousands, except per share data, unless otherwise noted. Interim results are not necessarily indicative of results for a full year. The information included in this Form 10-Q should be read in conjunction with information included in the Lands' End Annual Report on Form 10-K filed with the SEC on March 27, 2025.

Macroeconomic Challenges

Macroeconomic issues which impact consumer discretionary spending, such as realized inflation-based price increases and high interest rates have continued to have an impact on the Company's business. Apparel purchases historically have been influenced by domestic and global economic conditions, which may negatively impact customer demand and may require higher levels of promotion in order to attract and retain customers. Additionally, the variable interest rates associated with the Company's Debt Facilities are negatively affected by higher interest rate environments. Macroeconomic challenges may lead to increased cost of raw materials, packaging materials, labor, energy, fuel, debt and other inputs necessary for the production and distribution of the Company's products. Ongoing uncertainty surrounding global trade policy, including the potential for increased tariffs on goods manufactured in key sourcing regions, could elevate product costs. The Company is monitoring these developments and is actively pursuing mitigation strategies, but escalating trade tensions may pressure margins and disrupt supply chain efficiency.

Restructuring

The Company incurred restructuring charges, primarily severance and benefit costs, related to cost optimization of business operations and strategic initiatives. During Year-to-Date 2025, the Company incurred ongoing costs related to exploring strategic alternatives for the Company to maximize shareholder value and have included those costs as part of restructuring. Additionally, the Company reduced approximately 6% of its corporate office positions and incurred restructuring charges, primarily severance and benefit and other related costs. The reductions in the corporate office positions were made to better align with the evolving needs of the business and to invest in key growth areas.

The following table summarizes the restructuring costs recognized in Other operating expense, net in the Condensed Consolidated Statement of Operations for the 13 and 26 weeks ended August 1, 2025 and August 2, 2024:

<i>(in thousands)</i>	13 Weeks Ended		26 Weeks Ended	
	August 1, 2025	August 2, 2024	August 1, 2025	August 2, 2024
Employee severance and benefit costs	\$ 265	\$ 2,338	\$ 2,912	\$ 2,680
Strategic alternatives and other costs	2,169	—	2,854	—
Total restructuring	\$ 2,434	\$ 2,338	\$ 5,766	\$ 2,680

The following table summarizes the accrued restructuring cost activity included in Accrued expenses and other current liabilities in the Condensed Consolidated Balance Sheets:

<i>(in thousands)</i>	Employee Severance and Benefit Costs	Strategic Alternatives and Other Costs	Total Restructuring
Balance as of January 31, 2025	\$ 2,004	\$ —	\$ 2,004
Estimated costs payable in cash	2,647	685	3,332
Cash payments	(2,914)	(30)	(2,944)
Foreign currency translation	53	—	53
Balance as of May 2, 2025	<u>\$ 1,790</u>	<u>\$ 655</u>	<u>\$ 2,445</u>
Estimated costs payable in cash	265	2,169	2,434
Cash payments	(1,435)	(228)	(1,663)
Foreign currency translation	6	—	6
Balance as of August 1, 2025	<u>\$ 626</u>	<u>\$ 2,596</u>	<u>\$ 3,222</u>

NOTE 2. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED

In July 2025, the FASB issued Accounting Standards Update (ASU) 2025-05, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*, which provides targeted relief for entities estimating expected credit losses on short-term receivables and contract assets under Topic 606. The guidance allows entities to bypass the requirement to incorporate macroeconomic data into their forecasts when such data is not expected to materially affect the estimate. ASU 2025-05 is effective for the annual periods beginning after December 15, 2025. The Company is currently assessing the impact of ASU 2025-05 on the Company’s Condensed Consolidated Financial Statements.

In November 2024, the FASB issued ASU 2024-03 *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* (“ASU 2024-03”). Under ASU 2024-03, a public entity is required to disclose information about purchases of inventory, employee compensation, depreciation, intangible asset amortization, and depletion for each income statement line item that contains those expenses. ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027. ASU 2024-03 allows for early adoption and requires either prospective adoption to financial statements issued for reporting periods after the effective date of ASU 2024-03 or retrospectively to any or all prior periods presented in the financial statements. The Company is currently assessing the impact of ASU 2024-03 on the Company’s Condensed Consolidated Financial Statement disclosures.

In December 2023, the FASB issued ASU 2023-09, *Improvements to Income Tax Disclosures* (“ASU 2023-09”), which includes requirements that an entity disclose specific categories in the rate reconciliation table and provide additional information for reconciling items that are greater than five percent of the amount computed by multiplying pretax income (or loss) by the applicable statutory income rate. The standard also requires that entities disclose income (or loss) from continuing operations before income tax expense (or benefit) and income tax expense (or benefit) each disaggregated between domestic and foreign. ASU 2023-09 is effective for the annual periods beginning after December 15, 2024. The Company is currently assessing the impact of ASU 2023-09 on the Company’s Condensed Consolidated Financial Statement disclosures.

NOTE 3. LOSS PER SHARE

The numerator for both basic and diluted earnings (loss) per share is net income (loss) attributable to the Company. The denominator for basic earnings (loss) per share is based upon the number of weighted average shares of the Company’s common stock outstanding during the reporting periods. The denominator for diluted earnings (loss) per share is based upon the number of weighted average shares of the Company’s common stock and common stock equivalents outstanding during the reporting periods using the treasury stock method in accordance with *ASC 260, Earnings Per Share*. Potentially dilutive securities for the diluted earnings (loss) per share calculations consist of non-vested equity shares of common stock and in-the-money outstanding options where the current stock price exceeds the option strike price.

The following table summarizes the components of basic and diluted loss per share:

<i>(in thousands, except per share amounts)</i>	13 Weeks Ended		26 Weeks Ended	
	August 1, 2025	August 2, 2024	August 1, 2025	August 2, 2024
Net loss	\$ (3,667)	\$ (5,251)	\$ (11,929)	\$ (11,693)
Basic weighted average common shares outstanding	30,743	31,376	30,721	31,407
Dilutive impact of stock awards	—	—	—	—
Diluted weighted average common shares outstanding	<u>30,743</u>	<u>31,376</u>	<u>30,721</u>	<u>31,407</u>
Loss per share				
Basic	\$ (0.12)	\$ (0.17)	\$ (0.39)	\$ (0.37)
Diluted	\$ (0.12)	\$ (0.17)	\$ (0.39)	\$ (0.37)
Anti-dilutive shares excluded from diluted loss per common share calculation	736	509	703	806

Stock awards are considered anti-dilutive based on the application of the treasury stock method or in the event of a net loss.

NOTE 4. OTHER COMPREHENSIVE LOSS

Other comprehensive income (loss) encompasses all changes in equity other than those arising from transactions with stockholders and is comprised solely of foreign currency translation adjustments. The Company's foreign subsidiaries use their foreign currency as their functional currency. Functional currency assets and liabilities are translated into U.S. Dollars using exchange rates in effect at the balance sheet date, and revenues and expenses are translated at average exchange rates during the period. Resulting translation gains and losses are reported in other comprehensive income (loss), until the substantial liquidation of a subsidiary, at which time accumulated translation gains or losses are reclassified into net income (loss).

<i>(in thousands)</i>	13 Weeks Ended		26 Weeks Ended	
	August 1, 2025	August 2, 2024	August 1, 2025	August 2, 2024
Beginning balance: Accumulated other comprehensive loss (net of tax of \$4,032, \$4,068, \$4,234 and \$4,271, respectively)	\$ (15,171)	\$ (16,582)	\$ (16,669)	\$ (16,069)
Other comprehensive (loss) income:				
Foreign currency translation adjustments (net of tax of \$151, \$(79), \$(51) and \$(282), respectively)	(565)	299	933	(214)
Ending balance: Accumulated other comprehensive loss (net of tax of \$4,183, \$3,989, \$4,183 and \$3,989, respectively)	<u>\$ (15,736)</u>	<u>\$ (16,283)</u>	<u>\$ (15,736)</u>	<u>\$ (16,283)</u>

No amounts were reclassified out of Accumulated other comprehensive loss during any of the periods presented.

NOTE 5. DEBT

ABL Facility

The Company's \$225.0 million committed revolving ABL Facility, as amended to date, includes a \$35.0 million sublimit for letters of credit and is available for working capital and other general corporate liquidity needs. The amount available to borrow is the lesser of (1) the Aggregate Commitments of \$225.0 million ("ABL Facility Limit") or (2) the Borrowing Base or Loan Cap which is calculated from Eligible Inventory, Trade Receivables and Credit Card Receivables, all foregoing capitalized terms not defined herein are as defined in the ABL Facility.

The following table summarizes the Company's ABL Facility borrowing availability:

<i>(in thousands)</i>	August 1, 2025		August 2, 2024		January 31, 2025	
	Amount	Interest Rate	Amount	Interest Rate	Amount	Interest Rate
ABL Facility limit	\$ 225,000		\$ 275,000		\$ 275,000	
Borrowing Base	133,536		145,620		140,202	
Outstanding borrowings	35,000	5.86%	20,000	6.68%	—	
Outstanding letters of credit	10,911		8,101		10,888	
ABL Facility utilization at end of period	45,911		28,101		10,888	
ABL Facility borrowing availability	\$ 87,625		\$ 117,519		\$ 129,314	

Effective with the Fifth Amendment to the ABL Facility, dated March 28, 2025 (the "Fifth Amendment"), the 0.10% adjustment to the SOFR benchmark interest rate was eliminated and the benchmark rates under the ABL Credit Agreement are, at the election of the Company, either: (1) Term SOFR (which is a forward looking term rate based on the secured overnight financing rate), or (2) a Base Rate (which is the greatest of (a) 0% per annum, (b) the federal funds rate plus 0.50%, (c) the one-month Term SOFR rate plus 1.00%, or (d) the Wells Fargo "prime rate"). The borrowing margin for SOFR Rate loans is (i) where the average daily total outstanding for the previous quarter is less than \$95.0 million, 1.50%, and (ii) where the average daily total outstanding for the previous quarter is equal to or greater than \$95.0 million, 1.75%. For Base Rate loans, the borrowing margin is (i) where the average daily total outstanding for the previous quarter is less than \$95.0 million, 0.75%, and (ii) where the average daily total outstanding for the previous quarter is equal to or greater than \$95.0 million, 1.00% ("Applicable Borrowing Margin"). The Applicable Borrowing Margin for all loans is based upon the average daily total loans outstanding for the previous quarter. The Fifth Amendment reduced aggregate commitments from \$275 million to \$225 million, and reduced the letter of credit sublimit from \$70 million to \$35 million, in line with the Company's lower inventory levels and expected letter of credit capacity, and had no material interest rate impact.

The ABL Facility fees include (i) commitment fees of 0.20% or 0.30% based upon the average daily unused commitment (aggregate commitment less loans and letter of credit outstanding) under the ABL Facility for the preceding fiscal quarter, (ii) customary letter of credit fees and (iii) customary annual agent fees. The Fifth Amendment extended the maturity date of the ABL Facility to the earlier of (a) March 28, 2030 and (b) September 29, 2028 if, on or prior to such date, the Term Loan Facility has not been refinanced, extended or repaid in full in accordance with the terms thereof and not replaced with other indebtedness. Under applicable accounting guidance, certain unamortized debt issuance costs originating from the ABL Facility are deferred and amortized over the extended term of the ABL Facility, and certain unamortized debt issuance costs have been written off. As of August 1, 2025, the Company had \$35.0 million borrowings outstanding under the ABL Facility.

Long-Term Debt

The Term Loan Facility will mature on December 29, 2028, and amortizes at a rate equal to 1.25% per quarter. Depending upon the Company's Total Leverage Ratio, as defined in the Term Loan Facility, mandatory prepayments in an amount equal to a percentage of the Company's excess cash flows in each fiscal year, ranging from 0% to 75% are required. The Term Loan Facility also has typical prepayment requirements for the proceeds of certain asset sales, casualty events and extraordinary receipts. Voluntary prepayment and certain mandatory prepayments made (i) between December 30, 2024 and December 29, 2025 would result in a prepayment premium equal to 2% of the principal amount of the loan prepaid, (ii) between December 30, 2025 and December 29, 2026, would result in a prepayment premium equal to 1% of the principal amount of the loan prepaid, (iii) between December 30, 2026 and December 29, 2027, would result in a prepayment premium equal to 0.5% of the principal amount of the loan prepaid and (iv) thereafter no prepayment premium is due.

The Company's long-term debt consisted of the following:

<i>(in thousands)</i>	August 1, 2025		August 2, 2024		January 31, 2025	
	Amount	Interest Rate	Amount	Interest Rate	Amount	Interest Rate
Term Loan Facility	\$ 240,500	12.71%	\$ 253,500	13.70%	\$ 247,000	12.66%
Less: Current portion of long-term debt	13,000		13,000		13,000	
Less: Unamortized debt issuance costs	7,950		10,273		9,112	
Long-term debt, net	<u>\$ 219,550</u>		<u>\$ 230,227</u>		<u>\$ 224,888</u>	

The interest rates per annum applicable to the loans under the Term Loan Facility are based on a fluctuating rate of interest equal to, at the Company's election, either (1) Term Loan Adjusted SOFR loan (subject to a 2% floor) plus an applicable margin, or (2) an alternative base rate loan plus an applicable margin. The applicable margin is based on the Company's net leverage and will be, (i) for Term Loan Adjusted SOFR loans, 8.25% per annum if the total leverage ratio is greater than or equal to 2.75:1.00, 8.00% per annum if the total leverage ratio is less than 2.75:1.00 but greater than or equal to 2.25:1.00, and 7.75% per annum if the total leverage ratio is less than 2.25:1.00 and (ii) for base rate loans, 7.25% per annum if the total leverage ratio is greater than or equal to 2.75:1.00, 7.00% per annum if the total leverage ratio is less than 2.75:1.00 but greater than or equal to 2.25:1.00, and 6.75% per annum if the total leverage ratio is less than 2.25:1.00. In each case, the net leverage is determined as of the last day of each applicable measurement period.

The Term Loan Facility contains customary agency fees.

Debt Facilities

Guarantees; Security

All obligations under the Debt Facilities are unconditionally guaranteed by Lands' End, Inc. and, subject to certain exceptions, each of its existing and future direct and indirect subsidiaries. The ABL Facility is secured by a first priority security interest in certain working capital of the borrowers and guarantors consisting primarily of accounts receivable and inventory. The Term Loan Facility is also secured by a second priority security interest in the same collateral, with certain exceptions.

The Term Loan Facility is also secured by a first priority security interest in certain property and assets, including certain fixed assets such as real estate, stock of subsidiaries and intellectual property, in each case, subject to certain exceptions. The ABL Facility is also secured by a second priority interest in the same collateral, with certain exceptions.

Representations and Warranties; Covenants

Subject to specified exceptions, the Debt Facilities contain various representations and warranties and restrictive covenants that, among other things, restrict Lands' End, Inc.'s and its subsidiaries' ability to incur indebtedness (including guarantees), grant liens, make investments, make dividends or distributions with respect to capital stock, make prepayments on other indebtedness, engage in mergers or change the nature of their business.

The Term Loan Facility contains financial covenants, including a quarterly maximum total leverage ratio test and a monthly minimum liquidity test.

Under the ABL Facility, if excess availability falls below the greater of 10% of the Loan Cap amount or \$12.0 million, the Company will be required to comply with a minimum fixed charge coverage ratio of 1.0 to 1.0.

The Debt Facilities contain certain affirmative covenants, including reporting requirements such as delivery of financial statements, certificates and notices of certain events, maintaining insurance and providing additional guarantees and collateral in certain circumstances.

As of August 1, 2025, the Company was in compliance with its financial covenants in the Debt Facilities.

Events of Default

The Debt Facilities include customary events of default including non-payment of principal, interest or fees, violation of covenants, inaccuracy of representations or warranties, cross defaults related to certain other material indebtedness, bankruptcy and insolvency events, invalidity or impairment of guarantees or security interests, material judgments and change of control.

NOTE 6. STOCK-BASED COMPENSATION

The Company expenses the fair value of all stock awards over their requisite service period, ensuring that the amount of cumulative stock-based compensation expense recognized at any date is at least equal to the portion of the grant-date fair value of the award that is vested at that date. The Company has elected to adjust stock-based compensation expense for an estimated forfeiture rate for those shares not expected to vest and to recognize stock-based compensation expense on a straight-line basis for awards that only have a service requirement with multiple vest dates.

The Company has granted the following types of stock awards to employees at management levels and above, each of which are granted under the Company's stockholder approved stock plans, other than inducement grants outside of the Company's stockholder approved stock plans in accordance with Nasdaq Listing Rule 5635(c)(4):

- Deferred Awards are in the form of restricted stock units and only require each recipient to complete a service period for the awards to be earned. Deferred Awards generally vest over three years. The fair value of Deferred Awards is based on the closing price of the Company's common stock on the grant date. Stock-based compensation expense is recognized ratably over the service period and is reduced for estimated forfeitures of those awards not expected to vest due to employee turnover.
- Performance Awards are in the form of restricted stock units and have, in addition to a service requirement, financial performance criteria, event criteria and/or stock performance criteria that must be achieved for the awards to be earned. For Performance Awards with financial performance criteria, the Target Shares earned can range from 50% to 200% (such result, the "Earned Shares") once minimum thresholds have been reached and depend on the achievement of certain financial measures for the cumulative period comprised of three-consecutive fiscal years beginning with the fiscal year of the grant date. Performance Awards are also subject to limitations under the Company's stockholder approved stock plans. The applicable percentage of the Target Shares, as determined by the applicable performance measure, vest after the completion of the applicable three-year performance period and upon determination of achievement of the performance measures by the Compensation Committee of the Board of Directors. Unearned Target Shares are forfeited.

For Performance Awards granted in Fiscal 2025 with event criteria, the award vests at 100% of the Target Shares upon the occurrence of the event within a specified amount of time, absent which the award expires unvested. For the Performance Awards granted in Fiscal 2025 and Fiscal 2024 with stock performance criteria, the Target Shares earned can range from 0% to 100% based on the Company's highest average per share common stock closing price, measured over any 20 consecutive trading-day period from and after the date of grant and during the three-consecutive fiscal years beginning with the fiscal year of the grant date.

The grant date fair value of the Performance Awards granted in Fiscal 2025 and Fiscal 2024 with financial performance criteria and event criteria, are based on the closing price of the Company's common stock on the grant date. The grant date fair value for the Performance Awards granted in Fiscal 2025 and Fiscal 2024 with stock performance criteria are based on the Monte Carlo simulation model.

Stock-based compensation expense, including awards with market conditions, is recognized ratably over the related service period, reduced for estimated forfeitures of those awards not expected to vest due to employee turnover and adjusted based on the Company's estimate of the percentage of the aggregate Target Shares expected to be earned. The Company accrues for Performance Awards on a 100% payout unless it becomes probable that the outcome will be significantly different, or the performance can be accurately measured. Stock-based compensation expense for awards with event criteria is not recognized until the event becomes probable.

- Option Awards provide the recipient with the option to purchase a set number of shares at a stated exercise price over the term of the contract, which is ten years for all Option Awards currently outstanding. Options are granted with a strike price equal to the stock price on the date of grant and vest over the requisite service period of the award. The fair value of each Option Award is estimated on the grant date using the Black-Scholes option pricing model.

The following table provides a summary of the Company's stock-based compensation expense, which is included in Selling and administrative expense in the Condensed Consolidated Statements of Operations:

<i>(in thousands)</i>	13 Weeks Ended		26 Weeks Ended	
	August 1, 2025	August 2, 2024	August 1, 2025	August 2, 2024
Deferred awards	\$ 934	\$ 943	\$ 1,752	\$ 1,865
Performance awards	292	385	290	585
Option awards	104	104	208	208
Total stock-based compensation expense	<u>\$ 1,330</u>	<u>\$ 1,432</u>	<u>\$ 2,250</u>	<u>\$ 2,658</u>

Deferred Awards

The following table provides a summary of the Deferred Awards activity for the 26 weeks ended August 1, 2025:

<i>(in thousands, except per share amounts)</i>	Deferred Awards	
	Number of Shares	Weighted Average Grant Date Fair Value per Share
Unvested Deferred Awards as of January 31, 2025	757	\$ 10.63
Granted	325	11.16
Vested	(247)	12.20
Forfeited or expired	(75)	9.41
Unvested Deferred Awards as of August 1, 2025	<u>760</u>	<u>\$ 10.47</u>

Total unrecognized stock-based compensation expense related to unvested Deferred Awards was approximately \$5.5 million as of August 1, 2025, which is expected to be recognized ratably over a weighted average period of 2.0 years. The total fair value of Deferred Awards vested during the 26 weeks ended August 1, 2025 and August 2, 2024 was \$3.0 million and \$3.7 million, respectively.

Performance Awards

The following table provides a summary of the Performance Awards activity for the 26 weeks ended August 1, 2025:

<i>(in thousands, except per share amounts)</i>	Performance Awards	
	Number of Shares	Weighted Average Grant Date Fair Value per Share
Unvested Performance Awards as of January 31, 2025	692	\$ 10.99
Granted	780	10.39
Change in estimate - performance	(65)	—
Vested	—	—
Forfeited or expired	(78)	9.95
Unvested Performance Awards as of August 1, 2025	<u>1,329</u>	<u>\$ 10.21</u>

Total unrecognized stock-based compensation expense related to unvested Performance Awards was approximately \$2.1 million as of August 1, 2025 which is expected to be recognized ratably over a weighted average period of 2.0 years. Additionally, total unrecognized stock-based compensation expense related to Performance Awards with event criteria was approximately \$3.6 million, which is not expected to be recognized until the event is probable of occurring. The fair value of the 133,984 Performance Awards with stock performance criteria granted during the 26 weeks ended August 1, 2025 was estimated at \$7.81 per share on the grant date using a Monte Carlo simulation.

Option Awards

The following table provides a summary of the Option Awards activity for the 26 weeks ended August 1, 2025:

	Option Awards	
	Number of Shares	Weighted Average Grant Date Fair Value per Share
<i>(in thousands, except per share amounts)</i>		
Option Awards outstanding as of January 31, 2025	217	\$ 13.34
Granted	—	—
Exercised	—	—
Forfeited	—	—
Expired	—	—
Option Awards outstanding as of August 1, 2025	217	\$ 13.34

The following table provides a summary of information about the Option Awards vested and expected to vest during the contractual term, as well as Option Awards exercisable as of August 1, 2025:

<i>(in thousands, except contractual life and exercise price amounts)</i>	Option Awards	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Aggregate Intrinsic Value
Option Awards vested and expected to vest	217	6.02	\$ 13.34	\$ -
Option Awards exercisable	133	5.23	\$ 14.93	\$ -

Total unrecognized stock-based compensation expense related to Option Awards expected to vest was approximately \$0.1 million as of August 1, 2025, which is expected to be recognized over a weighted average period of 0.3 years.

NOTE 7. STOCKHOLDERS' EQUITY

Share Repurchase Program

On March 15, 2024, the Company announced that its Board of Directors authorized the Company to repurchase up to \$25.0 million of the Company's common stock through March 31, 2026 (the "2024 Share Repurchase Program"). Under the 2024 Share Repurchase Program, the Company may repurchase its common stock through open market purchases, in privately negotiated transactions, or by other means in accordance with federal securities laws, including Rule 10b-18 of the Exchange Act. The amount and timing of purchases will be determined by the Company's management depending upon market conditions and other factors and may be made pursuant to a Rule 10b5-1 trading plan. The 2024 Share Repurchase Program may be suspended or discontinued at any time. As of August 1, 2025, additional purchases of up to \$8.8 million could be made under the 2024 Share Repurchase Program. All repurchases are subject to compliance with the Term Loan Facility which imposes a per fiscal year limitation on share repurchases.

The following table summarizes the Company's share repurchases for the 13 and 26 weeks ended August 1, 2025 and August 2, 2024:

<i>(Shares and \$ in thousands except average per share cost)</i>	13 Weeks Ended		26 Weeks Ended	
	August 1, 2025	August 2, 2024	August 1, 2025	August 2, 2024
Number of shares repurchased	199	254	490	339
Total cost	\$ 1,731	\$ 3,731	\$ 4,502	\$ 4,744
Average per share cost ⁽¹⁾	\$ 8.71	\$ 14.70	\$ 9.20	\$ 13.99

⁽¹⁾ Average price paid per share excludes broker commissions and excise taxes.

The Company retired all shares that were repurchased through the 2024 Share Repurchase Program during the 26 weeks ended August 1, 2025 and August 2, 2024. In accordance with FASB ASC 505—Equity, the par value of the shares retired was charged against Common stock and the remaining purchase price, including any broker commissions and excise taxes paid, was either (i) allocated between Additional paid-in capital and Retained earnings, or (ii) charged directly against Additional paid-in capital. To the extent the shares are repurchased at a price less than that of initial issuance, or to the extent the Company does not have sufficient reserves in Retained earnings at the time of repurchase, the excess of the purchase price over par value is accounted for entirely as a deduction from Additional paid-in capital.

NOTE 8. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consisted of the following:

<i>(in thousands)</i>	August 1, 2025	August 2, 2024	January 31, 2025
Deferred gift card revenue	\$ 33,236	\$ 34,179	\$ 34,746
Accrued employee compensation and benefits	16,692	20,238	26,105
Reserve for sales returns and allowances	13,669	14,907	15,156
Deferred revenue	8,822	9,302	6,584
Accrued property, sales and other taxes	6,174	7,412	6,338
Accrued interest	2,385	685	2,662
Other	4,106	4,467	7,145
Total Accrued expenses and other current liabilities	<u>\$ 85,084</u>	<u>\$ 91,190</u>	<u>\$ 98,736</u>

NOTE 9. FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS AND LIABILITIES

Cash and cash equivalents and restricted cash is reflected on the Condensed Consolidated Balance Sheets at fair value based on Level 1 inputs. Cash and cash equivalents and restricted cash amounts are valued based upon statements received from financial institutions. The fair value of restricted cash was \$2.3 million, \$2.2 million and \$2.6 million as of August 1, 2025, August 2, 2024 and January 31, 2025, respectively.

Carrying amounts and fair values of long-term debt, including current portion, in the Condensed Consolidated Balance Sheets are as follows:

<i>(in thousands)</i>	August 1, 2025		August 2, 2024		January 31, 2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt, including current portion	<u>\$ 240,500</u>	<u>\$ 240,980</u>	<u>\$ 253,500</u>	<u>\$ 246,160</u>	<u>\$ 247,000</u>	<u>\$ 251,690</u>

The Company's valuation of long-term debt, including current portion, at fair value is considered a Level 3 instrument under the fair value hierarchy. The Company's valuation techniques include the Black-Derman-Toy ("BDT") model as well as market inputs from management. The BDT modeling approach is particularly relevant given the Term Loan Facility's features, including the optional redemption provision. There were no nonfinancial assets or nonfinancial liabilities recognized at fair value on a nonrecurring basis as of August 1, 2025, August 2, 2024 and January 31, 2025.

NOTE 10. INCOME TAXES
Provision for Income Taxes

At the end of each quarter, the Company estimates its effective income tax rate pursuant to ASC 740. The rate for the period consists of the tax rate expected to be applied for the full year to ordinary income adjusted for any discrete items recorded in the period.

The Company recorded a tax benefit at an overall effective tax rate of 30.5% and 33.4% for the 13 weeks ended August 1, 2025 and August 2, 2024, respectively. The Company recorded a tax benefit at an overall rate of 29.4% and 26.4% for the 26 weeks ended August 1, 2025 and August 2, 2024. The overall effective tax rate for the 13 and 26 weeks ended August 1, 2025, varies from the U.S. statutory rate of 21% as a result of state taxes and non-deductible expenses. The overall effective tax rate for the 13 and 26 weeks ended August 2, 2024, varies from the U.S. statutory rate of 21% as a result of state taxes, non-deductible expenses, and the impact of stock-based compensation.

On July 4, 2025 the One Big Beautiful Bill Act (H.R. 1)("the OBBBA") was signed into law. The OBBBA contains various changes to corporate taxation with varying effective dates, including (i) the reinstatement of 100% bonus depreciation, (ii) modifications

to business interest deduction limitations, and (iii) taxation of foreign entities. The legislation did not have a material impact on the Company's financial statements for the 13 and 26 weeks ended August 1, 2025.

NOTE 11. COMMITMENTS AND CONTINGENCIES

Legal Proceedings

The Company is party to various claims, legal proceedings and investigations arising in the ordinary course of business. Some of these actions involve complex factual and legal issues and are subject to uncertainties. At this time, the Company is not able to either predict the outcome of these legal proceedings or reasonably estimate a potential range of loss with respect to the proceedings. While it is not feasible to predict the outcome of such pending claims, proceedings and investigations with certainty, management is of the opinion that their ultimate resolution should not have a material adverse effect on results of operations, cash flows or financial position taken as a whole.

NOTE 12. SEGMENT REPORTING

The Company identifies operating segments according to how business activities are managed and evaluated. Following internal organizational changes and realignment of distribution channel responsibilities in Fourth Quarter 2024, the Company's operating segments consisted of: U.S. eCommerce, Europe eCommerce, Outfitters, Third Party, Licensing and Retail. Beginning Fourth Quarter 2024, the Wholesale business is included in Licensing and prior periods were recast to reflect the change in operating segments for comparability purposes.

- *U.S. eCommerce* offers products through the Company's eCommerce website.
- *Europe eCommerce* offers products primarily direct to consumers located in Europe through eCommerce international websites as well as third-party marketplace websites.
- *Outfitters* sells uniform and logo apparel to businesses and their employees, as well as to student households through school relationships, located primarily in the U.S.
- *Third Party* sells products direct to consumers through third-party marketplace websites.
- *Licensing* earns royalties on the use of Lands' End trademark and any fulfillment fees for fulfillment services provided by the Company.
- *Retail* sells products through the Company Operated stores, located in the U.S.

The internal reporting of these operating segments is based, in part, on the reporting and review process used by the Company's chief operating decision maker ("CODM"), its Chief Executive Officer. The CODM assesses segment performance based on variable profit, which is defined as net revenue minus cost of sales and variable selling expenses. The Company's CODM monitors actual segment variable profit results relative to operating plan and forecast to assess the performance of the business and allocate resources. The CODM does not utilize segment asset information to evaluate performance and make resource allocation decisions, and thus such disclosures are not provided. Variable profit is a non-GAAP financial measure, which management believes provides useful information to investors and to the CODM in order to assess segment performance. A reconciliation of variable profit to consolidated loss before income taxes is set forth below.

The Company determined the U.S. eCommerce, Outfitters and Third Party operating segments share similar economic and other qualitative characteristics, and therefore the results of these operating segments are aggregated into the U.S. Digital segment. The Europe eCommerce, Licensing and Retail operating segments are not quantitatively significant to be separately reported.

The Company has determined its significant segment expense categories based on amounts regularly provided to the Company's CODM to evaluate segment profitability and drive strategic decision making. The following presents U.S. Digital segment sales and expenses:

<i>(in thousands)</i>	13 Weeks Ended August 1, 2025		13 Weeks Ended August 2, 2024	
	Segment	Total	Segment	Total
Net revenue	\$ 255,254	\$ 255,254	\$ 270,361	\$ 270,361
All other net revenue ⁽¹⁾		38,825		46,812
Total consolidated net revenue		<u>\$ 294,079</u>		<u>\$ 317,173</u>
Product cost of goods sold	100,484		105,675	
Shipping cost of goods sold	32,962		34,808	
Marketing costs	43,283		41,883	
Variable personnel costs	14,631		17,066	
Other segment expenses ⁽²⁾	7,204		8,119	
Segment variable profit	<u>\$ 56,690</u>		<u>\$ 62,810</u>	

⁽¹⁾ All other net revenue is from Europe eCommerce, Licensing and Retail that does not meet the quantitative thresholds

⁽²⁾ Other segment expenses include credit card fees, customer service, webhosting, supplies and other miscellaneous expenses

<i>(in thousands)</i>	26 Weeks Ended August 1, 2025		26 Weeks Ended August 2, 2024	
	Segment	Total	Segment	Total
Net revenue	\$ 483,006	\$ 483,006	\$ 499,089	\$ 499,089
All other net revenue ⁽¹⁾		72,281		103,555
Total consolidated net revenue		<u>\$ 555,287</u>		<u>\$ 602,644</u>
Product cost of goods sold	184,085		185,463	
Shipping cost of goods sold	62,151		68,042	
Marketing costs	83,216		80,985	
Variable personnel costs	30,201		33,110	
Other segment expenses ⁽²⁾	13,769		13,803	
Segment variable profit	<u>\$ 109,584</u>		<u>\$ 117,686</u>	

⁽¹⁾ All other net revenue is from Europe eCommerce, Licensing and Retail that does not meet the quantitative thresholds

⁽²⁾ Other segment expenses include credit card fees, customer service, webhosting, supplies and other miscellaneous expenses

The reconciliation between segment variable profit to consolidated loss before income taxes is as follows:

<i>(in thousands)</i>	13 Weeks Ended August 1, 2025		13 Weeks Ended August 2, 2024	
	Segment variable profit	\$ 56,690	\$ 62,810	
All other variable profit ⁽¹⁾	8,306	9,186		
Depreciation expense	(7,656)	(8,692)		
Unallocated corporate expenses ⁽²⁾	(53,357)	(60,818)		
Interest expense	(9,262)	(10,447)		
Other income, net	3	84		
Loss before income taxes	<u>\$ (5,276)</u>	<u>\$ (7,877)</u>		

⁽¹⁾ All other variable profit is from Europe eCommerce, Licensing and Retail that does not meet the quantitative thresholds

⁽²⁾ Unallocated corporate expenses include fixed personnel costs, incentive compensation, office occupancy, information technology and professional fees

<i>(in thousands)</i>	26 Weeks Ended August 1, 2025		26 Weeks Ended August 2, 2024	
	Segment variable profit	\$ 109,584	\$ 117,686	
All other variable profit ⁽¹⁾	14,151	19,511		
Depreciation expense	(15,947)	(17,697)		
Unallocated corporate expenses ⁽²⁾	(106,175)	(114,781)		
Interest expense	(18,527)	(20,783)		
Other income, net	14	172		
Loss before income taxes	<u>\$ (16,900)</u>	<u>\$ (15,892)</u>		

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- (1) All other variable profit is from Europe eCommerce, Licensing and Retail that does not meet the quantitative thresholds
(1) Unallocated corporate expenses include fixed personnel costs, incentive compensation, office occupancy, information technology and professional fees

Net revenue is presented by distribution channel in the following tables:

<i>(in thousands)</i>	13 Weeks Ended		13 Weeks Ended	
	August 1, 2025		August 2, 2024	
		% of Net		% of Net
		Revenue		Revenue
Net revenue:				
U.S. eCommerce	\$ 167,268	56.9%	\$ 188,336	59.4%
Outfitters	66,424	22.6%	63,159	19.9%
Third Party	21,562	7.3%	18,866	6.0%
Total U.S. Digital Segment Revenue	255,254		270,361	
Europe eCommerce	19,639	6.7%	22,950	7.2%
Licensing and Retail	19,186	6.5%	23,862	7.5%
Total Net revenue	\$ 294,079		\$ 317,173	

<i>(in thousands)</i>	26 Weeks Ended		26 Weeks Ended	
	August 1, 2025		August 2, 2024	
		% of Net		% of Net
		Revenue		Revenue
Net revenue:				
U.S. eCommerce	\$ 338,016	60.9%	\$ 358,868	59.5%
Outfitters	109,346	19.7%	105,836	17.6%
Third Party	35,644	6.4%	34,385	5.7%
Total U.S. Digital Segment Revenue	483,006		499,089	
Europe eCommerce	37,490	6.7%	47,918	8.0%
Licensing and Retail	34,791	6.3%	55,637	9.2%
Total Net revenue	\$ 555,287		\$ 602,644	

NOTE 13. REVENUE

Net Revenue

Product Sales

Revenue includes sales of merchandise and delivery revenue related to merchandise sold. Substantially all of the Company's revenue is recognized when control of product passes to customers, which for the U.S. eCommerce, Europe eCommerce, Outfitters and Third Party distribution channels is when the merchandise is received by the customer and for the Retail distribution channel is at the time of sale in the store. The Company recognizes revenue, including shipping and handling fees billed to customers, in the amount expected to be received when control of the Company's products transfers to customers, and is presented net of various forms of promotions, which range from contractually fixed percentage price reductions to sales returns, discounts, and other incentives that may vary in amount. Variable amounts are estimated based on an analysis of historical experience and adjusted as better estimates become available.

The Company's revenue is disaggregated by distribution channel and geographic location. Revenue by distribution channel is presented in Note 12, *Segment Reporting*. Revenue by geographic location was:

<i>(in thousands)</i>	13 Weeks Ended		26 Weeks Ended	
	August 1, 2025	August 2, 2024	August 1, 2025	August 2, 2024
Net revenue:				
United States	\$ 271,626	\$ 291,041	\$ 512,689	\$ 548,548
Europe	20,169	23,330	38,488	48,638
Other	2,284	2,802	4,110	5,458
Total Net revenue	\$ 294,079	\$ 317,173	\$ 555,287	\$ 602,644

Licensing Agreements

The Company generates royalty revenue from licensing the right to use its trademarks to third parties. The licensing agreements generally are exclusive to a product category, selling channel and/or geography, have terms in excess of one year, provide for annual guaranteed minimum royalties and, in most cases, include renewal options. In certain agreements, the licensee pays the Company a fulfillment fee for licensed product sold on the Company's website and fulfilled from the Company's distribution center. The trademark royalty revenue and fulfillment fee are included in Net revenue and reported in the Licensing distribution channel.

In exchange for providing these rights, the license agreements require the licensees to pay the Company a trademark royalty based on net sales as defined in the license agreements. The Company recognizes sales-based royalty revenue (i) when a contractually guaranteed minimum is not expected to be met, the minimum is recognized as revenue on a straight-line basis over the contractual period, or (ii) when the contractually guaranteed minimum is expected to be met, revenue is recognized when the related sales of the licensed product occurs. In certain licensing agreements, the Company agreed to provide marketing activities. The Company receives reimbursement for such services at cost. The amount of these reimbursements are recorded as a reduction of Selling and administrative expenses in the Condensed Consolidated Statements of Operations. The amount of these reimbursements was \$2.3 million and \$3.9 million for the 13 and 26 weeks ended August 1, 2025, respectively, and \$2.1 million and \$3.3 million for the 13 and 26 weeks ended August 2, 2024, respectively.

Contract Liabilities

Contract liabilities consist of payments received in advance of the transfer of control to the customer. As products are delivered and control transfers, the Company recognizes the deferred revenue in Net revenue in the Condensed Consolidated Statements of Operations. The following table summarizes the deferred revenue associated with payments received in advance of the transfer of control to the customer, reported in Accrued expenses and other current liabilities in the Condensed Consolidated Balance Sheets, and amounts recognized through Net revenue for each period presented. The majority of deferred revenue as of August 1, 2025 is expected to be recognized in Net revenue in the fiscal quarter ending October 31, 2025, as products are delivered to customers.

<i>(in thousands)</i>	13 Weeks Ended		26 Weeks Ended	
	August 1, 2025	August 2, 2024	August 1, 2025	August 2, 2024
Deferred revenue beginning of period	\$ 5,049	\$ 9,340	\$ 6,584	\$ 4,314
Deferred revenue recognized in period	(4,834)	(9,125)	(6,370)	(4,100)
Revenue deferred in period	8,607	9,087	8,608	9,088
Deferred revenue end of period	\$ 8,822	\$ 9,302	\$ 8,822	\$ 9,302

Revenue from gift cards is recognized when (i) the gift card is redeemed by the customer for merchandise, or (ii) as gift card breakage, an estimate of gift cards which will not be redeemed where the Company does not have a legal obligation to remit the value of the unredeemed gift cards to the relevant jurisdictions. Gift card breakage is recorded within Net revenue in the Condensed Consolidated Statements of Operations. Prior to their redemption, gift cards are recorded as a liability and included within Accrued expenses and other current liabilities in the Condensed Consolidated Balance Sheets. The liability is estimated based on expected breakage that considers historical patterns of redemption. The following table provides the reconciliation of the contract liability related to gift cards:

<i>(in thousands)</i>	13 Weeks Ended		26 Weeks Ended	
	August 1, 2025	August 2, 2024	August 1, 2025	August 2, 2024
Balance as of beginning of period	\$ 33,364	\$ 35,119	\$ 34,746	\$ 35,604
Gift cards issued	15,693	14,562	30,305	29,617
Gift cards redeemed	(10,785)	(14,019)	(26,095)	(28,212)
Gift card breakage	(5,036)	(1,483)	(5,720)	(2,830)
Balance as of end of period	\$ 33,236	\$ 34,179	\$ 33,236	\$ 34,179

Refund Liabilities

Refund liabilities, primarily associated with product sales returns and retrospective volume rebates, represent variable consideration and are estimated and recorded as a reduction to Net revenue based on historical experience. Refund liabilities, primarily associated with estimated product returns, were \$13.7 million, \$14.9 million and \$15.2 million as of August 1, 2025, August 2, 2024 and January 31, 2025, respectively, and reported in Accrued expenses and other current liabilities in the Condensed Consolidated Balance Sheets.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with the Condensed Consolidated Financial Statements and accompanying notes included elsewhere in this Quarterly Report on Form 10-Q. This Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements. The matters discussed in these forward-looking statements are subject to risks, uncertainties, and other factors that could cause actual results to differ materially from those made, projected or implied in the forward-looking statements. See "Cautionary Statement Regarding Forward-Looking Information" below, "Item 1A. Risk Factors" in our Annual Report filed on Form 10-K for the year ended January 31, 2025 and "Part II, Item 1A Risk Factors" of this Quarterly Report on Form 10-Q, for a discussion of the uncertainties, risks and assumptions associated with these statements.

As used in this Quarterly Report on Form 10-Q, references to the "Company", "Lands' End", "we", "us", "our" and similar terms refer to Lands' End, Inc. and its subsidiaries. Our fiscal year ends on the Friday preceding the Saturday closest to January 31. Other terms that are commonly used in this Quarterly Report on Form 10-Q are defined as follows:

- *ABL Facility* – Asset-based senior secured credit agreement, providing for a revolving facility, dated as of November 16, 2017, with Wells Fargo Bank, N.A. and certain other lenders, as amended to date
- *Adjusted EBITDA* – Net income (loss) appearing on the Condensed Consolidated Statements of Operations net of Income tax expense/(benefit), Interest expense, Depreciation and amortization and other significant items
- *Adjusted net income (loss)* – Net income (loss) appearing on the Condensed Consolidated Statements of Operations excluding significant non-recurring or non-operational items. Adjusted net income (loss) is also presented on a diluted per share basis
- *Company Operated stores* – Lands' End retail stores in the Retail distribution channel
- *Debt Facilities* – Collectively, the Term Loan Facility and ABL Facility
- *First Quarter 2024* – The 13 weeks ended May 3, 2024
- *Fiscal 2025* – The 52 weeks ending January 30, 2026
- *Fiscal 2024* – The 52 weeks ended January 31, 2025
- *Fiscal 2023* – The 53 weeks ended February 2, 2024
- *GAAP* – Accounting principles generally accepted in the United States
- *GMV* – Gross merchandise value equals total order value of all Lands' End branded merchandise sold to customers through business-to-consumer and business-to-business channels, as well as the estimated retail value of the merchandise sold through third party distribution channels
- *Second Quarter 2025* – The 13 weeks ended August 1, 2025
- *Second Quarter 2024* – The 13 weeks ended August 2, 2024
- *SOFR* – Secured Overnight Funding Rate
- *Term Loan Adjusted SOFR* – SOFR plus adjustments of either (a) 0.11448% for a one-month interest period, (b) 0.26161% for a three-month interest period, or (c) 0.42826% for a six-month interest period
- *Term Loan Facility* – Term loan credit agreement, dated as of December 29, 2023, among the Company, Blue Torch Capital, as Administrative Agent and Collateral Agent, and the lenders party thereto
- *Year-to-Date 2025* – The 26 weeks ended August 1, 2025
- *Year-to-Date 2024* – The 26 weeks ended August 2, 2024

Executive Overview

Description of the Company

Lands' End is a leading digital retailer of solution-based apparel, swimwear, outerwear, accessories, footwear, home products and uniforms. We offer products online at www.landsend.com, through third-party distribution channels, our own Company Operated stores and third-party license agreements. We also offer products to businesses and schools, for their employees and students, through the Outfitters distribution channel. We are a classic American lifestyle brand that creates solutions for life's every journey.

Lands' End was founded in 1963 by Gary Comer and his partners to sell sailboat hardware and equipment by catalog. While our product focus has shifted significantly over the years, we have continued to adhere to our founder's motto as one of our guiding principles: "Take care of the customer, take care of the employee and the rest will take care of itself."

We identify our operating segments according to how our business activities are managed and evaluated. Following internal organizational changes and realignment of distribution channel responsibilities in Fourth Quarter 2024, our operating segments now consist of: U.S. eCommerce, Europe eCommerce, Outfitters, Third Party, Licensing and Retail.

We have determined that the U.S. eCommerce, Outfitters and Third Party operating segments share similar economic and other qualitative characteristics, and therefore, the results of these operating segments are aggregated into the U.S. Digital segment. The Europe eCommerce, Licensing and Retail operating segments are not quantitatively significant to be separately reported. See Note 12, *Segment Reporting*.

Distribution Channels

We identify six separate distribution channels for revenue reporting purposes:

- *U.S. eCommerce* offers products through our eCommerce website.
- *Europe eCommerce* offers products primarily direct to consumers located in Europe through eCommerce international websites as well as third-party marketplace websites.
- *Outfitters* sells uniform and logo apparel to businesses and their employees, as well as to student households through school relationships, located primarily in the U.S.
- *Third Party* sells products direct to consumers through third-party marketplace websites.
- *Licensing* earns royalties on the use of our trademark and any fulfillment fees for fulfillment services provided by us.
- *Retail* sells products through the Company Operated stores, located in the U.S.

Macroeconomic Challenges

Macroeconomic issues which impact consumer discretionary spending, such as realized inflation-based price increases and high interest rates, have continued to have an impact on our business. Apparel purchases historically have been influenced by domestic and global economic conditions, which may negatively impact customer demand and may require higher levels of promotion in order to attract and retain customers. Additionally, the variable interest rates associated with our Debt Facilities are negatively affected by higher interest rate environments. Macroeconomic challenges may lead to increased cost of raw materials, packaging materials, labor, energy, fuel, debt and other inputs necessary for the production and distribution of our products. Ongoing uncertainty surrounding global trade policy, including the potential for increased tariffs on goods manufactured in key sourcing regions, could elevate product costs. We are monitoring these developments and are actively pursuing mitigation strategies, but escalating trade tensions may pressure margins and disrupt supply chain efficiency.

Restructuring

We incurred restructuring charges, primarily severance and benefit costs, related to cost optimization of business operations and strategic initiatives. During Year-to-Date 2025, we reduced approximately 6% of our corporate office positions and incurred

restructuring charges, primarily severance and benefit and other related costs. The reductions in the corporate office positions were made to better align with the evolving needs of the business and to invest in key growth areas. Additionally, we incurred ongoing costs related to exploring strategic alternatives to maximize shareholder value and have included those costs as part of restructuring.

We incurred \$2.4 million and \$2.3 million of restructuring costs during the Second Quarter 2025 and Second Quarter 2024, respectively. Restructuring costs of \$5.8 million and \$2.7 million were incurred Year-to-Date 2025 and Year-to-Date 2024, respectively.

As of August 1, 2025, approximately \$3.2 million of restructuring costs incurred had yet to be paid and are included in Accrued expenses and other current liabilities in the Condensed Consolidated Balance Sheets.

Basis of Presentation

The Condensed Consolidated Financial Statements have been prepared in accordance with GAAP and include the accounts of Lands' End, Inc. and its subsidiaries. All intercompany transactions and balances have been eliminated.

Seasonality

We experience seasonal fluctuations in our Net revenue and operating results and historically have realized a significant portion of our net revenue and earnings for the year during our fourth fiscal quarter. We generated approximately 34.0% of our net revenue in the fourth quarters of Fiscal 2024 and Fiscal 2023.

Working capital requirements typically increase during the second and third quarters of the fiscal year as inventory builds to support peak selling periods and, accordingly, working capital requirements typically decrease during the fourth quarter of the fiscal year as inventory is sold. Cash provided by operating activities is typically higher in the fourth quarter of the fiscal year due to reduced working capital requirements during that period.

Results of Operations

The following tables set forth, for the periods indicated, selected income statement data, both in dollars and as a percentage of Net revenue:

<i>(in thousands)</i>	13 Weeks Ended			
	August 1, 2025		August 2, 2024	
Net revenue	\$ 294,079	100.0%	\$ 317,173	100.0%
Cost of sales (exclusive of depreciation and amortization)	150,661	51.2%	165,288	52.1%
Gross profit	143,418	48.8%	151,885	47.9%
Selling and administrative	129,356	44.0%	135,510	42.7%
Depreciation and amortization	7,656	2.6%	8,692	2.7%
Other operating expense, net	2,423	0.8%	5,197	1.6%
Operating income	3,983	1.4%	2,486	0.8%
Interest expense	9,262	3.1%	10,447	3.3%
Other (income), net	(3)	(0.0)%	(84)	(0.0)%
Loss before income taxes	(5,276)	(1.8)%	(7,877)	(2.5)%
Income tax benefit	(1,609)	(0.5)%	(2,626)	(0.8)%
NET LOSS	\$ (3,667)	(1.2)%	\$ (5,251)	(1.7)%

<i>(in thousands)</i>	26 Weeks Ended			
	August 1, 2025		August 2, 2024	
Net revenue	\$ 555,287	100.0%	\$ 602,644	100.0%
Cost of sales (exclusive of depreciation and amortization)	279,143	50.3%	311,779	51.7%
Gross profit	276,144	49.7%	290,865	48.3%
Selling and administrative	252,818	45.5%	262,911	43.6%
Depreciation and amortization	15,947	2.9%	17,697	2.9%
Other operating expense, net	5,766	1.0%	5,538	0.9%
Operating income	1,613	0.3%	4,719	0.8%
Interest expense	18,527	3.3%	20,783	3.4%
Other (income), net	(14)	(0.0)%	(172)	(0.0)%
Loss before income taxes	(16,900)	(3.0)%	(15,892)	(2.6)%
Income tax benefit	(4,971)	(0.9)%	(4,199)	(0.7)%
NET LOSS	\$ (11,929)	(2.1)%	\$ (11,693)	(1.9)%

Depreciation and amortization are not included in our cost of sales because we are a reseller of inventory and do not believe that including depreciation and amortization is meaningful. As a result, our gross margins may not be comparable to other entities that include depreciation and amortization related to the sale of their product in their gross margin measure.

Definitions, Reconciliations and Uses of Non-GAAP Financial Measures

In addition to our Net income (loss) determined in accordance with GAAP, for purposes of evaluating operating performance, we report the following non-GAAP measures: Adjusted net income (loss) and Adjusted EBITDA. Adjusted net income (loss) is also expressed on a diluted per share basis.

We believe presenting non-GAAP financial measures provides useful information to investors, allowing them to assess how the business performed excluding the effects of significant non-recurring or non-operational amounts. We believe the use of the non-GAAP financial measures facilitates comparing the results being reported against past and future results by eliminating amounts that we believe are not comparable between periods and assists investors in evaluating the effectiveness of our operations and underlying business trends in a manner that is consistent with management's own methods for evaluating business performance.

Our management uses Adjusted net income (loss) and Adjusted EBITDA to evaluate the operating performance of our business for comparable periods and to discuss our business with our Board of Directors, institutional investors and other market participants. Adjusted EBITDA is also used as the basis for a performance measure used in executive incentive compensation.

The methods we use to calculate our non-GAAP financial measures may differ significantly from methods other companies use to compute similar measures. As a result, any non-GAAP financial measures presented herein may not be comparable to similar measures provided by other companies. Adjusted net income (loss) and Adjusted EBITDA should not be used by investors or other third parties as the sole basis for formulating investment decisions as these measures may exclude a number of important cash and non-cash recurring items.

Adjusted net income (loss) is defined as net income (loss) excluding significant non-recurring or non-operational items as set forth below. Adjusted net income (loss) is also presented on a diluted per share basis. While Adjusted net income (loss) is a non-GAAP measurement, management believes that it is an important indicator of operating performance and useful to investors.

- Other significant non-recurring or non-operational items, while periodically affecting our results, may vary significantly from period to period and have a disproportionate effect in a given period, which affects comparability of results and are described below:
 - Corporate restructuring – primarily severance and benefit costs as well as costs related to the strategic alternative exploration for the 13 and 26 weeks ended August 1, 2025. Primarily severance and benefit costs for the 13 and 26 weeks ended August 2, 2024.
 - Long-lived asset impairment – charges associated with the non-cash write down of certain long-lived assets for the 26 weeks ended August 2, 2024.
 - Exit costs - charges associated to exit kids and footwear lines of business including inventory excess and obsolescence reserves, inventory discounts and operational charges recorded in the 26 weeks ended August 1,

2025 and the 13 and 26 weeks ended August 2, 2024 in conjunction with our licensing arrangements commencing in Fiscal 2024.

The following tables set forth, for the periods indicated, a reconciliation of Net loss to Adjusted net loss and Adjusted diluted loss per share:

Unaudited <i>(in thousands, except per share amounts)</i>	13 Weeks Ended	
	August 1, 2025	August 2, 2024
Net loss	\$ (3,667)	\$ (5,251)
Corporate restructuring	2,434	2,338
Long-lived asset impairment	—	2,805
Exit costs	—	687
Tax effects on adjustments ⁽¹⁾	(619)	(1,297)
ADJUSTED NET LOSS	\$ (1,852)	\$ (718)
ADJUSTED DILUTED LOSS PER SHARE	\$ (0.06)	\$ (0.02)
Diluted weighted average common shares outstanding	30,743	31,376

⁽¹⁾ The tax impact of adjustments is calculated at the applicable U.S. and non-U.S. Federal and State statutory rates.

Unaudited <i>(in thousands, except per share amounts)</i>	26 Weeks Ended	
	August 1, 2025	August 2, 2024
Net loss	\$ (11,929)	\$ (11,693)
Corporate restructuring	5,766	2,680
Exit costs	257	687
Long-lived asset impairment	—	2,805
Tax effects on adjustments ⁽¹⁾	(1,365)	(1,384)
ADJUSTED NET LOSS	\$ (7,271)	\$ (6,905)
ADJUSTED DILUTED LOSS PER SHARE	\$ (0.24)	\$ (0.22)
Diluted weighted average common shares outstanding	30,721	31,407

⁽¹⁾ The tax impact of adjustments is calculated at the applicable U.S. and non-U.S. Federal and State statutory rates.

While Adjusted EBITDA is a non-GAAP measurement, management believes that it is an important indicator of operating performance, and is useful to investors, because EBITDA excludes the effects of financings, investing activities and tax structure by eliminating the effects of interest, depreciation and income tax.

- Other significant items, while periodically affecting our results, may vary significantly from period to period and have a disproportionate effect in a given period, which affects comparability of results and are described below:
 - Corporate restructuring – primarily severance and benefit costs as well as costs related to the strategic alternative exploration for the 13 and 26 weeks ended August 1, 2025. Primarily severance and benefit costs for the 13 and 26 weeks ended August 2, 2024.
 - Long-lived asset impairment – charges associated with the non-cash write down of certain long-lived assets for the 26 weeks ended August 2, 2024.
 - Net gain or loss on disposal of property and equipment – disposal of property and equipment for the 13 weeks ended August 1, 2025 and the 13 and 26 weeks ended August 2, 2024.
 - Exit costs - charges associated to exit kids and footwear lines of business including inventory excess and obsolescence reserves, inventory discounts and operational charges recorded in the 26 weeks ended August 1, 2025 and the 13 and 26 weeks ended August 2, 2024 in conjunction with our licensing arrangements commencing in Fiscal 2024.

The following tables set forth, for the periods indicated, selected income statement data, both in dollars and as a percentage of Net revenue and a reconciliation of Net loss to Adjusted EBITDA:

Unaudited <i>(in thousands)</i>	13 Weeks Ended			
	August 1, 2025		August 2, 2024	
Net loss	\$ (3,667)	(1.2)%	\$ (5,251)	(1.7)%
Income tax benefit	(1,609)	(0.5)%	(2,626)	(0.8)%
Interest expense	9,262	3.1%	10,447	3.3%
Other (income), net	(3)	(0.0)%	(84)	(0.0)%
Operating income	3,983	1.4%	2,486	0.8%
Depreciation and amortization	7,656	2.6%	8,692	2.7%
Corporate restructuring	2,434	0.8%	2,338	0.7%
Exit costs	—	—%	687	0.1%
Long-lived asset impairment	—	—%	2,805	0.9%
(Gain) loss on disposal of property and equipment	(11)	(0.0)%	53	0.0%
Adjusted EBITDA	\$ 14,062	4.8%	\$ 17,061	5.4%

Unaudited <i>(in thousands)</i>	26 Weeks Ended			
	August 1, 2025		August 2, 2024	
Net loss	\$ (11,929)	(2.1)%	\$ (11,693)	(1.9)%
Income tax benefit	(4,971)	(0.9)%	(4,199)	(0.7)%
Interest expense	18,527	3.3%	20,783	3.4%
Other (income), net	(14)	(0.0)%	(172)	(0.0)%
Operating income	1,613	0.3%	4,719	0.8%
Depreciation and amortization	15,947	2.9%	17,697	2.9%
Corporate restructuring	5,766	1.0%	2,680	0.4%
Exit costs	257	0.0%	687	—%
Long-lived asset impairment	—	—%	2,805	0.5%
Loss on disposal of property and equipment	—	—	52	0.0%
Adjusted EBITDA	\$ 23,583	4.2%	\$ 28,640	4.8%

In assessing the operational performance of our business, we consider a variety of financial measures. We operate in six separate distribution channels for revenue reporting purposes: U.S. eCommerce, Europe eCommerce, Outfitters, Third Party, Licensing and Retail. A key measure in the evaluation of our business is revenue performance by distribution channel as well as consolidated Gross margin. We manage and assess the performance of each of our operating segments using variable profit, which is defined as Net revenue minus cost of sales and variable selling expenses. This segment measure excludes fixed personnel costs, incentive compensation, office occupancy, information technology, professional fees and depreciation and amortization. See Note 12, Segment Reporting for more information regarding variable profit, which is a non-GAAP measure, as well as a reconciliation of variable profit to Income (loss) before income taxes.

We use Net revenue to evaluate revenue performance for the U.S. eCommerce, Europe eCommerce, Outfitters, Third Party, Retail and Licensing distribution channels. We use GMV, which equals total order value of all Lands' End branded merchandise sold to customers through business-to-consumer and business-to-business channels, as well as the estimated retail value of the merchandise sold through third party distribution channels, as an important indicator of the performance of the comparable growth of the total brand.

Discussion and Analysis

Second Quarter 2025 compared with Second Quarter 2024

Gross Merchandise Value

Gross Merchandise Value (“GMV”) was approximately flat when compared to Second Quarter 2024.

Net Revenue

Net revenue was \$294.1 million for the Second Quarter of 2025, a decrease of \$23.1 million or 7.3%, from \$317.2 million during the Second Quarter of 2024.

U.S. Digital Segment Net revenue was \$255.3 million for the Second Quarter of 2025, a decrease of \$15.1 million or 5.6% from \$270.4 million in the Second Quarter of 2024.

U.S. eCommerce Net revenue was \$167.3 million for the Second Quarter of 2025, a decrease of \$21.0 million or 11.2%, from \$188.3 million during the Second Quarter of 2024. The Second Quarter of 2025 decrease reflected a slower start to the seasonal swim product.

Outfitters Net revenue was \$66.4 million for the Second Quarter of 2025, an increase of \$3.2 million or 5.1%, from \$63.2 million during the Second Quarter of 2024. The school uniform channel increased high single digits primarily due to new customers acquired from a competitor exiting the business. Revenue from the business uniform channel was up year-over-year driven by our enterprise accounts.

Third Party Net revenue was \$21.6 million for the Second Quarter of 2025, an increase of \$2.7 million or 14.3%, from \$18.9 million during the Second Quarter of 2024. The increase was primarily due to curated product assortments which resulted in strength across marketplaces.

Europe eCommerce Net revenue was \$19.6 million for the Second Quarter of 2025, a decrease of \$3.4 million or 14.8%, from \$23.0 million during the Second Quarter of 2024. The decrease was primarily due to inventory timing from supply chain challenges and macroeconomic conditions while continuing to increase distribution channels with several marketplace expansions.

Licensing and Retail Net revenue was \$19.2 million for the Second Quarter of 2025, a decrease of \$4.7 million or 19.7%, from \$23.9 million during the Second Quarter of 2024. The revenue decreased due to the performance of U.S. Company Operated stores partially offset by licensing revenues increasing approximately 19%.

Gross Profit

Gross profit was \$143.4 million for the Second Quarter of 2025, a decrease of \$8.5 million or 5.6% from \$151.9 million during the Second Quarter of 2024. Gross margin increased approximately 90 basis points to 48.8% in the Second Quarter of 2025, compared with 47.9% in the Second Quarter of 2024. The gross margin improvement was primarily driven by improved promotional productivity and the expansion of the licensing business.

Selling and Administrative Expenses

Selling and administrative expenses decreased \$6.1 million to \$129.4 million or 44.0% of Net revenue in the Second Quarter of 2025 compared with \$135.5 million or 42.7% of Net revenue in the Second Quarter of 2024. The approximately 130 basis points increase was primarily driven by deleverage from lower revenues.

Depreciation and Amortization

Depreciation and amortization expense decreased \$1.0 million to \$7.7 million in the Second Quarter of 2025 compared with \$8.7 million in the Second Quarter of 2024. The decrease in depreciation and amortization is primarily driven by lower software depreciation as a result of major software projects becoming fully depreciated.

Other Operating Expense

Other operating expense, net was \$2.4 million in the Second Quarter of 2025 compared to \$5.2 million in the Second Quarter of 2024. The decrease was primarily driven by restructuring costs incurred. See Note 1, *Background and Basis of Presentation*.

Operating Income

As a result of the above factors, Operating income was \$4.0 million in the Second Quarter of 2025 compared to \$2.5 million in the Second Quarter of 2024.

Interest Expense

Interest expense was \$9.3 million in the Second Quarter of 2025 compared to \$10.4 million in the Second Quarter of 2024. The \$1.1 million decrease was primarily driven by lower ABL Facility interest related to lower average outstanding balances and lower applicable interest rates under the Term Loan Facility.

Other Expense (Income)

Other income was insignificant in the Second Quarter of 2025 compared to \$0.1 million in the Second Quarter of 2024.

Income Tax (Benefit) Expense

We recorded an income tax benefit at an overall effective rate of 30.5% and 33.4% for the Second Quarter of 2025 and Second Quarter of 2024, respectively. The overall effective tax rate for the 13 weeks ended August 1, 2025 varies from the U.S. federal statutory rate of 21% as a result of state taxes, and non-deductible expenses. The overall effective tax rate for the 13 weeks ended August 2, 2024 varies from the U.S. federal statutory rate of 21% as a result of state taxes, non-deductible expenses, and the impact of stock-based compensation.

Net Income (Loss)

As a result of the above factors, Net loss was \$3.7 million and diluted loss per share was \$0.12 in the Second Quarter of 2025 compared with Net loss of \$5.3 million and diluted loss per share was \$0.17 in the Second Quarter of 2024.

Adjusted Net Income (Loss)

Adjusted net loss was \$1.9 million and Adjusted diluted loss per share was \$0.06 in the Second Quarter of 2025 compared to Adjusted net loss of \$0.7 million and Adjusted diluted loss per share of \$0.02 in the Second Quarter of 2024.

Adjusted EBITDA

As a result of the above factors, Adjusted EBITDA was \$14.1 million in Second Quarter 2025 and \$17.1 million in Second Quarter 2024, respectively.

U.S. Digital Segment Results of Operations

Variable Profit

U.S. Digital Segment variable profit was \$56.7 million in the Second Quarter of 2025, a decrease of \$6.1 million compared to \$62.8 million in the Second Quarter of 2024. U.S. Digital Segment variable profit was 22.2% of Net revenue in the Second Quarter of 2025, which is a decrease of 100 basis points compared to 23.2% of Net revenue in the Second Quarter of 2024. The decrease in variable profit as a percentage of Net revenue was driven by deleverage from lower revenues and channel mix partially offset by product solutions and newness across the assortment, improvements in supply chain costs and cost controls across the entire business.

Product cost of goods sold was \$100.5 million or 39.4% of U.S. Digital Segment revenue in the Second Quarter of 2025 compared to \$105.7 million or 39.1% of U.S. Digital Segment revenue in the Second Quarter of 2024. Shipping cost of goods sold was \$33.0 million or 12.9% of U.S. Digital Segment revenue in the Second Quarter of 2025 compared to \$34.8 million or 12.9% of U.S. Digital Segment revenue in the Second Quarter of 2024. The increase in Product and Shipping costs of goods sold as a percentage of U.S. Digital Segment revenue was primarily due to product assortment mix partially offset by improvements in supply chain costs.

Marketing expenses were \$43.3 million or 17.0% of U.S. Digital Segment revenue in the Second Quarter of 2025 compared to \$41.9 million or 15.5% of U.S. Digital Segment revenue in the Second Quarter of 2024. The increase in Marketing expenses was primarily due to higher digital spend focused on new customer acquisition.

Year-to-Date 2025 compared with Year-to-Date 2024

Gross Merchandise Value

Gross Merchandise Value (“GMV”) decreased low-single digits compared to Year-to-Date 2024. Excluding the \$12.7 million impact of transitioning kids and footwear inventory to licensees during First Quarter 2024, GMV increased by low-single digits.

Net Revenue

Net revenue was \$555.3 million for Year-to-Date 2025, a decrease of \$47.3 million or 7.8%, from \$602.6 million during Year-to-Date 2024. Excluding the impact of transitioning kids and footwear inventory to licensees, Net revenue decreased by 5.8%.

U.S. Digital Segment Net revenue was \$483.0 million for Year-to-Date 2025, a decrease of \$16.1 million or 3.2% from \$499.1 million in Year-to-Date 2024.

U.S. eCommerce Net revenue was \$338.0 million for Year-to-Date 2025, a decrease of \$20.9 million or 5.8%, from \$358.9 million during Year-to-Date 2024. Year-to-Date 2025 reflected continued strength in our weather proofed Outerwear and transitional key items offset by a slower start to the seasonal swim product.

Outfitters Net revenue was \$109.3 million for Year-to-Date 2025, an increase of \$3.5 million or 3.3%, from \$105.8 million during Year-to-Date 2024. The business uniform channel increased year-over-year primarily due to strength in enterprise accounts. The school uniform channel increased primarily due to new customers acquired from a competitor exiting the business.

Third Party Net revenue was \$35.6 million for Year-to-Date 2025, an increase of \$1.2 million or 3.5%, from \$34.4 million during Year-to-Date 2024. The increase was primarily due to curated product assortments which resulted in strength across marketplaces.

Europe eCommerce Net revenue was \$37.5 million for Year-to-Date 2025, a decrease of \$10.4 million or 21.7%, from \$47.9 million during Year-to-Date 2024. The decrease was primarily due to new leadership using the first half to relaunch as a more premium brand while continuing to increase distribution channels with several marketplace expansions.

Licensing and Retail Net revenue was \$34.8 million for Year-to-Date 2025, a decrease of \$20.8 million or 37.4%, from \$55.6 million during Year-to-Date 2024. The decrease was primarily driven by the impact of transitioning kids and footwear inventory to licensees in the First Quarter of 2024 and the performance of U.S. Company Operated stores partially offset by licensing revenue increasing approximately 36%.

Gross Profit

Gross profit was \$276.1 million for Year-to-Date 2025, a decrease of \$14.8 million or 5.1% from \$290.9 million during Year-to-Date 2024. Gross margin increased approximately 140 basis points to 49.7% in Year-to-Date 2025, compared with 48.3% in Year-to-Date 2024. The gross margin improvement was primarily driven by improved promotional productivity and the expansion of the licensing business.

Selling and Administrative Expenses

Selling and administrative expenses decreased \$10.1 million to \$252.8 million or 45.5% of Net revenue in Year-to-Date 2025 compared with \$262.9 million or 43.6% of Net revenue in Year-to-Date 2024. The approximately 190 basis points increase was primarily driven by deleverage from lower revenues.

Depreciation and Amortization

Depreciation and amortization expense decreased \$1.8 million to \$15.9 million in Year-to-Date 2025 compared with \$17.7 million in Year-to-Date 2024. The decrease in depreciation and amortization is primarily driven by lower software depreciation as a result of major software projects becoming fully depreciated.

Other Operating Expense

Other operating expense, net was \$5.8 million in Year-to-Date 2025 compared to \$5.5 million in Year-to-Date 2024. The increase was primarily driven by restructuring costs incurred. See Note 1, *Background and Basis of Presentation*.

Operating Income

As a result of the above factors, Operating income was \$1.6 million in Year-to-Date 2025 compared to \$4.7 million in Year-to-Date 2024.

Interest Expense

Interest expense was \$18.5 million in Year-to-Date 2025 compared to \$20.8 million in Year-to-Date 2024. The \$2.3 million decrease was primarily driven by lower ABL Facility interest related to lower average outstanding balances and lower applicable interest rates under the Term Loan Facility.

Other Expense (Income)

Other income was insignificant in Year-to-Date 2025 compared to \$0.2 million in Year-to-Date 2024.

Income Tax (Benefit) Expense

We recorded an income tax benefit at an overall effective rate of 29.4% and 26.4% for the Year-to-date 2025 and Year-to-date 2024, respectively. The overall effective tax rate for the 26 weeks ended August 1, 2025 varies from the U.S. federal statutory rate of 21% as a result of state taxes, and non-deductible expenses. The overall effective tax rate for the 26 weeks ended August 2, 2024 varies from the U.S. federal statutory rate of 21% as a result of state taxes, non-deductible expenses, and the impact of stock-based compensation.

Net Income (Loss)

As a result of the above factors, Net loss was \$11.9 million and diluted loss per share was \$0.39 in Year-to-Date 2025 compared with Net loss of \$11.7 million and diluted loss per share was \$0.37 in Year-to-Date 2024.

Adjusted Net Income (Loss)

Adjusted net loss was \$7.3 million and Adjusted diluted loss per share was \$0.24 in Year-to-Date 2025 compared to Adjusted net loss of \$6.9 million and Adjusted diluted loss per share of \$0.22 in Year-to-Date 2024.

Adjusted EBITDA

As a result of the above factors, Adjusted EBITDA was \$23.6 million in Year-to-Date 2025 and \$28.6 million in Year-to-Date 2024, respectively.

U.S. Digital Segment Results of Operations

Variable Profit

U.S. Digital Segment variable profit was \$109.6 million in Year-to-Date 2025, a decrease of \$8.1 million compared to \$117.7 million in Year-to-Date 2024. U.S. Digital Segment variable profit was 22.7% of Net revenue in Year-to-Date 2025, which is a decrease of 20 basis points compared to 23.6% of Net revenue in Year-to-Date 2024. The decrease in variable profit as a percentage of Net revenue was driven by deleverage from lower revenues and channel mix partially offset by product solutions and newness across the assortment, improvements in supply chain costs and cost controls across the entire business.

Product cost of goods sold was \$184.1 million or 38.1% of U.S. Digital Segment revenue in Year-to-Date 2025 compared to \$185.5 million or 37.2% of U.S. Digital Segment revenue in Year-to-Date 2024. Shipping cost of goods sold was \$62.2 million or 12.9% of U.S. Digital Segment revenue in Year-to-Date 2025 compared to \$68.0 million or 13.6% of U.S. Digital Segment revenue in Year-to-Date 2024. The increase in Product and Shipping cost of goods sold as a percentage of U.S. Digital Segment revenue was primarily

due to product assortment mix partially offset by improvements in supply chain costs. Marketing expenses were \$83.2 million or 17.2% of U.S. Digital Segment revenue in Year-to-Date 2025 compared to \$81.0 million or 16.2% of U.S. Digital Segment revenue in Year-to-Date 2024. The increase in Marketing expenses was primarily due to higher digital spend focused on new customer acquisition.

Liquidity and Capital Resources

Liquidity

Our primary need for liquidity is to fund working capital requirements of our business, which are inventory purchases, payments on debt, capital expenditures and for general corporate purposes. Our cash and cash equivalents and the ABL Facility serve as sources of liquidity for short-term working capital needs and general corporate purposes. The ABL Facility had a balance outstanding of \$35.0 million on August 1, 2025, other than letters of credit. Cash generated from our net revenue and profitability, and to a lesser extent our changes in working capital, are driven by the seasonality of our business, with a significant amount of net revenue and operating cash flows generally occurring in the fourth fiscal quarter of each year. We expect that our cash on hand and cash flows from operations, along with revolving on the ABL Facility, will be adequate to meet our capital requirements and operational needs for at least the next 12 months.

ABL Facility

Our \$225.0 million committed revolving ABL Facility, as amended to date, includes a \$35.0 million sublimit for letters of credit and is available for working capital and other general corporate liquidity needs. The amount available to borrow is the lesser of (1) the Aggregate Commitments of \$225.0 million (“ABL Facility Limit”) or (2) the Borrowing Base or Loan Cap which is calculated from Eligible Inventory, Trade Receivables and Credit Card Receivables, all foregoing capitalized terms not defined herein are as defined in the ABL Facility. The balance outstanding on August 1, 2025 and August 2, 2024 was \$35.0 million and \$20.0 million, respectively. The balance of outstanding letters of credit was \$10.9 million and \$8.1 million on August 1, 2025 and August 2, 2024, respectively. The borrowing availability under the ABL Facility was \$87.6 million and \$117.5 million as of August 1, 2025 and August 2, 2024, respectively.

Effective with the Fifth Amendment to the ABL Facility, dated March 28, 2025 (the “Fifth Amendment”), the 0.10% adjustment to the SOFR benchmark interest rate was eliminated and the benchmark rates under the ABL Credit Agreement are, at our election, either: (1) Term SOFR (which is a forward looking term rate based on the secured overnight financing rate), or (2) a Base Rate (which is the greatest of (a) 0% per annum, (b) the federal funds rate plus 0.50%, (c) the one-month Term SOFR rate plus 1.00%, or (d) the Wells Fargo “prime rate”). The borrowing margin for SOFR Rate loans is (i) where the average daily total outstanding for the previous quarter is less than \$95.0 million, 1.50%, and (ii) where the average daily total outstanding for the previous quarter is equal to or greater than \$95.0 million, 1.75%. For Base Rate loans, the borrowing margin is (i) where the average daily total outstanding for the previous quarter is less than \$95.0 million, 0.75%, and (ii) where the average daily total outstanding for the previous quarter is equal to or greater than \$95.0 million, 1.00% (“Applicable Borrowing Margin”). The Applicable Borrowing Margin for all loans is based upon the average daily total loans outstanding for the previous quarter. The Fifth Amendment had no material interest rate impact.

The ABL Facility fees include (i) commitment fees of 0.20% or 0.30% based upon the average daily unused commitment (aggregate commitment less loans and letter of credit outstanding) under the ABL Facility for the preceding fiscal quarter, (ii) customary letter of credit fees and (iii) customary annual agent fees. The Fifth Amendment extended the maturity date of the ABL Facility to the earlier of (a) March 28, 2030 and (b) September 29, 2028 if, on or prior to such date, the Term Loan Facility has not been refinanced, extended or repaid in full in accordance with the terms thereof and not replaced with other indebtedness. Under applicable accounting guidance, certain unamortized debt issuance costs originating from the ABL Facility are deferred and amortized over the extended term of the ABL Facility, and certain unamortized debt issuance costs have been written off. As of August 1, 2025, we had \$35.0 million borrowings outstanding under the ABL Facility.

Long-Term Debt

The Term Loan Facility will mature on December 29, 2028, and amortizes at a rate equal to 1.25% per quarter. Depending upon our Total Leverage Ratio, as defined in the Term Loan Facility, mandatory prepayments in an amount equal to a percentage of the our excess cash flows in each fiscal year, ranging from 0% to 75% are required. The Term Loan Facility also has typical prepayment requirements for the proceeds of certain asset sales, casualty events and extraordinary receipts. Voluntary prepayment and certain mandatory prepayments made (i) between December 30, 2024 and December 29, 2025 would result in a prepayment premium equal to 2% of the principal amount of the loan prepaid, (ii) between December 30, 2025 and December 29, 2026, would result in a prepayment premium equal to 1% of the principal amount of the loan prepaid, (iii) between December 30, 2026 and December 29, 2027, would

result in a prepayment premium equal to 0.5% of the principal amount of the loan prepaid and (iv) thereafter no prepayment premium is due.

The interest rates per annum applicable to the loans under the Term Loan Facility are based on a fluctuating rate of interest equal to, at our election, either (1) Term Loan Adjusted SOFR loan (subject to a 2% floor) plus an applicable margin, or (2) an alternative base rate loan plus an applicable margin. The applicable margin is based on our net leverage and will be, (i) for Term Loan Adjusted SOFR loans, 8.25% per annum if the total leverage ratio is greater than or equal to 2.75:1.00, 8.00% per annum if the total leverage ratio is less than 2.75:1.00 but greater than or equal to 2.25:1.00, and 7.75% per annum if the total leverage ratio is less than 2.25:1.00 and (ii) for base rate loans, 7.25% per annum if the total leverage ratio is greater than or equal to 2.75:1.00, 7.00% per annum if the total leverage ratio is less than 2.75:1.00 but greater than or equal to 2.25:1.00, and 6.75% per annum if the total leverage ratio is less than 2.25:1.00. In each case, the net leverage is determined as of the last day of each applicable measurement period.

The Term Loan Facility contains customary agency fees.

Debt Facilities

Guarantees; Security

All obligations under the Debt Facilities are unconditionally guaranteed by Lands' End, Inc. and, subject to certain exceptions, each of its existing and future direct and indirect subsidiaries. The ABL Facility is secured by a first priority security interest in certain working capital of the borrowers and guarantors consisting primarily of accounts receivable and inventory. The Term Loan Facility is also secured by a second priority security interest in the same collateral, with certain exceptions.

The Term Loan Facility is also secured by a first priority security interest in certain property and assets, including certain fixed assets such as real estate, stock of subsidiaries and intellectual property, in each case, subject to certain exceptions. The ABL Facility is also secured by a second priority interest in the same collateral, with certain exceptions.

Representations and Warranties; Covenants

Subject to specified exceptions, the Debt Facilities contain various representations and warranties and restrictive covenants that, among other things, restrict Lands' End, Inc.'s and its subsidiaries' ability to incur indebtedness (including guarantees), grant liens, make investments, make dividends or distributions with respect to capital stock, make prepayments on other indebtedness, engage in mergers or change the nature of their business.

The Term Loan Facility contains financial covenants, including a quarterly maximum total leverage ratio test and a monthly minimum liquidity test.

Under the ABL Facility, if excess availability falls below the greater of 10% of the Loan Cap amount or \$12.0 million, we will be required to comply with a minimum fixed charge coverage ratio of 1.0 to 1.0.

The Debt Facilities contain certain affirmative covenants, including reporting requirements such as delivery of financial statements, certificates and notices of certain events, maintaining insurance and providing additional guarantees and collateral in certain circumstances.

As of August 1, 2025, we were in compliance with the financial covenants in the Debt Facilities.

Events of Default

The Debt Facilities include customary events of default including non-payment of principal, interest or fees, violation of covenants, inaccuracy of representations or warranties, cross defaults related to certain other material indebtedness, bankruptcy and insolvency events, invalidity or impairment of guarantees or security interests, material judgments and change of control.

Cash Flows and Capital Expenditures

Cash Flows from Operating Activities

Net cash provided by operating activities was \$0.5 million during Year-to-Date 2025 compared to \$4.9 million during Year-to-Date 2024. The decrease in net cash provided by operating activities was primarily due to the decrease in adjusted EBITDA.

Cash Flows from Investing Activities

Net cash used in investing activities was \$17.2 million and \$11.5 million during Year-to-Date 2025 and Year-to-Date 2024, respectively. Cash used in investing activities for both periods was primarily used for investments to update our digital information technology infrastructure.

For Fiscal 2025, we plan to invest approximately \$25.0 million in capital expenditures for strategic investments and infrastructure, primarily in technology and general corporate needs.

Cash Flows from Financing Activities

Net cash provided by financing activities was \$22.1 million during Year-to-Date 2025, compared to \$6.9 million during Year-to-Date 2024. The increase in net cash provided by financing activities is primarily due to an increase in borrowings under our ABL Facility in the Second Quarter 2025 as compared to the prior year.

Contractual Obligations and Off-Balance-Sheet Arrangements

There have been no material changes to our contractual obligations and off-balance-sheet arrangements as discussed in our Annual Report on Form 10-K for the fiscal year ended January 31, 2025.

Financial Instruments with Off-Balance-Sheet Risk

The ABL Facility is available for working capital and other general corporate liquidity needs. The balance outstanding on August 1, 2025 and August 2, 2024 was \$35.0 million and \$20.0 million, respectively. The balance of outstanding letters of credit was \$10.9 million and \$8.1 million on August 1, 2025 and August 2, 2024, respectively.

Application of Critical Accounting Policies and Estimates

We believe that the assumptions and estimates associated with revenue, inventory valuation, indefinite-lived intangible asset impairment assessments and income taxes have the greatest potential impact on our financial statements. Therefore, we consider these to be our critical accounting policies and estimates.

For a complete discussion of our critical accounting policies, please refer to our Annual Report on Form 10-K for the year ended January 31, 2025. There have been no significant changes in our critical accounting policies or their application since January 31, 2025.

Recent Accounting Pronouncements

See Part I, Item 1, Note 2, *Recently Issued Accounting Pronouncements Not Yet Adopted*, of the Condensed Consolidated Financial Statements (unaudited) included in this Quarterly Report on Form 10-Q for information regarding recent accounting pronouncements.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This document contains forward-looking statements. Forward-looking statements reflect our current views with respect to, among other things, future events and performance. These statements may discuss, among other things, our GMV, variable profit, net sales, gross margin, operating expenses, operating income, net income, adjusted net income, adjusted EBITDA, cash flow, financial condition, financings, impairments, expenditures, growth, strategies, plans, achievements, dividends, capital structure, organizational structure, future store openings, market opportunities and general market and industry conditions. We generally identify forward-looking statements by words such as “anticipate,” “estimate,” “expect,” “intend,” “project,” “plan,” “predict,” “believe,” “seek,” “continue,” “outlook,” “may,” “might,” “will,” “should,” “can have,” “likely,” “targeting” or the negative version of these words or comparable words. Forward-looking statements are based on beliefs and assumptions made by management using currently available information. These statements are only predictions and are not guarantees of future performance, actions or events. Forward-looking statements are subject to risks and uncertainties. If one or more of these risks or uncertainties materialize, or if management’s underlying beliefs and assumptions prove to be incorrect, actual results may differ materially from those contemplated by a forward-looking statement. These risks and uncertainties include those risks, uncertainties and factors discussed in the “Risk Factors” section of our Annual Report on Form 10-K for the fiscal year ended January 31, 2025 and “Part II, Item 1A Risk Factors” of our Quarterly Report on Form 10-Q for the quarter ended May 2, 2025. Forward-looking statements speak only as of the date on which they are made. We expressly disclaim any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable securities laws and regulations.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Foreign Currency Exchange Risk

The Company's international subsidiaries operate with functional currencies other than the U.S. dollar. Since the Company's Condensed Consolidated Financial Statements are presented in U.S. dollars, the Company must translate all components of these financial statements from the functional currencies into U.S. dollars at exchange rates in effect during or at the end of the reporting period. Net revenue generated from the Europe eCommerce distribution channel represented approximately 7% of our total Net revenue during the Year-to-Date 2025. The fluctuation in the value of the U.S. dollar against other currencies affects the reported amounts of net revenue, expenses, assets and liabilities. Assuming a 10% change in foreign currency exchange rates, our Net revenue for Year-to-Date 2025 would have increased or decreased by approximately \$3.7 million. Translation gains or losses, which are recorded in other comprehensive income or loss, result from translation of the assets and liabilities of our international subsidiaries into U.S. dollars. Foreign currency translation income, net, for Year-to-Date 2025 totaled approximately \$0.9 million related to our international subsidiaries in United Kingdom and Germany. Additionally, the Company has foreign currency denominated intercompany receivables and payables that when settled result in a transaction gain or loss. A 10% change in foreign currency exchanges rates would not result in a significant transaction gain or loss in earnings. The Company does not utilize financial instruments for trading purposes or hedging and has not used any derivative financial instruments to limit foreign currency exchange rate exposures. The Company does not consider our foreign earnings to be permanently reinvested.

As of August 1, 2025, the Company had \$6.5 million of cash and cash equivalents denominated in foreign currency, principally in euro, British pound sterling and Hong Kong dollar.

Interest Rate Risk

The Company is subject to interest rate risk with the Term Loan Facility and the ABL Facility, as both require the Company to pay interest on outstanding borrowings at variable rates. Each one percentage point change in interest rates (above the 2.00% SOFR floor) associated with the Term Loan Facility would result in a \$2.4 million change in our annual cash interest expenses. Assuming our ABL Facility was fully drawn to a principal amount equal to \$225.0 million, each one percentage point change in interest rates would result in a \$2.3 million change in our annual cash interest expense.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Exchange Act, as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on their evaluation for the period covered by this Quarterly Report on Form 10-Q, our Chief Executive Officer and our Chief Financial Officer have concluded that, as of August 1, 2025, the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended) are effective.

Changes in Internal Control over Financial Reporting

There have been no changes in the Company's internal controls over financial reporting identified in connection with the evaluation required by Rules 13a-15 under the Exchange Act during the most recently completed fiscal quarter ended August 1, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is party to various claims, legal proceedings and investigations arising in the ordinary course of business. Some of these actions involve complex factual and legal issues and are subject to uncertainties. At this time, the Company is not able to either predict the outcome of these legal proceedings or reasonably estimate a potential range of loss with respect to the proceedings. While it is not feasible to predict the outcome of pending claims, proceedings and investigations with certainty, management is of the opinion that their ultimate resolution should not have a material adverse effect on our results of operations, cash flows or financial position taken as a whole. There have been no material developments to the legal proceedings disclosed in Part I, Item 3 of the Company's Annual Report on Form 10-K for the year ended January 31, 2025, filed with the SEC on March 27, 2025.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors disclosed in the Company's Annual Report on Form 10-K for the year ended January 31, 2025, filed with the SEC on March 27, 2025, and as disclosed on the Company's Quarterly Report on Form 10-Q for the quarter ended May 2, 2025, filed with the SEC on June 5, 2025.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**Issuer Purchases of Equity Securities**

The following table presents a month-to-month summary of information with respect to purchases of common stock made during Second Quarter 2025 pursuant to the 2024 Share Repurchase Program announced on March 15, 2024:

Period	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid per Share ⁽²⁾	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽³⁾	Approximate Dollar Value (in thousands) of Shares that May Yet Be Purchased Under the Plans or Programs ⁽³⁾
May 3 - May 30	168,751	\$ 8.78	168,751	\$ 9,098
May 31 - July 4	30,000	\$ 8.33	30,000	\$ 8,848
July 5 - August 1	—	\$ —	—	\$ 8,848
Total	198,751	\$ 8.71	198,751	

⁽¹⁾ All shares of common stock were retired following purchase.

⁽²⁾ Average price paid per share excludes broker commissions and taxes.

⁽³⁾ On March 15, 2024, the Company announced that its Board of Directors authorized the Company to repurchase up to \$25.0 million of the Company's common stock through March 31, 2026 (the "2024 Share Repurchase Program"). The 2024 Share Repurchase Program may be suspended or discontinued at any time.

ITEM 5. OTHER INFORMATION**Rule 10b5-1 Trading Plans**

During the fiscal quarter ended August 1, 2025, none of the Company's directors or executive officers adopted or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement."

ITEM 6. EXHIBITS

The following documents are filed as exhibits to this report:

<u>Exhibit Number</u>	<u>Exhibit Description</u>
3.1	Amended and Restated Certificate of Incorporation of Lands' End, Inc. (incorporated by reference to Exhibit 3.1 of the Annual Report on Form 10-K filed by Lands' End, Inc. on March 24, 2022 (File No. 001-09769)).
3.2	Second Amended and Restated Bylaws of Lands' End, Inc. (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed by Lands' End, Inc. on September 23, 2024 (File No. 001-09769)).
31.1	Certification of Principal Executive Officer Required Under Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended.*
31.2	Certification of Principal Financial Officer Required Under Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended.*
32.1	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document*
101.DEF	Inline XBRL Taxonomy Extension Definition Document*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document*
104	Cover Page Interactive Data File (Embedded within the Inline XBRL document and included in Exhibit 101)*

* Filed herewith.

** Furnished herewith.

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 thereunto duly authorized.

Lands' End, Inc.

(Registrant)

By: /s/ Bernard McCracken
Name: Bernard McCracken
Title: Chief Financial Officer and Treasurer
(Principal Financial Officer and Principal
Accounting Officer)

Date: September 9, 2025

CERTIFICATIONS

I, Andrew J. McLean, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Lands' End, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 9, 2025

/s/ Andrew J. McLean

Andrew J. McLean

Chief Executive Officer

(Principal Executive Officer)

Lands' End, Inc.

CERTIFICATIONS

I, Bernard McCracken, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Lands' End, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 9, 2025

/s/ Bernard McCracken

Bernard McCracken

Chief Financial Officer and Treasurer

(Principal Financial Officer)

Lands' End, Inc.

CERTIFICATION

Pursuant to 18 U.S.C. 1350 as adopted by Section 906 of the Sarbanes-Oxley Act of 2002

Each of the undersigned, Andrew J. McLean, Chief Executive Officer of Lands' End, Inc. (the "Company") and Bernard McCracken, Chief Financial Officer and Treasurer of the Company, has executed this certification in connection with the filing with the Securities and Exchange Commission of the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended August 1, 2025 (the "Report").

Each of the undersigned hereby certifies that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Andrew J. McLean

Andrew J. McLean

Chief Executive Officer

(Principal Executive Officer)

Date: September 9, 2025

/s/ Bernard McCracken

Bernard McCracken

Chief Financial Officer and Treasurer

(Principal Financial Officer)

Date: September 9, 2025
