



Duluth Holdings Inc. Maps Path to Double EBITDA by 2028 Through New "Build to Last" Strategy

June 8, 2026

MOUNT HOREB, Wis., June 08, 2026 (GLOBE NEWSWIRE) -- Duluth Holdings Inc. (NASDAQ: DLTH) introduced "Build to Last," a new turnaround and growth strategy, during its 2026 Investor and Analyst Event in New York today. This strategic three-phase framework is designed to transition the company from an operational reset toward sustainable, long-term expansion.

From Reset to Momentum: Fiscal 2025 and Q1 2026

Duluth's strategy builds upon a structural overhaul executed throughout Fiscal 2025. Facing shifting retail dynamics, Duluth leadership stabilized operations by right-sizing inventory and assortment and restoring pricing discipline. This "Seal the Foundation" phase successfully returned every store in the fleet to profitability, expanded gross margins by 420 basis points to 53.4%, and generated \$16.6 million in free cash flow.

That operational discipline has continued into the current fiscal year. Reporting its first-quarter 2026 results earlier today, Duluth demonstrated growing momentum. While net sales saw a decline to \$98.6 million due to a reduction in heavy promotional discounting, retail comparable store sales grew 1.4%. Gross margins increased 540 basis points to 57.4%, inventory reduced 24.8%, and free cash flow improved by \$42.6 million year-over-year, validating the company's structural shift towards a more profitable business model.

Frame the Structure, Raise the Roof: 2026 and Beyond

Duluth is now actively navigating the second phase of its strategy, "Frame the Structure," which spans 2026 and 2027. This phase focuses on reenergizing the core customer base and evolving marketing away from a promotion-heavy model toward building long-term brand awareness.

Looking toward 2028 and beyond, the final phase, "Raise the Roof," focuses on driving accelerated, profitable growth by building on our streamlined and optimized operating model. Duluth's long-term goals include expanding our customer base and brand awareness to ensure consistent positive comparable sales through our retail locations and direct-to-consumer channels and unlocking revenue growth with loyalty at scale, women's expansion, select new stores, and additional distribution.

A replay of the webcast and accompanying presentation materials are available in the Investor Relations section of the Company's website at ir.duluthtrading.com.

About Duluth Trading Company

Duluth Trading is a lifestyle brand for the Modern, Self-Reliant American. Based in Mount Horeb, Wisconsin, the Company offers high-quality, solution-based workwear, casual wear, and accessories for men and women who lead a hands-on lifestyle and who value a job well done. The Company reaches its customers through a content-rich e-commerce platform, social media, and approximately 66 retail locations nationwide. Duluth Trading is known for its humor-driven marketing, strong customer loyalty, and outstanding customer service backed by its No Bull Guarantee. Visit www.duluthtrading.com.

Non-GAAP Measurements

Management believes that non-GAAP financial measures may be useful in certain instances to provide additional meaningful comparisons between current results and results in prior operating periods. Within this release, reference is made to adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA) and Free Cash Flow.

Adjusted EBITDA is a metric used by management and frequently used by the financial community, which provides insight into an organization's operating trends and facilitates comparisons between peer companies, since interest, taxes, depreciation and amortization can differ greatly between organizations as a result of differing capital structures and tax strategies. Adjusted EBITDA excludes certain items that are unusual in nature or not comparable from period to period.

Management believes Free Cash Flow is a useful measure of performance as an indication of an organization's financial strength and provides additional perspective on the ability to efficiently use capital in executing growth strategies. Free Cash Flow is defined as net cash provided by operating activities less purchases of property and equipment.

The Company provides this information to investors to assist in comparisons of past, present and future operating results and to assist in highlighting the results of on-going operations. While the Company's management believes that non-GAAP measurements are useful supplemental information, such adjusted results are not intended to replace the Company's GAAP financial results and should be read in conjunction with those GAAP results.

Forward-Looking Statements

This press release includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts included in this press release, including statements concerning Duluth Trading's plans, objectives, goals, beliefs, business strategies, future events, business conditions, its results of operations, financial position and its business outlook, business trends and certain other information herein are forward-looking statements. You can identify forward-looking statements by the use of words such as "may," "might," "will," "should," "expect," "plan," "anticipate," "could," "believe," "estimate," "project," "target," "predict," "intend," "future," "budget," "goals," "potential," "continue," "design," "objective," "forecasted," "would" and other similar expressions. The forward-looking statements are not historical facts, and are based upon Duluth Trading's current expectations, beliefs, estimates, and projections, and various assumptions, many of which, by their nature, are inherently uncertain and beyond Duluth Trading's control. Duluth Trading's expectations, beliefs and projections are expressed in good faith, and Duluth Trading believes there is a reasonable basis for them. However, there can be no assurance that management's expectations, beliefs, estimates, and projections will be achieved and actual results may vary materially from what is expressed in or indicated by the forward-looking statements. Forward-looking statements are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the forward-looking statements, including, among others, the risks, uncertainties, and factors set forth under Part 1, Item 1A "Risk Factors" in the Company's Annual Report on Form 10-K filed with the SEC on March 24, 2025 and other factors as may be periodically described in Duluth Trading's subsequent filings with the SEC. Forward-looking statements speak only as of the date the statements are made. Duluth Trading assumes no obligation to update forward-looking statements to reflect actual results, subsequent events or circumstances or other changes affecting forward-looking information except to the extent required by applicable securities laws.

Investor Relations Contacts

Heena Agrawal

Senior Vice President and Chief Financial Officer

Chris Steffes

Senior Director of FP&A and Investor Relations

IR@duluthtrading.com

