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

FORM 10-K

☒ **Annual report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934**

For the fiscal year ended January 31, 2020

-OR-

☐ **Transition report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from to __________ 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 of Organization)**	**36-2512786** **(I.R.S. Employer Identification No.)**
1 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 under Section 12(b) of the Exchange 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

Securities registered under Section 12(g) of the Exchange Act:

None

(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES ☐ NO ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. YES ☐ NO ☒

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	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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 ☒

The aggregate market value (based on the closing price of the registrant's common stock quoted on the NASDAQ Stock Market) of the registrant's common stock owned by non-affiliates, as of August 2, 2019, the last business day of the registrant's most recently completed second fiscal quarter, was approximately $112.4 million.

As of March 18, 2020, the registrant had 32,381,612 shares of common stock, $0.01 par value, outstanding.

LANDS' END, INC.
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PART I

ITEM 1. BUSINESS

As used in this Annual Report on Form 10-K, 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 on or closest to January 31. Other terms commonly used in this Annual Report on Form 10-K are defined as follows:

- *ABL Facility - Asset-based senior secured credit agreements, dated as of November 16, 2017, with Wells Fargo, N.A. and certain other lenders*
- *Brexit - The United Kingdom's exit from the European Union*
- *Company Operated stores - Lands' End retail stores in the Retail channel*
- *Debt Facilities - Collectively, the ABL Facility and the Term Loan Facility*
- *ESL - ESL Investments, Inc. and its investment affiliates, including Edward S. Lampert*
- *Fiscal 2020 – The Company's next fiscal year representing the 52 weeks ending January 29, 2021*
- *Fiscal 2019 - The 52 weeks ended January 31, 2020*
- *Fiscal 2018 - The 52 weeks ended February 1, 2019*
- *Fiscal 2017 - The 53 weeks ended February 2, 2018*
- *Fiscal 2016 - The 52 weeks ended January 27, 2017*
- *Fiscal 2015 – The 52 weeks ended January 29, 2016*
- *Sears Holdings - Sears Holdings Corporation, a Delaware corporation, and its consolidated subsidiaries (other than, for all periods following the Separation, Lands' End)*
- *Sears Roebuck - Sears, Roebuck and Co., a wholly owned subsidiary of Sears Holdings*
- *SEC - United States Securities and Exchange Commission*
- *Separation - On April 4, 2014 Sears Holdings distributed 100% of the outstanding common stock of Lands' End to its shareholders*
- *Tax Act - The Tax Cuts and Jobs Act passed by the United States government on December 22, 2017*
- *Tax Sharing Agreement - A tax sharing agreement entered into by Sears Holdings Corporation and Lands' End in connection with the Separation*
- *Term Loan Facility - Term loan credit agreements, dated as of April 4, 2014, with Bank of America, N.A. and certain other lenders*
- *Transform Holdco - Transform Holdco LLC, an affiliate of ESL, which on February 11, 2019 acquired from Sears Holdings substantially all of the go-forward retail footprint and other assets and component businesses of Sears Holdings as a going concern*
- *UTBs - Gross unrecognized tax benefits*

Lands' End is a leading uni-channel retailer of casual clothing, accessories, footwear and home products. Operating out of America's heartland, we believe our vision and values make a strong connection with our core customers. We offer products online at www.landsend.com, on third party online marketplaces and through retail locations. We are a classic American lifestyle brand with a passion for quality, legendary service and real value, and seek to deliver timeless style for women, men, kids and the home.

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."

Lands' End seeks to provide a common customer experience regardless of whether they are interacting with us on our company websites, third party marketplaces, at Company Operated stores or other distribution channels.

We have one external reportable segment and identify our operating segments according to how our business activities are managed and evaluated. Our operating segments consist of U.S. eCommerce, Retail, Lands' End Outfitters ("Outfitters"), Europe eCommerce and Japan eCommerce. We have determined that each of our operating segments share similar economic and other qualitative characteristics, and therefore the results of our operating segments are aggregated into one external reportable segment.

Lands' End's product channels are eCommerce, Retail and Outfitters. eCommerce offers products through the Company's eCommerce websites, third party online marketplaces and direct mail catalogs. Retail sells products and services through Company Operated stores. Outfitters sells products to end consumers, located primarily in the United States, through negotiated arrangements with client organizations to make specific styles or embroidered products available to members of client organizations, as well as through the Company's eCommerce websites. In Fiscal 2019, we generated revenue of approximately $1.45 billion. Our revenue is generated worldwide with operations based in the United States, United Kingdom, Germany and Japan. This network reinforces and supports sales across the channels in which we do business. Net revenue is presented by product channel in the following table:

(in thousands)	**Fiscal 2019**	**% of Revenue**	**Fiscal 2018**	**% of Revenue**	**Fiscal 2017**	**% of Revenue**
eCommerce	$ 1,104,829	76.2%	$ 1,039,929	71.7%	$ 975,446	69.3%
Outfitters	285,807	19.7%	289,251	19.9%	258,669	18.4%
Retail	59,565	4.1%	122,412	8.4%	172,562	12.3%
Total Net revenue	$ 1,450,201		$ 1,451,592		$ 1,406,677	

In Fiscal 2019, we fulfilled orders to customers in approximately 174 countries outside the United States, totaling approximately 14.0% of revenue.

Revenue by the geographical location where the product is shipped is as follows:

(in thousands)	**Fiscal 2019**	**% of Revenue**	**Fiscal 2018**	**% of Revenue**	**Fiscal 2017**	**% of Revenue**
United States	$ 1,247,288	86.0%	$ 1,245,157	85.8%	$ 1,204,199	85.6%
Europe	137,134	9.5%	138,761	9.6%	134,543	9.6%
Asia	48,470	3.3%	50,203	3.5%	48,704	3.5%
Other	17,309	1.2%	17,471	1.1%	19,231	1.3%
Total Revenue	$ 1,450,201		$ 1,451,592		$ 1,406,677	

Long-lived assets by geographical location are as follows:

(in thousands)	**Fiscal 2019**	**Fiscal 2018**	**Fiscal 2017**
United States	$ 148,340	$ 140,663	$ 126,015
Europe	8,716	8,773	9,862
Asia	609	458	625
Total Property and equipment, net	$ 157,665	$ 149,894	$ 136,502

Strategy

In Fiscal 2019, we continued to leverage our iconic American brand, which was founded on the principles of delivering great quality, uncompromising service and exceptional value to our customers. In Fiscal 2020 we plan to continue to focus on our four major growth initiatives, as we have over the past several years:

Product. The soul of the Lands' End brand has always been products with a purpose. We are focused on delivering key items, made of quality materials, in iconic styles that offer great value to our customers and their families. We provide an assortment of products leveraging our key item strategy with a focus on delivering comfort, style and value with emphasis on major categories. In Fiscal 2020 we plan to continue to leverage customer data to drive decisions around our merchandise assortment, fabrics, silhouettes and price points that our customer desires. We have worked to drive consistency in our fits across multiple categories and classifications. We are also focused on key relationships, including growing our uniform business with innovative products to meet the needs of our partners.

Digital. We are focused on utilizing digital technologies to obtain new customers and improve the overall customer experience, including leveraging data analytics to better tailor and personalize the shopping experience for each customer. We are a digitally-led organization, applying technology as we adapt to ongoing shifts in customer shopping behaviors. During Fiscal 2019, we improved our search engine optimization, improved mobile site speed and expanded price clarity. We enhanced our website with updated product descriptions that better align with the language that our customers use when searching for products. We also enhanced our smartphone experience, as this is the device our customer increasingly uses for shopping. As part of our Fiscal 2020 initiatives we are focused on continuing to improve the customer's smartphone experience, including improved product presentation.

Distribution. We utilize uni-channel distribution including eCommerce and retail stores, to engage our customer where and how they choose to shop. Our stores represent the Lands' End American Heritage aesthetic, making it easy for our customers to find our products in an inviting, brand appropriate setting. For Fiscal 2020, we plan to continue applying a customer analytics-driven distribution strategy, where we leverage our data to refine product assortment, target new store locations, and explore opportunities with third party marketplaces and traditional wholesale.

Business Processing. We continue to focus on building strategic competencies through improved business processes that are based on standardization and efficiency. We plan to focus on optimizing our business processing capabilities, which will further enable us to upgrade the way we take, process and fulfill orders across our channels and improve how we interface with our partners. Additionally, we plan to continue to upgrade our inventory planning process and data analytic capabilities as we focus on growing the business and operating as a global uni-channel retailer.

Key Capabilities

Lands' End was founded on certain principles of doing business that are embodied in our goal to deliver great quality, uncompromising service and exceptional value to our customers. These core principles of quality, service and value are the foundation of what we believe distinguish us from our competitors, including:

Customer base. Lands' End is an iconic American brand with a large and loyal customer base. Operating out of Wisconsin, in the heartland of the United States, we believe our vision and values make a strong connection with our core customer. We believe that a principal indicator of our success to date has been the continued growth of our buyer file, with increases in new and retained customers.

Product innovation. We seek to develop new, innovative products for our customers by utilizing modern fabrics and quality construction to create timeless, affordable styles with excellent fits. We also seek to present our products in an engaging and inspiring way. We believe that our typical customers expect quality, seek good value for their money and are looking to add classics to their wardrobe while also placing an emphasis on comfort, functionality and product innovation that supports their lifestyle. From a design and merchandising perspective, we believe that we have had success adding relevant items into our product assortment, many of which have become customer favorites. We devote significant time and resources to quality assurance, fit testing and product compliance. Our in-house team manages all product specifications and seeks to ensure brand integrity by providing our customers with the consistent, high-quality merchandise for which Lands' End is known. We are a vertically integrated retailer that manages most aspects of our design, marketing and distribution in-house.

Customer service. We are committed to building on Lands' End's legacy of strong customer service. We believe we have a strong track record of improving the customer service experience through innovation. Lands' End is focused on using our extensive customer data to make the shopping experience as effortless and personalized as possible, regardless of whether our customers shop online or in one of our retail locations. Our operations include a return policy that is frequently mentioned as one of the best in the industry, service agents who are available through retail locations, on the phone, and via chat, email or social media, and an ever-evolving digital self-service platform. These all have contributed to our award-winning customer service, which we believe is one of our core strengths and a key point of differentiation from our competitors. We have received many accolades over the years and most recently, received the following:

- Lands’ End was included in the Newsweek list of America’s Best Customer Service 2020, for best customer service in the Online Retailers: Clothing in the Apparel category (November 2019)
- Lands’ End was included in the Newsweek list of Best Online Shops 2020 (September 2019)
- Lands’ End was included in the Newsweek list of America’s Best Customer Service 2019, ranking No.1 for best customer service in the Online Retailers: Clothing in the Apparel category (November 2018)

Marketing

We believe that our most important asset is our brand. The Lands' End brand is well-recognized with a deeply rooted tradition of offering excellent quality, value and service. We also invest significantly in brand development through our focus on providing excellent customer service and our emphasis on digital transformation and innovative product development. We believe that this commitment to our brand has helped to generate our large and loyal customer base for over fifty years.

We attempt to build on our brand recognition through multi-channel marketing campaigns including an eCommerce website, *www.landsend.com*, catalog distribution, digital marketing and social media. Creative designs for these marketing platforms are primarily developed in-house by our creative team. We strive to be efficient in our overall spend, enabling us to invest in initiatives that we believe will yield benefits over the longer-term. We believe we will generate near term return on investment with the majority of our marketing spend allocated to digital marketing and our catalog, which continues to be a productive vehicle to drive customers to our website and stores. We are also seeking to enhance our branding initiatives by investing in strategic partnerships designed to showcase our apparel and personalizing promotions offered to customers.

Information Technology

Our information technology systems provide comprehensive support for the design, merchandising, importing, marketing, distribution, sales, order processing and order fulfillment of our Lands' End products. We have a dedicated information technology team that provides strategic direction, application development, infrastructure services and systems support for the functions and processes of our business. The information technology team contracts with third-party consulting firms to provide cost-effective staff augmentation services and partners with leading hardware, software and cloud-based technology firms to provide the infrastructure necessary to run and operate our systems. Our core software applications are comprised of a combination of internally developed and packaged third-party systems. The eCommerce solutions powering *www.landsend.com*, the Outfitters websites, and our international Lands' End websites are operated out of our own internal data centers, as well as through hosting relationships with third parties and industry-leading cloud providers.

We are in the process of implementing new information technology systems as part of a multi-year plan to expand and upgrade our information technology platforms and infrastructure. We intend to build off these core systems to drive future improvements in our operations including efficiencies within our internal processes and reporting. Implementation of new systems is highly dependent on coordination of numerous software, hardware, cloud and system integration providers. See also Item 1A, *Risk Factors*, in this Annual Report on Form 10-K.

Competition

We operate primarily in the apparel industry which is highly competitive. We compete with a diverse group of direct-to-consumer companies and retailers, including national department store chains, women's and men's specialty apparel chains, outdoor specialty stores, apparel catalog businesses, sportswear marketers and online apparel businesses that sell similar lines of merchandise. We compete principally on the basis of merchandise value (quality and price), product innovation, our established customer list and award-winning customer service.

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 37.9%, 34.6% and 36.3% of our net revenue in the fourth fiscal quarter of Fiscal 2019, Fiscal 2018 and Fiscal 2017, respectively. Thus, lower than expected fourth quarter net revenue could have an adverse impact on our annual operating results.

Working capital requirements typically increase during the second and third quarters of the fiscal year as inventory builds to support peak shipping/selling periods and, accordingly, working capital requirements typically decreases during the fourth quarter of the fiscal year as inventory is shipped/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.

Vendors

Our products are produced globally by independent manufacturers who are selected, monitored and coordinated by the Lands' End Global Sourcing team based in Dodgeville, Wisconsin and other third-party buying agents. Our products are manufactured in approximately 26 countries and the majority are imported from Asia and South America, depending on the nature of the product mix. In Fiscal 2019 our top 10 vendors accounted for approximately 47% of the value of our merchandise purchases and we worked with approximately 145 vendors that manufactured substantially all of our products. We generally do not enter into long-term merchandise supply contracts. We continue to take advantage of opportunities to more efficiently source our products worldwide, consistent with our high standards of quality and value. Significant areas of non-product spend include transportation, information systems, marketing, packaging and catalog paper and print.

It is important to us that our partners share the same values in business as we do, therefore, we require that the vendors comply with applicable legal requirements, agree to our global compliance requirements and meet our product quality standards. Our vendors are required to provide us with full access to their facilities and to relevant records relating to their employment practices, such as, but not limited to, child labor, wages and benefits, forced labor, discrimination, freedom of association, unlawful inducements, safe and healthy working conditions and other business practices so that we may monitor their compliance with ethical and legal requirements relating to the conduct of their business.

Sources and Availability of Raw Materials

We purchase, in the ordinary course of business, raw materials and supplies essential to our operations from numerous suppliers around the world, including in the United States. There have been no recent significant availability problems or supply shortages. See Item IA, *Risk Factors*, included elsewhere in this Annual Report on Form 10-K. See also Item 1A, *Risk Factors*, in this Annual Report on Form 10-K.

Distribution

We own and operate three distribution centers in Wisconsin. Our Dodgeville facility is approximately 1.1 million square feet and is a full-service distribution center, including monogramming, hemming and embroidery services. Our Reedsburg location is approximately 400,000 square feet and offers all order fulfillment services except hemming. Our Stevens Point distribution center is approximately 150,000 square feet and primarily focuses on embroidery services. Customer orders are shipped via third party carriers.

We own and operate a distribution center in the United Kingdom based in Oakham, a community north of London. Order fulfillment and specialty services for our European businesses are performed at this facility, which opened in 1998 and totals approximately 175,000 square feet. We also lease a 56,000 square foot distribution center in Fujieda, Japan.

Orders are generally filled on a current basis, and order backlog is not material to our business. See also Item 1A, *Risk Factors*, in this Annual Report on Form 10-K.

Intellectual Property

Lands' End owns or has rights to use certain word and design trademarks, service marks, and trade names that are registered or exist under common law in the United States and other jurisdictions. The Lands' End® trade name and trademark are used both in the United States and internationally, and are material to our business. Trademarks that are important in identifying and distinguishing our products and services are Guaranteed. Period.®, Lands' End Lighthouse®, Square Rigger™, Squall®, Super-T™, Drifter™, Outrigger®, Marinac®, and Beach Living®, all of which are owned by us, as well as the licensed marks Supima®, No-Gape®, and others. Other recognized trademarks owned by Lands' End include SwimMates™, Starfish™, Iron Knees®, Hyde Park®, Year' Rounder®, ClassMate®, Pink Thread Project®, Willis & Geiger® and ThermaCheck®. Lands' End's rights to some of these trademarks are limited to select markets.

Employees

We employ approximately 5,100 employees throughout our operations: approximately 4,300 employees in the United States and approximately 800 employees outside the United States. This workforce is comprised of approximately 19% salaried employees, 42% hourly employees and 39% part-time employees. With the seasonal nature of the retail industry, over 2,000 additional, flexible, part-time employees join us each year to support our varying peak seasons, including the fourth quarter holiday shopping season.

Pledged Assets

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 wholly-owned domestic 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 secured by a second priority security interest in the same collateral, with certain exceptions.

The Term Loan Facility also is secured by a first priority security interest in certain property and assets of the borrowers and guarantors, including certain fixed assets and stock of subsidiaries. The ABL Facility is secured by a second priority security interest in the same collateral.

Corporate Citizenship

Sustainability Initiatives. Lands' End is working towards improving its sustainable footprint through key practices like waste reduction, purchasing recycled consumables and through corporate partnerships. Lands' End hopes to inspire customers and other corporations to increase sustainability awareness and initiatives.

We have a focus on raising awareness and educating associates on reducing our internal use of consumables and natural resources. In addition, we have a broad range of recycling and waste management initiatives at our corporate office and distribution centers to address our use of paper products, aluminum cans, glass, electronics and plastic as well as maintenance operations, disposal of non-recyclables with composting and water management.

Lands’ End also participates in industry educational workshops and initiatives. We have formed strategic partnerships with organizations like the Sustainable Apparel Coalition, bluesign, National Forest Foundation, where we have helped plant over 1 million trees, and the Clean Lakes Alliance, where we help protect and improve maintenance of local lakes in Wisconsin. These partnerships, which respectively operate globally, nationally, and locally, allow us to engage at a variety of levels.

History

We were founded in 1963, incorporated in Delaware in 1986 and our common stock was listed on the New York Stock Exchange from 1986 to 2002. On June 17, 2002, we became a wholly owned subsidiary of Sears Roebuck. Sears Holdings distributed 100 percent of the outstanding common stock of Lands' End to its stockholders on April 4, 2014 and our common stock was listed on NASDAQ.

Corporate Information

Our principal executive offices are located at 1 Lands' End Lane, Dodgeville, Wisconsin 53595. Our telephone number is (608) 935-9341.

Available Information, Internet Address and Internet Access to Current and Periodic Reports and Other Information

Our website address is *www.landsend.com*. 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 Annual Report on Form 10-K. We file our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, and all amendments to those reports electronically with the SEC, and they are available on the SEC's web site (*www.sec.gov*). We also make our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, current reports on Form 8-K and amendments to those reports available through our website, free of charge, as soon as reasonably practicable after we file such material with, or furnish it to, the SEC.

Our Corporate Governance Guidelines, the charters of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee of the Board of Directors, our Related Party Transactions Policy, our Director Compensation Policy, our Code of Conduct, and our Board of Directors Code of Conduct are available at the "Investor Relations" link under "Corporate Governance" at *www.landsend.com*.

Information about our Executive Officers

The following table sets forth information regarding our executive officers, including their positions.

Name	Position	Age
Jerome Griffith	Chief Executive Officer and President	62
James Gooch	Executive Vice President, Chief Operating Officer, Chief Financial Officer and Treasurer	52
Peter L. Gray	Executive Vice President, Chief Administrative Officer, General Counsel and Corporate Secretary	52
Kelly Ritchie	Senior Vice President, Employee Services	56
Chieh Tsai	Chief Product Officer	54

Jerome Griffith joined Lands' End as Chief Executive Officer and President and as a member of the Board of Directors in March 2017. He served as the Chief Executive Officer and President and as a member of the board of directors of Tumi Holdings, Inc., a manufacturer and retailer of consumer goods including business bags, luggage, apparel and other travel-related goods, from April 2009 until its sale to Samsonite International S.A. in August 2016. From 2002 to February 2009, he was employed at Esprit Holdings Limited, a global fashion brand, where he was promoted to Chief Operating Officer and appointed to the board in 2004, then promoted to President of Esprit North and South America in 2006. From 1999 to 2002, he worked as an executive vice president at Tommy Hilfiger, a global fashion brand. From 1998 to 1999, he worked as the president of retail at the J. Peterman Company, a catalog-based apparel and retail company. From 1989 through 1998, he worked in various positions of increasing responsibility at Gap, Inc., a global clothing and accessories retailer. He has served as a member of the board of Vince Holding Corp. since November 2013, Samsonite International S.A. since August 2016, and Parsons School of Design, which is part of the New School, since September 2013.

James Gooch joined the Company as Executive Vice President, Chief Operating Officer, Chief Financial Officer and Treasurer in January 2016. He also served as our Co-Interim Chief Executive Officer from September 2016 to March 2017. From March 2014 until December 2014, he served as Co-Chief Executive Officer and Chief Administrative Officer of DeMoulas Supermarkets, Inc., a regional supermarket chain. He served as President and Chief Executive Officer of RadioShack Corporation, an electronics retailer, from May 2011 to October 2012, as President and Chief Financial Officer of RadioShack Corporation from January 2011 to May 2011, and as Chief Financial Officer of RadioShack Corporation from August 2006 to January 2011. Earlier in his career he was employed by Helene Curtis, The Quaker Oats Company, Kmart Corporation, and Sears Holdings.

Peter L. Gray joined Lands' End as Executive Vice President, Chief Administrative Officer, General Counsel and Corporate Secretary in May 2017. Mr. Gray served as Executive Vice President, General Counsel and Secretary of Tumi Holdings, Inc., a manufacturer and retailer of consumer goods including business bags, luggage, apparel and other travel-related goods, from December 2013 until November 2016. He was employed by ModusLink Global Solutions, Inc. (formerly CMGI, Inc.), a supply chain business process management company from June 1999 to October 2013. Beginning in March 2002, he was ModusLink's Executive Vice President and General Counsel, additionally becoming its Secretary in December 2005 and its Chief Administrative Officer in June 2012. Prior to joining ModusLink, Mr. Gray was Assistant General Counsel at Cambridge Technology Partners (Massachusetts), Inc., and a junior partner at Hale and Dorr LLP. Mr. Gray also serves as Chairman of the Board of Directors of the Tufts University Hillel Foundation.

Kelly Ritchie joined Lands' End in 1985 and became Vice President, Employee Services in 1995. In 2003, she became Senior Vice President, Employee Services and continues to hold that position today. She assumed responsibility for our distribution centers from 2005 to 2015 and was responsible for Customer Service from 2005 until 2019. Between 1985 and 1995 she held various other Customer Service and Employee Services roles.

Chieh Tsai joined Lands' End in May 2016 and has served as the Company's Chief Product Officer since January 2019. From September 2017 to January 2019 she served as Senior Vice President of Design and from May 2016 to August 2017 she served as Vice President of Design. Prior to joining Lands' End, Ms. Tsai served in multiple leadership roles with AnnTaylor, Inc. from May 2005 until May 2015, most recently as the Vice President of Design. Ms. Tsai served as the Design Director for CK Calvin Klein from March 2004 until May 2005 and as Senior Designer of Nine West from August 2000 until March 2004.

ITEM 1A. RISK FACTORS

You should carefully consider the following risks and other information in this Annual Report on Form 10-K in evaluating our company and our common stock. Any of the following risks could materially and adversely affect our business, results of operations or financial condition.

Actual or threatened epidemics, pandemics, outbreaks, or other public health crises may adversely affect our customers' financial condition and the operations of our business.

Our business could be materially and adversely affected by the risks, or the public perception of the risks, related to an epidemic, pandemic, outbreak, or other public health crisis, such as the recent outbreak of novel coronavirus ("COVID-19"). The risk of a pandemic, or public perception of the risk, could cause customers to avoid public places, including retail properties, and could cause temporary or long-term disruptions in our supply chains and/or delays in the delivery of our inventory. Further, such risks could also adversely affect our customers' financial condition, resulting in reduced spending for the merchandise we sell. Moreover, an epidemic, pandemic, outbreak or other public health crisis, such as COVID-19, could cause employees to avoid our properties, which could adversely affect our ability to adequately staff and manage our businesses. "Shelter-in-place" or other such orders by governmental entities could also disrupt our operations, if employees who cannot perform their responsibilities from home, are not able to report to work. Risks related to an epidemic, pandemic or other health crisis, such as COVID-19, could also lead to the complete or partial closure of one or more of our stores, facilities or operations of our sourcing partners. If our Wisconsin operations are closed, we would not be able to fulfill orders to our customers, which would delay our sales and could cause our customers to cancel their orders. The ultimate extent of the impact of any epidemic, pandemic or other health crisis on our business, financial condition and results of operations will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of such epidemic, pandemic or other health crisis and actions taken to contain or prevent their further spread, among others. These and other potential impacts of an epidemic, pandemic or other health crisis, such as COVID-19, could therefore materially and adversely affect our business, financial condition and results of operations.

Our business is affected by worldwide economic and market conditions; an unstable economy, a decline in consumer-spending levels and other adverse developments, including inflation, could lead to reduced revenues and gross margins and adversely affect our business, results of operations and liquidity.

Many economic and other factors are outside of our control, including general economic and market conditions, consumer and commercial credit availability, inflation, unemployment, consumer debt levels and other challenges affecting the global economy including the recent COVID-19 pandemic. Increases in the rates of unemployment, decreases in home values, reduced access to credit and issues related to the domestic and international political situations may adversely affect consumer confidence and disposable income levels. Early societal responses to the pandemic have involved store closures and limited social interaction as well as work reductions. Low consumer confidence and disposable incomes could lead to reduced consumer spending and lower demand for our products, which are discretionary items, the purchase of which can be reduced before customers adjust their budgets for necessities. These factors could have a negative impact on our sales and cause us to increase inventory markdowns and promotional expenses, thereby reducing our gross margins and operating results.

Our business and results of operations could be negatively impacted by natural disasters, extreme weather conditions, public health or political crises or other catastrophic events.

Our third-party vendors are located throughout the world including in locations subject to natural disasters or extreme weather conditions, as well as other potential catastrophic events, such as public health emergencies, including COVID-19, terrorist attacks or political or military conflict. The occurrence of any of these events could disrupt our operations and negatively impact sales of our products.

If we fail to offer merchandise and services that customers want to purchase, our business and results of operations could be adversely affected.

Our products and services must satisfy the desires of customers, whose preferences change over time. In order to be successful, we must identify, obtain supplies of, and offer customers attractive, innovative and high-quality merchandise on a continuous and timely basis. Failure to effectively gauge the direction of customer preferences or convey a compelling brand image or price/value equation to customers may result in lower sales and resultant lower gross profit margins. This could have an adverse effect on our business and results of operations.

Customer preference for our branded merchandise could change, which may adversely affect our profitability.

Sales of branded merchandise account for substantially all of our total revenues and the Lands' End brand, in particular, is a critical differentiating factor for our business. Our inability to develop products that resonate with our existing customers and attract new customers, our inability to maintain our strict quality standards or to develop, produce and deliver products in a timely manner, or any unfavorable publicity with respect to the foregoing or otherwise could negatively impact the image of our brand with our customers and could result in diminished loyalty to our brand. As customer tastes change, our failure to anticipate, identify and react in a timely manner to emerging fashion trends and appropriately supply our stores, catalogs and websites with attractive high-quality products that maintain or enhance the appeal of our brand could have an adverse effect on our sales, operating margins and results of operations.

If we cannot compete effectively in the apparel industry, our business and results of operations may be adversely affected.

The apparel industry is highly competitive. We compete with a diverse group of direct-to-consumer companies and retailers, including national department store chains, women's and men's specialty apparel chains, outdoor specialty stores, apparel catalog businesses, sportswear marketers and online apparel businesses that sell similar lines of merchandise. Brand image, marketing, design, price, service, quality, image presentation and fulfillment are all competitive factors. Our competitors may be able to adopt more aggressive pricing policies, adapt to changes in customer tastes or requirements more quickly, devote greater resources to the design, sourcing, distribution, marketing and sale of their products, or generate greater national brand recognition than we can. An inability to overcome these potential competitive disadvantages or effectively market our products relative to our competitors could have an adverse effect on our business and results of operations. Similarly, our inability to market and sell our products in foreign jurisdictions could have an adverse effect on our business and results of operations.

The success of our business, depends on customers' use of our digital platform, including our eCommerce websites, and response to direct mail catalogs and digital marketing; if our overall marketing strategies, including our maintenance of a robust customer list, is not successful, our business and results of operations could be adversely affected.

The success of our business depends on customers' use of our eCommerce websites and their response to our direct mail catalogs and digital marketing.

The level of customer traffic and volume of customer purchases on our eCommerce websites is substantially dependent on our ability to provide attractive and accessible websites, a high-quality customer experience and reliable delivery of our merchandise. Although the success of our eCommerce websites also has historically been dependent on the performance of our direct mail catalogs, our strategy includes initiatives that are intended to improve marketing productivity and optimize catalog productivity. If we are unable to maintain and increase customer traffic to our eCommerce websites and the volume of goods they purchase, including, as a result of changes to the level and types of marketing or amount of spend allocated to each type of marketing, or through our failure to otherwise successfully promote and maintain our eCommerce websites and their associated services, our business and results of operations could be adversely affected.

Customer response to our catalogs and digital marketing is substantially dependent on merchandise assortment, merchandise availability and creative presentation, as well as the selection of customers to whom our catalogs are sent and to whom our digital marketing is directed, changes in mailing strategies and the size of our mailings. Our maintenance of a robust customer list, which we believe includes desirable demographic characteristics for the products we offer, has also been a key component of our overall strategy. If the performance of our catalogs, emails and eCommerce websites decline, or if our overall marketing strategy is not successful, our business and results of operations could be adversely affected.

Our approach to merchandise promotions and markdowns to encourage consumer purchases could adversely affect our gross margins and results of operations.

The apparel industry is dominated by large brands and national/mass retailers, where price competition, promotion, and branded product assortment drive differentiation between competitors in the industry. In order to be competitive, we must offer customers compelling products at attractive prices. In recent periods, the use of promotions and markdowns, as appropriate, is a strategy we have employed to offer attractive prices. Heavy reliance on promotions and markdowns to encourage customers to purchase our merchandise, could have a negative impact on our brand equity, gross margins and results of operations.

Our efforts to expand our channels and geographic reach may not be successful.

Our strategy includes initiatives to further our reach in the United States and in a number of countries throughout the world, through various channels and brands, including through relationships with third party eCommerce marketplaces. We have limited experience operating in many of these locations and with third parties, and face major, established competitors and barriers to entry. We may seek additional business partners or licensees to assist us in these efforts however may not be successful in establishing such relationships. Moreover, consumer tastes and trends may differ in many of these locations from those in our existing locations, and as a result, the sales of our products may not be successful or profitable. If our expansion efforts are not successful or do not deliver an appropriate return on our investments, our business could be adversely affected.

Our implementation of information technology systems could result in significant disruptions to our operations.

Our strategic initiatives include implementing information technology systems, support, and infrastructure enhancements to provide improved capabilities to better serve our customers and accommodate future growth. Implementation of these systems is highly dependent on coordination of numerous software, hardware and cloud-based system providers and internal business teams. The interdependence between information technology systems is a significant risk and the failure of any one system could have a material adverse effect on the implementation of our overall information technology infrastructure. Additionally, the deployment of new technology systems, may require substantial investments in our infrastructure and network. As we deploy, update and make enhancements, we must, among other things, continue to:

- Update internal controls and operational processes as implementation progresses
- Recruit and train qualified personnel to assist with change management
- Conduct, manage and control routine business functions

Any difficulties encountered in completing these activities, as well as problems in technical resources, system performance or system adequacy, including loss or corruption of data, could delay implementation and deployment of new technologies, delayed shipments, decreases in productivity as our personnel and third-party providers implement and become familiar with new systems. Failure to successfully deploy new technologies, enhancements of the infrastructure in a cost-effective manner, and in a manner that satisfies consumers' expectations, could have an adverse effect on our business, business prospects, financial condition or results of operations.

We depend on information technology and a failure of information technology systems, including with respect to our eCommerce operations, or an inability to effectively upgrade or adapt our systems could adversely affect our business.

We rely on sophisticated information technology systems to operate our business, including the eCommerce websites that drive our direct-to-consumer, Outfitters, and international sales channels and in-store/point-of-sale systems, inventory management, warehouse management, financial and human resources. Some of these systems are based on end-of-life or legacy technology, operate with minimal or no vendor support and are otherwise difficult to maintain. Our systems are subject to damage or interruption from power outages, computer and telecommunications failures, computer viruses, security breaches, catastrophic events such as fires, tornadoes and hurricanes, and usage errors by our employees or vendors. Operating legacy systems subjects us to inherent costs and risks associated with maintaining, upgrading and replacing these systems and recruiting and retaining sufficiently skilled personnel to maintain and operate the systems, demands on management time, and other risks and costs. Our eCommerce websites are subject to numerous risks associated with selling merchandise that could have an adverse effect on our results of operations, including unanticipated operating problems, reliance on third-party computer hardware and software providers, system failures and the need to invest in additional and updated computer platforms.

Our information technology systems are potentially vulnerable to malicious intrusion and targeted or random attack or breakdown. Although we have invested in the protection of our data and information technology and monitor our systems on an ongoing basis, there can be no assurance that these efforts will prevent breakdowns or breaches in our information technology systems that could adversely affect our business.

Our success depends, in part, on our ability to identify, develop, acquire or license leading technologies useful in our business, enhance our existing services, develop new services and technologies that address the increasingly sophisticated and varied needs of our existing and prospective customers, and respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. The development and operation of our eCommerce websites and other proprietary technology entails significant technical and business risks. We can provide no assurance that we will be able to effectively use new technologies or adapt our eCommerce websites, proprietary technologies and transaction-processing systems to meet customer requirements or emerging industry standards. If we are unable to accurately project the need for such system expansion or upgrade or adapt our systems in a cost-effective and timely manner in response to changing market conditions or customer requirements, whether for technical, legal, financial or other reasons, our business and results of operations could be adversely affected.

If we do not maintain the security of customer, employee or company information, we could experience damage to our reputation, incur substantial additional costs and become subject to litigation.

The regulatory environment related to information security and privacy is increasingly rigorous, with new and constantly changing requirements applicable to our business, and compliance with those requirements could result in additional costs. We could be held liable to our customers or other parties or be subject to regulatory or other actions for breaching privacy and information security laws and regulations, and our business and reputation could be adversely affected by any resulting loss of customer confidence, litigation, civil or criminal penalties or adverse publicity.

Any significant compromise or breach of customer, employee or company data security, whether held and maintained by us or by our third-party providers, or whether intentional or inadvertent, could significantly damage our reputation and result in additional costs, lost sales, fines and lawsuits. There is no guarantee that the procedures that Lands' End or our third-party providers have implemented to protect against unauthorized access to secured data are adequate to safeguard against all data security breaches.

The payment methods that we offer also subject us to potential fraud and theft by criminals, who continue to increase in sophistication, seeking to obtain unauthorized access to or exploit weaknesses that may exist in the payment systems. If we fail to comply with applicable rules or requirements for the payment methods we accept, or if payment-related data is compromised due to a breach or misuse of data, it could significantly damage our reputation, we may have higher transaction fees, be subject to fines or our ability to accept or facilitate certain types of payments may be impaired. In addition, our customers could lose confidence in certain payment types, which may result in a shift to other payment types or potential changes to our payment systems that may result in higher costs.

We conduct business in and rely on sources for merchandise located in foreign markets, and our business may therefore be adversely affected by legal, regulatory, economic and political risks associated with international trade and those markets.

The majority of our merchandise is manufactured in Asia and South America, depending on the nature of the product mix. In Fiscal 2019, we worked with approximately 145 vendors that manufactured substantially all of our products. These products are either imported directly by us or indirectly by distributors who, in turn, sell products to us. We purchase, in the ordinary course of business, raw materials and supplies essential to our operations from numerous suppliers around the world, including suppliers in the United States. Any increase in the cost of merchandise purchased from these vendors or restrictions on the merchandise made available by these vendors could have an adverse effect on our business and results of operations.

We also sell our products in Canada, Europe and Japan, and we may develop a sales presence in other international markets. Our reliance on vendors in foreign markets and the marketing of products to customers in foreign markets creates risks inherent in doing business in foreign jurisdictions, including:

- the burdens of complying with a variety of foreign laws and regulations, including trade and labor restrictions;
- economic and political instability in the countries and regions where our customers or vendors are located;
- adverse fluctuations in currency exchange rates;

- compliance with United States and other country laws relating to foreign operations, including the Foreign Corrupt Practices Act, which prohibits United States companies from making improper payments to foreign officials for the purpose of obtaining or retaining business, and the U.K. Bribery Act, which prohibits U.K. and related companies from any form of bribery;
- changes in United States and non-United States laws (or changes in the enforcement of those laws) affecting the importation and taxation of goods, including duties, tariffs and quotas, enhanced security measures at United States ports, or imposition of new legislation relating to import quotas;
- increases in shipping, labor, fuel, travel and other transportation costs;
- the imposition of anti-dumping or countervailing duty proceedings resulting in the potential assessment of special anti-dumping or countervailing duties;
- transportation delays and interruptions, including due to the failure of vendors or distributors to comply with import regulations; and
- political instability and acts of terrorism.

Changes in tariffs in the United States that may have an impact on the trading status of certain countries and may include retaliatory duties or other trade sanctions that, if enacted, would increase the cost of products purchased from suppliers in such countries with which we do business. Any inability on our part to rely on our foreign sources of production due to any of the factors listed above could have an adverse effect on our business, results of operations and financial condition.

The United Kingdom's exit from the European Union will continue to have uncertain effects and could adversely impact our business, results of operations and financial condition.

The United Kingdom withdrew from the European Union effective as of January 31, 2020, and is now in a period of transition until the end of 2020. The transition period maintains all existing trading arrangements. During the transition period, the United Kingdom and European Union will negotiate future trading arrangements. There is considerable uncertainty around Brexit and volatility in the securities markets, and in currency exchange rates, may continue. The effects of Brexit on the economies of the European Union are also unknown and unpredictable. If a treaty governing movement of goods from the United Kingdom into the European Union is not negotiated, we could incur additional costs fulfilling orders in Europe, which could adversely affect our business.

Deterioration of relationships with our vendors and/or the failure of our new merchandise sourcing initiatives could have an adverse effect on our competitive position and operational results.

We have long standing relationships with the vendors that supply a significant portion of our merchandise, but do not operate under long-term agreements. Therefore, our success relies on maintaining good relations with these vendors. Our growth strategy depends to a significant extent on the willingness and ability of our vendors to efficiently supply merchandise that is consistent with our standards for quality and value. In the event we engage new vendors, it may cause us to encounter delays in production and added costs as a result of the time it takes to train our vendors in producing our products and adhering to our standards. If we cannot obtain a sufficient amount and variety of quality product at acceptable prices it could have a negative impact on our competitive position. This could result in lower revenues and decreased customer interest in our product offerings, which, in turn, could adversely affect our business and results of operations.

Our arrangements with our vendors are generally not exclusive. As a result, our vendors might be able to sell similar or identical products to certain of our competitors, some of which purchase products in significantly greater volume. Our competitors may enter into arrangements with suppliers that could impair our ability to sell those suppliers' products, including by requiring suppliers to enter into exclusive arrangements, which could limit our access to such arrangements or products.

Our merchandising sourcing strategies increase the efficiency and responsiveness of our supply chain and include both vendor rationalization and vendor productivity. In the event these strategies are unsuccessful our business could be adversely affected.

If we do not efficiently manage inventory levels, our results of operations could be adversely affected.

We must maintain sufficient inventory levels to operate our business successfully, but we must also avoid accumulating excess inventory, which increases working capital needs and lowers gross margins. We obtain substantially all of our inventory from vendors located outside the United States. Some of these vendors require lengthy advance notice of order requirements in order to be able to supply products in the quantities requested. This usually requires us to order merchandise and enter into commitments for the purchase of such merchandise well in advance of the time these products will be offered for sale, which makes responding to changing markets challenging. If we do not accurately anticipate the future demand for a particular product or the time it will take to obtain new inventory, inventory levels will not be appropriate, and our results of operations could be adversely affected.

Our growth initiatives include the expansion of Company Operated stores which may not be successful and as a result our business and results of operations could be adversely affected.

The opening of Company Operated stores is part of our retail strategy which includes the design and implementation of a standardized store concept in our new store locations. The strategy is dependent on our ability to identify appropriate locations for the stores and attract customers with a compelling assortment. Once a location is identified, we must successfully negotiate lease terms, manage the store build out and recruit and hire store management and associates. In addition, this strategy will require us to implement retail-specific marketing plans, and enhance inventory management skills specific to Retail, such as those related to allocation and replenishment of product. We may be unable to open retail stores in desired locations, on terms that are acceptable to us, due to availability. If customers are not receptive of our new store concept, projected store sales and profitability may suffer.

The success of this strategy is also dependent on our ability to generate customer traffic by locating our new stores in prominent, successful shopping areas. Sales at these new stores will be derived from the volume of traffic. Our sales volume and store traffic generally may be adversely affected by, among other things, economic downturns in a particular area, competition from other retailers and the closing or decline in popularity of other stores in the vicinity in which we are located.

If we fail to timely and effectively obtain shipments of products from our vendors and deliver merchandise to our customers, our business and operating results could be adversely affected.

We do not own or operate any manufacturing facilities and therefore depend upon independent third-party vendors for the manufacture of our merchandise. We cannot control all of the various factors that might affect timely and effective procurement of supplies of product from our vendors and delivery of merchandise to our customers. A majority of the products that we purchase must be shipped to our distribution centers in Dodgeville, Reedsburg and Stevens Point, Wisconsin; Oakham, United Kingdom; and Fujieda, Japan. While our reliance on a limited number of distribution centers provides certain efficiencies, it also makes us more vulnerable to unforeseen causes that could delay or impair our ability to fulfill customer orders and/or ship merchandise to our stores. Our ability to mitigate the adverse impacts of these events depends in part upon the effectiveness of our disaster preparedness and response planning, as well as business continuity planning. Our utilization of imports also makes us vulnerable to risks associated with products manufactured abroad, including, among other things, risks of damage, destruction or confiscation of products while in transit to a distribution center, organized labor strikes and work stoppages, transportation and other delays in shipments, including as a result of heightened security screening and inspection processes or other port-of-entry limitations or restrictions in the United States, the United Kingdom (including as a result of Brexit) and Japan, unexpected or significant port congestion, lack of freight availability and freight cost increases. In addition, if we experience a shortage of a popular item, we may be required to arrange for additional quantities of the item, if available, to be delivered through airfreight, which is significantly more expensive than standard shipping by sea. We may not be able to obtain sufficient freight capacity on a timely basis or at favorable shipping rates and, therefore, may not be able to timely receive merchandise from vendors or deliver products to customers.

We rely upon third-party land-based and air freight carriers for merchandise shipments from our distribution centers to customers. Accordingly, we are subject to the risks, including labor disputes, union organizing activity, inclement weather and increased transportation costs, associated with such carriers' ability to provide delivery services to meet outbound shipping needs. In addition, if the cost of fuel rises or remains at current levels, the cost to deliver merchandise from distribution centers to customers may rise, and, although some of these costs are paid by our customers, such costs could have an adverse impact on our profitability. Failure to procure and deliver merchandise to customers in a timely, effective and economically viable manner could damage our reputation and adversely affect our business. In addition, any increase in distribution costs and expenses could adversely affect our future financial performance.

If our independent vendors do not use ethical business practices or comply with applicable regulations and laws, our reputation could be materially harmed and have an adverse effect on our business and results of operations.

Our reputation and customers' willingness to purchase our products depend in part on our vendors' compliance with ethical employment practices, such as with respect to child labor, wages and benefits, forced labor, discrimination, freedom of association, unlawful inducements, safe and healthy working conditions, and with all legal and regulatory requirements relating to the conduct of their business and safety standards of materials. While we operate compliance and monitoring programs to promote ethical and lawful business practices and verify compliance with safety standards, we do not exercise ultimate control over our independent vendors or their business practices and cannot guarantee their compliance with ethical and lawful business practices and safety standards. Violation of labor, safety, or other laws by vendors, or the divergence of a vendor's labor and safety practices from those generally accepted as ethical in the United States could materially hurt our reputation and force recalls of product, which could have an adverse effect on our business and results of operations.

If we are unable to protect or preserve the image of our brands, our reputation and our intellectual property rights, our business may be adversely affected.

We regard our copyrights, service marks, trademarks, trade dress, trade secrets and similar intellectual property as critical to our success. As such, we rely on trademark and copyright law, trade secret protection and confidentiality agreements with our associates, consultants, vendors and others to protect our proprietary rights. Nevertheless, the steps we take to protect our proprietary rights may be inadequate and we may experience difficulty in effectively limiting unauthorized use of our trademarks and other intellectual property worldwide. Unauthorized use of our trademarks, copyrights, trade secrets or other proprietary rights may cause significant damage to our brands and our ability to effectively represent ourselves to agents, suppliers, vendors, licensees and/or customers. While we intend to enforce our trademark and other proprietary rights, there can be no assurance that we are adequately protected in all countries or that we will prevail when defending our trademark and proprietary rights. If we are unable to protect or preserve the value of our trademarks or other proprietary rights for any reason, our brands and reputation could be damaged, and our business may be adversely affected.

Additionally, our efforts to pursue licensing and wholesaling activities with third parties increases risk of brand damage. If third parties do not adhere to our standards or if we fail to maintain the image of our brands due to merchandise and service quality issues, actual or perceived, adverse publicity, governmental investigations or litigation, or other reasons, our brands and reputation could be damaged, and our business may be adversely affected.

Third parties may sue us for alleged infringement of their proprietary rights. The party claiming infringement might have greater resources than we do to pursue its claims, and we could be forced to incur substantial costs and devote significant management resources to defend against such litigation. If the party claiming infringement were to prevail, we could be forced to discontinue the use of the related trademark or design, pay significant damages, or enter into expensive royalty or licensing arrangements with the prevailing party, assuming these royalty or licensing arrangements are economically feasible, which they may not be.

Fluctuations and increases in the cost, availability, and quality of raw materials as well as fluctuations in transportation and utility costs could adversely affect our business and results of operations.

Our products are manufactured using several key raw materials, including wool, cotton and down, which are subject to fluctuations in price and availability and many of which are produced in emerging markets in Asia and Central America. The prices of these raw materials can be volatile due to the demand for fabrics, weather conditions, supply conditions, government regulations, general economic conditions, crop yields and other unpredictable factors. Such factors may be exacerbated by legislation and regulations associated with global climate change. The prices of these raw materials may also fluctuate based on a number of other factors beyond our control, including commodity prices such as prices for oil, changes in supply and demand, labor costs, competition, import duties, tariffs, anti-dumping duties, currency exchange rates and government regulation. These fluctuations may result in an increase in our transportation costs for freight and distribution, utility costs for our retail stores and overall costs to purchase products from our vendors. Fluctuations in the cost, availability and quality of the raw materials used to manufacture our merchandise could have an adverse effect on our cost of goods, or our ability to meet customer demand.

Inventory shrinkage could have a material adverse effect on our business, financial condition and results of operations.

We hold high volumes of inventory and are subject to the attendant risks of inventory loss, spoilage, shrink, scrap and theft (which we collectively refer to as "shrinkage"). Although some level of inventory shrinkage is an unavoidable cost of doing business, if we were to experience higher rates of inventory shrinkage or incur increased security costs to combat inventory theft, it could have a material adverse effect on our business, financial condition and results of operations.

We rely on third parties to provide us with services in connection with certain aspects of our business, and any failure by these third parties to perform their obligations could have an adverse effect on our business and results of operations.

We have entered into agreements with third parties for logistics services, information technology systems (including hosting some of our eCommerce websites), onshore and offshore software development and support, merchandise buying agent services, catalog production, distribution and packaging and employee benefits. Services provided by any of our third-party suppliers could be interrupted as a result of many factors, such as acts of nature or contract disputes. Any failure by a third party to provide us with contracted-for services on a timely basis or within service level expectations and performance standards could result in a disruption of our business and have an adverse effect on our business and results of operations.

We may be subject to periodic litigation and other regulatory proceedings, including with respect to product liability claims. These proceedings may be affected by changes in laws and government regulations or changes in their enforcement.

From time to time, we may be involved in lawsuits and regulatory actions relating to our business or products we sell or have sold. These proceedings may be in jurisdictions with reputations for aggressive application of laws and procedures against corporate defendants. We are impacted by trends in litigation, including class-action allegations brought under various consumer protection and employment laws, including wage and hour laws, privacy laws, and laws relating to eCommerce. Due to the inherent uncertainties of litigation and regulatory proceedings, we cannot accurately predict the ultimate outcome of any such proceedings. An unfavorable outcome could have an adverse effect on our business and results of operations. Regardless of the outcome of any litigation or regulatory proceedings, any such proceeding could result in substantial costs and may require that we devote substantial resources to defend the proceeding, which could affect the future premiums we would be required to pay on our insurance policies. Changes in governmental regulations could also have adverse effects on our business and subject us to additional regulatory actions.

Some of the products we sell may expose us to product liability claims relating to personal injury, death or property damage allegedly caused by these products, and could require us to take corrective actions, including product recalls. Although we maintain liability insurance, there is no guarantee that our current or future coverage will be adequate for liabilities actually incurred, or that insurance will continue to be available on economically reasonable terms, or at all. Product liability claims can be expensive to defend and can divert the attention of management and other personnel for significant periods, regardless of the ultimate outcome. Claims of this nature, as well as product recalls, could also have an adverse effect on customer confidence in the products we sell and, on our reputation, business and results of operations.

We could incur charges due to impairment of goodwill, other intangible assets and long-lived assets.

As of January 31, 2020, we had goodwill and intangible asset balances totaling $367.0 million, which are subject to testing for impairment annually or more frequently if events or changes in circumstances indicate that the asset might be impaired. Our intangible assets consist of trade name of $257.0 million and goodwill of $110.0 million. Any event that impacts our reputation could result in impairment charges for our trade name. Long-lived assets, primarily property and equipment, are also subject to testing for impairment if events or changes in circumstances indicate that the asset might be impaired. A significant amount of judgment is involved in our impairment assessment. If actual results fall short of our estimates and assumptions used in estimating revenue growth, future cash flows and asset fair values, we could incur further impairment charges for intangible assets, goodwill or long-lived assets, which could have an adverse effect on our results of operations.

Our business is seasonal in nature, and any decrease in our sales or margins could have an adverse effect on our business and results of operations.

Our business is highly seasonal, with the highest levels of sales occurring during the fourth quarter of our fiscal year. Our sales and margins during the fourth quarter may fluctuate based upon factors such as the timing of holiday seasons and promotions, the amount of net revenue contributed by new and existing stores, the timing and level of markdowns, competitive factors, weather and general economic conditions. Any decrease in sales or margins, whether as a result of increased promotional activity or because of economic conditions, poor weather or other factors, could have an adverse effect on our business and results of operations. In addition, seasonal fluctuations also affect our inventory levels, since we usually order merchandise in advance of peak selling periods. We generally carry a significant amount of inventory, especially before the fourth quarter peak selling periods. If we are not successful in selling inventory during these periods, we may have to sell the inventory at significantly reduced prices, which could adversely affect our business and results of operations. Furthermore, with the seasonal nature of our business, over 2,000 flexible part-time employees join us each year to support our varying peak seasons, including the fourth quarter holiday shopping season. An inability to attract qualified seasonal personnel could interrupt our sales during this period.

Unseasonal or severe weather conditions may adversely affect our merchandise sales.

Our business is adversely affected by unseasonal weather conditions. Sales of certain seasonal apparel items, specifically outerwear and swimwear, are dependent, in part, on the weather and may decline in years in which weather conditions do not favor the use of these products. Sales of our spring and summer products, which traditionally consist of lighter clothing and swimwear, are adversely affected by cool or wet weather. Similarly, sales of our fall and winter products, which are traditionally weighted toward outerwear, are adversely affected by mild, dry or warm weather. In addition, severe weather events typically lead to temporarily reduced traffic at our retail locations which could lead to reduced sales of our merchandise. Severe weather events may impact our ability to supply our stores, deliver orders to customers on schedule and staff our stores and distribution centers, which could have an adverse effect on our business and results of operations.

Our failure to retain our executive management team and to attract qualified new personnel could adversely affect our business and results of operations.

We depend on the talents and continued efforts of our executive management team. The loss of members of our executive management may disrupt our business and adversely affect our results of operations. Furthermore, our ability to manage further expansion will require us to continue to train, motivate and manage employees and to attract, motivate and retain additional qualified personnel. We believe that having personnel who are passionate about our brand, have industry experience and have strong customer service skills has been an important factor in our historical success, and we believe that it will continue to be important to growing our business. Competition for these types of personnel is intense, and we may not be successful in attracting, assimilating and retaining the personnel required to grow and operate our business profitably.

Increases in postage, paper and printing costs could adversely affect the costs of producing and distributing our catalog and promotional mailings, which could have an adverse effect on our business and results of operations.

Catalog mailings are a key aspect of our business and marketing efforts. Increases in costs relating to postage, paper and printing would increase the cost of our catalog mailings and could reduce our profitability to the extent that we are unable to offset such increases by raising prices, by implementing more efficient printing, mailing, delivery and order fulfillment systems or by using alternative direct-mail formats.

We currently use the national mail carriers for distribution of substantially all of our catalogs and are therefore vulnerable to postal rate increases. The current economic and legislative environments may lead to further rate increases or a discontinuation of the discounts for bulk mailings and sorting by zip code and carrier routes which Lands' End currently leverages for cost savings.

Paper for catalogs and promotional mailings is a vital resource in the success of our business. The market price for paper has fluctuated significantly in the past and may continue to fluctuate in the future. In addition, future pricing and supply availability of catalog paper may be impacted by the continued consolidation or closings of production facilities in the United States. We do not have multi-year fixed-price contracts for the supply of paper and are not guaranteed access to, or reasonable prices for, the amounts required for the operation of our business over the long term.

We also depend upon external vendors to print and mail our catalogs. Partially due to the consolidation of printing companies, there is a limited number of printers that are capable of handling such needs which subjects us to risks if any printer fails to perform as required. A substantial amount of our catalog-related costs are incurred prior to mailing, and we are not able to adjust the costs of a particular catalog mailing to reflect the actual subsequent performance of the catalog.

We may be subject to assessments for additional state taxes, which could adversely affect our business.

In accordance with current law, we pay, collect and/or remit taxes for Federal State and local and foreign taxing jurisdictions where we are required by law. While we believe that we have appropriately remitted all taxes based on our interpretation of applicable law, tax laws are complex, and their application differs by taxing jurisdiction.

An increasing number of taxing jurisdictions may attempt to assess additional taxes and penalties on us or assert an error in our calculation. These include new obligations to collect sales, consumption, value added, or other taxes on online marketplaces and remote sellers, or other requirements that may result in liability for third party obligations. A change in the application of law, or an interpretation of the law that differs from our own may, if successful, adversely affect our business and results of operations.

On June 21, 2018, the U.S. Supreme Court decided, in *South Dakota v. Wayfair, Inc.*, that state and local jurisdictions may, at least in certain circumstances, enforce a sales and use tax collection obligation on remote vendors that have no physical presence in such jurisdiction. A number of states have begun, or have positioned themselves to begin, requiring sales and use tax collection by remote vendors and/or by online marketplaces. The details and effective dates vary from state to state. We continue to monitor these developments and how our collection and remittance requirements will need to change in the relevant jurisdictions. It is possible that one or more jurisdictions may assert that we have liability for periods for which we have not collected sales, use or other similar taxes, and if such an assertion or assertions were successful it could result in substantial tax liabilities, including for past sales taxes and penalties and interest, which could materially affect our business, financial condition and operating results.

Other factors may have an adverse effect on our business, results of operations and financial condition.

Many other factors may affect our profitability and financial condition, including:

- changes in or interpretations of laws and regulations, including changes in accounting standards, taxation requirements, product marketing application standards and environmental laws;
- differences between the fair value measurement of assets and liabilities and their actual value, particularly for intangibles and goodwill; and for contingent liabilities such as litigation, the absence of a recorded amount, or an amount recorded at the minimum, compared to the actual amount;

- changes in the rate of inflation, interest rates and the performance of investments held by us;
- changes in the creditworthiness of counterparties that transact business with or provide services to us; and
- changes in business, economic and political conditions, including war, political instability, terrorist attacks, the threat of future terrorist activity and related military action; natural disasters; the cost and availability of insurance due to any of the foregoing events; labor disputes, strikes, slow-downs or other forms of labor or union activity; and pressure from third-party interest groups.

ESL, whose interests may be different from the interests of other stockholders, may be able to exert substantial influence over our company.

According to an amendment to Schedule 13D filed on December 19, 2019 with the SEC, ESL beneficially owned on the filing date 63.3% of our outstanding shares of common stock. Accordingly, ESL could have substantial influence over many, if not all, actions to be taken or approved by our stockholders, and will have a significant voice in the election of directors and any transactions involving a change of control. The interests of ESL, which has investments in other companies (including Sears Holdings and Transform Holdco), may from time to time diverge from the interests of our other stockholders.

Potential liabilities may arise related to the Separation, which could have an adverse effect on our financial condition and our results of operations.

The Official Committee of Unsecured Creditors of Sears Holdings Corporation has filed a lawsuit against ESL, former Sears directors and others alleging that several transactions, including the Separation, can be avoided as fraudulent transfers, and attacking the Separation and the decision to undertake the Separation on other similar theories of liability. If a court were to determine that the Separation was voidable, in whole or in part, then subject to various defenses, the court might require ESL or other recipients of value received in connection with the Separation (potentially including our stockholders as recipients of shares of our common stock in connection with the Separation), to return some or all of the property received, or enter judgment against the recipient in the amount of the some or all of the value received. If any of the agreements we entered into with Sears as part of the Separation (or payments we received thereunder) are challenged and avoided, subject to various defenses, the court might require us to return some or all of the property received, or enter judgment against us in the amount of the some or all of the value received, under or in connection with those agreements.

Our leverage may place us at a competitive disadvantage in our industry. The agreements governing our debt contain various covenants that impose restrictions on us that may affect our ability to operate our business.

We have significant debt service obligations. Our debt and debt service requirements could adversely affect our ability to operate our business and may limit our ability to take advantage of potential business opportunities. Our level of debt presents the following risks, among others:

- we could be required to use a substantial portion of our cash flow from operations to pay principal (including amortization) and interest on our debt, thereby reducing the availability of our cash flow to fund working capital, capital expenditures, strategic acquisitions and other general corporate requirements or causing us to make non-strategic divestitures;
- our substantial leverage could increase our vulnerability to economic downturns and adverse competitive and industry conditions and could place us at a competitive disadvantage compared to those of our competitors that are less leveraged;
- our interest expense could increase if prevailing interest rates increase, because a substantial portion of our debt bears interest at variable rates;

- our debt service obligations could limit our flexibility in planning for, or reacting to, changes in our business, our industry and changing market conditions and could limit our ability to pursue other business opportunities, borrow more money for operations or capital in the future and implement our business strategies;
- our level of debt may restrict us from raising additional financing on satisfactory terms to fund working capital, capital expenditures, strategic acquisitions and other general corporate requirements;
- the agreements governing our debt contain covenants that limit our ability to pay dividends or make other restricted payments and investments;
- the agreements governing our debt contain operating covenants that limit our ability to engage in activities that may be in our best interests in the long term, including, without limitation, by restricting our subsidiaries' ability to incur debt, create liens, enter into transactions with affiliates or prepay certain kinds of indebtedness; and
- the failure to comply with these covenants could result in an event of default which, if not cured or waived, could result in the acceleration of the applicable debt, may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies, and in the event our creditors accelerate the repayment of our borrowings, we and our subsidiaries may not have sufficient assets to repay that debt.

We may need additional financing in the future for our general corporate purposes or growth strategies and anticipate the need to refinance our long term debt and such financing may not be available on favorable terms, or at all, and may be dilutive to existing stockholders.

We may need to seek additional financing for our general corporate purposes or growth strategies. In addition, we anticipate the need to refinance some, or all, of the Term Loan that is due in April 2021. We may be unable to obtain any desired additional financing or refinance the Term Loan on terms favorable to us, or at all, depending on market and other conditions. The ability to raise additional financing depends on numerous factors that are outside of our control, including general economic and market conditions, the health of financial institutions, our credit ratings and lenders' assessments of our prospects and the prospects of the retail industry in general, all of which may be impacted by the COVID-19 pandemic. The lenders under any credit facilities or loan agreements we may enter into may not be able to meet their commitments if they experience shortages of capital and liquidity. If we raise additional funds through the issuance of equity securities, our stockholders could experience dilution of their ownership interest. If we raise additional funds by issuing debt, we may be subject to limitations on our operations due to restrictive covenants. If adequate funds are not available on acceptable terms, we may be unable to fund our expansion, successfully develop or enhance our products, or respond to competitive pressures, any of which could negatively affect our business. There can be no assurance that our ability to otherwise access the credit markets will not be adversely affected by changes in the financial markets and the global economy. If we are not able to fulfill our liquidity needs through operating cash flows and/or borrowings under credit facilities or otherwise in the capital markets, our business and financial condition would be adversely affected.

Our common stock price may decline if ESL decides to sell a portion of its holdings of our common stock.

ESL will, in its sole discretion, determine the timing and terms of any transactions with respect to its shares common stock of the Company, taking into account business and market conditions and other factors that it deems relevant. ESL is not subject to any contractual obligation to maintain its ownership position in us, although it may be subject to certain transfer restrictions imposed by securities law. Consequently, we cannot assure you that ESL will maintain its ownership interest in us. Any sale by ESL of our common stock or any announcement by ESL that it has decided to sell shares of our common stock, or the perception by the investment community that ESL has sold or decided to sell shares of our common stock, could have an adverse impact on the price of our common stock.

Our share price may be volatile.

The market price of our common stock may fluctuate significantly due to a number of factors, some of which may be beyond our control, including:

- actual or anticipated fluctuations in our operating results;
- changes in earnings estimated by securities analysts or our ability to meet those estimates;
- the operating and stock price performance of comparable companies;
- changes to the regulatory and legal environment under which we operate; and
- domestic and worldwide economic conditions.

Further, when the market price of a company's common stock drops significantly, stockholders often initiate securities class action lawsuits against the company. A lawsuit against Lands' End could cause us to incur substantial costs and could divert the time and attention of our senior management and other resources.

Your percentage ownership in Lands' End may be diluted in the future.

In the future, your percentage ownership in Lands' End may be diluted because of equity issuances for acquisitions, strategic investments, capital market transactions or otherwise, including equity awards that we may grant to our directors, officers and employees. The Compensation Committee of our Board of Directors may grant additional stock-based awards to our employees, which would have a dilutive effect on our earnings per share, and which could adversely affect the market price of our common stock.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. PROPERTIES

Facilities and Store Locations

We own or lease domestic and international properties used as offices, customer sales/service centers, distribution centers and retail stores. We believe that our existing facilities are well maintained and are sufficient to meet our current needs. We review all leases set to expire in the short term to determine the appropriate action to take with respect to them, including moving or closing stores or entering into new leases.

Domestic Headquarters, Customer Service and Distribution Properties

The headquarters for our business is located on an approximately 200 acre campus in Dodgeville, Wisconsin. The Dodgeville campus includes approximately 1.7 million square feet of building space between eight different buildings that are all owned by Lands' End. The primary functions of these buildings are customer sales/service, distribution center and corporate headquarters. We also own customer sales/service and distribution centers in Reedsburg and Stevens Point, Wisconsin.

International Office, Customer Service and Distribution Properties

We own a distribution center and customer sales/service center in Oakham, United Kingdom that supports our northern European business. We lease two buildings in Mettlach, Germany for customer sales/service center supporting our central European business. We also lease office space in Shin Yokohama, Japan for a customer sales/service center as well as general administrative offices and a distribution center in Fujieda, Japan.

Lands' End Retail Properties

As of January 31, 2020, our U.S. retail footprint consists of 25 Company Operated stores. The U.S. retail stores average approximately 7,500 square feet. Additionally, we have one smaller school uniform showroom that is used for fittings.

ITEM 3. 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.

Lands' End is the defendant in four separate lawsuits, each of which seeks class certification and alleges similar injuries and claims: (1) *DeCrescentis et al., v. Lands' End, Inc.*, United States District Court for the Southern District of New York, Civil Action No. l 9-cv- 4717-LJL, complaint filed May 22, 2019; (2) *Gilbert et al. v. Lands' End, Inc.*, United States District Court for the Western District of Wisconsin, Civil Action No. 3:19-cv-00823-JDP, complaint filed October 3, 2019; (3) *Andrews et al. v. Lands' End, Inc.*, United States District Court for the Western District of Wisconsin, Civil Action No. 3:19-cv-01066-JDP, complaint filed on December 31, 2019, on behalf of 521 named plaintiffs, later amended to include 1,089 named plaintiffs; and (4) *Davis et al. v. Lands' End, Inc. and Lands' End Business Outfitters, Inc.*, United States District Court for the Western District of Wisconsin, Case No. 3:20-cv-00195, complaint filed on March 4, 2020. Plaintiffs in *DeCrescentis* seeks class certification for similarly situated New York-based Delta Airlines flight attendants, gate agents, and ramp agents. Plaintiffs in *Gilbert, Andrews*, and *Davis* seek nationwide class certification on behalf of similarly situated Delta employees.

Plaintiffs in *DeCrescentis* and *Gilbert* allege they have suffered adverse health events and personal property damage as a result of wearing uniforms manufactured by Lands' End. *Andrews* and *Davis* plaintiffs assert personal injuries due to adverse health effects but do not allege personal property damage. The *DeCrescentis* matter is currently in discovery.

Plaintiffs in *DeCrescentis*, *Gilbert*, and *Davis* each assert that the damages sustained by the members of the proposed class exceed $5,000,000. Plaintiffs in all four cases seek damages for personal injuries, pain and suffering, severe emotional distress, financial or economic loss, including medical services and expenses, lost income and other compensable injuries.

On March 9, 2020, Plaintiffs in *Gilbert, Andrews*, and *Davis* filed a motion to consolidate the three case schedules. Lands' End has filed a motion in opposition of consolidation. Further, in *Gilbert*, Lands' End has filed a motion to strike class allegations.

Lands' End is vigorously defending all four lawsuits and believes they are without merit.

See Part II, Item 8, *Financial Statements and Supplementary Data and Notes to Consolidated Financial Statements*, Note 10, *Commitments and Contingencies*, for additional information regarding legal proceedings.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

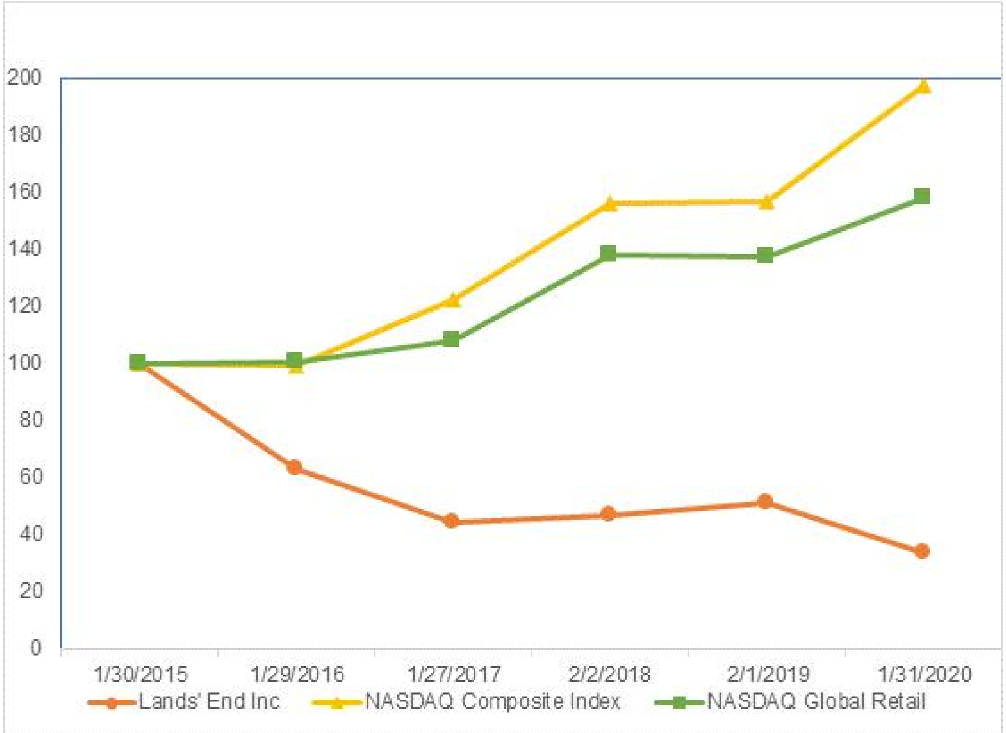
ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Lands' End's common stock is traded on the NASDAQ Stock Market under the ticker symbol LE. There were 7,246 stockholders of record at March 18, 2020.

Stock Performance Graph

The following graph compares the cumulative total return to stockholders on Lands' End common stock from January 30, 2015 through January 31, 2020, with the return on the NASDAQ Composite Index and the NASDAQ Global Retail Index for the same period. The graph assumes an initial investment of $100 on January 30, 2015 in each of our common stock, the NASDAQ Composite Index and the NASDAQ Global Retail Index.



	1/30/2015	1/29/2016	1/27/2017	2/2/2018	2/1/2019	1/31/2020
Lands' End, Inc.	$ 100	$ 63	$ 44	$ 47	$ 51	$ 34
NASDAQ Composite Index	$ 100	$ 100	$ 122	$ 156	$ 157	$ 197
NASDAQ Retail Index	$ 100	$ 100	$ 108	$ 138	$ 137	$ 158

This performance graph shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act or incorporated by reference into any of our filings, as amended, with the SEC, except as shall be expressly set forth by specific reference in such filing.

Dividends

Since the Separation we have not paid and we do not expect to pay in the foreseeable future, dividends on our common stock. Any payment of dividends will be at the discretion of our board of directors and will depend upon various factors then existing, including earnings, financial condition, results of operations, capital requirements, level of indebtedness, any contractual restrictions with respect to payment of dividends, restrictions imposed by applicable law, general business conditions and other factors that our board of directors may deem relevant. Additionally, the Debt Facilities contain various representations and warranties and restrictive covenants that, among other things, and subject to specified exceptions, restrict the ability of Lands' End and its subsidiaries to make dividends or distributions with respect to capital stock.

ITEM 6. SELECTED FINANCIAL DATA

The Consolidated Statements of Operations Data set forth below for the fiscal years ended January 31, 2020, February 1, 2019 and February 2, 2018 and the Consolidated Balance Sheet Data as of January 31, 2020 and February 1, 2019 are derived from the audited Consolidated Financial Statements included elsewhere in this Annual Report on Form 10-K. The Consolidated Statements of Operations Data for the fiscal years ended January 27, 2017 and January 29, 2016 and the Consolidated Balance Sheet data as of February 2, 2018, January 27, 2017 and January 29, 2016 are derived from the audited Consolidated Financial Statements not included in this Annual Report on Form 10-K. See Note 1, *Background and Basis of Presentation*, to the Consolidated Financial Statements and accompanying notes.

The selected historical consolidated financial statement and other financial data presented below should be read in conjunction with our Consolidated Financial Statements and accompanying notes and Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations*, included elsewhere in this Annual Report on Form 10-K.

	Fiscal Year				
(in thousands, except per share data and number of stores)	**2019**	**2018**	**2017**	**2016**	**2015**
Consolidated Statement of Operations Data[1]					
Net revenue	$ 1,450,201	$ 1,451,592	$ 1,406,677	$ 1,335,760	$ 1,419,778
Net income (loss)[2][3][4]	$ 19,290	$ 11,590	$ 28,195	$ (109,782)	$ (19,548)
Basic and diluted earnings (loss) per common share[2][3][4]	$ 0.60	$ 0.36	$ 0.88	$ (3.43)	$ (0.61)
Basic average shares outstanding	32,343	32,190	32,076	32,021	31,979
Diluted average shares outstanding	32,345	32,526	32,110	32,021	31,979
Consolidated Balance Sheet Data					
Total assets	$ 1,113,629	$ 1,110,911	$ 1,124,135	$ 1,114,391	$ 1,288,526
Long-term debt, net	378,657	482,453	486,248	490,043	500,838
Other Financial and Operating Data					
Adjusted EBITDA[5]	$ 77,930	$ 70,466	$ 58,264	$ 39,832	$ 107,288
Number of stores at year end	25	74	189	230	246

(1) The Company's fiscal year end is on the Friday preceding the Saturday closest to January 31 each year. Fiscal 2017 consisted of 53 weeks. All other fiscal years consisted of 52 weeks.

(2) Fiscal 2016 Net loss includes an impairment charge of $173.0 million, $107.8 million net of tax, related to the non-cash write-down of the Company's trade name intangible asset, Lands' End.

(3) Fiscal 2015 Net loss includes an impairment charge of $98.3 million, $62.0 million net of tax, related to the non-cash write-down of the Company's trade name intangible asset, Lands' End.

(4) Fiscal 2018 and Fiscal 2017 Net income includes an Income tax benefit of $3.7 million and $30.6 million respectively, as a result of the Tax Act reform. See Note 9, *Income Taxes*, for additional details.

(5) *Adjusted EBITDA*—In addition to our Net income (loss) determined in accordance with accounting principles generally accepted in the United States of America ("GAAP"), for purposes of evaluating operating performance, we use Adjusted EBITDA, which is adjusted to exclude certain significant items as set forth below. Our management uses Adjusted EBITDA to evaluate the operating performance of our business for comparable periods. This metric is also incorporated into executive compensation plans. Adjusted EBITDA should not be used by investors or other third parties as the sole basis for formulating investment decisions as it excludes a number of important cash and non-cash recurring items. Adjusted EBITDA should not be considered as a substitute for GAAP measurements.

While Adjusted EBITDA is a non-GAAP measurement, management believes that it is an important indicator of operating performance, and 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 costs or benefits.
- 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. We

have adjusted our results for these items to make our statements more comparable and therefore more useful to investors as the items are not representative of our ongoing operations.

- Intangible asset impairment—charge associated with the non-cash write-down of our trade name intangible asset, Lands' End, in Fiscal 2016 and Fiscal 2015.
- Product recall—costs associated with a recall in Fiscal 2014 and the subsequent reversal of some costs in Fiscal 2016 and Fiscal 2015 as customer return rates were lower than Company estimates.
- Corporate restructuring—in Fiscal 2019, Fiscal 2018 and Fiscal 2017, severance and contract losses associated with a transition of certain corporate activities from our New York office to our Dodgeville headquarters and the closure of school uniform showrooms.
- Long-lived asset impairment – the non-cash write down of certain long-lived assets in Fiscal 2019.
- Gain or loss on property and equipment—management considers the gains or losses on asset valuation to result from investing decisions rather than ongoing operations for all years presented.

The following table presents a reconciliation of Adjusted EBITDA to net income (loss), the most comparable GAAP measure for each of the periods indicated:

	Fiscal Year				
(in thousands)	**2019**	**2018**	**2017**	**2016**	**2015**
Net income (loss)	$ 19,290	$ 11,590	$ 28,195	$ (109,782)	$ (19,548)
Income tax expense (benefit)	2,072	(1,959)	(27,747)	(69,098)	(9,691)
Other (income) expense, net	(1,912)	4,059	2,708	1,619	(671)
Interest expense	25,987	28,909	25,929	24,630	24,826
Intangible asset impairment	—	—	—	173,000	98,300
Depreciation and amortization	31,136	27,558	24,910	19,003	17,399
Product recall	—	—	—	(212)	(3,371)
Corporate restructuring	258	31	3,921	—	—
Long-lived asset impairment	1,365	—	—	—	—
(Gain) loss on disposal of property and equipment	(266)	278	348	672	44
Adjusted EBITDA	$ 77,930	$ 70,466	$ 58,264	$ 39,832	$ 107,288

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with the Consolidated Financial Statements and accompanying notes included elsewhere in this Annual Report on Form 10-K. 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 risk, 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 Statements Concerning Forward-Looking Statements" below and Item 1A, Risk Factors, in this Annual Report on Form 10-K for a discussion of the uncertainties, risks and assumptions associated with these statements.

This section discusses our results of operations for the year ended January 31, 2020 as compared to the year ended February 1, 2019. For a discussion and analysis of the year ended February 1, 2019 compared to February 2, 2018, please refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in Item 7 of our Annual Report on Form 10-K for the year ended February 1, 2019, filed with the SEC on March 28, 2019.

As used in this Annual Report on Form 10-K, 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.

Executive Overview

Description of the Company

Lands' End, Inc. is a leading uni-channel retailer of casual clothing, accessories, footwear and home products. Operating out of America's heartland, we believe our vision and values make a strong connection with our core customers. We offer products online at www.landsend.com, on third party online marketplaces and through retail locations. We are a classic American lifestyle brand with a passion for quality, legendary service and real value, and seek to deliver timeless style for women, men, kids and the home.

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."

Lands' End seeks to provide a common customer experience regardless of whether our customers are interacting with us on our company websites, third party marketplaces, at Company Operated stores or other distribution outlets. We have one external reportable segment and identify our operating segments according to how our business activities are managed and evaluated. Our operating segments consist of U.S. eCommerce, Retail, Lands' End Outfitters ("Outfitters"), Europe eCommerce and Japan eCommerce. We have determined that each of our operating segments share similar economic and other qualitative characteristics, and therefore the results of our operating segments are aggregated into one external reportable segment.

Lands' End's product channels are eCommerce, Retail and Outfitters. eCommerce offers products through the Company's eCommerce websites, third party online marketplaces and direct mail catalogs. Retail sells products and services through Company Operated stores. Outfitters sells products to end consumers, located primarily in the United States, through negotiated arrangements with client organizations to make specific styles or embroidered products available to members of client organizations, as well as through the Company's eCommerce websites and direct mail catalogs.

Basis of Presentation

The 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.

Related party

Following the Separation, we began operating as a separate, publicly traded company, independent from Sears Holdings. According to statements on Schedule 13D filed with the U.S. Securities and Exchange Commission by ESL, ESL beneficially owned significant portions of both the Company's and Sears Holdings' outstanding shares of common stock. Therefore, Sears Holdings, the Company's former parent company, is considered a related party both prior to and subsequent to the Separation. On February 11, 2019, Transform Holdco acquired from Sears Holdings substantially all of the go-forward retail footprint and other assets and component businesses of Sears Holdings as a going concern. We believe that ESL holds a significant portion of the membership interests of Transform Holdco and therefore consider that entity to be a related party as well.

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 37.9% and 34.6% of our net revenue in the fourth fiscal quarter of Fiscal 2019 and Fiscal 2018 respectively. Thus, lower than expected fourth quarter net revenue could have an adverse impact on our annual operating results.

Working capital requirements typically increase during the second and third quarters of the fiscal year as inventory builds to support peak shipping/selling periods and, accordingly, typically decrease during the fourth quarter of the fiscal year as inventory is shipped/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

Fiscal Year. Our fiscal year end is on the Friday preceding the Saturday closest to January 31 each year. The fiscal periods in this report are presented as follows, unless the context otherwise requires:

Fiscal Year	Ended	Weeks
2019	January 31, 2020	52
2018	February 1, 2019	52

The following tables sets forth, for the periods indicated, selected income statement data:

(in thousands)	Fiscal 2019 $'s	Fiscal 2019 % of Net Revenue	Fiscal 2018 $'s	Fiscal 2018 % of Net Revenue
Net revenue	$ 1,450,201	100.0%	$ 1,451,592	100.0%
Cost of sales (excluding depreciation and amortization)	828,309	57.1%	835,536	57.6%
Gross profit	621,892	42.9%	616,056	42.4%
Selling and administrative	543,962	37.5%	545,590	37.6%
Depreciation and amortization	31,136	2.1%	27,558	1.9%
Other operating expense, net	1,357	0.1%	309	0.0%
Operating income	45,437	3.1%	42,599	2.9%
Interest expense	25,987	1.8%	28,909	2.0%
Other (income) expense, net	(1,912)	(0.1)%	4,059	0.3%
Income before income taxes	21,362	1.5%	9,631	0.7%
Income tax expense (benefit)	2,072	0.1%	(1,959)	(0.1)%
Net income	$ 19,290	1.3%	$ 11,590	0.8%

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 profit may not be comparable to other entities that include depreciation and amortization related to the sale of their product in their gross profit measure.

Net Income and Adjusted EBITDA

We recorded Net income of $19.3 million and $11.6 million for Fiscal 2019 and Fiscal 2018 respectively. In addition to our Net income determined in accordance with GAAP, for purposes of evaluating operating performance, we use an Adjusted EBITDA measurement. Adjusted EBITDA is computed as Net income appearing on the Consolidated Statements of Operations net of Income tax expense, Interest expense, Depreciation and amortization and certain significant items set forth below. Our management uses Adjusted EBITDA to evaluate the operating performance of our business for comparable periods and as the basis for an executive compensation metric. The methods used by the Company to calculate its non-GAAP financial measures may differ significantly from methods used by other companies 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 EBITDA should not be used by investors or other third parties as the sole basis for formulating investment decisions as it excludes a number of important cash and non-cash recurring items.

While Adjusted EBITDA is a non-GAAP measurement, management believes that it is an important indicator of operating performance, and 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. We have adjusted our results for these items to make our results more comparable and therefore more useful to investors as the items are not representative of our ongoing operations.

- Corporate restructuring - in Fiscal 2019 and Fiscal 2018 severance and contract losses associated with a transition of certain corporate activities from our New York office to our Dodgeville headquarters and the closure of school uniform showrooms.
- Long-lived asset impairment - charge associated with the non-cash write-down of certain long-lived assets in Fiscal 2019.
- Gain or loss on property and equipment - management considers the gains or losses on asset valuation to result from investing decisions rather than ongoing operations in Fiscal 2019 and Fiscal 2018.

	Fiscal 2019		Fiscal 2018	
(in thousands)	$'s	% of Net Revenue	$'s	% of Net Revenue
Net income	$ 19,290	1.3%	$ 11,590	0.8%
Income tax expense (benefit)	2,072	0.1%	(1,959)	(0.1)%
Other (income) expense, net	(1,912)	(0.1)%	4,059	0.3%
Interest expense	25,987	1.8%	28,909	2.0%
Operating income	45,437	3.1%	42,599	2.9%
Depreciation and amortization	31,136	2.1%	27,558	1.9%
Corporate restructuring	258	0.0%	31	0.0%
Long-lived asset impairment	1,365	0.1%	—	0.0%
(Gain) loss on disposal of property and equipment	(266)	(0.0)%	278	0.0%
Adjusted EBITDA	$ 77,930	5.4%	$ 70,466	4.9%

Discussion and Analysis

Fiscal 2019 Compared to Fiscal 2018

Net revenue

Total Net revenue for Fiscal 2019 was $1.45 billion, a decrease of $1.4 million or 0.1% from Fiscal 2018. The decrease was primarily attributable to the decrease in the Retail channel driven by fewer Lands' End Shops at Sears stores partially offset by growth in our eCommerce channel.

Net revenue is presented by product channel in the following table:

(in thousands)	Fiscal 2019	% of Revenue	Fiscal 2018	% of Revenue
eCommerce	$ 1,104,829	76.2%	$ 1,039,929	71.7%
Outfitters	285,807	19.7%	289,251	19.9%
Retail	59,565	4.1%	122,412	8.4%
Total Net revenue	$ 1,450,201		$ 1,451,592	

eCommerce Net revenue was $1.1 billion in Fiscal 2019, an increase of $64.9 million or 6.2% from $1.04 billion during the same period of the prior year. The increase in eCommerce was largely attributable to continued enhancements in our seasonal product assortments and digital capabilities with a strong focus on the smartphone, which drove a year over year increase in our overall buyer file.

Outfitters Net revenue was $285.8 million in Fiscal 2019, a decrease of 1.2% from $289.3 million during the same period of the prior year. The decrease in Outfitters was largely attributable to the launch of the Delta Air Lines business which concluded in the first half of Fiscal 2018 and reductions in other national accounts primarily offset by the launch of the American Airlines business in Fiscal 2019 and improved school uniform promotional productivity.

Net revenue in Retail was $59.6 million in Fiscal 2019, a decrease of $62.8 million or 51.3% from $122.4 million during the same period of the prior year. The decrease was attributable to the closure of all Lands' End Shops at Sears partially offset by an increase in Company Operated stores and positive comparable stores sales growth. On January 31, 2020 there were 25 U.S. Company Operated stores and no Lands' End Shops at Sears compared to 16 U.S. Company Operated stores and 49 Lands' End Shops at Sears on February 1, 2019.

Gross Profit

In Fiscal 2019, total gross profit increased 0.9% to $621.9 million compared with $616.1 million for Fiscal 2018. Gross margin increased 50 basis points to 42.9% of total Net revenue in Fiscal 2019 from 42.4% of total Net revenue in Fiscal 2018.

Selling and Administrative Expenses

Selling and administrative expenses were $544.0 million, or 37.5% of total Net revenue in Fiscal 2019 compared with $545.6 million, or 37.6% of total Net revenue in Fiscal 2018. The approximately 10 basis points decrease was driven by expense management with the continued growth of the business and the closure of Lands' End Shops at Sears locations, partially offset by increases in digital marketing.

Depreciation and Amortization

Depreciation and amortization were $31.1 million in Fiscal 2019, an increase of $3.6 million or 13.0%, compared with $27.6 million in Fiscal 2018. The increase in Depreciation and amortization was primarily attributable to an increase in depreciation associated with our multi-year ERP system implementation, continued investment in our digital infrastructure and an increased number of U.S. Company Operated stores.

Other Operating Expense, Net

Other operating expense, net was $1.4 million in Fiscal 2019 compared to $0.3 million in Fiscal 2018. The increase of $1.1 million was primarily the result of impairment of certain long-lived assets associated with our retail stores.

Operating Income

Operating income was $45.4 million in Fiscal 2019, compared with $42.6 million in Fiscal 2018. The increase of $2.8 million was largely due to increased revenue and the leveraging of the existing cost structure.

Interest Expense

Interest expense was $26.0 million in Fiscal 2019, compared with $28.9 million in Fiscal 2018. The decrease of $2.9 million in interest expense was driven by the voluntary paydown of long-term debt during Fiscal 2019.

Other (Income) Expense

Other income was $1.9 million in Fiscal 2019 compared to other expense of $4.1 million in Fiscal 2018, driven by the establishment of a reserve against an indemnification asset in Fiscal 2018.

Income Tax Expense (Benefit)

We recorded an Income tax expense of $2.1 million for Fiscal 2019 which resulted in an effective tax rate of 9.7%, compared to an Income tax benefit of $2.0 million in Fiscal 2018 and an effective tax rate of (20.3)%. The Fiscal 2019 tax rate reflected the benefit of the Company's election to treat certain foreign entities as a U.S. Branch. The Fiscal 2018 tax rate reflected revised estimates related to the Tax Act and the benefits of favorable state tax audit settlements for periods prior to Separation.

Net Income

As a result of the above factors, Net Income was $19.3 million, or $0.60 per diluted share in Fiscal 2019 compared to $11.6 million, or $0.36 per diluted share in Fiscal 2018.

Adjusted EBITDA

As a result of the above factors, Adjusted EBITDA increased 10.6% to $77.9 million in Fiscal 2019, compared to Adjusted EBITDA of $70.5 million in Fiscal 2018.

Liquidity and Capital Resources

Our primary need for liquidity is to fund working capital requirements of our business, capital expenditures, debt service 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. During Third Quarter Fiscal 2019 and Fourth Quarter Fiscal 2019 we had maximum borrowings of $83.3 million on the ABL Facility. These borrowings were paid in full during Fourth Quarter Fiscal 2019. Cash generated from our net revenue and profitability, and somewhat 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 our ABL Facility, will be adequate to meet our capital requirements and operational needs for at least the next 12 months.

Description of Material Indebtedness

Debt Arrangements

On November 16, 2017, the Company entered into the ABL Facility, which provides for maximum borrowings of $175.0 million for the Company, subject to a borrowing base. Subsequent to Fiscal 2019 and before the filing of this Annual Report on Form 10-K for Fiscal 2019, the Company increased capacity under the ABL Facility by $25 million, so that maximum borrowings are $200 million. The ABL Facility has a letter of credit sub-limit of $70.0 million and will mature no later than November 16, 2022, subject to customary extension provisions provided for therein. The ABL Facility is available for working capital and other general corporate purposes. As of January 31, 2020, the Company had no outstanding borrowings on the ABL Facility. Upon entering into the ABL Facility, the Company incurred $1.5 million in debt origination fees. The fees were capitalized as debt issuance costs and are being amortized as an adjustment to Interest expense over the remaining life of the Debt Facilities.

On April 4, 2014, Lands' End entered into the Term Loan Facility of $515.0 million, the proceeds of which were used to pay a dividend of $500.0 million to a subsidiary of Sears Holdings Corporation immediately prior to the Separation and to pay fees and expenses associated with the Debt Facilities of approximately $11.4 million, with the remaining proceeds used for general corporate purposes. The fees were capitalized as debt issuance costs and are

being amortized as an adjustment to Interest expense over the remaining life of the Debt Facilities. In First Quarter 2019, Lands' End made a $100 million voluntary prepayment on the Term Loan from excess cash on hand.

Maturity; Amortization and Prepayments

The Term Loan Facility amortizes at a rate equal to 1% per annum and is subject to mandatory prepayment in an amount equal to a percentage of the borrower's excess cash flows (as defined in the Term Loan Facility) in each fiscal year, ranging from 0% to 50% depending on Lands' End's secured leverage ratio, and the proceeds from certain asset sales and casualty events. Based on Fiscal 2019 results, and in accordance with the Term Loan Facility, no prepayments were required.

The Term Loan Facility matures on April 4, 2021 while the ABL Facility will mature no later than November 16, 2022. The Company is in the process of seeking to refinance this debt. See Item IA, *Risk Factors*, included elsewhere in this Annual Report on Form 10-K.

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 wholly-owned domestic 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 secured by a second priority security interest in the same collateral, with certain exceptions.

The Term Loan Facility also is secured by a first priority security interest in certain property and assets of the borrowers and guarantors, including certain fixed assets and stock of subsidiaries. The ABL Facility is secured by a second priority security interest in the same collateral.

Interest; Fees

The interest rates per annum applicable to the loans under the Debt Facilities are based on a fluctuating rate of interest measured by reference to, at the borrowers' election, either (i) an adjusted LIBOR plus a borrowing margin, or (ii) an alternative base rate plus a borrowing margin. The borrowing margin is fixed for the Term Loan Facility at 3.25% in the case of LIBOR loans and 2.25% in the case of base rate loans. For the Term Loan Facility, LIBOR is subject to a 1% interest rate floor. The borrowing margin for the ABL Facility is subject to adjustment based on the average excess availability under the ABL Facility for the preceding fiscal quarter. LIBOR borrowings will range from 1.25% to 1.75% for the ABL Facility. Base rate borrowings will range from 0.50% to 1.00% for the ABL Facility.

Customary agency fees are payable in respect of the Debt Facilities. The ABL Facility fees also include (i) commitment fees in an amount equal to 0.25% of the daily unused portions of the ABL Facility, and (ii) customary letter of credit fees.

Representations and Warranties; Covenants

Subject to specified exceptions, the Debt Facilities contain various representations and warranties and restrictive covenants that, among other things, restrict the ability of Lands' End and its subsidiaries 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. In addition, if excess availability under the ABL Facility falls below the greater of 10% of the loan cap amount or $15.0 million, Lands' End will be required to comply with a minimum fixed charge coverage ratio of 1.0 to 1.0. The Debt Facilities do not otherwise contain financial maintenance covenants. The Company was in compliance with all financial covenants related to the Debt Facilities as of January 31, 2020.

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.

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 and material judgments and change of control.

Cash Flows from Operating Activities

Operating activities generated net cash of $27.3 million and $48.2 million in Fiscal 2019 and Fiscal 2018 respectively. Our primary source of operating cash flows is the sale of merchandise goods and services to customers, while the primary use of cash in operations is the purchase of merchandise inventories.

In Fiscal 2019, net cash provided by operating activities decreased $20.9 million compared to Fiscal 2018 primarily due to the timing of the American Airlines launch.

Cash Flows from Investing Activities

Net cash used in investing activities was $38.0 million and $44.4 million for Fiscal 2019 and Fiscal 2018, respectively. Cash used in investing activities for all periods was primarily used in investing in information technology infrastructure, Company Operated stores and property and equipment.

For Fiscal 2020, we plan to invest a total of approximately $35 to $45 million in capital expenditures for strategic investments and infrastructure, primarily in technology and general corporate needs.

Cash Flows from Financing Activities

Net cash used in financing activities was $105.9 million and $5.8 million for Fiscal 2019 and Fiscal 2018 respectively. Financing activities in Fiscal 2019 consisted primarily of a $100 million voluntary prepayment of our Term Loan Facility in First Quarter 2019 and quarterly scheduled payments.

Contractual Obligations and Off-Balance-Sheet Arrangements

We have no material off-balance-sheet arrangements other than the guarantees and contractual obligations that are discussed below.

Information concerning our obligations and commitments to make future payments under contracts such as lease agreements, and other contingent commitments, as of January 31, 2020, is aggregated in the following table:

	Payments Due by Period				
(in thousands)	Total	1 Year or less	2-3 Years	4-5 Years	After 5 years
Operating leases (1)	$ 60,035	$ 8,743	$ 14,930	$ 12,699	$ 23,663
Principal payments on long-term debt	385,388	5,150	380,238	-	-
Interest on long-term debt and ABL Facility fees	24,852	21,284	3,568	-	-
Purchase obligations	240,145	240,145	—	-	-
Total contractual obligations (2)	$ 710,419	$ 275,322	$ 398,736	$ 12,699	$ 23,663

(1) Operating lease obligations consist primarily of future minimum lease commitments related to Lands' End's leases (refer to Note 4, *Leases*, of the consolidated financial statements for further details).

(2) Purchase obligations primarily represent open purchase orders for inventory.

At January 31, 2020, Lands' End had UTBs of $1.2 million, which are not reflected in the table above. We are unable to reasonably estimate the timing of liability payments arising from uncertain tax positions in individual years due to uncertainties in the timing of effective settlement of tax positions. Pursuant to the Tax Sharing Agreement, Sears Holdings is generally responsible for all United States federal, state and local UTBs through the date of the Separation and, as such, the UTBs are recorded in Other liabilities in the Consolidated Balance Sheets and an indemnification asset from Sears Holdings for the pre-Separation UTBs is recorded in Other assets in the Consolidated Balance Sheets. On October 15, 2018, Sears Holdings and certain of its subsidiaries filed voluntary petitions in the United States Bankruptcy Court for the Southern District of New York seeking relief under Chapter 11 of Title 11 of the United States Code (collectively the “Sears Filing"). As a result of the Sears Filing, the Company believes that the recovery of the UTBs provided by the Tax Sharing Agreement is uncertain. Sears Holdings rejected the Tax Sharing Agreement, per an order approved on April 4, 2019. The Company recorded a non-cash charge of $2.6 million in the Third Quarter 2018 as the result of establishing a reserve against the indemnification asset. As of January 31, 2020 the indemnification asset was $0.

Financial Instruments with Off-Balance-Sheet Risk

On November 16, 2017, the Company entered into the ABL Facility, which provides for maximum borrowings of $175.0 million for the Company, subject to a borrowing base. Subsequent to Fiscal 2019 and before the filing of this Annual Report on Form 10-K for Fiscal 2019, the Company increased capacity under the ABL Facility by $25 million, so that maximum borrowings are $200 million. The ABL Facility has a letter of credit sub-limit of $70.0 million and will mature no later than November 16, 2022, subject to customary extension provisions provided for therein. The ABL Facility is available for working capital and other general corporate purposes and was undrawn at January 31, 2020, other than for letters of credit.

The Company had borrowing availability under the ABL Facility of $151.7 million as of January 31, 2020, net of outstanding letters of credit of $23.3 million.

Application of Critical Accounting Policies and Estimates

Our consolidated financial statements have been prepared in accordance with GAAP, which requires management to make estimates and judgments that affect amounts reported in the consolidated financial statements and accompanying notes. While our estimates and assumptions are based on our knowledge of current events and actions we may undertake in the future, actual results may ultimately differ from our estimates and assumptions. Our estimation processes contain uncertainties because they require management to make assumptions and apply judgment to make these estimates. Should actual results be different than our estimates, we could be exposed to gains or losses from differences that may be material.

For a summary of our significant accounting policies, please refer to Note 2, *Summary of Significant Accounting Policies*, of our consolidated financial statements. We believe the accounting policies discussed below represent the accounting policies we apply that are the most critical to understanding our consolidated financial statements.

Inventory Valuation

Our inventories consist of merchandise purchased for resale and are recorded at the lower of cost or market. The nature of our business requires that we make a significant amount of our merchandising decisions and corresponding inventory purchase commitments with vendors several months in advance of the time in which a particular merchandise item is intended to be included in the merchandise offerings. These decisions and commitments are based upon, among other possible considerations, historical sales with identical or similar merchandise, our understanding of then-prevailing trends and influences, and an assessment of likely economic conditions and various competitive factors.

For financial reporting and tax purposes, the Company's United States inventory, primarily merchandise held for sale, is stated at last-in, first-out ("LIFO") cost, which is adjusted to the lower of cost or market. The Company accounts for its non-United States inventory on the first-in, first-out ("FIFO") method. The United States inventory accounted for using the LIFO method was 90% at January 31, 2020 and 88% at February 1, 2019.

We continually make assessments as to whether the carrying cost of inventory exceeds its market value and, if so, by what dollar amount. Excess inventories may be disposed of through our normal course of business. Based on historical results experienced through various methods of disposition, we write down the carrying value of inventories that are not expected to be sold at or above cost. The excess and obsolete reserve balances were $11.0 million and $12.5 million as of January 31, 2020 and February 1, 2019, respectively. For the inventory marked down to net realizable value, a one percentage point increase in our assumed recovery rates at January 31, 2020 would have had an immaterial impact on our consolidated financial statements.

Goodwill and Trade Name Impairment Assessments

Goodwill and the trade name indefinite-lived intangible asset are tested separately for impairment annually, during the fourth quarter, or are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The goodwill and trade name intangible asset relate to Kmart's acquisition of Sears Roebuck in March 2005.

Frequently our impairment loss calculations contain multiple uncertainties because the calculation requires management to make assumptions and to apply judgment to estimate future cash flows and asset fair values, including forecasting cash flows under different scenarios. We perform goodwill and indefinite-lived intangible asset impairment tests on an annual basis and update these annual impairment tests mid-year if events or circumstances occur that would more likely than not reduce the fair value of a reporting unit or indefinite-lived intangible asset below its carrying amount. If actual results fall short of our estimates and assumptions used in estimating future cash flows and asset fair values, we may be exposed to future impairment losses that could be material.

Goodwill impairment assessments

The Company tests goodwill for impairment using a one-step quantitative test. The quantitative test compares the reporting unit's fair value to its carrying value. An impairment is recorded for any excess carrying value above the reporting unit's fair value, not to exceed the amount of goodwill. The Company estimates fair value using a discounted cash flow model, commonly referred to as the income approach. The income approach uses a reporting unit's projection of estimated operating results and cash flows that is discounted using a weighted-average cost of capital that reflects current market conditions appropriate to the Company's reporting unit. The projection uses management's best estimates of economic and market conditions over the projected period using the best information available, including growth rates in revenues, costs, estimates of future expected changes in operating margins and cash expenditures. Other significant estimates and assumptions include terminal value growth rates, future estimates of capital expenditures and changes in future working capital requirements.

During Fiscal 2019 and Fiscal 2018, the fair value of the reporting units exceeded their carrying value and as such, the Company did not record a goodwill impairment charge. At the end of Fiscal 2019, the fair value of the U.S. eCommerce, Outfitters and Japan eCommerce reporting units exceeded the carrying value by 34.7%, 48.6% and 3.1% respectively. The goodwill allocated to Japan is approximately $3.3 million.

Goodwill impairment charges may be recognized in future periods to the extent changes in factors or circumstances occur, including deterioration in the macroeconomic environment, retail industry or in the equity markets, deterioration in our performance or our future projections, or changes in our plans for the reporting unit.

Indefinite-lived intangible asset impairment assessments

The Company's indefinite-lived intangible asset is the Lands' End trade name. Lands' End reviews the trade name for impairment, on an annual basis during fourth quarter, by comparing the carrying amount to its fair value, using the income approach. Lands' End determined that the relief from royalty method of the income approach was most appropriate for analyzing the Company's indefinite-lived asset. This method is based on the assumption that, in lieu of ownership, a firm would be willing to pay a royalty in order to exploit the related benefits of this asset class. The relief from royalty method involves two steps: (1) estimation of reasonable royalty rates for the assets and (2) the application of these royalty rates to a net revenue stream and discounting the resulting cash flows to determine a present value. The Company multiplied the selected royalty rate by the forecasted net revenue stream to calculate the cost savings (relief from royalty payment) associated with the asset. The cash flows are then discounted to present value using the selected discount rate and compared to the carrying value of the asset.

In Fiscal 2019, the Company tested the indefinite-lived intangible assets as required resulting in the fair value exceeded the carrying value by 19.1%. As such, no trade name impairment charges were recorded in Fiscal 2019.

See Note 2, *Summary of Significant Accounting Policies*, and Note 8, *Goodwill and Indefinite-Lived Intangible Assets*, of the Notes to Consolidated Financial Statements in this Annual Report on Form 10-K for more information about these assets and the related impairment charges.

Revenue Recognition

While revenue recognition for the Company does not involve significant judgment, it represents an important accounting policy. For sales shipped from our distribution centers, we recognize revenue and the related cost of goods sold at the time the products are expected to be received by the customers. For sales transacted at stores, revenue is recognized when the customer receives and pays for the merchandise at the register. We record an allowance for estimated returns based on our historical return patterns and various other assumptions that management believes to be reasonable.

We do not believe there is a reasonable likelihood that there will be a material change in the future estimates or assumptions we use to calculate our sales return allowance. However, if the actual rate of sales returns increases significantly, our operating results could be adversely affected. We have not made any material changes in the accounting methodology used to estimate future sales returns in the past three fiscal years.

Provision for Income taxes

We record a valuation allowance against our deferred tax assets when it is more likely than not that some portion or all of such deferred tax assets will not be realized. In determining the need for a valuation allowance, management is required to make assumptions and to apply judgment, including forecasting future income, taxable income and the mix of income or losses in the jurisdictions in which we operate. Our effective tax rate in a given financial statement period may also be materially impacted by changes in the mix and level of income or losses, changes in the expected outcome of audits, or changes in the deferred tax valuation allowance.

At any point in time, many tax years are subject to or in the process of being audited by various taxing authorities. To the extent our estimates of settlements change, or the final tax outcome of these matters is different from the amounts recorded, such differences will impact the income tax provision in the period in which such determinations are made. Our income tax expense includes changes in our estimated liability for exposures associated with our various tax filing positions. Determining the income tax expense for these potential assessments requires management to make assumptions that are subject to factors such as proposed assessments by tax authorities, changes in facts and circumstances, issuance of new regulations, and resolution of tax audits. The Company performed an evaluation over its deferred tax assets and determined that a valuation allowance is considered necessary. See Note 9, *Income Taxes*, for further details on the valuation allowance.

We believe the judgments and estimates discussed above are reasonable. However, if actual results fall short of our estimates or assumptions, we may be exposed to losses or gains that could be material.

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 net sales, gross margin, operating expenses, operating income, net income, 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” 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 set forth under Item 1A, *Risk Factors*, in this Annual Report on Form 10-K. 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 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The market risk inherent in our financial instruments represents the potential loss arising from adverse changes in currency rates. We have not been materially impacted by fluctuations in foreign currency exchange rates as a significant portion of our business is transacted in United States dollars and is expected to continue to be transacted in United States dollars or United States dollar-based currencies. As of January 31, 2020 we had $13.7 million of cash denominated in foreign currency, principally in British Pounds, Euros and Yen. We do not enter into financial instruments for trading purposes or hedging and have not used any derivative financial instruments. We do not consider our foreign earnings to be permanently reinvested.

We are subject to interest rate risk with our Term Loan Facility and our ABL Facility, as both require us to pay interest on outstanding borrowings at variable rates. Each one percentage point change in interest rates associated with the Term Loan Facility would result in a $3.8 million change in our annual cash interest expenses. Assuming our ABL Facility was fully drawn to a principal amount equal to $175.0 million at January 31, 2020, each one percentage point change in interest rates would result in a $1.8 million change in our annual cash interest expense.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Lands' End, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Lands' End, Inc. and subsidiaries (the "Company") as of January 31, 2020 and February 1, 2019, the related consolidated statements of operations, comprehensive operations, cash flows, changes in stockholders' equity for each of the three fiscal years in the period ended January 31, 2020, and the related notes (collectively referred to as the "financial statements"). We also have audited the Company's internal control over financial reporting as of January 31, 2020, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of January 31, 2020 and February 1, 2019, and the results of its operations and its cash flows for each of the three fiscal years in the period ended January 31, 2020, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of January 31, 2020, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by COSO.

Basis for Opinions

The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on these financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the financial statements included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Change in Accounting Principle

As discussed in Note 2 to the consolidated financial statements, the Company changed its method of accounting for leases in the year ended January 31, 2020 due to the adoption of ASU No. 2016-02 *Leases* (Topic 842) using the modified retrospective method.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ DELOITTE & TOUCHE LLP

Chicago, Illinois

March 23, 2020

We have served as the Company’s auditor since 2012.

LANDS' END, INC.
Consolidated Statements of Operations
for Fiscal Years Ended January 31, 2020, February 1, 2019 and February 2, 2018

(in thousands except per share data)	2019	2018	2017
REVENUES			
Net revenue	$ 1,450,201	$ 1,451,592	$ 1,406,677
Cost of sales (excluding depreciation and amortization)	828,309	835,536	809,474
Gross profit	621,892	616,056	597,203
Selling and administrative	543,962	545,590	538,939
Depreciation and amortization	31,136	27,558	24,910
Other operating expense, net	1,357	309	4,269
Total costs and expenses	576,455	573,457	568,118
Operating income	45,437	42,599	29,085
Interest expense	25,987	28,909	25,929
Other (income) expense, net	(1,912)	4,059	2,708
Income before income taxes	21,362	9,631	448
Income tax expense (benefit)	2,072	(1,959)	(27,747)
NET INCOME	$ 19,290	$ 11,590	$ 28,195
NET INCOME PER COMMON SHARE ATTRIBUTABLE TO STOCKHOLDERS			
Basic:	$ 0.60	$ 0.36	$ 0.88
Diluted:	$ 0.60	$ 0.36	$ 0.88
Basic weighted average common shares outstanding	32,343	32,190	32,076
Diluted weighted average common shares outstanding	32,345	32,526	32,110

See accompanying Notes to Consolidated Financial Statements.

LANDS' END, INC.
Consolidated Statements of Comprehensive Operations
for Fiscal Years Ended January 31, 2020, February 1, 2019 and February 2, 2018

(in thousands)	2019	2018	2017
NET INCOME	$ 19,290	$ 11,590	$ 28,195
Other comprehensive (loss) income, net of tax			
Foreign currency translation adjustments	195	(2,591)	4,282
COMPREHENSIVE INCOME	$ 19,485	$ 8,999	$ 32,477

See accompanying Notes to Consolidated Financial Statements.

LANDS' END, INC.
Consolidated Balance Sheets

(in thousands except per share data)		January 31, 2020		February 1, 2019
ASSETS				
Current assets				
Cash and cash equivalents	$	77,148	$	193,405
Restricted cash		2,149		1,948
Accounts receivable, net		50,953		34,549
Inventories, net		375,670		321,905
Prepaid expenses and other current assets		39,458		36,574
Total current assets		545,378		588,381
Property and equipment, net		157,665		149,894
Operating lease right-of-use asset		38,665		—
Goodwill		110,000		110,000
Intangible asset, net		257,000		257,000
Other assets		4,921		5,636
TOTAL ASSETS	$	1,113,629	$	1,110,911
LIABILITIES AND STOCKHOLDERS’ EQUITY				
Current liabilities				
Current borrowings and short-term debt	$	5,150	$	5,150
Accounts payable		158,436		123,827
Lease liability - current		5,864		—
Other current liabilities		114,116		112,274
Total current liabilities		283,566		241,251
Long-term debt, net		378,657		482,453
Lease liability - long-term		39,841		—
Deferred tax liabilities		57,651		58,670
Other liabilities		5,532		5,826
TOTAL LIABILITIES		765,247		788,200
Commitments and contingencies				
STOCKHOLDERS' EQUITY				
Common stock, par value $0.01- authorized: 480,000 shares; issued and outstanding: 32,382 and 32,220, respectively		324		320
Additional paid-in capital		360,656		352,733
Retained earnings (Accumulated deficit)		390		(17,159)
Accumulated other comprehensive loss		(12,988)		(13,183)
TOTAL STOCKHOLDERS' EQUITY		348,382		322,711
TOTAL LIABILITIES AND STOCKHOLDERS’ EQUITY	$	1,113,629	$	1,110,911

See accompanying Notes to Consolidated Financial Statements.

LANDS' END, INC.
Consolidated Statements of Cash Flows
for Fiscal Years Ended January 31, 2020, February 1, 2019 and February 2, 2018

(in thousands)	Twelve months ended 2019	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$ 19,290	$ 11,590	$ 28,195
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	31,136	27,558	24,910
Amortization of debt issuance costs	1,722	1,755	1,904
(Gain) loss on disposal of property and equipment	(266)	278	348
Stock-based compensation	8,690	6,161	3,951
Deferred income taxes	(456)	223	(32,757)
Other	1,635	—	—
Change in operating assets and liabilities:			
Inventories	(53,819)	7,773	(2,709)
Accounts payable	32,716	(29,433)	(6,950)
Other operating assets	(16,908)	17,824	(3,234)
Other operating liabilities	3,549	4,471	14,779
Net cash provided by operating activities	27,289	48,200	28,437
CASH FLOWS FROM INVESTING ACTIVITIES			
Sales of property and equipment	906	456	68
Purchases of property and equipment	(38,878)	(44,852)	(38,145)
Net cash used in investing activities	(37,972)	(44,396)	(38,077)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowing under ABL Facility	99,550	—	—
Payments of borrowing under ABL Facility	(99,550)	—	—
Payments of term-loan	(105,150)	(5,150)	(5,150)
Payments of employee withholding taxes on share-based compensation	(763)	(603)	(747)
Debt issuance costs	—	—	(1,515)
Net cash used in financing activities	(105,913)	(5,753)	(7,412)
Effects of exchange rate changes on cash, cash equivalents and restricted cash	540	(635)	(1,419)
NET DECREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(116,056)	(2,584)	(18,471)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF YEAR	195,353	197,937	216,408
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAR	$ 79,297	$ 195,353	$ 197,937
SUPPLEMENTAL CASH FLOW DATA			
Unpaid liability to acquire property and equipment	$ 7,364	$ 5,521	$ 7,756
Income taxes paid, net of refunds	$ 3,069	$ 1,221	$ 3,379
Interest paid	$ 23,728	$ 27,243	$ 23,458

See accompanying Notes to Consolidated Financial Statements.

LANDS' END, INC.
Consolidated Statements of Changes in Stockholders' Equity

(in thousands)	Common Stock Issued Shares	Common Stock Issued Amount	Additional Paid-in Capital	(Accumulated Deficit) / Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
Balance at January 27, 2017	32,029	$ 320	$ 343,971	$ (60,453)	$ (12,426)	$ 271,412
Net loss	—	—	—	28,195	—	28,195
Cumulative translation adjustment, net of tax	—	—	—	—	4,282	4,282
Impact of Tax Act	—	—	—	2,448	(2,448)	—
Stock-based compensation expense	—	—	3,951	—	—	3,951
Vesting of restricted shares	110	—	—	—	—	—
Restricted stock shares surrendered for taxes	(38)	—	(747)	—	—	(747
Balance at February 2, 2018	32,102	320	347,175	(29,810)	(10,592)	307,093
Net income	—	—	—	11,590	—	11,590
Cumulative translation adjustment, net of tax	—	—	—	—	(2,591)	(2,591
Change in accounting principle related to revenue recognition	—	—	—	1,061	—	1,061
Stock-based compensation expense	—	—	6,161	—	—	6,161
Vesting of restricted shares	151	—	—	—	—	—
Restricted stock shares surrendered for taxes	(33)	—	(603)	—	—	(603
Balance at February 1, 2019	32,220	320	352,733	(17,159)	(13,183)	322,711
Net income	—	—	—	19,290	—	19,290
Cumulative translation adjustment, net of tax	—	—	—	—	195	195
Change in accounting principle related to lease accounting, net of tax	—	—	—	(1,741)	—	(1,741
Stock-based compensation expense	—	—	8,690	—	—	8,690
Vesting of restricted shares	210	4	(4)	—	—	—
Restricted stock shares surrendered for taxes	(48)	—	(763)	—	—	(763
Balance at January 31, 2020	32,382	$ 324	$ 360,656	$ 390	$ (12,988)	$ 348,382

See accompanying Notes to Consolidated Financial Statements.

LANDS' END, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. BACKGROUND AND BASIS OF PRESENTATION

Description of Business

Lands' End, Inc. ("Lands' End" or the "Company") is a leading uni-channel retailer of casual clothing, accessories, footwear and home products. Lands' End offers products online at www.landsend.com, on third party online marketplaces and through retail locations.

Terms that are commonly used in the Company's notes to consolidated financial statements are defined as follows:

- *ABL Facility - Asset-based senior secured credit agreements, dated as of November 16, 2017, with Wells Fargo, N.A. and certain other lenders*
- *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*
- *ASU - Financial Accounting Standards Board Accounting Standards Update*
- *CAM - Common area maintenance for leased properties*
- *Debt Facilities - Collectively, the ABL Facility and the Term Loan Facility*
- *Deferred Awards - Time vesting stock awards*
- *EPS - Earnings per share*
- *ERP - Enterprise resource planning software solutions*
- *ESL - ESL Investments, Inc. and its investment affiliates, including Edward S. Lampert*
- *FASB - Financial Accounting Standards Board*
- *First Quarter 2019 - The 13 weeks ended May 3, 2019*
- *Fiscal 2020 – The Company's next fiscal year representing the 52 weeks ending January 29, 2021*
- *Fourth Quarter 2019 – The 13 weeks ended January 31, 2020*
- *GAAP - Accounting principles generally accepted in the United States*
- *LIBOR - London inter-bank offered rate*
- *Performance Awards - Performance-based stock awards*
- *Option Awards - Stock option awards*
- *Sears Holdings or Sears Holdings Corporation - Sears Holdings Corporation, a Delaware corporation, and its consolidated subsidiaries*
- *Sears Roebuck - Sears, Roebuck and Co., a subsidiary of Sears Holdings Corporation*
- *SEC - United States Securities and Exchange Commission*
- *Separation - On April 4, 2014 Sears Holdings distributed 100% of the outstanding common stock of Lands' End to its shareholders*
- *Tax Act - The Tax Cuts and Jobs Act passed by the United States government on December 22, 2017*

- *Tax Sharing Agreement - A tax sharing agreement entered into by Sears Holdings Corporation and Lands' End in connection with the Separation*
- *Term Loan Facility - Term loan credit agreements, dated as of April 4, 2014, with Bank of America, N.A. and certain other lenders*
- *Transform Holdco - Transform Holdco LLC, an affiliate of ESL, which on February 11, 2019 acquired from Sears Holdings substantially all of the go-forward retail footprint and other assets and component businesses of Sears Holdings as a going concern*
- *UTBs - Gross unrecognized tax benefits*

Basis of Presentation

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

The accompanying Consolidated Financial Statements have been prepared in accordance with GAAP. In the opinion of management, all material adjustments 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.

Reclassifications

Certain reclassifications have been made to prior year amounts within the Consolidated Balance Sheets to conform to the current year presentation.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fiscal Year

The Company's fiscal year end is on the Friday preceding the Saturday closest to January 31 each year. The fiscal periods in this report are presented as follows, unless the context otherwise requires:

Fiscal Year	Ended	Weeks
2019	January 31, 2020	52
2018	February 1, 2019	52
2017	February 2, 2018	53

Seasonality

The Company's operations have historically been seasonal, with a disproportionate amount of net revenue occurring in the fourth fiscal quarter, reflecting increased demand during the year-end holiday selling season. The impact of seasonality on results of operations is more pronounced since the level of certain fixed costs, such as occupancy and overhead expenses, do not vary with sales. The Company's results of operations also may fluctuate based upon such factors as the timing of certain holiday seasons and promotions, the amount of net revenue contributed by new and existing stores, the timing and level of markdowns, competitive factors, weather and general economic conditions.

Working capital requirements typically increase during the second and third quarters of the fiscal year as inventory builds to support peak shipping/selling periods and, accordingly, typically decrease during the fourth quarter of the fiscal year as inventory is shipped/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.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reportable amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents consist of highly liquid temporary instruments purchased with original maturities of three months or less. It also includes deposits in-transit from banks for payments related to third-party credit card and debit card transactions.

Restricted cash

The Company classifies cash balances pledged as collateral as Restricted cash on the Consolidated Balance Sheets.

Allowance for Doubtful Accounts

The Company provides an allowance for doubtful accounts based on both historical experience and specific identification. The Accounts receivable balance on the Consolidated Balance Sheets is presented net of the Company's allowance for doubtful accounts and is comprised of various customer-related accounts receivable.

Changes in the balance of the allowance for doubtful accounts are as follows:

(in thousands)	Fiscal 2019	Fiscal 2018
Beginning balance	$ 542	$ 637
Provision	151	192
Write-offs	(182)	(287)
Ending balance	$ 511	$ 542

Inventory

Inventories primarily consist of merchandise purchased for resale. For financial reporting and tax purposes, the Company's United States inventory, primarily merchandise held for sale, is stated at last-in, first-out ("LIFO") cost, which is lower than net realizable value. The Company accounts for its non-United States inventory on the first-in, first-out ("FIFO") method. The United States inventory accounted for using the LIFO method was 90% of total inventory as of January 31, 2020 and 88% as of February 1, 2019. If the FIFO method of accounting for inventory had been used, the effect on inventory would have been an increase of $0.9 million and $1.1 million as of January 31, 2020 and February 1, 2019, respectively.

The Company maintains a reserve for excess and obsolete inventory. The reserve is calculated based on historical experience related to liquidation/disposal of identified inventory. The excess and obsolescence reserve balances were $11.0 million and $12.5 million as of January 31, 2020 and February 1, 2019, respectively.

Deferred Catalog Costs and Marketing

Costs incurred for direct response marketing consist primarily of catalog production and mailing costs that are generally amortized within two months from the date catalogs are mailed. Unamortized marketing costs reported as prepaid assets were $14.7 million and $13.5 million as of January 31, 2020 and February 1, 2019, respectively. The Company expenses the costs of marketing for website, magazine, newspaper, radio and other general media when the marketing takes place. Marketing expenses, including catalog costs amortization, website-related costs and other print media were $194.9 million, $186.9 million and $186.4 million for Fiscal 2019, Fiscal 2018 and Fiscal 2017, respectively. These costs are included within Selling and administrative expenses in the accompanying Consolidated Statements of Operations.

Property and Equipment

Property and equipment are recorded at cost, less accumulated depreciation. Additions and substantial improvements are capitalized and include expenditures that materially extend the useful lives of existing facilities and equipment. Maintenance and repairs that do not materially improve or extend the lives of the respective assets are expensed as incurred. As of the balance sheet dates, Property and equipment, net consisted of the following:

(in thousands)	Asset Lives	January 31, 2020	February 1, 2019
Land	-	$ 3,459	$ 3,459
Buildings and improvements	15-30	100,269	99,400
Furniture, fixtures and equipment	3-10	59,731	62,823
Computer hardware and software	3-10	181,160	146,400
Leasehold improvements	3-7	8,423	6,569
Construction in progress		22,796	27,296
Gross property and equipment		375,838	345,947
Accumulated depreciation		(218,173)	(196,053)
Total property and equipment, net		$ 157,665	$ 149,894

As of January 31, 2020 and February 1, 2019, assets in development relate primarily to technological investments.

Depreciation expense is recorded over the estimated useful lives of the respective assets using the straight-line method. Leasehold improvements are depreciated over the shorter of the associated lease term or the estimated useful life of the asset. Depreciation expense was $31.1 million, $27.6 million and $24.9 million for Fiscal 2019, Fiscal 2018 and Fiscal 2017, respectively.

Impairment of Property and Equipment

Property and equipment are subject to a review for impairment if events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Retail store long-lived assets, including right-of-use assets, are regularly reviewed for impairment indicators. Impairment is assessed at the individual store level which is the lowest level of identifiable cash flows and considers the estimated undiscounted cash flows over the asset's remaining life. If estimated undiscounted cash flows are insufficient to recover the investment, an impairment loss is recognized equal to the difference between the estimated fair value of the asset and its carrying value, net of salvage, and any costs of disposition. The fair value estimate is generally the discounted amount of estimated store-specific cash flows. During Fiscal 2019 an impairment of $1.4 million was recognized for property and equipment in one Retail location. During Fiscal 2018 an impairment of $254 thousand was recognized for property and equipment in two Retail locations. There were no impairments of property and equipment recognized in Fiscal 2017.

Goodwill and Indefinite-lived Intangible Asset Impairment Assessments

Goodwill and the indefinite-lived trade name intangible asset are tested separately for impairment on an annual basis or are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The goodwill and trade name intangible asset relate to Kmart Holding Corporation's acquisition of Sears Roebuck in March 2005.

Frequently our impairment assessments contain multiple uncertainties because the calculation requires management to make assumptions and to apply judgment to estimate future cash flows and asset fair values, including forecasting cash flows under different scenarios. We perform goodwill and indefinite-lived intangible asset impairment tests on an annual basis and update these annual impairment tests mid-year if events or circumstances occur that would more likely than not reduce the fair value of a reporting unit or indefinite-lived intangible asset below its carrying amount. If actual results fall short of our estimates and assumptions used in estimating future cash flows and asset fair values, we may be exposed to future impairment losses that could be material.

Goodwill impairment assessments

The Company tests goodwill for impairment using a one-step quantitative test. The quantitative test compares the reporting unit's fair value to its carrying value. An impairment is recorded for any excess carrying value above the reporting unit's fair value, not to exceed the amount of goodwill. The Company estimates fair value using a discounted cash flow model, commonly referred to as the income approach. The income approach uses a reporting unit's projection of estimated operating results and cash flows that is discounted using a weighted-average cost of capital that reflects current market conditions appropriate to the Company's reporting unit. The projection uses management's best estimates of economic and market conditions over the projected period using the best information available, including growth rates in revenues, costs, estimates of future expected changes in operating margins and cash expenditures. Other significant estimates and assumptions include terminal value growth rates, future estimates of capital expenditures and changes in future working capital requirements.

During Fiscal 2019 and Fiscal 2018, the fair value of the reporting units exceeded their carrying value and as such, the Company did not record a goodwill impairment charge. At the end of Fiscal 2019, the fair value of the U.S. eCommerce, Outfitters and Japan eCommerce reporting units exceeded the carrying value by 34.7%, 48.6% and 3.1% respectively. The goodwill allocated to Japan is approximately $3.3 million

Goodwill impairment charges may be recognized in future periods to the extent changes in factors or circumstances occur, including deterioration in the macroeconomic environment, retail industry or in the equity markets, deterioration in our performance or our future projections, or changes in our plans for the reporting unit.

Indefinite-lived intangible asset impairment assessments

The Company's indefinite-lived intangible asset is the Lands' End trade name. Lands' End reviews the trade name for impairment, on an annual basis, by comparing the carrying amount to its fair value, using the income approach. Lands' End determined that the relief from royalty method of the income approach was most appropriate for analyzing the Company's indefinite-lived asset. This method is based on the assumption that, in lieu of ownership, a firm would be willing to pay a royalty in order to exploit the related benefits of this asset class. The relief from royalty method involves two steps: (1) estimation of reasonable royalty rates for the assets and (2) the application of these royalty rates to a net revenue stream and discounting the resulting cash flows to determine a present value. The Company multiplied the selected royalty rate by the forecasted net revenue stream to calculate the cost savings (relief from royalty payment) associated with the asset. The cash flows are then discounted to present value using the selected discount rate and compared to the carrying value of the asset.

In Fiscal 2019, Fiscal 2018 and Fiscal 2017, the Company tested the indefinite-lived intangible assets as required resulting in the fair value exceeding the carrying value by 19.1%, 45.1% and 9.7% respectively. As such, no trade name impairment charges were recorded in all periods presented.

Financial Instruments with Off-Balance-Sheet Risk

The Company entered into the ABL Facility on November 16, 2017, which provides for maximum borrowings of $175.0 million for the Company, subject to a borrowing base. Subsequent to Fiscal 2019 and before the filing of this Annual Report on Form 10-K for Fiscal 2019, the Company increased capacity under the ABL Facility by $25 million, so that maximum borrowings are $200 million. The ABL Facility has a letter of credit sub-limit of $70.0 million and will mature no later than November 16, 2022, subject to customary extension provisions provided for therein. The ABL Facility is available for working capital and other general corporate purposes, and was undrawn, at January 31, 2020, other than for letters of credit. See Note 3, *Debt*.

Fair Value of Financial Instruments

The Company determines the fair value of financial instruments in accordance with accounting standards pertaining to fair value measurements. Such standards define fair value and establish a framework for measuring fair value in accordance with GAAP. Under fair value measurement accounting standards, fair value is considered to be the exchange price in an orderly transaction between market participants to sell an asset or transfer a liability at the measurement date. The Company reports or discloses the fair value of financial assets and liabilities based on the fair value hierarchy prescribed by accounting standards for fair value measurements, which prioritizes the inputs to valuation techniques used to measure fair value into three levels.

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of accounts receivable. Total accounts receivable were $51.0 million and $34.5 million as of January 31, 2020 and February 1, 2019, respectively. As of January 31, 2020 accounts receivable from two customers within the Outfitter’s business each represented more than 10% and a combined 54% of the accounts receivable balance.

Cash and cash equivalents, Accounts receivable, Accounts payable and Other current liabilities are reflected in the Consolidated Balance Sheets at cost, which approximates fair value due to the short-term nature of these instruments.

Long-term debt, net is reflected in the Consolidated Balance Sheets at amortized cost. The fair value of debt was determined utilizing level 2 valuation techniques based on the closing inactive market bid price on January 31, 2020 and February 1, 2019. See Note 7, *Fair Value of Financial Assets and Liabilities*.

Foreign Currency Translations and Transactions

The Company translates the assets and liabilities of foreign subsidiaries from their respective functional currencies to United States dollars at the appropriate spot rates as of the balance sheet date. Revenue and expenses of operations are translated to United States dollars using weighted average exchange rates during the year. The foreign subsidiaries use the local currency as their functional currency. The effects of foreign currency translation adjustments are included as a component of Accumulated other comprehensive loss in the accompanying Consolidated Statements of Changes in Stockholders' Equity. The Company recognized a foreign exchange transaction gain of $3.4 million in Fiscal 2019, an insignificant gain in Fiscal 2018 and a loss of $4.8 million in Fiscal 2017, included within Cost of sales (excluding depreciation and amortization) in the accompanying Consolidated Statements of Operations.

Revenue Recognition

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 eCommerce and Outfitters channels is when the merchandise is expected to be received by the customer and for the Retail 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 channel and geographic location.

The Company excludes from revenue, taxes assessed by governmental authorities, including value-added and other sales-related taxes, that are imposed on and concurrent with revenue-producing activities.

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 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 Other current liabilities in the Consolidated Balance Sheets and amounts recognized through Net revenue for each period presented. The remainder of deferred revenue as of January 31, 2020 is expected to be recognized in Net revenue in the fiscal quarter ending May 1, 2020, as products are delivered to customers.

(in thousands)	Fiscal 2019	Fiscal 2018
Deferred revenue beginning of period	$ 9,051	$ 12,993
Deferred revenue recognized in period	(9,051)	(12,993)
Revenue deferred in period	8,096	9,051
Deferred revenue end of period	$ 8,096	$ 9,051

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 Consolidated Statements of Operations. Prior to their redemption, gift cards are recorded as a liability, included within Other current liabilities in the 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:

(in thousands)	Fiscal 2019	Fiscal 2018
Balance as of beginning of period	$ 18,191	$ 19,272
Gift cards sold	65,662	57,465
Gift cards redeemed	(60,043)	(56,502)
Gift card breakage	(1,218)	(984)
Change in accounting principle	—	(1,060)
Balance as of January 31, 2020	$ 22,592	$ 18,191

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. As of Fiscal 2019 and Fiscal 2018, $21.6 million and $22.2 million, respectively, of refund liabilities, primarily associated with product returns, were reported in Other current liabilities in the Consolidated Balance Sheets.

Cost of Sales

Cost of sales are comprised principally of the costs of merchandise, in-bound freight, duty, warehousing and distribution (including receiving, picking, packing, store delivery and value added costs), customer shipping and handling costs and physical inventory losses. Depreciation and amortization are not included in the Company's Cost of sales.

Selling and Administrative Expenses

Selling and administrative expenses are comprised principally of payroll and benefits costs, marketing, occupancy costs of retail stores and corporate facilities, buying, pre-opening costs and other administrative expenses. All stock-based compensation is recorded in Selling and administrative expenses. See Note 5, *Stock-Based Compensation*.

Selling and administrative expenses included $6.4 million, $30.2 million and $47.1 million in Fiscal 2019, Fiscal 2018 and Fiscal 2017, respectively, of costs allocated or charged to the Company by Sears Holdings. See Note 11, *Related Party Agreements and Transactions*.

Corporate Restructuring

During Fiscal 2017, the Company implemented an initiative to right-size its New York Office in an effort to create efficiencies and refocus the Company back to its corporate headquarters in Dodgeville, Wisconsin. The restructuring included certain headcount reductions and the exit of a facility. The total restructuring charge as a result of this action was $3.9 million. As of January 31, 2020 and February 1, 2019 the Company had recorded a restructuring accrual of $0.7 million and $1.3 million, respectively, related to this initiative. In Fiscal 2019, the Company closed five school uniform showrooms.

Income Taxes

Deferred income tax assets and liabilities are based on the estimated future tax effects of differences between the financial and tax basis of assets and liabilities based on currently enacted tax laws. The tax balances and income tax expense recognized are based on management's interpretation of the tax laws of multiple jurisdictions. Income tax expense also reflects best estimates and assumptions regarding, among other things, the level of future taxable income and tax planning. Future changes in tax laws, changes in projected levels of taxable income, tax planning and adoption and implementation of new accounting standards could impact the effective tax rate and tax balances recorded.

Tax positions are recognized when they are more likely than not to be sustained upon examination. The amount recognized is measured as the largest amount of benefit that is more likely than not to be realized upon settlement. The Company is subject to periodic audits by the United States Internal Revenue Service and other state and local taxing authorities. These audits may challenge certain of the Company's tax positions such as the timing and amount of income and deductions and the allocation of taxable income to various tax jurisdictions. The Company evaluates its tax positions and establishes liabilities in accordance with the applicable accounting guidance on uncertainty in income taxes. These tax uncertainties are reviewed as facts and circumstances change and are adjusted accordingly. This requires significant management judgment in estimating final outcomes. Interest and penalties are classified as Income tax expense in the Consolidated Statements of Operations. See Note 9, *Income Taxes*, for further details.

The Company performed an evaluation over its deferred tax assets and determined that a valuation allowance is considered necessary for certain jurisdictions. See Note 9, *Income Taxes*, for further details on the valuation allowance.

Lands' End and Sears Holdings Corporation entered into the Tax Sharing Agreement in connection with the Separation which governs Sears Holdings Corporation's and Lands' End's respective rights, responsibilities and obligations after the Separation with respect to liabilities for United States federal, state, local and foreign taxes attributable to the Lands' End business. Pursuant to this agreement, Sears Holdings Corporation is generally responsible for all United States federal, state and local UTBs, through the date of the Separation. On October 15, 2018, Sears Holdings Corporation and certain of its subsidiaries filed voluntary petitions in the United States Bankruptcy Court for the Southern District of New York seeking relief under Chapter 11 of Title 11 of the United States Code (collectively the “Sears Filing"). As a result of the Sears Filing, the Company believes that the recovery of the UTBs provided by the Tax Sharing Agreement is uncertain. Sears Holdings rejected the Tax Sharing Agreement, per an order approved on April 4, 2019. The Company recorded a non-cash charge of $2.6 million in the Third Quarter 2018 as the result of establishing a reserve against the indemnification asset. As of January 31, 2020 the indemnification asset was $0.

Self-Insurance

The Company has a self-insured plan for health and welfare benefits and provides an accrual to cover the obligation. The accrual for the self-insured liability is based on claims filed and an estimate of claims incurred but not yet reported. The Company considers a number of factors, including historical claims information, when determining the amount of the accrual. Costs related to the administration of the plan and related claims are expensed as incurred. Total expenses were $17.4 million, $17.1 million and $16.5 million for Fiscal 2019, Fiscal 2018 and Fiscal 2017, respectively.

The Company also has a self-insured plan for certain costs related to workers' compensation. The Company obtains third-party insurance coverage to limit exposure to this self-insured risk.

Postretirement Benefit Plan

Effective January 1, 2006, the Company decided to indefinitely suspend eligibility to the postretirement medical plan for future company retirees.

The Company has a 401(k) retirement plan, which covers most regular employees and allows them to make contributions. The Company also provides a matching contribution on a portion of the employee contributions. Total expense incurred under this plan was $3.6 million, $3.5 million and $3.2 million for Fiscal 2019, Fiscal 2018 and Fiscal 2017, respectively.

Other Comprehensive Income (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, impact of the Tax Act on the translation adjustments and net income (loss).

	Fiscal 2019	Fiscal 2018	Fiscal 2017
Beginning balance: Accumulated other comprehensive loss (net of tax of $3,505, $2,816 and $6,691, respectively)	$ (13,183)	$ (10,592)	$ (12,426)
Other comprehensive income (loss)			
Foreign currency translation adjustments (net of tax of $(52), $689 and $(1,427), respectively)	195	(2,591)	4,282
Impact of Tax Act	—	—	(2,448)
Ending Balance: Accumulated other comprehensive loss (net of tax of $3,453, $3,505 and $2,816, respectively)	$ (12,988)	$ (13,183)	$ (10,592)

As a result of the Tax Act, in Fiscal 2017, $2.4 million was reclassified out of Accumulated other comprehensive loss into Accumulated deficit in accordance with the adoption of *ASU 2018-02, Income Statement - Reporting Comprehensive Income*. No other amounts were reclassified out of Accumulated other comprehensive loss in the periods presented.

Stock-Based Compensation

Stock-based compensation expense for restricted stock units is determined based on the grant date fair value. The fair value is determined based on the Company's stock price on the date of the grant. The Company recognizes stock-based compensation cost net of estimated forfeitures and revises the estimates in subsequent periods if actual forfeitures differ from the estimates. The Company estimates the forfeiture rate based on historical data as well as expected future behavior. Stock-based compensation is recorded in Selling and administrative expense in the Consolidated Statements of Operations over the period in which the employee is required to provide service in exchange for the restricted stock units.

Stock option awards ("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 ratably over a four-year period.

Earnings per Share

The numerator for both basic and diluted EPS is net income attributable to Lands' End. The denominator for basic EPS is based upon the number of weighted average shares of Lands' End common stock outstanding during the reporting periods. The denominator for diluted EPS is based upon the number of weighted average shares of Lands' End common stock and common stock equivalents outstanding during the reporting periods using the treasury stock method in accordance with *ASC 260, Earnings Per Share*.

The following table summarizes the components of basic and diluted EPS:

(in thousands)	Fiscal 2019	Fiscal 2018	Fiscal 2017
Net income	$ 19,290	$ 11,590	$ 28,195
Basic weighted average shares outstanding	32,343	32,190	32,076
Dilutive impact of stock awards	2	336	34
Diluted weighted average shares outstanding	32,345	32,526	32,110
Basic earnings per share	$ 0.60	$ 0.36	$ 0.88
Dilutive earnings per share	$ 0.60	$ 0.36	$ 0.88

Stock awards are considered anti-dilutive based on the application of the treasury stock method or in the event of a net loss. There were 745,575, 438,583 and 397,669 anti-dilutive shares excluded from the diluted weighted average shares outstanding in Fiscal 2019, Fiscal 2018 and Fiscal 2017, respectively.

Recently Adopted Accounting Pronouncements

Leases

In February 2016 the FASB issued ASU 2016-02, Leases (“ASC 842”), which changed how companies account for leases. On February 2, 2019, the Company adopted the guidance using the Comparatives under 840 option approach which waives the requirement to apply ASC 842 in the comparative periods presented within the financial statements in the year of adoption. Lands' End elected the practical expedient package, which among other practical expedients, includes the option to retain the historical classification of leases entered into prior to February 2, 2019. The Company also elected the practical expedient to combine lease and non-lease components.

The Company is a lessee under various lease agreements for its equipment and retail operations. The determination of whether an arrangement contains a lease and the classification of a lease, if applicable, is made at lease commencement (date in which the Company takes possession of the asset). At lease commencement the Company also measures and recognizes a right-of-use asset, representing the Company’s right to use the underlying asset, and a lease liability, representing the Company’s obligation to make lease payments under the terms of the arrangement. The lease term is defined as the noncancelable portion of the lease term plus any periods covered by an option to extend the lease, if it is reasonably certain that the option will be exercised. For the purposes of recognizing right-of-use assets and lease liabilities associated with the Company's leases, the Company has elected the practical expedient of not recognizing a right-of-use asset or lease liability for short-term leases, which are leases with a term of twelve months or less. The Company's leases are classified as operating leases, which are included in the Operating lease right-of-use asset, Lease liability - current and Lease liability - long-term on the Company's Consolidated Balance sheets.

Right-of-use assets and lease liabilities are recognized based on the present value of the future minimum lease payments, over the lease term, as of the commencement date. Minimum lease payments include the fixed lease component of the agreement as well as any variable rate payments that depend on an index, initially measured using the index at the lease commencement date. Lease terms may include options to renew. If it is determined the lease will not be renewed, the right-of-use asset and lease liability for that lease will be adjusted to reflect the updated lease term. The Company does not have any leases with residual value guarantees or restrictions or covenants imposed by the lease.

Due to the absence of an implicit rate in the Company's lease contracts, the Company estimates its incremental borrowing rate for each lease based on the lease term, lease currency and the Company's credit spread. The yield curve selected at the lease commencement date represents one notch above the Company's unsecured credit rating, and therefore is considered a close proxy for the incremental borrowing rate the Company would incur for secured debt.

Lease expense is recognized on a straight-line basis over the lease term and is included in Selling and administrative expense in the Consolidated Statements of Operations. Variable lease payments that do not depend on a rate or index and short-term rentals (leases with terms less than 12 months) are expensed as incurred.

The impact of adoption of the new lease guidance on the Consolidated Balance Sheets as of February 2, 2019 was as follows. See Note 4, *Leases*, for further details.

(in thousands)	**February 1, 2019 (as reported)**	**Impact of Adoption**	**February 2, 2019**
Assets:			
Operating lease right-of-use asset	$ —	$ 27,494	$ 27,494
Liabilities:			
Lease liability - current	—	9,892	9,892
Lease liability - long-term	—	21,700	21,700
Stockholders' Equity:			—
Accumulated deficit	(17,159)	(1,741) (1)	(18,900)

(1) At the time of implementation, the Company determined certain Operating lease right-of-use assets were impaired and recorded an adjustment to beginning retained earnings related to these impairments, net of tax.

NOTE 3. DEBT

Debt Arrangements

On November 16, 2017, the Company entered into the ABL Facility, which provides for maximum borrowings of $175.0 million for the Company, subject to a borrowing base. Subsequent to Fiscal 2019 and before the filing of this Annual Report on Form 10-K for Fiscal 2019, the Company increased capacity under the ABL Facility by $25 million, so that maximum borrowings are $200 million. The ABL Facility has a letter of credit sub-limit of $70.0 million and will mature no later than November 16, 2022, subject to customary extension provisions provided for therein. The ABL Facility is available for working capital and other general corporate purposes, and was undrawn, other than for letters of credit, as of January 31, 2020. Upon entering into the ABL Facility, the Company incurred $1.5 million in debt origination fees. The fees were capitalized as debt issuance costs and are being amortized as an adjustment to Interest expense over the remaining life of the Debt Facilities.

On April 4, 2014, Lands' End entered into the Term Loan Facility of $515.0 million, the proceeds of which were used to pay a dividend of $500.0 million to a subsidiary of Sears Holdings Corporation immediately prior to the Separation and to pay fees and expenses associated with a prior debt arrangement and the Term Loan Facility of approximately $11.4 million. The remaining proceeds were used for general corporate purposes. The fees were capitalized as debt issuance costs and are being amortized as an adjustment to Interest expense over the remaining life of the Debt Facilities. In First Quarter 2019, Lands' End made a $100 million voluntary prepayment on the Term Loan from excess cash on hand.

The Company's debt consisted of the following:

	January 31, 2020		February 1, 2019	
(in thousands)	Amount	Rate	Amount	Rate
Term Loan Facility, maturing April 4, 2021	$ 385,388	5.05%	$ 490,538	5.77%
ABL Facility, maturing November 16, 2022	—	—%	—	—%
	385,388		490,538	
Less: current maturities	5,150		5,150	
Less: unamortized debt issuance costs	1,581		2,935	
Long-term debt, net	$ 378,657		$ 482,453	

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

(in thousands)	January 31, 2020	February 1, 2019
ABL Facility maximum borrowing	$ 175,000	$ 175,000
Outstanding letters of credit	23,299	21,111
Borrowing availability under ABL	$ 151,701	$ 153,889

Interest; Fees

The interest rates per annum applicable to the loans under the Debt Facilities are based on a fluctuating rate of interest measured by reference to, at the borrowers' election, either (i) an adjusted LIBOR plus a borrowing margin, or (ii) an alternative base rate plus a borrowing margin. The borrowing margin is fixed for the Term Loan Facility at 3.25% in the case of LIBOR loans and 2.25% in the case of base rate loans. For the Term Loan Facility, LIBOR is subject to a 1% interest rate floor. The borrowing margin for the ABL Facility is subject to adjustment based on the average excess availability under the ABL Facility for the preceding fiscal quarter. LIBOR borrowings will range from 1.25% to 1.75% for the ABL Facility. Base rate borrowings will range from 0.50% to 1.00% for the ABL Facility.

Customary agency fees are payable in respect of the Debt Facilities. The ABL Facility fees also include (i) commitment fees in an amount equal to 0.25% of the daily unused portions of the ABL Facility, and (ii) customary letter of credit fees. During Third Quarter Fiscal 2019 and Fourth Quarter Fiscal 2019 the Company had maximum borrowings of $83.3 million on the ABL Facility. These borrowings were paid in full during Fourth Quarter Fiscal 2019.

Amortization and Prepayments

The Term Loan Facility amortizes at a rate equal to 1% per annum, and is subject to mandatory prepayment in an amount equal to a percentage of the borrower's excess cash flows (as defined in the Term Loan Facility) in each fiscal year, ranging from 0% to 50% depending on Lands' End's secured leverage ratio, and the proceeds from certain asset sales and casualty events. Based on Fiscal 2019 results and in accordance with the Term Loan Facility, no prepayments were required. The Company's aggregate scheduled maturities of the Term Loan Facility as of January 31, 2020 are as follows:

(in thousands)		
Less than 1 year	$	5,150
1 - 2 years		380,238
2 - 3 years		—
3 - 4 years		—
4 - 5 years		—
	$	385,388

Guarantees; Security

All domestic 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 wholly-owned domestic 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 secured by a second priority security interest in the same collateral, with certain exceptions.

The Term Loan Facility also is secured by a first priority security interest in certain property and assets of the borrowers and guarantors, including certain fixed assets and stock of subsidiaries. The ABL Facility is secured by a second priority security interest in the same collateral.

Representations and Warranties; Covenants

Subject to specified exceptions, the Debt Facilities contain various representations and warranties and restrictive covenants that, among other things, restrict the ability of Lands' End and its subsidiaries 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. In addition, if excess availability under the ABL Facility falls below the greater of 10% of the loan cap amount or $15.0 million, Lands' End will be required to comply with a minimum fixed charge coverage ratio of 1.0 to 1.0. The Debt Facilities do not otherwise contain financial maintenance covenants. The Company was in compliance with all financial covenants related to the Debt Facilities as of January 31, 2020.

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.

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, and material judgments and change of control.

NOTE 4. LEASES

The Company is a lessee under various lease agreements for its retail operations and equipment. All leases are classified as operating leases. The Company's leases have remaining terms of less than one year to ten years and contain various renewal options. The period which is subject to an option to extend the lease is included in the lease term if it is reasonably certain that the option will be exercised. Options to extend are reviewed within two years of option date.

The components of lease expense are as follows:

(in thousands)	Fiscal 2019
Operating lease expense	$ 9,210
Variable lease expense	1,682
Ending Balance	$ 10,892

Short-term lease cost was not material for Fiscal 2019.

Supplemental balance sheet information related to operating leases are as follows:

(in thousands)	Fiscal 2019
Operating lease right-of-use asset	$ 38,665
Lease liability - current	5,864
Lease liability - long-term	39,841
Weighted average remaining lease term in years	8.03
Weighted average discount rate	6.39%

Supplemental cash flow information related to operating leases are as follows:

(in thousands)	Fiscal 2019
Operating cash outflows from operating leases	$ 10,631
Operating lease right-of-use-assets obtained in exchange for lease liabilities	19,584

Maturities of operating lease liabilities as of January 31, 2020 are as follows (in thousands):

(in thousands)	Fiscal 2019
2020	$ 8,743
2021	7,834
2022	7,096
2023	6,512
2024	6,187
Thereafter	23,663
Total operating lease payments	$ 60,035
Less imputed interest	14,330
Present value of lease liabilities	$ 45,705

In Fourth Quarter 2019, the Company entered into several leases where possession of retail space will occur in Fiscal 2020.

Total future commitments under the Company's operating leases as of February 1, 2019 were as follows for the fiscal years ending (in thousands):

(in thousands)	Fiscal 2018
2020	$ 10,851
2021	6,338
2022	4,873
2023	3,828
2024	2,839
Thereafter	10,590
Total minimum payments required	$ 39,319

The table above was updated from the version previously included in the Company’s Annual Report on Form 10-K for the fiscal year ended February 1, 2019 within the Notes to Consolidated Financial Statements to adjust for certain inconsistencies that management identified in First Quarter 2019 during the implementation of ASC 842, Leases. Specifically, the Company corrected the schedule to include additional lease commitments for lease contracts signed in Fiscal 2018, with commencement dates in Fiscal 2019.

NOTE 5. STOCK-BASED COMPENSATION

The Company expenses the fair value of all stock awards over their respective vesting periods, ensuring that, the amount of cumulative compensation cost recognized at any date is at least equal to the portion of the grant-date value of the award that is vested at that date. The Company has elected to adjust compensation expense for an estimated forfeiture rate for those shares not expected to vest and to recognize compensation cost 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:

i. Time vesting stock awards ("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 and is reduced for estimated forfeitures of those awards not expected to vest due to employee turnover.

ii. Performance-based stock awards ("Performance Awards") are in the form of restricted stock units and have, in addition to a service requirement, performance criteria that must be achieved for the awards to be earned. For Performance Awards granted in Fiscal 2018 and after, the Target Shares earned can range from 50% to 200% once minimum thresholds have been reached, and depend on the achievement of Adjusted EBITDA and revenue performance measures for the cumulative three-fiscal year performance period beginning in the fiscal year of the grant date. The applicable percentage of the Target Shares, as determined by performance, vest after the completion of the applicable three-year performance period, and unearned Target Shares are forfeited. The fair value of the Performance Awards granted in Fiscal 2018 and after are based on the closing price of the Company’s common stock on the grant date. Stock based compensation expense 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. Based on performance to date, the Company is currently accruing for Performance Awards based on a 100% payout, which is reflected in the financial information below.

iii. Stock option awards ("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 ratably over a four-year period. The fair value of each Option Award is estimated on the grant date using the Black-Scholes option pricing model.

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

(in thousand)	Fiscal 2019	Fiscal 2018	Fiscal 2017
Deferred Awards	5,591	4,407	3,212
Performance Awards	2,352	1,006	88
Option Awards	748	748	651
Total stock-based compensation expense	8,690	6,161	3,951

Deferred Awards

The following table provides a summary of the Deferred Awards activity for Fiscal 2019 and Fiscal 2018:

	Fiscal Year Ended			
	January 31, 2020		February 1, 2019	
(in thousands, except per share amounts)	Number of Shares	Weighted Average Grant Date Fair Value	Number of Shares	Weighted Average Grant Date Fair Value
Unvested deferred awards at beginning of year	594	$ 21.96	497	$ 22.07
Granted	428	15.62	294	21.93
Vested	(210)	21.93	(151)	22.32
Forfeited	(67)	20.65	(46)	21.62
Unvested deferred awards at end of year	745	18.49	594	21.96

Total unrecognized stock-based compensation expense related to unvested Deferred Awards was approximately $7.7 million as of January 31, 2020, which is expected to be recognized ratably over a weighted average period of 1.7 years. Deferred Awards granted to employees during Fiscal 2019 vest ratably over a period of three years.

Performance Awards

The following table provides a summary of the Performance Awards activity for Fiscal 2019 and Fiscal 2018:

	Fiscal Year Ended			
	January 31, 2020		February 1, 2019	
(in thousands, except per share amounts)	Number of Shares	Weighted Average Grant Date Fair Value	Number of Shares	Weighted Average Grant Date Fair Value
Unvested performance awards at beginning of year	176	$ 21.93	15	$ 21.94
Granted	265	15.73	195	21.90
Vested	—	—	—	—
Forfeited	(29)	18.85	(34)	21.90
Unvested performance awards at end of year	412	18.15	176	21.93

Total unrecognized stock-based compensation expense related to unvested Performance Awards was approximately $4.2 million as of January 31, 2020 which is expected to be recognized ratably over a weighted average period of 1.8 years. Performance Awards granted to employees during Fiscal 2019 and Fiscal 2018 vest, if earned, after completion of the applicable three-year performance period.

Options Awards

The following table provides a summary of the Options Award activity for Fiscal 2019 and Fiscal 2018:

	Fiscal Year Ended			
	January 31, 2020		February 1, 2019	
(in thousands, except per share amounts)	Number of Shares	Weighted Average Grant Date Fair Value	Number of Shares	Weighted Average Grant Date Fair Value
Unvested option awards at beginning of year	257	$ 8.73	343	$ 8.73
Granted	—	—	—	—
Vested	(86)	8.73	(86)	8.73
Forfeited	—	—	—	—
Unvested option awards at end of year	171	8.73	257	8.73

Total unrecognized stock-based compensation expense related to unvested Option Awards was approximately $0.9 million as of January 31, 2020, which is expected to be recognized ratably over a weighted average period of 1.1 years. The Option Awards have a life of ten years and vest ratably over the first four years. As of January 31, 2020, 171,567 shares related to Option Awards were exercisable. No options have been exercised during the fiscal year ended January 31, 2020.

NOTE 6. OTHER CURRENT LIABILITIES

Other current liabilities consisted of the following:

(in thousands)	January 31, 2020	February 1, 2019
Accrued employee compensation and benefits	$ 42,809	$ 42,439
Reserve for sales returns and allowances	21,641	22,222
Deferred gift card revenue	22,592	18,191
Accrued property, sales and other taxes	9,242	9,131
Other	9,736	11,240
Deferred revenue	8,096	9,051
Total other current liabilities	$ 114,116	$ 112,274

NOTE 7. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The Company determines fair value of financial assets and liabilities based on the following fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 inputs—unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. An active market for the asset or liability is one in which transactions for the asset or liability occurs with sufficient frequency and volume to provide ongoing pricing information.

Level 2 inputs—inputs other than quoted market prices included in Level 1 that are observable, either directly or indirectly, for the asset or liability. Level 2 inputs include, but are not limited to, quoted prices for similar assets or liabilities in an active market, quoted prices for identical or similar assets or liabilities in markets that are not active and inputs other than quoted market prices that are observable for the asset or liability, such as interest rate curves and yield curves observable at commonly quoted intervals, volatilities, credit risk and default rates.

Level 3 inputs—unobservable inputs for the asset or liability.

Restricted cash is reflected on the Consolidated Balance Sheets at fair value. The fair value of Restricted cash as of January 31, 2020 and February 1, 2019 was $2.1 million and $1.9 million, respectively, based on Level 1 inputs. Restricted cash amounts are valued based upon statements received from financial institutions.

Carrying values and fair values of other financial instruments in the Consolidated Balance Sheets are as follows:

	January 31, 2020		February 1, 2019	
(in thousands)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt, including short-term portion	$ 385,388	$ 378,643	$ 490,538	$ 460,493

Long-term debt, including short-term portion was valued utilizing level 2 valuation techniques based on the closing inactive market bid price on January 31, 2020. There were no nonfinancial assets or nonfinancial liabilities recognized at fair value on a nonrecurring basis as of January 31, 2020 and February 1, 2019.

NOTE 8. GOODWILL AND INDEFINITE-LIVED INTANGIBLE ASSET

The Company's intangible assets, consisting of a trade name and goodwill, were originally valued in connection with a business combination accounted for under the purchase accounting method. Goodwill represents the excess of the purchase price over the fair value of the net assets acquired.

The following table summarizes the Company's indefinite-lived intangible asset and Goodwill:

(in thousands)	January 31, 2020	February 1, 2019
Goodwill balance	$ 110,000	$ 110,000
Trade name balance	$ 257,000	$ 257,000

ASC 350, Intangibles - Goodwill and Other, requires companies to test goodwill and indefinite-lived intangible assets for impairment annually, or more often if an event or circumstance indicates that the carrying amount may not be recoverable. During Fiscal 2019, Fiscal 2018 and Fiscal 2017 the Company conducted impairment testing of its goodwill and indefinite-lived intangible asset. There were no impairment charges recorded for the indefinite-lived asset in Fiscal 2019 or Fiscal 2018.

There were no impairments of goodwill during any periods presented or since goodwill was first recognized. See also Note 2, *Summary of Significant Accounting Policies-Goodwill and Intangible Asset Impairment Assessments*, for further details.

NOTE 9. INCOME TAXES

The Company's income before income taxes in the United States and in foreign jurisdictions is as follows:

(in thousands)	Fiscal 2019	Fiscal 2018	Fiscal 2017
Income before income taxes			
United States	$ 21,406	$ 16,297	$ 9,011
Foreign	(44)	(6,666)	(8,563)
Total income before income taxes	$ 21,362	$ 9,631	$ 448

The components of the provision for (benefit from) income taxes are as follows:

(in thousands)	Fiscal 2019	Fiscal 2018	Fiscal 2017
United States	$ 2,105	$ (1,959)	$ (27,623)
Foreign	(33)	—	(124)
Total provision (benefit)	$ 2,072	$ (1,959)	$ (27,747)

(in thousands)	Fiscal 2019	Fiscal 2018	Fiscal 2017
Current:			
Federal	$ 979	$ (4,457)	$ 4,804
State	1,549	2,275	330
Foreign	—	—	(124)
Total current	2,528	(2,182)	5,010
Deferred:			
Federal	340	1,650	(34,901)
State	(763)	(1,427)	2,144
Foreign	(33)	—	—
Total deferred	(456)	223	(32,757)
Total provision (benefit)	$ 2,072	$ (1,959)	$ (27,747)

A reconciliation of the statutory federal income tax rate to the effective income tax rate is as follows:

	Fiscal 2019	Fiscal 2018	Fiscal 2017
Tax at statutory federal tax rate	21.0%	21.0%	33.8% *
State income taxes, net of federal tax benefit	2.9%	10.0%	103.5%
Foreign differential	(4.0)%	(4.6)%	108.6%
Permanent differences	4.3%	23.4%	383.1%
Tax law changes	—%	—%	(7,793.7)%
Repatriation of foreign earnings	—%	(38.4)%	950.9%
Uncertain tax benefits	(0.8)%	(38.6)%	(600.1)%
Change in foreign valuation allowance	4.2%	19.2%	509.8%
Foreign branches	(15.9)%	—%	—%
Other, net	(2.0)%	(12.3)%	110.6%
Total	9.7%	(20.3)%	(6,193.5)%

*Under Internal Revenue Code Section 15(a), companies are required to calculate their federal tax rate using a blended rate based on the date of enactment of the Tax Act ("Federal Blended Rate"). The Federal Blended Rate for the Company is 33.8% for Fiscal 2017.

Deferred tax assets and liabilities consisted of the following:

(in thousands)	January 31, 2020	February 1, 2019	February 2, 2018
Deferred tax assets			
Deferred revenue	$ 3,797	$ 3,053	$ 3,292
Legal accruals	1,938	1,714	1,512
Deferred compensation	12,507	10,360	4,029
Reserve for returns	2,654	2,271	2,301
Inventory	3,413	3,690	3,099
CTA investment in foreign subsidiaries	3,453	3,505	2,816
Operating lease liabilities	10,319	—	—
Other	2,764	3,041	4,330
Net operating loss carryforward	6,018	5,117	2,284
Total deferred tax assets	46,863	32,751	23,663
Less valuation allowance	(6,526)	(5,079)	(2,284)
Net deferred tax assets	$ 40,337	$ 27,672	$ 21,379
Deferred tax liabilities			
Intangible assets	$ 62,397	$ 62,959	$ 62,754
LIFO reserve	17,503	16,382	16,659
Property and equipment	7,208	5,098	—
Operating lease right-of-use assets	8,586	—	—
Catalog advertising	2,294	1,903	1,103
Total deferred tax liabilities	97,988	86,342	80,516
Net deferred tax liability	$ 57,651	$ 58,670	$ 59,137

As of January 31, 2020, the Company had $13.9 million of state net operating loss (“NOL”) carryforwards (generating a $1.0 million deferred tax asset) available to offset future taxable income. The state NOL carryforwards generally expire between 2022 and 2038 with certain state NOLs generated after 2017 having indefinite carryforward. The Company’s foreign subsidiaries had $14.9 million of NOL carryforwards (generating a $5.0 million deferred tax asset) available to offset future taxable income. These foreign NOLs can be carried forward indefinitely, however, a valuation allowance was established since the future utilization of these NOLs is uncertain.

A reconciliation of the beginning and ending amount of UTBs is as follows:

	Fiscal 2019	Fiscal 2018	Fiscal 2017
Gross UTB balance at beginning of period	$ 1,458	$ 4,531	$ 6,901
Tax positions related to the current period - gross increase	—	—	—
Tax positions related to the prior periods - gross decreases	(179)	(2,588)	(2,370)
Settlements	(77)	(485)	—
Lapse of statutes of limitations		—	—
Gross UTB balance at end of period	$ 1,202	$ 1,458	$ 4,531

As of January 31, 2020, the Company had UTBs of $1.2 million. Of this amount, $1.0 million would, if recognized, impact its effective tax rate. The Company does not expect that UTBs will fluctuate significantly in the next 12 months for tax audit settlements and the expiration of the statute of limitations for certain jurisdictions. Pursuant to the Tax Sharing Agreement, Sears Holdings is generally responsible for all United States federal, state and local UTBs through the date of the Separation and, as such, the UTBs are recorded in Other liabilities in the

Consolidated Balance Sheets. However, Sears Holdings rejected the Tax Sharing Agreement, per an order approved on April 3, 2019.

The Company classifies interest expense and penalties related to UTBs and interest income on tax overpayments as components of income tax expense. As of January 31, 2020, the total amount of interest expense and penalties recognized on the balance sheet was $0.7 million ($0.6 million net of federal benefit). As of February 1, 2019, the total amount of interest and penalties recognized on the balance sheet was $0.8 million ($0.6 million net of federal benefit). The total amount of net interest expense recognized in the Consolidated Statements of Operations was insignificant for all periods presented. Sears Holdings and Lands' End files income tax returns in both the United States and various foreign jurisdictions.

Impacts of Separation

At Separation from Sears, the Company entered into a Tax Sharing Agreement with respect to Federal and State Income tax liabilities concerning pre-separation periods. Pursuant to the tax sharing agreement, a $13.7 million receivable was recorded by the Company to reflect the indemnification by Sears Holdings Corporation of the pre-Separation uncertain tax positions (including penalties and interest) for which Sears Holdings is responsible. This receivable is included in Other assets in the Consolidated Balance Sheets.

For Fiscal 2018, the asset was written down $4.8 million related to favorable state tax audit settlements. In addition, due to filings by Sears in the US Bankruptcy Court in the third quarter of Fiscal 2018, the Company believes that the recovery of the remaining UTB’s provided by the Tax Sharing Agreement to be uncertain. Sears Holdings rejected the Tax Sharing Agreement, per an order approved on April 4, 2019. In the third quarter of Fiscal 2018, the Company recorded a charge of $2.6 million to establish a reserve on the remaining balance of the indemnification asset. Therefore, the indemnification asset was $0 at January 31, 2020 and February 1, 2019.

Impacts of the Tax Act

On December 22, 2017, the Tax Cuts and Jobs Act (H.R. 1) ("Tax Act") was signed into law. The Tax Act contains significant changes to corporate taxation, including (i) the reduction of the corporate income tax rate to 21%, (ii) the acceleration of expensing for certain business assets, (iii) the nonrecurring transition tax related to the transition of U.S. international tax from a worldwide tax system to a territorial tax system, (iv) the repeal of the domestic production deduction, (v) additional limitations on the deductibility of interest expense, and (vi) expanded limitations on the deductibility of executive compensation.

In December 2017, the SEC issued Staff Accounting Bulletin (SAB) 118 to provide guidance for companies that had not completed their accounting for the income tax effects of the Tax Act. Due to the complexities involved in accounting for the enactment of the Tax Act, SAB 118 allowed for a provisional estimate of the impacts of the Tax Act in our earnings for the year ended February 2, 2018, as well as up to a one-year measurement period that ended on December 22, 2018, for any subsequent adjustments to such provisional estimate. Pursuant to SAB 118, in Fiscal 2017, the Company recorded a $30.6 million benefit which consisted of the provisional amounts for the re-measurement of deferred tax balances at the new expected tax rates under the Tax Act. This includes a net reduction of deferred liabilities of $29.7 million plus a $5.2 million reduction to deferred liabilities on unremitted foreign earnings previously recorded. Both amounts are offset by the provisional amount for a nonrecurring transition tax liability of $4.3 million related to foreign investments under the Tax Act. The Company has completed its analysis of the impacts of the Tax Act, including analyzing the effects of any Internal Revenue Service and U.S. Treasury guidance issued, and state tax law changes enacted, within the maximum one-year measurement period resulting in an additional $3.7 million benefit, in Fiscal 2018, to the $30.6 million provisional amount previously recorded.

NOTE 10. 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.

Lands' End is the defendant in four separate lawsuits, each of which seeks class certification and alleges similar injuries and claims: (1) *DeCrescentis et al., v. Lands' End, Inc*., United States District Court for the Southern District of New York, Civil Action No. l 9-cv- 4717-LJL, complaint filed May 22, 2019; (2) *Gilbert et al. v. Lands' End, Inc.*, United States District Court for the Western District of Wisconsin, Civil Action No. 3:19-cv-00823-JDP, complaint filed October 3, 2019; (3) *Andrews et al. v. Lands' End, Inc.*, United States District Court for the Western District of Wisconsin, Civil Action No. 3:19-cv-01066-JDP, complaint filed on December 31, 2019, on behalf of 521 named plaintiffs, later amended to include 1,089 named plaintiffs; and (4) *Davis et al. v. Lands' End, Inc. and Lands' End Business Outfitters, Inc.*, United States District Court for the Western District of Wisconsin, Case No. 3:20-cv-00195, complaint filed on March 4, 2020. Plaintiffs in *DeCrescentis* seeks class certification for similarly situated New York-based Delta Airlines flight attendants, gate agents, and ramp agents. Plaintiffs in *Gilbert, Andrews*, and *Davis* seek nationwide class certification on behalf of similarly situated Delta employees.

Plaintiffs in *DeCrescentis* and *Gilbert* allege they have suffered adverse health events and personal property damage as a result of wearing uniforms manufactured by Lands' End. *Andrews* and *Davis* plaintiffs assert personal injuries due to adverse health effects but do not allege personal property damage. The *DeCrescentis* matter is currently in discovery.

Plaintiffs in *DeCrescentis*, *Gilbert*, and *Davis* each assert that the damages sustained by the members of the proposed class exceed $5,000,000. Plaintiffs in all four cases seek damages for personal injuries, pain and suffering, severe emotional distress, financial or economic loss, including medical services and expenses, lost income and other compensable injuries.

On March 9, 2020, Plaintiffs in *Gilbert*, *Andrews*, and *Davis* filed a motion to consolidate the three case schedules. Lands' End has filed a motion in opposition of consolidation. Further, in *Gilbert*, Lands' End has filed a motion to strike class allegations.

Lands' End is vigorously defending all four lawsuits and believes they are without merit.

NOTE 11. RELATED PARTY AGREEMENTS AND TRANSACTIONS

According to statements on Schedule 13D filed with the SEC by ESL, ESL beneficially owns significant portions of both the Company's and Sears Holdings’ outstanding shares of common stock. Therefore, Sears Holdings, the Company's former parent company, is considered a related party.

On February 11, 2019, Transform Holdco acquired from Sears Holdings substantially all of the go-forward retail footprint and other assets and component businesses of Sears Holdings as a going concern. The Company believes that ESL holds a significant portion of the membership interests of Transform Holdco and therefore consider that entity to be a related party as well.

In connection with and subsequent to the Separation, the Company entered into various agreements with Sears Holdings which, among other things, (i) governed specified aspects of the Company's relationship following the Separation, especially with regards to the Lands' End Shops at Sears, and (ii) established terms pursuant to which subsidiaries of Sears Holdings provided services to the Company. Some of these agreements have been assumed by and assigned to Transform Holdco in connection with the proceedings related to the Sears Filing.

All Lands' End Shops at Sears closed by January 31, 2020 and accordingly there will be no further rent or retail operations transactions with Sears Holdings or Transform Holdco in Fiscal 2020. The components of the transactions between the Company and Sears Holdings or Transform Holdco in Fiscal 2019, Fiscal 2018 and Fiscal 2017, which exclude pass-through payments to or from third parties, are as follows.

Lands' End Shops at Sears

Related party costs charged by Sears Holdings or Transform Holdco to the Company related to Lands' End Shops at Sears were as follows:

(in thousands)	Fiscal 2019	Fiscal 2018	Fiscal 2017
Rent, CAM and occupancy costs	$ 3,768	$ 14,798	$ 22,084
Retail services, store labor	3,396	13,719	21,934
Financial services and payment processing	385	1,644	2,455
Supply chain costs	119	465	741
Total expenses	$ 7,668	$ 30,626	$ 47,214
Number of Lands' End Shops at Sears at period end (1)	—	49	174

(1) During Fiscal 2019, Fiscal 2018 and Fiscal 2017, 49, 125 and 42 Lands' End Shops at Sears were closed, respectively.

General Corporate Services

Related party costs charged by Sears Holdings or Transform Holdco to the Company for general corporate services were as follows:

(in thousands)	Fiscal 2019	Fiscal 2018	Fiscal 2017
Sourcing	$ 7,456	$ 7,530	$ 10,243
Shop Your Way Loyalty Program	108	933	1,119
Shared services	176	190	176
Total expenses, net	$ 7,740	$ 8,653	$ 11,538

Sourcing

The Company contracts with a subsidiary of Sears Holdings to provide agreed upon buying agency services, on a non-exclusive basis, in foreign territories from where the Company purchases merchandise. These services, primarily based upon quantities purchased, include quality-control functions, regulatory compliance, product claims management and new vendor selection and setup assistance. The Company's contract under which it receives sourcing services from an affiliate of Sears Holdings runs through June 30, 2020.

These amounts are capitalized into inventory and are expensed through cost of goods sold over the course of inventory turns and included in Cost of sales in the Consolidated Statements of Operations.

Use of Intellectual Property or Services

Related party revenue charged by the Company to Sears Holdings for the use of intellectual property or services is as follows:

(in thousands)	Fiscal 2019	Fiscal 2018	Fiscal 2017
Call center services	$ —	$ —	$ 1,160
Lands' End business outfitters revenue	4	845	1,045
Credit card revenue	375	709	980
Royalty income	142	189	213
Gift card revenue	(14)	(17)	(32)
Total income	$ 507	$ 1,726	$ 3,366

Additional Related Party Balance Sheet Information

Following the Sears Filing, the Company began netting payables due to Sears Holdings or Transform Holdco, as applicable, against receivables due from Sears Holdings or Transform Holdco if and as allowed under its contracts. As a result, receivables and payables have been netted and are presented as a net receivable balance in Accounts receivable, net in the Consolidated Balance Sheets. These amounts were immaterial as of January 31, 2020 and February 1, 2019.

In the third quarter Fiscal 2018, the Company recorded a non-cash charge of $2.6 million in Other expense, net, in the Consolidated Statement of Operations to reflect a reserve relating to pre-Separation UTBs (including penalties and interest) for which Sears Holdings Corporation indemnified the Company under a Tax Sharing Agreement entered into in connection with the Separation, the recovery of which had become uncertain as a result of the Sears Filing. Sears Holdings rejected the Tax Sharing Agreement, per an order approved on April 4, 2019. There was not an indemnification receivable as of January 31, 2020 and February 1, 2019.

NOTE 12. SEGMENT REPORTING

The Company's operating segments consist of U.S. eCommerce, Outfitters, Europe eCommerce, Japan eCommerce and Retail. The Company determined that each of the operating segments share similar economic and other qualitative characteristics thus the results of the operating segments are aggregated into one reportable external segment, consistent with the Company's multi-channel business approach.

Net revenue is presented by product channel in the following table:

(in thousands)	Fiscal 2019	% of Revenue	Fiscal 2018	% of Revenue	Fiscal 2017	% of Revenue
eCommerce	$ 1,104,829	76.2%	$ 1,039,929	71.7%	$ 975,446	69.3%
Outfitters	285,807	19.7%	289,251	19.9%	258,669	18.4%
Retail	59,565	4.1%	122,412	8.4%	172,562	12.3%
Total Net revenue	$ 1,450,201		$ 1,451,592		$ 1,406,677	

The geographical allocation of Net revenue is based upon where the product is shipped. The following presents summarized geographical information:

(in thousands)	Fiscal 2019	% of Revenue	Fiscal 2018	% of Revenue	Fiscal 2017	% of Revenue
United States	$ 1,247,288	86.0%	$ 1,245,157	85.8%	$ 1,204,199	85.6%
Europe	137,134	9.5%	138,761	9.6%	134,543	9.6%
Asia	48,470	3.3%	50,203	3.5%	48,704	3.5%
Other	17,309	1.2%	17,471	1.1%	19,231	1.3%
Total Revenue	$ 1,450,201		$ 1,451,592		$ 1,406,677	

Property and equipment, net by geographical location are as follows:

(in thousands)	Fiscal 2019	Fiscal 2018	Fiscal 2017
United States	$ 148,340	$ 140,663	$ 126,015
Europe	8,716	8,773	9,862
Asia	609	458	625
Total Property and equipment, net	$ 157,665	$ 149,894	$ 136,502

Other than the United States, no one country is greater than 10% of total Net revenue or of total Property and equipment, net.

NOTE 13. QUARTERLY FINANCIAL DATA (UNAUDITED)

	2019							
	First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
(in thousands except share data)	$'s	% Net Sales	$'s	% Net Sales	$'s	% Net Sales	$'s	% Net Sales
Net revenue	262,433	100.0%	298,267	100.0%	340,023	100.0%	549,478	100.0%
Gross profit	119,874	45.7%	129,085	43.3%	154,175	45.3%	218,758	39.8%
Operating (loss) income	(4,736)	(1.8)%	(561)	(0.2)%	10,907	3.2%	39,827	7.2%
Net (loss) income	(6,818)	(2.6)%	(3,014)	(1.0)%	3,606	1.1%	25,516	4.6%
Basic earnings per common share	(0.21)		(0.09)		0.11		0.79	
Diluted earnings per common share(1)	(0.21)		(0.09)		0.11		0.78	

	2018							
	First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
(in thousands except share data)	$'s	% Net Sales	$'s	% Net Sales	$'s	% Net Sales	$'s	% Net Sales
Net revenue	299,825	100.0%	307,945	100.0%	341,570	100.0%	502,252	100.0%
Gross profit	133,025	44.4%	136,766	44.4%	150,962	44.2%	195,303	38.9%
Operating income	2,527	0.8%	875	0.3%	8,485	2.5%	30,712	6.1%
Net income	(2,630)	(0.9)%	(5,285)	(1.7)%	3,294	1.0%	16,211	3.2%
Basic earnings per common share	(0.08)		(0.16)		0.10		0.50	
Diluted earnings per common share(1)	(0.08)		(0.16)		0.10		0.50	

(1) The sum of the quarterly earnings per share—basic and diluted amounts may not equal the fiscal year amount due to rounding.

NOTE 14. SUBSEQUENT EVENT

In March 2020, the World Health Organization declared the outbreak of a novel COVID-19 as a pandemic, which continues to spread throughout the United States. In terms of the Company's business, the Company does not anticipate a significant near term inventory or supply chain impact from the virus, but the Company has decided to close its 26 U.S. stores for several weeks, as part of the societal response to the current situation. While retail sales are less than 5% of the Company's total revenues and the disruption is expected to be temporary, the Company has also seen a negative impact on customer demand. The Company cannot reasonably estimate the length or severity of this pandemic. Therefore, while the Company expects this matter to negatively impact its business, results of operations, and financial position, the related financial impact cannot be reasonably estimated at this time.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We have established disclosure controls and procedures to ensure that the information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission and that such information is accumulated and communicated to the officers who certify the Company's financial reports and to other members of senior management and the Board of Directors as appropriate to allow timely decisions regarding required disclosure.

Based on their evaluation the Chief Executive Officer and President and Executive Vice President, Chief Operating Officer, Chief Financial Officer and Treasurer have concluded that our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended) are effective as of January 31, 2020.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934. Our internal control over financial reporting is a process designed under the supervision of the President and Chief Executive Officer and Executive Vice President, Chief Operating Officer, Chief Financial Officer and Treasurer to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial statements would be prevented or detected on a timely basis.

Management, including our President and Chief Executive Officer and Executive Vice President, Chief Operating Officer, Chief Financial Officer and Treasurer conducted an evaluation of the design and effectiveness of our internal control over financial reporting based on the criteria set forth in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation our management concluded that our internal control over financial reporting was effective as of January 31, 2020. Our independent registered public accounting firm has issued an audit report on the effectiveness of our internal control over financial reporting, which is included herein.

Changes in Internal Control over Financial Reporting

Regulations under the Exchange Act require public companies including our Company, to evaluate any change in our “internal control over financial reporting” as such term is defined in Rule 13a-15(f) and Rule 15d-15(f) of the Exchange Act. There have been no changes in the company’s internal control over financial reporting during the company’s most recent fiscal quarter that have materially affected, or are reasonable likely to materially affect, the Company’s internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information required by Item 10 with respect to directors, the audit committee, audit committee financial experts and Section 16(a) beneficial ownership reporting compliance is included under the headings "Item 1. Election of Directors - Committees of the Board," "Corporate Governance - Director Independence" and "Other Information - Section 16(a) Beneficial Ownership Reporting Compliance" and in the biographies of the directors contained in "Item 1. Election of Directors," in our definitive proxy statement for our annual meeting of stockholders to be held on May 12, 2020 (the "2020 Proxy Statement.") which are incorporated herein by reference.

The information required by this Item 10 regarding the Company's executive officers is set forth under the heading "Information about our Executive Officers" in Part I of this Form 10-K and is incorporated herein by reference.

Lands' End has adopted a Code of Conduct, which applies to all employees, including our principal executive officer, principal financial officer and principal accounting officer, and a Code of Conduct for its Board of Directors. Directors who are also officers of Lands' End are subject to both codes of conduct. Each code of conduct is a code of ethics as defined in Item 406 of SEC Regulation S-K. The codes of conduct are available on the Corporate Governance section under Investor Relations on our website at *www.landsend.com*. Any amendment to, or waiver from, a provision of either code of conduct will be posted to the above-referenced website.

There were no changes to the process by which stockholders may recommend nominees to the Board of Directors during the last year.

ITEM 11. EXECUTIVE COMPENSATION

Information regarding executive and director compensation is incorporated by reference to the material under the headings "Item 1. Election of Directors - Executive Compensation," "- Executive Compensation - Compensation Committee Interlocks and Insider Participation," "- Executive Compensation - Compensation Committee Report" and "- Compensation of Directors," of the 2020 Proxy Statement. The material incorporated herein by reference to the information set forth under the heading "- Executive Compensation - Compensation Committee Report" of the 2020 Proxy Statement shall be deemed furnished, and not filed, in this Annual Report on Form 10-K and shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, as a result of this furnishing except to the extent that it is specifically incorporated by reference by the Company.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information regarding security ownership of certain beneficial owners and management is incorporated herein by reference to the material under the heading "Item 1. Election of Directors - Beneficial Ownership of the Company's Common Stock" of the 2020 Proxy Statement.

Equity Compensation Plan Information

The following table sets forth certain information regarding the Company's equity compensation plans as of January 31, 2020:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (in thousands) (a)	Weighted-average exercise price of outstanding options, warrants and rights* (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))** (in thousands) (c)
Equity compensation plans approved by security holders	918	22.00	2,085
Equity compensation plans not approved by security holders***	412	18.10	—
Total	1,330	18.66	2,085

* The weighted-average exercise price does not take into account the shares issuable upon vesting of outstanding awards of RSUs, which have no exercise price.

** Represents shares of common stock that may be issued pursuant to the Lands' End, Inc. Amended and Restated 2017 Stock Plan (the "2017 Stock Plan"). Awards under the 2017 Stock Plan may be restricted stock, stock unit awards, incentive stock options, nonqualified stock options, stock appreciation rights, or certain other stock-based awards.

*** In connection with commencing employment, on March 6, 2017, the current CEO was granted options to purchase 294,118 shares of the Company's common stock and 117,647 restricted stock units. These awards were made as inducement grants outside of our stockholder approved stock plans in accordance with NASDAQ Listing Rule 5635(c)(4).

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information regarding certain relationships and related transactions and director independence is incorporated herein by reference to the material under the headings "Certain Relationships and Transactions" and "Corporate Governance" of the 2020 Proxy Statement.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Information regarding principal accountant fees and services is incorporated herein by reference to the material under the heading "Item 3. Ratification of Appointment of Independent Registered Public Accounting Firm - Independent Registered Accounting Firm Fees" of the 2020 Proxy Statement.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The financial statements filed as part of this Annual Report on Form 10-K are listed under Part II, Item 8.

Exhibits:

The following documents are filed as exhibits hereto:

Exhibit Number	Exhibit Description
2.1	Separation and Distribution Agreement, dated as of April 4, 2014, by and between Sears Holdings Corporation and Lands' End, Inc. (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on April 8, 2014 (File No. 001-09769)).
3.1	Amended and Restated Certificate of Incorporation of Lands' End, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on March 20, 2014 (File No. 001-09769)).
3.2	Amended and Restated Bylaws of Lands' End, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on April 8, 2014 (File No. 001-09769)).
4.1	ABL Credit Agreement, dated as of November 16, 2017, by and between Lands' End, Inc. (as the Lead Borrower), Wells Fargo Bank, N.A. (as Agent, L/C Issuer and Swing Line Lender), the Other Lenders party thereto, Wells Fargo Bank, N.A. (as Sole Lead Arranger and Sole Bookrunner) and BMO Harris Bank, N.A. (as Syndication Agent), and SunTrust Bank (as Documentation Agent) (incorporated by reference to Exhibit 4.2 to the Company's Annual Report on Form 10-K for the fiscal year ended February 2, 2018 (File No. 001-09769)).
*4.2	First Amendment to ABL Credit Agreement, dated December 3, 2019, by and between Lands' End, Inc. (as the Lead Borrower), Wells Fargo Bank, N.A. (as Agent, L/C Issuer and Swing Line Lender), the Other Lenders party thereto, Citizens Bank, N.A. (as Lender) and Suntrust Bank (as Lender), BMO Harris Bank N.A. (as Lender), and JPMorgan Chase Bank N.A. (as Lender)
4.3	Term Loan Credit Agreement, dated as of April 4, 2014, among Lands' End, Inc. (as the Borrower), Bank of America, N.A. (as Administrative Agent and Collateral Agent and as Arranger and Bookrunner) and the Lenders party thereto. (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on April 8, 2014 (File No. 001-09769)).
4.4	Term Loan Guarantee and Security Agreement, dated as of April 4, 2014, among Lands' End, Inc., as Borrower and certain of its wholly-owned subsidiaries, each as a Grantor, the other grantors from time to time party thereto and Bank of America, N.A., as Agent. (incorporated by reference to Exhibit 4.4 to the Company's Current Report on Form 8-K filed on April 8, 2014 (File No. 001-09769)).
*4.5	Description of Securities Registered Under Section 12 of the Exchange Act
10.1	Lands' End, Inc. Amended and Restated 2017 Stock Plan (incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K filed by Lands' End, Inc. on May 13, 2019 (File No. 001-09769)).**
10.2	Director Compensation Policy effective as of May 24, 2018. (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended May 4, 2018 (File No. 001-09769)).**
10.3	Director Compensation Policy effective as of March 19, 2019. (incorporated by reference to Exhibit 10.21 to the Company's Annual Report on Form 10-K for the fiscal year ended February 1, 2019 (File No. 001-09769))**

10.4	Lands' End, Inc. Umbrella Incentive Program (As Amended and Restated). (incorporated by reference to Exhibit 10.12 to the Company's Annual Report on Form 10-K for the fiscal year ended January 30, 2015 (File No. 001-09769)).**
10.5	Lands' End, Inc. 2014 Stock Plan (As Amended and Restated). (incorporated by reference to Exhibit 10.11 to the Company's Annual Report on Form 10-K for the fiscal year ended January 30, 2015 (File No. 001-09769)).**
10.6	Form of Restricted Stock Unit Award Agreement (Timed-Based). (incorporated by reference to Exhibit 10.21 to the Company's Annual Report on Form 10-K for the fiscal year ended February 2, 2018 (File No. 001-09769)).**
10.7	Form of Performance-Based Restricted Stock Unit Agreement. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on February 14, 2018 (File No. 001-09769)).**
10.8	Form of Nonqualified Stock Option Agreement. (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed on September 1, 2017 (File No. 001-09769)). **
10.9	Lands' End, Inc. Annual Incentive Plan (As Amended and Restated). (incorporated by reference to Exhibit 10.16 to the Company's Annual Report on Form 10-K for the fiscal year ended January 30, 2015 (File No. 001-09769)).**
10.10	Lands' End, Inc. Long-Term Incentive Program (As Amended and Restated). (incorporated by reference to Exhibit 10.14 to the Company's Annual Report on Form 10-K for the fiscal year ended January 30, 2015 (File No. 001-09769)).**
10.11	2017 Additional Definition Under Lands' End, Inc. Long-Term Incentive Program (As Amended and Restated). (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 12, 2017 (File No. 001-09769)).**
10.12	Lands' End, Inc. Cash Long-Term Incentive Plan (As Amended and Restated). (incorporated by reference to Exhibit 10.15 to the Company's Annual Report on Form 10-K for the fiscal year ended January 30, 2015 (File No. 001-09769)).**
10.13	Letter from Lands' End, Inc. to Jerome S. Griffith relating to employment, dated December 19, 2016. (incorporated by reference to Exhibit 10.26 to the Company's Annual Report on Form 10-K for the fiscal year ended January 27, 2017 (File No. 001-09769)).**
10.14	Executive Severance Agreement dated and effective as of December 19, 2016 between Lands' End, Inc. and its affiliates and subsidiaries and Jerome S. Griffith. (incorporated by reference to Exhibit 10.27 to the Company's Annual Report on Form 10-K for the fiscal year ended January 27, 2017 (File No. 001-09769)).** (1)
10.15	Sign-on Restricted Stock Unit Agreement dated and effective as of March 6, 2017 between Lands' End, Inc. and Jerome S. Griffith. (incorporated by reference to Exhibit 10.28 to the Company's Annual Report on Form 10-K for the fiscal year ended January 27, 2017 (File No. 001-09769)).**
10.16	Sign-on Nonqualified Stock Option Agreement dated and effective as of March 6, 2017 between Lands' End, Inc. and Jerome S. Griffith. (incorporated by reference to Exhibit 10.29 to the Company's Annual Report on Form 10-K for the fiscal year ended January 27, 2017 (File No. 001-09769)).**
10.17	Letter from Lands' End, Inc. to James Gooch relating to employment, dated January 26, 2016 and effective as of January 27, 2016. (incorporated by reference to Exhibit 10.28 to the Company's Annual Report on Form 10-K for the fiscal year ended January 29, 2016 (File No. 001-09769)).**
10.18	Letter from Lands' End, Inc. to James Gooch relating to employment, dated December 20, 2016. (incorporated by reference to Exhibit 10.31 to the Company's Annual Report on Form 10-K for the fiscal year ended January 27, 2017 (File No. 001-09769)).**

10.19	Letter from Lands' End, Inc. to James Gooch relating to employment, dated March 29, 2017. (incorporated by reference to Exhibit 10.48 to the Company's Annual Report on Form 10-K for the fiscal year ended January 27, 2017 (File No. 001-09769)).**
10.20	Executive Severance Agreement dated and effective as of January 27, 2016 between Lands' End, Inc. and its affiliates and subsidiaries and James Gooch. (incorporated by reference to Exhibit 10.29 to the Company's Annual Report on Form 10-K for the fiscal quarter ended January 29, 2016 (File No. 001-09769)).**
10.21	Letter from Lands' End, Inc. to Peter L. Gray relating to employment, dated April 21, 2017. (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended April 28, 2017 (File No. 001-09769)).**
10.22	Executive Severance Agreement dated and effective as of April 21, 2017 between Lands' End, Inc. and its affiliates and subsidiaries and Peter L. Gray. (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended April 28, 2017 (File No. 001-09769)).**
10.23	Letter from Lands' End, Inc. to Chieh Tsai relating to employment, dated January 3, 2019. (incorporated by reference to Exhibit 10.46 to the Company's Annual Report on Form 10-K for the fiscal year ended February 1, 2019 (File No. 001-09769)).**
10.24	Executive Severance Agreement dated and effective as of January 7, 2019 between Lands' End, Inc. and its affiliates and subsidiaries and Chieh Tsai. (incorporated by reference to Exhibit 10.47 to the Company's Annual Report on Form 10-K for the fiscal year ended February 1, 2019 (File No. 001-09769)).**
10.25	Executive Severance Agreement dated and effective as of December 5, 2014 between Lands' End, Inc. and its affiliates and subsidiaries and Kelly Ritchie. (incorporated by reference to Exhibit 10.48 to the Company's Annual Report on Form 10-K for the fiscal year ended February 1, 2019 (File No. 001-09769)).**
*21	Subsidiaries of Lands' End, Inc.
*23	Consent of Deloitte & Touche LLP.
*31.1	Certification of Chief 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 Chief 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 Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.***
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

*	Filed herewith.
**	A management contract or compensatory plan or arrangement required to be filed as an exhibit to this Annual Report on Form 10-K pursuant to Item 15(b) of Form 10-K.
***	This exhibit shall be deemed to be "furnished" and not "filed."
(1)	Confidential treatment was granted as to omitted portions of this exhibit. The omitted material has been filed separately with the Securities and Exchange Commission.

Certain of the agreements incorporated by reference into this report contain representations and warranties and other agreements and undertakings by us and third parties. These representations and warranties, agreements and undertakings have been made as of specific dates, may be subject to important qualifications and limitations agreed to by the parties to the agreement in connection with negotiating the terms of the agreement, and have been included in the agreement for the purpose of allocating risk between the parties to the agreement rather than to establish matters as facts. Any such representations and warranties, agreements, and undertakings have been made solely for the benefit of the parties to the agreement and should not be relied upon by any other person.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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/ James Gooch
Name:	James Gooch
Title:	Executive Vice President, Chief Operating Officer, Chief Financial Officer and Treasurer
Date:	March 23, 2020

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature:		**Date:**
/s/ Jerome Griffith Jerome Griffith	Director, Chief Executive Officer and President (Principal Executive Officer)	March 23, 2020
/s/ James Gooch James Gooch	Executive Vice President, Chief Operating Officer, Chief Financial Officer and Treasurer (Principal Financial Officer)	March 23, 2020
/s/ Bernard McCracken Bernard McCracken	Vice President, Controller and Chief Accounting Officer (Principal Accounting Officer)	March 23, 2020
/s/ Josephine Linden Josephine Linden	Chairman of the Board of Directors	March 23, 2020
/s/ Robert Galvin Robert Galvin	Director	March 23, 2020
/s/ Elizabeth Leykum Elizabeth Leykum	Director	March 23, 2020
/s/ John T. McClain John T. McClain	Director	March 23, 2020
/s/ Maureen Mullen Maureen Mullen	Director	March 23, 2020
/s/ Jignesh Patel Jignesh Patel	Director	March 23, 2020
/s/ Jonah Staw Jonah Staw	Director	March 23, 2020

FIRST AMENDMENT TO CREDIT AGREEMENT

This FIRST AMENDMENT TO CREDIT AGREEMENT dated as of December 3, 2019 (this "**First Amendment**") by and among (i) LANDS' END, INC., a Delaware corporation (the "**Lead Borrower**"), (ii) the other Borrowers party hereto (together with the Lead Borrower, the "**Borrowers**"), (iii) the Guarantors party hereto (together with the Borrowers, the "**Loan Parties**"), (iv) the Lenders party hereto and (v) Wells Fargo Bank, National Association, as administrative agent and collateral agent (in such capacities, the "**Agent**").

W I T N E S S E T H:

WHEREAS, the Borrowers, the Guarantors, the Agent and the Lenders are party to that certain Credit Agreement dated as of November 16, 2017 (as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof, the "**Credit Agreement**"), pursuant to which the Lenders agreed, subject to the terms and conditions contained therein, to extend credit to the Borrowers; and

WHEREAS, the Loan Parties have requested that the Agent and the Lenders effect certain amendments to the Credit Agreement as more specifically set forth herein, and the Agent and the Lenders are willing to effect such amendments to the Credit Agreement on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties signatory hereto agree as follows:

1. Defined Terms. Except as otherwise defined in this First Amendment, terms defined in the Credit Agreement are used herein as defined therein.

2. Representations and Warranties. Each Loan Party hereby represents and warrants that (a) no Default or Event of Default has occurred and is continuing; and (b) after giving effect to this First Amendment, all representations and warranties contained in the Credit Agreement and each other Loan Document are true and correct in all material respects on and as of the date hereof, except (i) to the extent that such representations and warranties refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date, and (ii) in the case of any representation and warranty qualified by materiality, in which case they shall be true and correct in all respects.

3. Amendments to Credit Agreement. Subject to the satisfaction of the conditions precedent specified in Section 4 below, the Credit Agreement shall be amended as follows:

(a) Article X. Section 10.01 of the Credit Agreement is hereby amended to amend and restate Section 10.01(a)(viii) in its entirety as follows:

> "(viii) change the definition of the term "Borrowing Base" or any component definition thereof if, as a result thereof, the amounts available to be borrowed by the Borrowers would be increased without the written consent of each Lender, *provided that* the foregoing shall not limit the discretion of the Agent to change, establish or eliminate any Reserves and *provided*, *further*, that only the written

consent of the Agent and the Lead Borrower shall be required to modify Schedule 1.05 hereto."

(b)Article X. Article X of the Credit Agreement is hereby amended to add the following new Section 10.29 as follows:

Section 10.29. Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Swap Contracts or any other agreement or instrument that is a QFC (such support, "QFC Credit Support" and each such QFC a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this Section 10.29, the following terms have the following meanings:

"BHC Act Affiliate" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"Covered Entity" means any of the following:

(i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“QFC” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

(c)Amended and Restated Schedule. Schedule 1.05 to the Credit Agreement shall be amended and restated in its entirety in the form of Schedule 1.05 attached hereto.

4. Conditions to Effectiveness. This First Amendment shall not be effective until each of the following conditions precedent have been fulfilled to the satisfaction of the Agent (such date referred to herein as, the “Effective Date”):

(a) the Agent shall have received this First Amendment, duly executed by each of the parties hereto;

(b) after giving effect to this First Amendment, no Default or Event of Default shall have occurred and be continuing;

(c) all orders, permissions, consents, approvals, licenses, authorizations and validations of, and filings, recordings and registrations with, and exemptions by, any Governmental Authority, or any other Person required to authorize or otherwise required in connection with the execution, delivery and performance by each Loan Party of this First Amendment and the transactions contemplated, shall have been obtained and shall be in full force and effect; and,

(d) the Loan Parties shall have paid in full all invoiced Credit Party Expenses in connection with the preparation, execution, delivery and administration of this First Amendment and the other instruments and documents to be delivered hereunder (with such fees and expenses described in this paragraph being fully earned as of the date hereof, and no portion thereof shall be refunded or returned to the Loan Parties under any circumstances).

5. Effect on Loan Documents. The Credit Agreement and the other Loan Documents, after giving effect to the First Amendment, shall be and remain in full force and effect in accordance with their terms and hereby are ratified and confirmed in all respects. Except as expressly set forth herein, the execution, delivery, and performance of this First Amendment shall not operate as a waiver of any right, power, or remedy of the Agent or any other Credit Party under the Credit Agreement or any other Loan Document, as in effect prior to the date hereof. Each Loan Party hereby ratifies and confirms in all respects all of its obligations under the Loan Documents to which it is a party and each Loan Party hereby ratifies and confirms in all respects any prior grant of a security interest under the Loan Documents to which it is party.

6. Further Assurances. Each Loan Party shall execute and deliver all agreements, documents and instruments, each in form and substance satisfactory to the Agent, and take all actions as the Agent may reasonably request from time to time, to perfect and maintain the perfection and priority of the security interest in the Collateral held by the Agent and to fully consummate the transactions contemplated under this First Amendment and the Credit Agreement, as modified hereby.

7. No Novation; Entire Agreement. This First Amendment evidences solely the amendment of certain specified terms and obligations of the Loan Parties under the Credit Agreement and is not a novation or discharge of any of the other obligations of the Loan Parties under the Credit Agreement. There are no other understandings, express or implied, among the Loan Parties, the Agent and the Lenders regarding the subject matter hereof or thereof.

8. Choice of Law. This First Amendment and any claims, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this First Amendment and the transactions contemplated hereby shall be governed by, and construed in accordance with, the law of the STATE OF NEW YORK WITHOUT GIVING EFFECT TO THE CONFLICTS OF LAWS PRINCIPLES THEREOF, BUT INCLUDING SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW.

9. Counterparts; Facsimile Execution. This First Amendment may be executed in any number of counterparts and by different parties and separate counterparts, each of which when so executed and delivered shall be deemed an original, and all of which, when taken together, shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this First Amendment by facsimile (or other electronic transmission) shall be as effective as delivery of a manually executed counterpart of this First Amendment. Any party delivering an executed counterpart of this First Amendment by facsimile (or other electronic transmission) also shall deliver a manually executed counterpart of this First Amendment but the failure to deliver a manually executed counterpart shall not affect the validity, enforceability, and binding effect of this First Amendment.

10. Construction. This First Amendment is a Loan Document. This First Amendment and the Credit Agreement shall be construed collectively and in the event that any term, provision or condition of any of such documents is inconsistent with or contradictory to any term, provision or condition of any other such document, the terms, provisions and conditions of this First Amendment shall supersede and control the terms, provisions and conditions of the Credit Agreement.

11. Miscellaneous. The terms and provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns.

[Signature Pages Follow]

IN WITNESS WHEREOF, this First Amendment has been duly executed and delivered by each of the parties hereto as of the date first above written.

LANDS' END, INC., as the Lead Borrower and a Borrower

By: /s/ Peter L. Gray
Name: Peter L. Gray
Title: EVP, CAO, GC and Corporate Secretary

LANDS' END DIRECT MERCHANTS, INC., as a Guarantor

By: /s/ James F. Gooch
Name: James F. Gooch
Title: EVP, COO, CFO and Treasurer

LANDS' END INTERNATIONAL, INC., as a Guarantor

By: /s/ James F. Gooch
Name: James F. Gooch
Title: EVP, COO, CFO and Treasurer

LANDS' END JAPAN, INC., as a Guarantor

By: /s/ James F. Gooch
Name: James F. Gooch
Title: EVP, COO, CFO and Treasurer

LANDS' END PUBLISHING, LLC, as a Guarantor

By: Lands' End, Inc., as its Sole Member

By: /s/ Peter L. Gray
Name: Peter L. Gray
Title: EVP, CAO, GC and Corporate Secretary

LEGC, LLC, as a Guarantor

By: Lands' End, Inc., as its Sole Member

By: /s/ Peter L. Gray
Name: Peter L. Gray
Title: EVP, CAO, GC and Corporate Secretary

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Agent and a Lender

By: /s/ Joseph Burt
Name: Joseph Burt
Title: Director

CITIZENS BANK, N.A., as a Lender

By: /s/ Christine Scott
Name: Christine Scott
Title: SVP

SUNTRUST BANK, as a Lender

By: /s/ Michael Dembski
Name: Michael Dembski
Title: Director

Signature Page to First Amendment

BMO HARRIS BANK N.A., as a Lender

By: /s/ Kara Goodwin
Name: Kara Goodwin
Title: Managing Director

JPMORGAN CHASE BANK, N.A., as a Lender

By: /s/ John Morrone
Name: John Morrone
Title: Authorized Signer

EXHIBIT 4.5

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

Lands' End, Inc. has one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended: our Common Stock.

DESCRIPTION OF COMMON STOCK

The following description of our Common Stock is a summary and does not purport to be complete. It is subject to and qualified in its entirety by reference to our Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation") and our Amended and Restated Bylaws (the "Bylaws"), each of which are incorporated by reference as exhibits to the Annual Report on Form 10-K. We encourage you to read our Certificate of Incorporation, our Bylaws and the applicable provisions of the Delaware General Corporation Law, as amended, for additional information.

Authorized Shares of Capital Stock

Our authorized capital stock consists of 480,000,000 shares of common stock, $0.01 par value per share ("Common Stock"). As of January 31, 2020, there were 32,381,612 shares of Common Stock outstanding. The outstanding shares of our Common Stock are fully paid and nonassessable.

Listing

Our common stock is listed and principally traded on The Nasdaq Stock Market LLC under the symbol "LE".

Voting Rights

Holders of Common Stock are entitled to one vote per share on all matters voted on by the stockholders, including the election of directors. Our Common Stock does not have cumulative voting rights.

Dividend Rights

The holders of Common Stock are entitled to receive dividends, if any, as may be declared from time to time by the Board of Directors in its discretion out of funds legally available for the payment of dividends.

Liquidation Rights

Holders of Common Stock will share ratably in all assets legally available for distribution to our stockholders in the event of dissolution.

Other Rights and Preferences

Our Common Stock has no sinking fund or redemption provisions or preemptive, conversion or exchange rights. Holders of Common Stock may act by unanimous written consent.

Transfer Agent and Registrar

Computershare Investor Services is the transfer agent and registrar for our common stock.

EXHIBIT 21

Subsidiaries of Registrant

The following is a list of subsidiaries of Lands' End, Inc., the names under which such subsidiaries do business, and the state or country in which each was organized.

Names	State or Other Jurisdiction of Organization
Lands' End Canada Outfitters ULC	Canada
Lands' End Direct Merchants, Inc	Delaware
Lands' End International, Inc.	Delaware
Lands' End Europe Limited	England & Wales
Lands' End GmbH	Germany
Lands' End (HK) Limited	Hong Kong
Lands' End Japan, Inc.	Delaware
Lands' End Japan, KK	Japan
Lands' End Publishing, LLC	Delaware
LEGC, LLC	Virginia

EXHIBIT 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-195111, No. 333-215262, No. 333-217096 and 333-231470 on Form S-8 of our report dated March 23, 2020, relating to the financial statements of Lands' End, Inc. and subsidiaries, and the effectiveness of Lands' End, Inc. and subsidiaries' internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended January 31, 2020.

/s/ DELOITTE & TOUCHE LLP

Chicago, Illinois
March 23, 2020

EXHIBIT 31.1

CERTIFICATIONS

I, Jerome Griffith, certify that:

1. I have reviewed this annual report on Form 10-K 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.

March 23, 2020

/s/ Jerome Griffith
Jerome Griffith

Chief Executive Officer and President
(Principal Executive Officer)
Lands' End, Inc.

EXHIBIT 31.2

CERTIFICATIONS

I, James Gooch, certify that:

1. I have reviewed this annual report on Form 10-K 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.

March 23, 2020

/s/ James Gooch

James Gooch

Executive Vice President, Chief Operating Officer, Chief Financial Officer and Treasurer
(Principal Financial Officer)
Lands' End, Inc.

EXHIBIT 32.1

CERTIFICATION

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

Each of the undersigned, Jerome Griffith, Chief Executive Officer and President of Lands' End, Inc. (the "Company") and James Gooch, Executive Vice President, Chief Operating Officer, 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 Annual Report on Form 10-K for the fiscal year ended January 31, 2020 (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

March 23, 2020

/s/ Jerome Griffith

Jerome Griffith

Chief Executive Officer and President
(Principal Executive Officer)

March 23, 2020

/s/ James Gooch

James Gooch

Executive Vice President, Chief Operating Officer, Chief Financial Officer and Treasurer
(Principal Financial Officer)