

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): January 10, 2022

TILLY'S, INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware
(State of Incorporation)

1-35535
(Commission File Number)

45-2164791
(IRS Employer
Identification Number)

10 Whatney
Irvine, California 92618
(Address of Principal Executive Offices) (Zip Code)
(949) 609-5599
(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, \$0.001 par value per share	ILYS	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 2.02 Results of Operations and Financial Condition

On January 10, 2022, Tilly's, Inc. (the "Company") announced certain net sales results for the nine-week period ended January 1, 2022, in connection with its participation in the virtual ICR Conference 2022 to be held on January 10, 11 and 12, 2022. The press release is furnished as Exhibit 99.1 hereto and is incorporated herein by reference.

The information furnished pursuant to this Item 2.02, including Exhibit 99.1 attached hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 (the "Securities Act") or the Exchange Act, regardless of any general incorporation language in such filing.

Item 7.01 Regulation FD Disclosure

On January 10, 11 and 12, 2022, the Company will be discussing the materials furnished as Exhibits 99.1 and 99.2 hereto, and incorporated by reference herein, during the virtual ICR Conference 2022.

The information furnished pursuant to this Item 7.01, including Exhibit 99.2 attached hereto, shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act or the Exchange Act, regardless of any general incorporation language in such filings.

Item 9.01 Financials Statements and Exhibits

The following exhibits are being furnished herewith.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Exhibit Title or Description</u>
99.1	Press Release of Tilly's, Inc., dated January 10, 2022.
99.2	Investor Presentation of Tilly's, Inc., dated January 10, 2022.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TILLY'S, INC.

Date: January 10, 2022

By: /s/ Michael L. Henry
Name: Michael L. Henry
Title: Executive Vice President, Chief Financial Officer



**Tilly's, Inc. Announces Record Holiday Period Net Sales,
Expects Best Fourth Quarter Earnings in its Public-Company History**

Irvine, CA – January 10, 2022 – Tilly's, Inc. (NYSE: TLYS, the "Company") today announced net sales results for the nine-week period ended January 1, 2022 (the "2021 holiday period") in advance of its virtual participation in the ICR Conference 2022 on January 10-12, 2022.

"Based on our strong 2021 holiday period results, we expect to report our most profitable fourth quarter since becoming a public company and our most profitable full fiscal year on record," commented Ed Thomas, President and Chief Executive Officer. "We believe these results were driven by favorable market conditions and a compelling merchandise assortment. I want to thank our entire team of store, distribution center, and corporate office associates for all of their hard work and dedication in producing these impressive results."

- Total net sales of \$173.3 million increased by 16.5% for the 2021 holiday period compared to \$148.7 million for last year's comparable nine-week holiday period ended January 2, 2021 (the "2020 holiday period").
- Total comparable net sales, including both physical stores and e-commerce, increased by 14.1% for the 2021 holiday period compared to an increase of 2.7% for the 2020 holiday period.
 - Comparable net sales in physical stores increased by 23.2% for the 2021 holiday period compared to a decrease of 12.4% during the 2020 holiday period. Comparable net sales in physical stores increased by a double-digit percentage in all but one of 14 geographic markets compared to the 2020 holiday period. Net sales in physical stores represented 74.5% of total net sales for the 2021 holiday period compared to 68.4% of total net sales during the 2020 holiday period.
 - E-commerce net sales decreased by 5.7% for the 2021 holiday period compared to an increase of 65.2% during the 2020 holiday period. E-commerce net sales represented 25.5% of total net sales for the 2021 holiday period compared to 31.6% of total net sales during the 2020 holiday period. Compared to the 2019 holiday period, e-commerce net sales increased by 57.4%.
 - The Company believes these results were driven by favorable market conditions, a compelling merchandise assortment, and a shift in our customers' preference for shopping in physical stores over e-commerce compared to last year's holiday period. Last year, the impacts of the COVID-19 pandemic, including government-mandated restrictions on customer traffic in physical stores and reductions in store operating hours in effect during the 2020 holiday period, resulted in increased online shopping relative to physical stores compared to previous years.
- As of January 3, 2022, the Company had \$188.9 million of cash and marketable securities and no debt outstanding after paying an aggregate of \$61.6 million in special cash dividends to shareholders in July and December 2021. This compares to \$169.1 million of cash and marketable securities and no debt outstanding as of January 4, 2021, which was the comparable fiscal date last year.

The scope and nature of the impacts of the COVID-19 pandemic on the Company's business continue to evolve. As a result, there can be no guarantee that the Company's financial results through the remainder of the fourth quarter will remain consistent with those of the 2021 holiday period. In addition, the foregoing information does not reflect the full financial results for the 2021 holiday period. The Company's actual financial results for the fiscal 2021 fourth quarter and full fiscal year ending January 29, 2022, are subject to completion of the period, the finalization of its normal quarter-end and year-end accounting procedures, and the audit of its fiscal 2021 financial statements. The Company currently expects to report its actual results for the fiscal 2021 fourth quarter and full fiscal year on or about March 10, 2022.

Fiscal 2021 Fourth Quarter Outlook Update

Based on the Company's net sales results for the 2021 holiday period and historical trends, the Company expects its net sales to be in the range of approximately \$203 million to \$205 million and its earnings per share to be in the range of approximately \$0.39 to \$0.42 per diluted share for the fourth quarter of fiscal 2021, representing the Company's most profitable fourth quarter in its public-company history. The Company expects to end fiscal 2021 with 241 total stores after closing two stores in late January 2022.

ICR Conference 2022

The Company will be participating virtually in the ICR Conference 2022 on January 10-12, 2022. The Company will be conducting a fireside chat presentation at 3:30 p.m. Eastern time on Monday, January 10, 2022. The audio of the fireside chat will be webcast live over the internet and can be accessed under the Investor Relations section of the Company's website at www.tillys.com.

About Tillys

Tillys is a leading, destination specialty retailer of casual apparel, footwear and accessories for young men, young women, boys and girls with an extensive selection of iconic global, emerging, and proprietary brands rooted in an active, outdoor and social lifestyle. Tillys is headquartered in Irvine, California and currently operates 243 total stores across 33 states as well as its website, www.tillys.com.

Forward Looking Statements

Certain statements in this press release are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. In particular, statements regarding the overall effect of the novel coronavirus (COVID-19) pandemic, including its impacts on the Company, its operations, or its future financial condition or operating results, the actions taken or to be taken in response to the COVID-19 pandemic, and the impacts thereof on the Company, its operations, or its future financial condition or operating results, expectations regarding future customer traffic and sales activities, the effects of guidance from local, state and federal governments and health organizations on its future business operations, the possibility of repaying withheld store rents, its ability to properly manage inventory levels, and any other statements about its future cash position, financial flexibility, expectations, plans, intentions, beliefs or prospects expressed by management are forward-looking statements. These forward-looking statements are based on management's current expectations and beliefs, but they involve a number of risks and uncertainties that could cause actual results or events to differ materially from those indicated by such forward-looking statements, including, but not limited to, the effects of the COVID-19 pandemic (or other weather, epidemics, pandemics, or other public health issues) on the Company's business and operations, and its ability to respond thereto (including any future surges in the number of cases or new strains or variants related thereto and the effects of the emergence from the COVID-19 pandemic on its business), its ability to respond to changing customer preferences and trends, attract customer traffic at its stores and online, execute its growth and long-term strategies, expand into new markets, continue to grow its e-commerce business, effectively manage its inventory and costs, effectively compete with other retailers, attract talented employees, enhance awareness of its brand and brand image, general consumer spending patterns and levels, the markets generally, its ability to

satisfy its financial obligations, including under its credit facility and its leases, and other factors that are detailed in the Company's Annual Report on Form 10-K, filed with the Securities and Exchange Commission ("SEC"), including those detailed in the section titled "Risk Factors" and in its other filings with the SEC, which are available from the SEC's website at www.sec.gov and from the Company's website at www.tillys.com under the heading "Investor Relations". Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. The Company does not undertake any obligation to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise. This release should be read in conjunction with the financial statements and notes thereto contained in the Company's Form 10-K.

Investor Relations Contact:

Michael L. Henry

Executive Vice President, Chief Financial Officer

949-609-5599 x.17000

irelations@tillys.com



TILLYS
TILLYS 2022 ICR Conference Presentation

Safe Harbor Statement

This presentation, and responses to certain questions about this presentation, will contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, particularly with regard to future financial and operating expectations, business plans and key initiatives. All such statements are subject to risks and uncertainties that could cause actual results or events to differ materially from those indicated by such forward-looking statements. Please see "Risk Factors" in our Annual and Quarterly Reports on Forms 10-K and 10-Q filed with the Securities and Exchange Commission for a description of such risks and uncertainties. We urge you not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. We do not undertake any obligation to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise. This presentation should be read in conjunction with our financial statements and notes thereto contained in our most recent Form 10-K for the fiscal year ended January 30, 2021 and our Form 10-Qs for the fiscal quarters ended May 1, July 31, and October 30, 2021.



TILLYS

Tillys at a Glance

- **Leading specialty retailer** of apparel, footwear, accessories and hardgoods for young adults, teens and children
- Unparalleled blend of **iconic global, emerging, and proprietary brands**
- **241 stores** in 33 states at FY21 end (~57% mall vs. ~43% off-mall, 7,300 average square feet)
- **Profitable, growing e-commerce business**
~21% of FY21 net sales
32% of FY20 net sales (pandemic impact)
16% of FY19 net sales
- HQ in **Irvine, CA**, founded in 1982, IPO in May 2012



Reasons to Consider Investing in TLYS

- Strong track record of improving results over time
- Digital-first approach to merchandising driving greater consumer interest overall
- Ample opportunities for new store unit growth with flexibility in real estate formats
- Growing, profitable e-com business
- Consistent direct returns to shareholders
- Continuous reinvestment in the business



TILLYS

TLYS Fiscal 2021 Overview

- Successfully managed through the pandemic to enter FY21 with more cash/investments than entering FY20.
- **6th special cash dividend paid in December 2021**
 - 5-year aggregate of \$5.70/share, or \$170M, paid to shareholders.
- Store sales/SF of **\$331** on trailing 12-month basis thru November 2021 (**best since 2012**)
- Forecasted FY21 GM % of **~35.9%** (**best since 2007**)
- Forecasted FY21 Operating Margin of **~11.4%** (**best since 2007**)
- Forecasted FY21 EPS of **\$2.07-\$2.10** (**all-time record**)

TILLYS

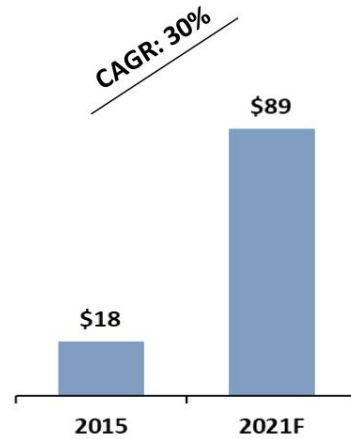
FY15-FY21 Operating CAGRs

- **Net Sales CAGR of 5.9%** from FY15 to forecasted FY21
- **Operating Income CAGR of 30.4%** from FY15 to forecasted FY21

Net Sales



Operating Income



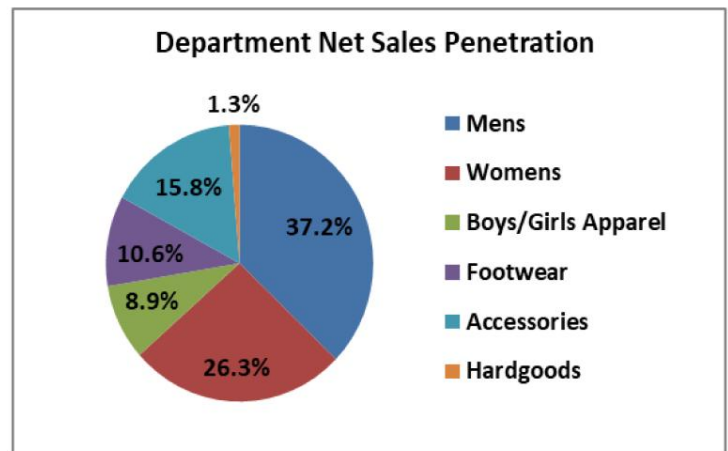
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Broad and Differentiated Assortment is a Significant Competitive Advantage

400+ 3rd-party lifestyle brands per year with a variety of styles, colors, sizes and price points.

Our own brands = ~30% of total net sales for FY21, including our top 2 brands overall (RSQ and Full Tilt).

Ability to rotate brands to capture latest popular brands, trends and styles.



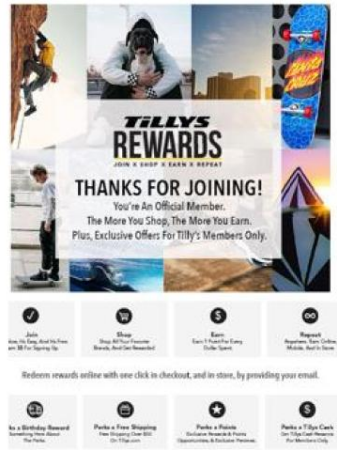
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Lifestyle Photography



Digital First Approach

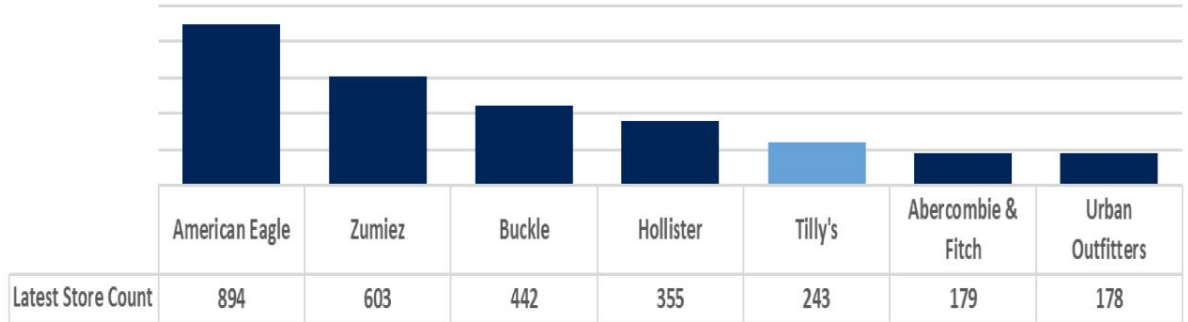
- We are driving sales growth both in stores and online through our digital first mindset and with full omni-channel capabilities.
 - BOPIS, ship from store, curbside pickup, same-day delivery
- Our youthful customer base constantly searches online via social media, mobile apps and websites for the latest trends/brands.
- The first place you see newness from TLYS is online
 - Social media posts, email blasts, influencers, website content
- Growing loyalty program
 - Early access to new product launches and special promotions for loyalty members



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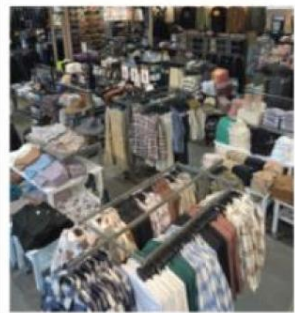
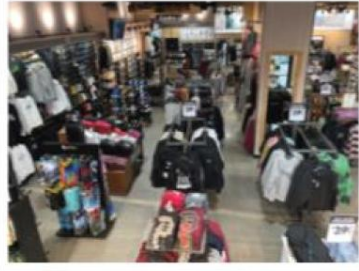
TLYS Store Growth Opportunities

- Based on certain U.S. store counts of competitor concepts, we continue to believe there are ample opportunities for additional store unit growth for TLYS.
- 15-20 new stores planned for FY2022, both mall and off-mall, within existing markets.
- We believe we can continue adding 10-20 stores per year with desirable locations and economics.



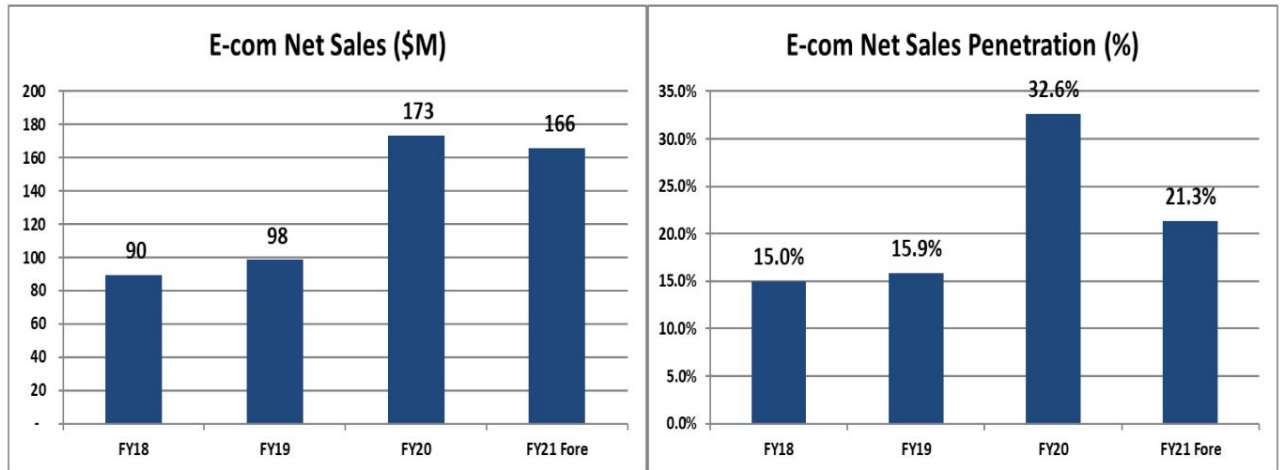
TILLYS

Tillys Store Formats



TLYS E-Commerce Growth

- E-com net sales grew by \$75M and more than doubled in total sales penetration during the FY20 pandemic year.
- Forecasted FY21 e-com sales are slightly below FY20 due to the resurgence of stores, but well above pre-pandemic FY19.
- We expect e-com to continue to grow on an annual basis.
- Improved profitability and expense leverage at these levels.



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Direct Returns to Shareholders

- Since February 2017, **TLYS has paid an aggregate of ~\$170M, or \$5.70 per share, to shareholders** via special cash dividends across 6 dividend declarations to date.

TLYS SPECIAL CASH DIVIDEND HISTORY

Month	\$/Share	Total \$
Feb-2017	\$ 0.70	20,065,652
Feb-2018	\$ 1.00	29,066,634
Feb-2019	\$ 1.00	29,453,406
Feb-2020	\$ 1.00	29,696,821
Jul-2021	\$ 1.00	30,709,979
Dec-2021	\$ 1.00	30,920,167
TOTALS	\$ 5.70	169,912,659

- Additional special dividends, establishing a recurring dividend, and/or a share buyback program all remain viable options in the future.

TILLYS

TLYS Ongoing Business Investments

- Beyond new store growth opportunities, TLYS continues to reinvest in its business to improve customer convenience and position itself for further growth.
 - Upgrading website platform
 - Upgrading mobile app
 - Establishing print-on-demand offerings and vendor drop-ship capabilities
 - Enhancing product information features on website
 - Improving distribution efficiencies
- FY22 capital expenditures of \$25M - \$30M.

TILLYS



Thank You!

TILLYS

