

**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 9, 2023**

**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 9, 2023, Tilly's, Inc. (the "Company") announced certain net sales results for the nine-week period ended December 31, 2022, in connection with its participation in the ICR Conference 2023 to be held on January 9 and 10, 2023. 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 9 and 10, 2023, the Company will be discussing the materials furnished as Exhibits 99.1 and 99.2 hereto, and incorporated by reference herein, during the ICR Conference 2023.

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>
<a href="#">99.1</a>	<a href="#">Press Release of Tilly's, Inc., dated January 9, 2023.</a>
<a href="#">99.2</a>	<a href="#">Investor Presentation of Tilly's, Inc., dated January 9, 2023.</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

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**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 9, 2023

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



**Tilly's, Inc. Announces 2022 Holiday Period Net Sales,  
Updates Fourth Quarter Outlook**

**Irvine, CA – January 9, 2023** – Tilly's, Inc. (NYSE: TLYS, the "Company") today announced net sales results for the nine-week period ended December 31, 2022 (the "2022 holiday period") in advance of its attendance and participation in the ICR Conference 2023 on January 9-10, 2023.

"We believe this year's inflationary environment negatively impacted our customers' spending and our results during the 2022 holiday period, particularly when compared to 2021's post-pandemic record-setting holiday period," commented Ed Thomas, President and Chief Executive Officer. "Despite a tougher holiday season this year, we anticipate ending fiscal 2022 with a healthy, debt-free balance sheet and well-managed inventory."

- Total net sales of \$150.9 million decreased by 12.9% for the 2022 holiday period compared to \$173.3 million for last year's comparable nine-week holiday period ended January 1, 2022 (the "2021 holiday period").
- Total comparable net sales, including both physical stores and e-commerce, decreased by 14.4% for the 2022 holiday period compared to an increase of 14.1% for the 2021 holiday period. Total comparable net sales increased by 0.2% relative to the comparable period of pre-pandemic fiscal 2019.
  - Comparable net sales in physical stores decreased by 15.3% for the 2022 holiday period compared to an increase of 23.2% during the 2021 holiday period. Comparable net sales in physical stores decreased by double-digit percentages in each of our major geographic markets compared to the 2021 holiday period. Net sales in physical stores represented 74.4% of total net sales for the 2022 holiday period compared to 74.5% of total net sales during the 2021 holiday period. Comparable net sales in physical stores decreased by 8.9% relative to the comparable period of pre-pandemic fiscal 2019.
  - E-commerce net sales decreased by 12.8% for the 2022 holiday period compared to a decrease of 5.7% during the 2021 holiday period. E-commerce net sales represented 25.6% of total net sales for the 2022 holiday period compared to 25.5% of total net sales during the 2021 holiday period. E-commerce net sales increased by 37.3% relative to the comparable period of pre-pandemic fiscal 2019.
  - The Company believes these results were negatively impacted by this year's inflationary environment compared to much more favorable market conditions during the 2021 holiday period resulting from several pandemic-related factors.
- As of January 3, 2023, the Company had \$145.9 million of cash and marketable securities and no debt outstanding.

The scope and nature of the impacts of current market conditions 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 2022 holiday period. In addition, the

foregoing information does not reflect the full financial results for the 2022 holiday period. The Company's actual financial results for the fiscal 2022 fourth quarter and full fiscal year ending January 28, 2023, 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 2022 financial statements. The Company currently expects to report its actual results for the fiscal 2022 fourth quarter and full fiscal year on or about March 9, 2023.

#### **Fiscal 2022 Fourth Quarter Outlook Update**

Based on the Company's net sales results for the 2022 holiday period and recent historical trends for the fiscal month of January, the Company now expects its fiscal 2022 fourth quarter net sales to be in the range of approximately \$178 million to \$180 million and its loss per share to be in the range of \$(0.01) to \$(0.04). The Company expects to end fiscal 2022 with 249 total stores, total cash and marketable securities of approximately \$110 million, and with reduced inventory per square foot compared to the end of fiscal 2021.

#### **ICR Conference 2023**

The Company will be participating in the ICR Conference 2023 in Orlando, Florida on January 9-10, 2023. The Company will be conducting a fireside chat presentation at 9:00 a.m. Eastern time on Monday, January 9, 2023. 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](http://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 251 total stores across 33 states as well as its website, [www.tillys.com](http://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 our operations, our future financial condition or operating results, our current operating expectations in light of historical results, expectations regarding the future economic environment, inflation, customer traffic, and our supply chain, our ability to properly manage our inventory levels, and any other statements about our 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 local or global economic changes, including recessions, the COVID-19 pandemic, supply chain difficulties, and inflation on our business and operations, and our ability to respond thereto, our ability to respond to changing customer preferences and trends, attract customer traffic at our stores and online, execute our growth and long-term strategies, expand into new markets, grow our e-commerce business, effectively manage our inventory and costs, effectively compete with other retailers, attract talented employees, enhance awareness of our brand and

brand image, general consumer spending patterns and levels, the markets generally, our ability to satisfy our financial obligations, including under our credit facility and our leases, and other factors that are detailed in our 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 our other filings with the SEC, which are available on the SEC's website at [www.sec.gov](http://www.sec.gov) and on our website at [www.tillys.com](http://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. 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 release should be read in conjunction with our financial statements and notes thereto contained in our Form 10-K.

**Investor Relations Contact:**

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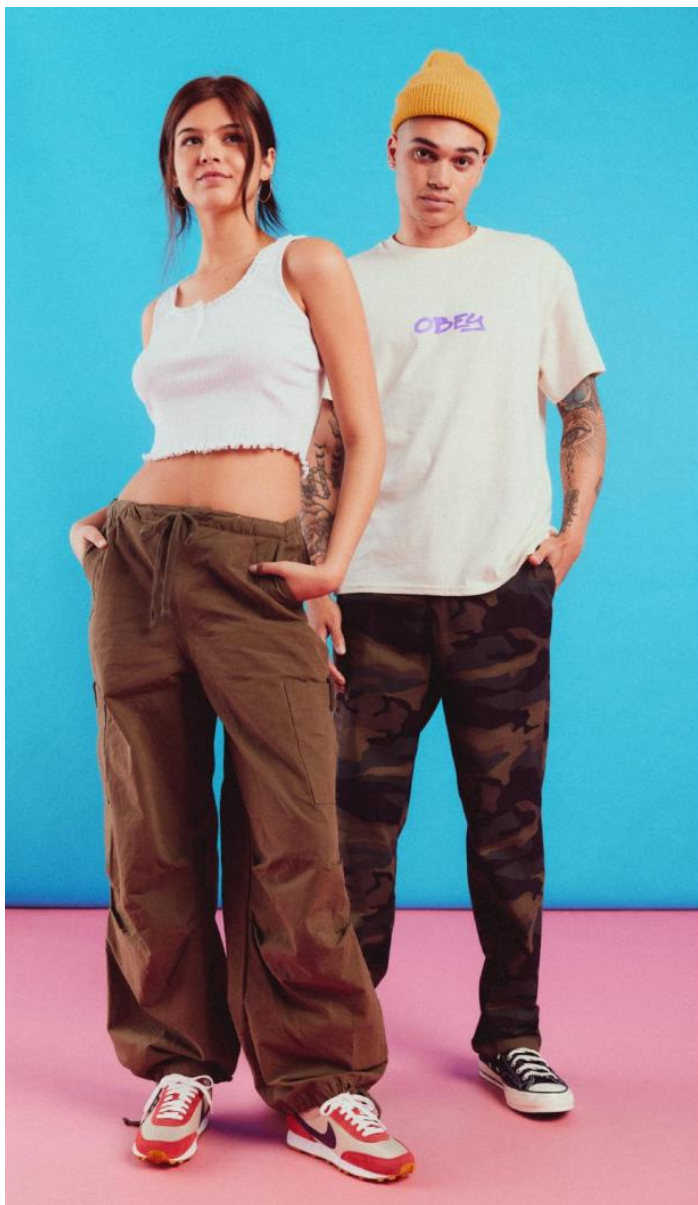


**TILLYS**

**2023 ICR  
CONFERENCE**







## 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 29, 2022 and our Form 10-Qs for the fiscal quarters ended April 30, July 30, and October 29, 2022.

**TILLY.**



# TILLYS at a Glance

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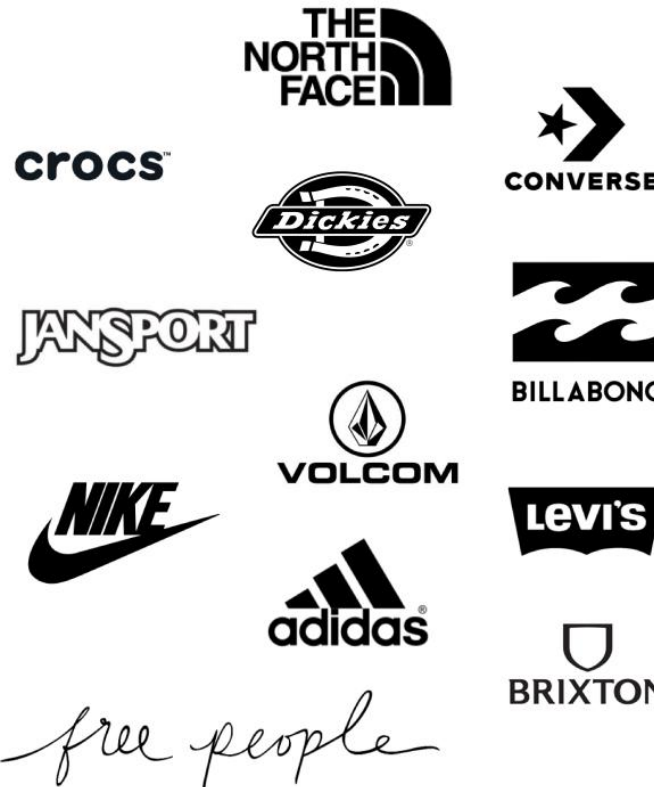
Leading specialty retailer of apparel, footwear, accessories and hardgoods for young adults, teens and children (the whole family)

Unparalleled blend of iconic global, emerging, and proprietary brands

249 stores in 33 states at FY22 end (~57% mall vs. ~43% off-mall, 7,300 avg sq ft)

Profitable, growing e-commerce business ~21% of forecasted FY22 net sales vs. 16% pre-pandemic

HQ in Irvine, CA, founded in 1982, IPO in May 2012





# Reasons to Consider Investing in TLYS

01. Despite highly volatile last three years, strong track record of solid operating results over time with diligent, responsible management
02. Digital-first approach to merchandising driving greater consumer interest overall
03. Ample opportunities for new store unit growth with flexibility in real estate formats
04. Profitable, growing e-com business compared to pre-pandemic years
05. Consistent track record of direct returns to shareholders over past 5 years
06. Ongoing reinvestment in the business to support future growth plans

**TILLY'S**

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# TLYS Fiscal 2022 Overview

- Amid FY22's highly inflationary environment, operating results decreased significantly against record-setting FY21 that was driven by unprecedented government stimulus payments and other pandemic-related factors.
- Through December 2022, year-to-date comparable net sales were +3.4% vs pre-pandemic FY19 (stores -4.2%, e-com +43.8%).
- Despite operating our stores more efficiently in terms of average hours used, minimum wage increases (particularly in CA) and other wage inflation has driven a 19% increase in average hourly wage rate for store payroll vs pre-pandemic FY19.
- Increases in freight, digital marketing and insurance costs, among others, have also negatively impacted earnings.
- Beginning in March 2023, year-over-year monthly sales comparisons will get substantially easier, going up against negative double-digit comparable net sales results from FY22.
- Potential impact of recession is a near-term concern, which may temporarily negatively impact or delay our growth and profitability plans.

**TILLY.**

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# Broad & Differentiated Assortment is a Significant Competitive Advantage

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Hundreds of 3<sup>rd</sup>-party lifestyle brands per year with a variety of styles, colors, sizes and price points serving the whole family (pre-teens, teens, young adults).

Owned brands ~31% of FY22 net sales, including our top 2 brands overall (RSQ and Full Tilt).

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





Spring '23



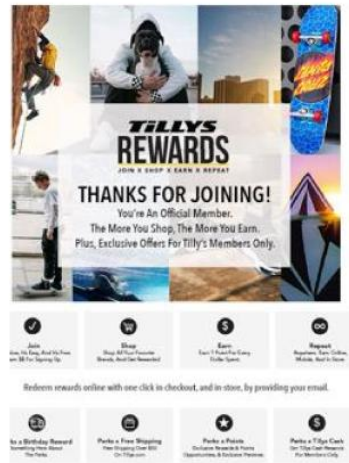
Swim '23





# Digital First Approach

- Our goal is to drive 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 TILYS is online
  - Social media posts, email blasts, influencers, website content
- Growing loyalty program with over 4.3 million members active within the past 12 months
  - Early access to new product launches and special promotions for loyalty members

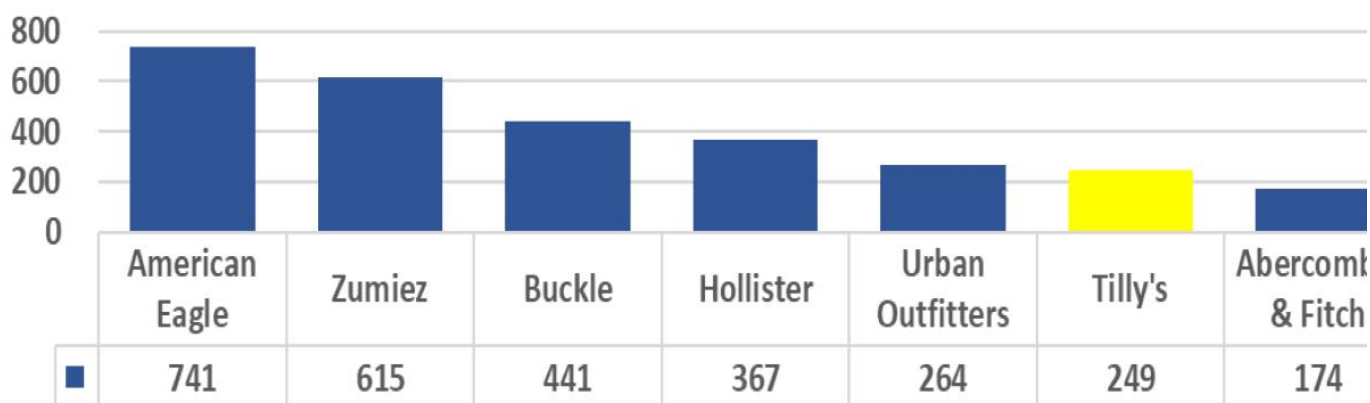




# New Store Growth Opportunities

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- Based on the U.S.-based store counts of certain competitor concepts, we continue to believe there are ample opportunities for additional store unit growth for TLYS.
- Up to 15 new stores planned for FY23, both mall and off-mall, within existing markets
- We believe we can continue adding 10-20 stores per year with desirable locations, assuming we are able to negotiate acceptable lease economics.



**TILLY'S**

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# We Operate a Variety of Store Formats

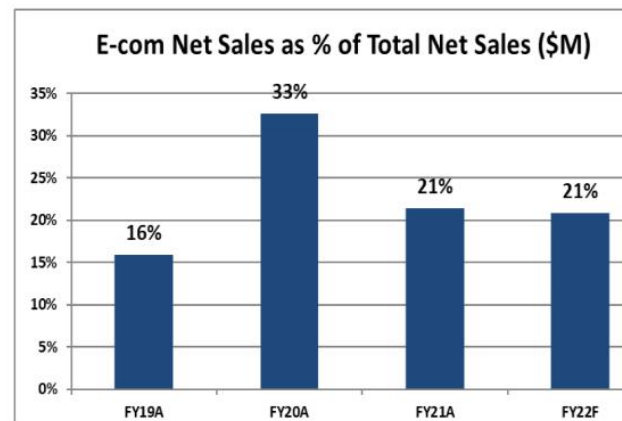
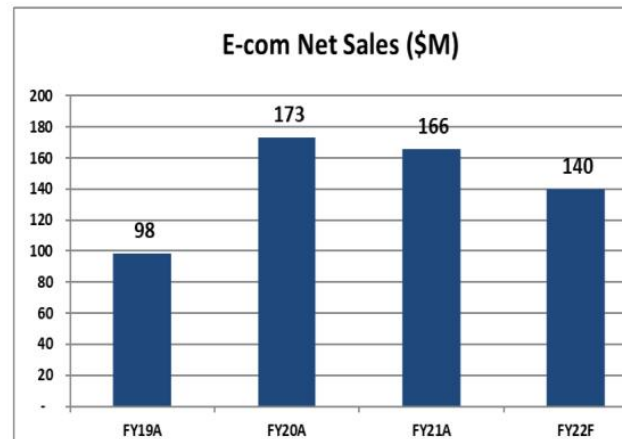
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# E-commerce Overview

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- E-com net sales as a percentage of total net sales has remained relatively stable in FY22 at ~21% following the FY20 pandemic year, during which e-com net sales grew by \$75M and more than doubled in total sales penetration from FY19 to FY20.
- We expect e-com to continue to grow on an annual basis.
- Improved profitability and expense leverage at these levels compared to pre-pandemic years.



# Dividend and Repurchase Activity

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
<b>TOTALS</b>	<b>\$ 5.70</b>	<b>169,912,659</b>

During FY22, TLYS also repurchased over 1.25M shares of its Class A common stock for ~\$11M.



**TILLY.**



# Ongoing Business Investments

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- Beyond new store growth opportunities, TLYS continues to seek opportunities to reinvest in its business to improve customer convenience and position itself for further growth.
  - Upgraded website platform in FY22, including chat, customer product reviews and user-generated content
  - Enhanced product information features on website in FY22
  - Upgrading mobile app in early FY23
  - Establishing print-on-demand offerings and vendor drop-ship capabilities
  - Launched home category in Fall 2022 with ramp up planned for FY23
  - Launched extended sizing across various product categories during FY22
  - Improving distribution efficiencies
- Anticipated FY23 capital expenditures of approximately \$25M, including up to 15 new stores and the investments noted above.



Print-on-demand hoodie



Tillys HOME pillows

**TILLYS**

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**TILLYS' ICR CONFERENCE  
PRESENTERS:**

**ED THOMAS**  
President & CEO

**MIKE HENRY**  
Executive VP CFO

***TILLYS***

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