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

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**FORM 8-K**

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**CURRENT REPORT**  
**Pursuant to Section 13 or 15(d) of the**  
**Securities Exchange Act of 1934**  
**January 14, 2019**  
**Date of Report (Date of Earliest Event Reported)**

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

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**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)

**N/A**  
(Former Name or Former Address, if Changed Since Last Report)

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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))

**Item 2.02 Results of Operations and Financial Condition.**

On January 14, 2019, Tilly's, Inc. (the "Company") announced certain preliminary financial results for the fourth quarter and full year ending February 2, 2019 in connection with its participation in the ICR Conference to be held on January 14 and 15, 2019. The press release is furnished as Exhibit 99.1 hereto and is incorporated herein by reference. Exhibit 99.1 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 filings.

**Item 7.01 Regulation FD Disclosure.**

On January 14, 2019, the Company is presenting the materials furnished as Exhibit 99.2 hereto, and incorporated by reference herein, during the ICR Conference. Exhibit 99.2 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 Financial Statements and Exhibits.**

The following exhibit is being furnished herewith.

- (d) Exhibits.
  - 99.1 [Press Release of Tilly's, Inc., dated January 14, 2019.](#)
  - 99.2 [Investor Presentation of Tilly's, Inc., dated January 14, 2019.](#)

**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 14, 2019

By: /s/ Michael L. Henry  
Name: Michael L. Henry  
Title: Chief Financial Officer



**Tilly's, Inc. Announces Holiday Period Comp Store Net Sales Increase 5.8%**  
**Updates Fiscal 2018 Fourth Quarter Outlook and Fiscal 2019 New Store Expectations**

**Irvine, CA - January 14, 2019** - Tilly's, Inc. (NYSE: TLYS, the "Company") today announced comparable store net sales results for the nine-week period ended January 5, 2019 (the "holiday period"), and provided updates on its fiscal 2018 fourth quarter earnings outlook and fiscal 2019 new store expectations in advance of its attendance at the annual ICR Conference in Orlando, Florida on January 14-15, 2019.

"Tillys delivered its strongest holiday period comparable store net sales increase since 2011, driven by strong e-commerce growth," commented Ed Thomas, President and Chief Executive Officer. "We are on track to deliver our third consecutive year of operating margin expansion despite a challenging retail environment."

- Total net sales of \$142.4 million increased by 8.3% for the holiday period from \$131.5 million for last year's comparable nine-week holiday period ended January 6, 2018.
- Comparable store net sales, including e-commerce, increased by 5.8% for the holiday period compared to an increase of 0.4% for last year's holiday period.
  - E-commerce net sales increased by 42.8% and represented approximately 19.3% of total net sales for the holiday period. E-commerce net sales decreased by 9.7% and represented approximately 14.6% of total net sales during last year's holiday period.
  - Comparable store net sales in physical stores decreased by 0.7% and represented approximately 80.7% of total net sales for the holiday period. Comparable store net sales in physical stores increased by 2.4% and represented approximately 85.4% of total net sales during last year's holiday period.
- The Company's operating results for the holiday period were driven by strong e-commerce net sales, resulting in an increase in e-commerce shipping, marketing and fulfillment costs compared to last year. The strength of the Company's branded merchandise assortment resulted in an increase in the sales penetration of third-party brands relative to proprietary brands, resulting in incrementally lower product margins compared to last year due to lower initial markups.
- Based on its operating results during the holiday period and historical trends, the Company now expects its earnings per diluted share for the fiscal 2018 fourth quarter ending February 2, 2019, to be approximately \$0.24 to \$0.26 per diluted share, within the upper half of its original earnings outlook range of \$0.22 to \$0.26 per diluted share. This outlook assumes an anticipated effective tax rate of approximately 27.3% and weighted average diluted shares of approximately 29.9 million based on the latest available information.
- Based on the latest lease negotiations and available information, the Company now expects to open approximately 10 to 15 new, full-size stores during the fiscal 2019 year ending February 1, 2020. The Company had previously announced its intentions to open approximately 15 to 20 new stores during fiscal 2019, subject to obtaining appropriate lease economics.
- As previously disclosed, the Company issued nontransferable discount coupons to approximately 612,000 of its existing customers in early September 2018 pursuant to the settlement terms of a legal matter. These coupons allow for a one-time 50% discount on a single, future purchase transaction of up to \$1,000. Any unused coupons will expire on September 4, 2019. From original issuance through the holiday period, approximately 1.3% of these coupons had been redeemed, resulting in no material impact on the Company's comparable store net sales or operating results as a whole. Although redemptions have been very low in number thus far, there can be no assurance that the impact of any future coupon redemptions during fiscal 2019 will remain immaterial.

The Company's actual financial results for the fiscal 2018 fourth quarter and full fiscal year are subject to completion of the period, finalization of its normal quarter-end and year-end accounting procedures, and the audit of its fiscal 2018 financial statements. The Company currently expects to report its actual results for the fiscal 2018 fourth quarter and full fiscal year on or about March 14, 2019.

#### **ICR Conference 2019**

The Company will be presenting at the ICR Conference 2019 on Monday, January 14, 2019 at 8:30 a.m. Eastern Standard Time. The audio portion of the presentation 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**

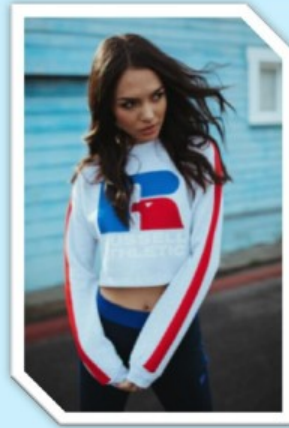
Tillys is a leading specialty retailer of casual apparel, footwear and accessories for young men, young women, boys and girls with an extensive assortment of iconic global, emerging and proprietary brands rooted in an active and outdoor lifestyle. Tillys is headquartered in Irvine, California and currently operates 229 total stores, including four RSQ-branded pop-up stores, across 33 states and its website, [www.tillys.com](http://www.tillys.com).

#### **Forward Looking Statements**

Certain statements in this press release and oral statements made from time to time by our representatives are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. In particular, statements regarding our future financial and operating results, including but not limited to future comparable store net sales, future operating income, future net income, future earnings per share, future gross, operating or product margins, anticipated tax rate, future impacts of legal settlements, future inventory levels, future capital expenditures, and market share and our business and strategy, including but not limited to expected store openings and closings, expansion of brands and exclusive relationships, development and growth of our e-commerce platform and business, promotional strategy, and any other statements about our future 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, 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, enhance awareness of our brand and brand image, general consumer spending patterns and levels, the effect of weather, and other factors that are detailed in our most recent 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 from the SEC's website at [www.sec.gov](http://www.sec.gov) and from 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 most recent Form 10-K and any subsequent reports filed with the SEC.

#### **Investor Relations Contact:**

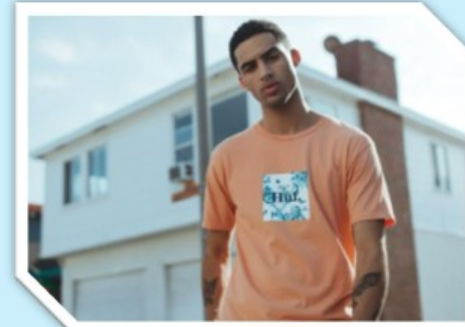
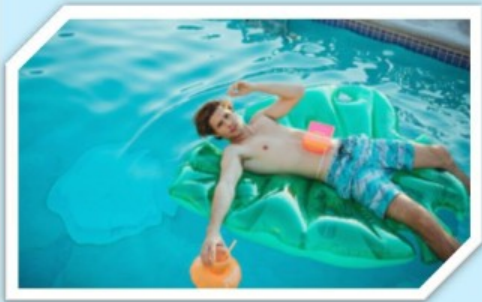
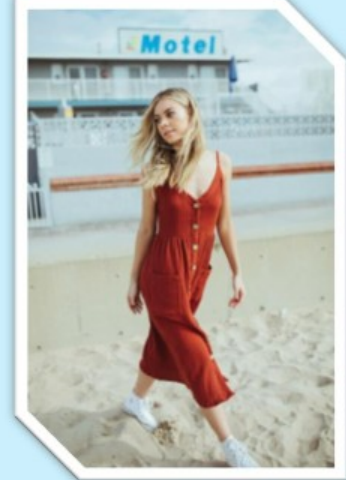
Michael L. Henry  
949-609-5599 x.17000  
[irelations@tillys.com](mailto:irelations@tillys.com)



# **TILLYS**

**ICR Investor Presentation**

**January 2019**



# Safe Harbor Statement

**TILLYS**

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 February 3, 2018 and our Form 10-Qs for the fiscal quarters ended May 5, August 4, and November 3, 2018.



# Tillys at a Glance

# TILLYS

- **Leading specialty retailer** offering apparel, footwear and accessories for young adults, teens and children
- Unparalleled blend of **over 400 iconic global, emerging, and proprietary brands**
- **229 stores** in 33 states, both in-mall and off-mall, averaging ~7500 SF, including 4 RSQ-branded pop-up shops
- **10-15 new stores planned for fiscal 2019** vs. previously stated goal of 15-20 new stores
- **+3.7%** YTD comparable store sales growth thru Dec 2018, including **+5.8%** during Nov/Dec 2018 Holiday period
- **Profitable e-commerce business** represents 14.4% of YTD net sales thru Dec 2018 (vs. 13.1% in fiscal 2017)
- HQ in **Irvine, CA** and **founded in 1982**





# Our Core Customers

**TILLYS**

**Pre-teens, teens and young adults, both male and female**

**Active, connected, creative and adventurous**

**Passionate about an active lifestyle, including sports, music, art and fashion**

**Highly engaged on social media channels**



# Destination Retailer with a Unique Store Experience and a Broad and Differentiated Assortment

# TILLYS

- Over 400 third-party lifestyle brands in a given year with a variety of styles, colors, sizes and price points
- ~24% of our YTD Dec 2018 net sales has come from our own brands (vs ~26% for fiscal 2017), supplemented by exclusive offerings from third-party brands
- Top 2 third-party brands represent ~9% and ~7% of YTD Dec 2018 net sales, respectively, with no other third-party brand above 3.0%.
- Nearly 90% of stores remodeled or refreshed in last 3 years, helping stores to keep a current, fresh look
- Excellent interior store design enhanced by our dedicated team of passionate store associates

Diversified Category Mix



# Constantly Evolving Merchandise Mix

# TILLYS

- Ship products to stores multiple times per week
- Analyze and adjust to performance of different trends in different markets
- Keep merchandise mix current with emerging brands and new merchandise from established brands
- Special make-ups from popular brands that are limited or not offered at other retailers

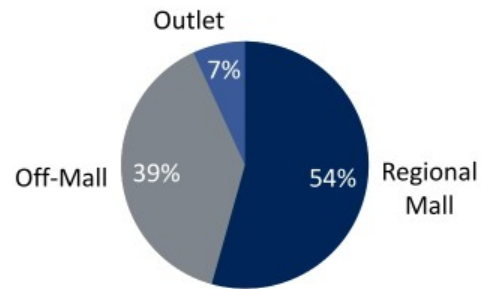


# Flexible Real Estate Strategy across Real Estate Venues and Geographies

**TILLYS**

- Stores located in malls, power centers, neighborhood and lifestyle centers, outlet centers and street-front locations
- Store locations in 86 markets in 33 states
- Began as an off-mall concept in 1982
- Strategy of clustering stores in promising markets to further enhance brand awareness

Store Location by Type



# Multi-pronged Marketing Approach to Drive Traffic and Customer Engagement



*Leverage proprietary customer database to further engage customers and drive traffic*

## Social Media

- Partner with social media stars and influencers to drive brand awareness
- Promote in-store events (prior to and post-event)
- Increase opportunities to reach our core customer



## Events

- Partner and collaborate with vendors on exclusive, compelling in-store events (e.g. pizza parties, bean bag toss contests, augmented reality searches)
- Build credibility with target customers



## Print

- Distribute catalogs and postcards to new and existing customers
- Promote new brands and merchandise



# Significant Investments Across Stores, E-commerce, Systems and Distribution / Fulfillment



*Ability to capitalize on recent investments to drive traffic to our stores and website*

## Stores

- Remodeled or refreshed ~90% of our 229 stores within the last 3 years
- Limited store capex requirements going forward, other than for new stores



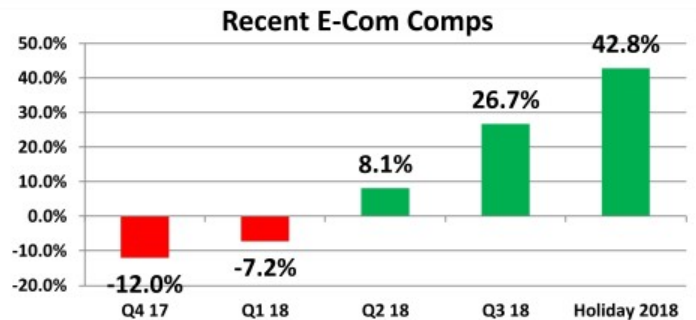
## Systems

- Implemented new point-of-sale, order management, and website platform in late FY17
- Enhanced customer relationship management, e-commerce and omni-channel capabilities
- Updating mobile application



## Distribution and Fulfillment

- Dedicated e-com fulfillment center
- Ability to ship products to stores
- Online orders can also be served from stores
- Along with broader assortment, we carry certain online-only styles



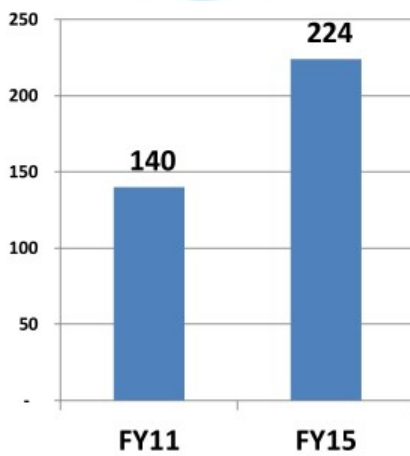
# Evolution of Tillys from IPO to Entering a New Phase of Growth



## IPO and Expansion (2012 – 2015)

- Significant store expansion, mostly to new markets, following IPO
- Lack of brand awareness and inconsistency of merchandising in new markets led to challenges for store productivity

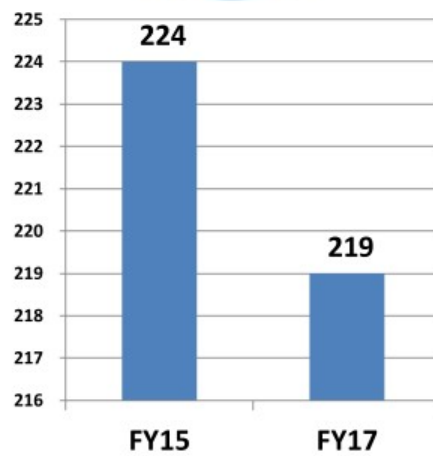
**+84  
Net Stores**



## Stabilize and Invest for Growth (2016 – 2017)

- Paused store growth to address under-performance and brand awareness
- Invested in physical and technological infrastructure to support future growth

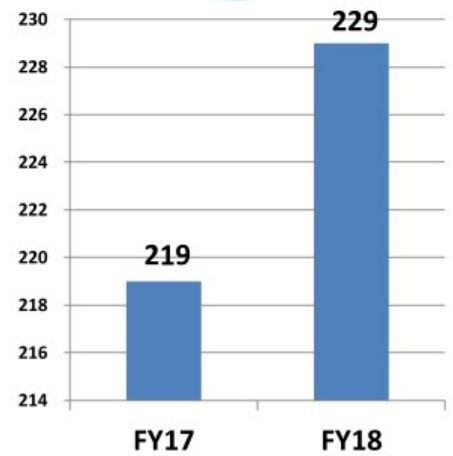
**-5  
Net Stores**



## Future of Tillys (2018+)

- Disciplined approach to store growth, clustering in key markets
- Build brand awareness and enhance customer experience
- Limited incremental investment required

**+10  
Net Stores**



10

■ Store Count (as of end of period)

Drive Comparable Store Sales

Grow E-com and Leverage Omni-Channel Capabilities

Open New Stores

Drive Brand Awareness

Increase Operating Margins



## Drive Comparable Store Sales

### Execute on Merchandising Strategy

- ✓ Dynamic merchandise model
- ✓ Extensive 3<sup>rd</sup> party brands
- ✓ Exclusive and proprietary branded merchandise



### Leverage E-com and Business Investments

- ✓ Disciplined approach to new store growth, clustering
- ✓ Already-remodeled store base
- ✓ Improved website, CRM and omni-channel capabilities

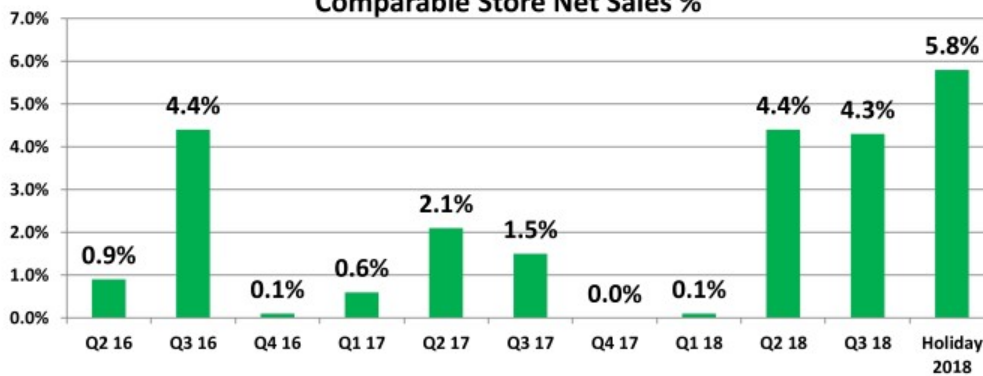
### Increase Brand Awareness with Multi-Pronged Marketing

- ✓ Continued distribution of postcards, catalogs and email marketing
- ✓ Increased social media presence
- ✓ New and exciting in-store sponsored events

**11** Consecutive Quarters of Flat to Positive Comparable Store Sales Growth (incl. projected Q4 2018)

**9** Consecutive Quarters of Positive Traffic (incl. projected Q4 2018)

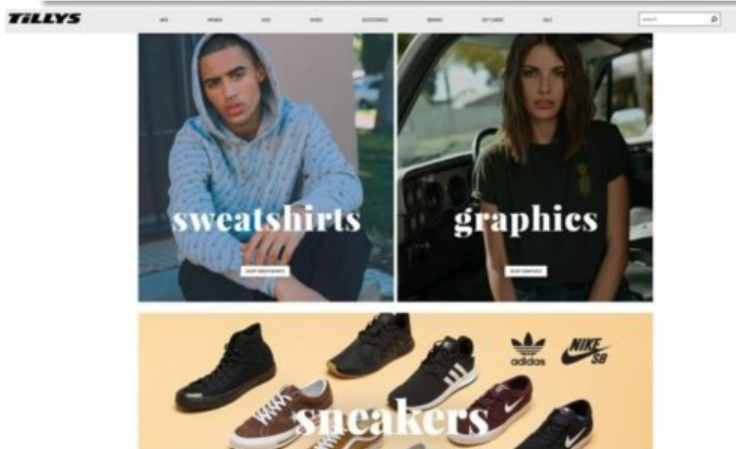
Comparable Store Net Sales %



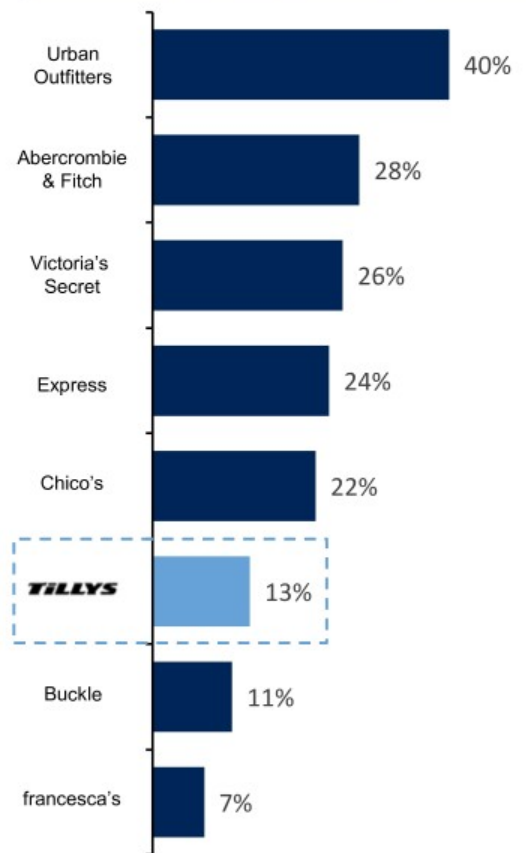
## Continue to Grow E-com and Leverage Omni-Channel Capabilities

**TILLYS**

- Create seamless experience for customer to shop in-store or online
- Leverage new mobile app and social media presence
- Increase investments in omni-channel capabilities:
  - Re-platformed website
  - Addition of mobile app
- Utilize these investments to enhance customer convenience:
  - Pick up in-store
  - Ship-from-store
  - Same-day delivery



### E-commerce Revenue as Percentage of Total Revenue <sup>(1)</sup>

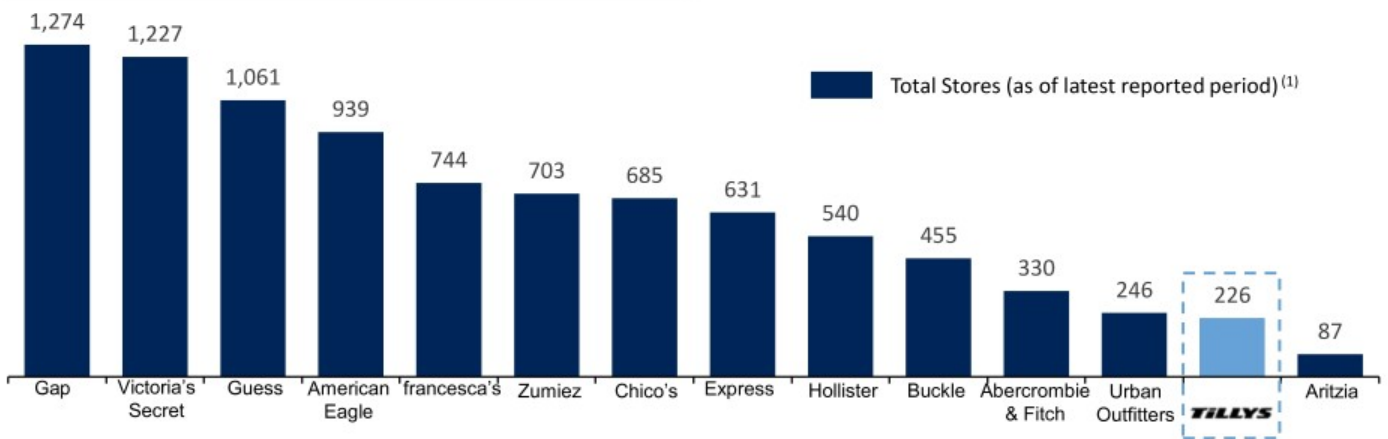


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(1) Source: Company filings, earnings releases and transcripts. Represents e-commerce revenue as a percentage of total revenue as of FY 2017 or the latest available company-filed information. The Company expressly disclaims responsibility for any of the information replicated from other companies' public filings.

# Open New Stores

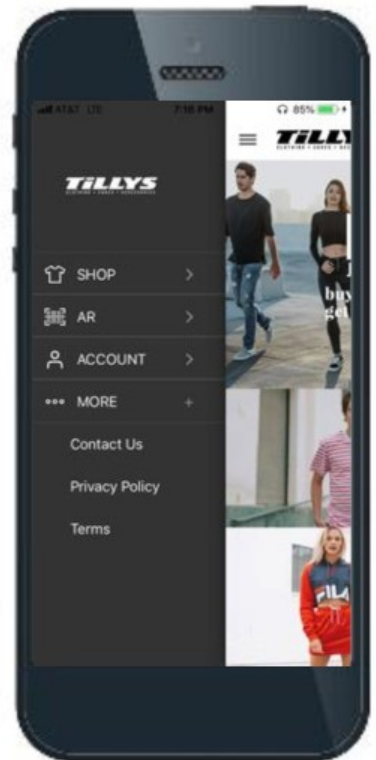
- Opened 12 new stores in FY18, anticipate approximately 10-15 new stores in FY19
- Continue disciplined approach to store growth
- Target existing markets with room for growth and new markets with high population density (i.e. Texas, Northeast and Chicago)
- Focus on clustering stores to build brand awareness
- Continue to learn from and use RSQ pop-up locations to drive brand awareness



14 (1) Source: Company filings as of latest reported period. Represents domestic and international, company-operated, branded stores. The Company expressly disclaims responsibility for any of the information replicated from other companies' public filings.

## Drive Brand Awareness

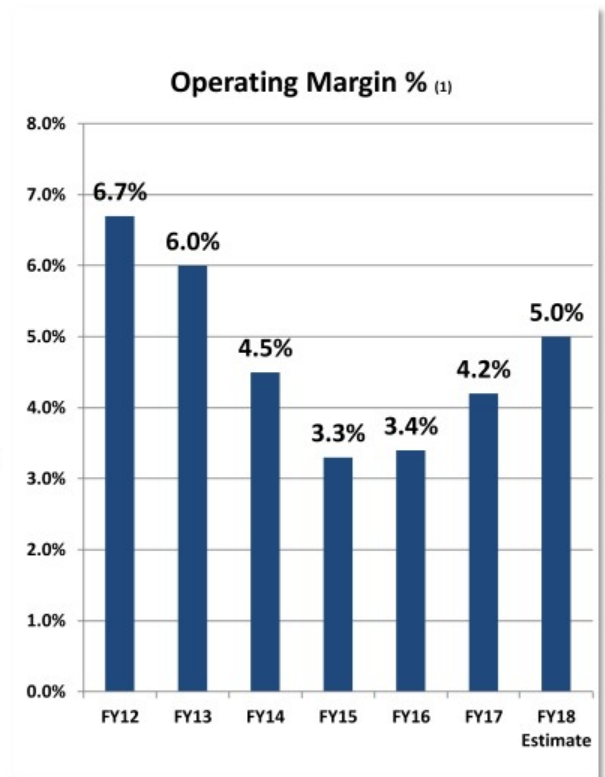
- Increase breadth and depth of customer engagement
- Maintain fun and compelling in-store events such as augmented reality scavenger hunts
- Pursue co-branded promotions with third-party brands, influencers and social media personalities
- Expand into new markets
- Utilize RSQ pop-ups to drive both RSQ and Tillys brand awareness
- Leverage loyalty program



# Increase Operating Margins

Opportunity to increase operating margin through scale efficiencies driven by comparable store sales increases combined with continued process improvements

- |   |  |
|---|--|
| <b>Leverage Fixed Costs through Top-Line Growth</b> | <ul style="list-style-type: none"> <li>✓ Largely fixed occupancy costs</li> <li>✓ Favorable buying costs due to scale</li> <li>✓ Leverage our store management and corporate overhead costs</li> </ul>                         |
| <b>Capitalize on Previous Investments</b>           | <ul style="list-style-type: none"> <li>✓ Dedicated e-commerce fulfillment center</li> <li>✓ Upgraded e-commerce platform</li> <li>✓ Upgraded point-of-sale, merchandise allocation and merchandise planning systems</li> </ul> |
| <b>Evaluate Real Estate Opportunities</b>           | <ul style="list-style-type: none"> <li>✓ Approximately 85 lease decisions in FY19</li> <li>✓ Generally favorable leasing environment</li> <li>✓ Closing stores that have unacceptable profitability</li> </ul>                 |



(1) Operating margin represents operating income as a percentage of net sales for the corresponding period. FY18 Estimate is subject to completion of the period.

## Why Invest in Tillys?

**TILLYS**

We Are Executing on  
Current Strengths...

Destination Retailer with a Broad  
and Differentiated Assortment

Dynamic Merchandise Model

Flexible Real Estate Strategy Across  
Real Estate Venues and Geographies

Multi-pronged Marketing Approach

Systems and Distribution /  
Fulfillment Infrastructure to  
Support Growth

...To Drive Overall Growth

Drive Comparable Store Sales

Continue to Grow E-com and  
Leverage Omni-Channel Capabilities

Open New Stores and Reinvest in  
Existing Stores

Drive Brand Awareness

Increase Operating Margins

