Risk Factors Comparison 2024-04-01 to 2023-03-28 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

Risks Related to our Industry and Macroeconomic Conditions ● Our business and financial condition are heavily influenced by general economic and market conditions which are outside of our control. ~~The COVID- 19 pandemic has had, and may in the future have, a material adverse effect on our business, revenues, financial condition and results of operations.~~ We operate in a highly competitive industry with significant pricing pressures and heightened customer expectations. Failure to anticipate and adapt to changing fashion trends and consumer preferences could harm our reputation and financial performance. Our operations and those of our suppliers, vendors and wholesale customers may be affected by changes in weather patterns, natural or man- made disasters, public health crises, war, terrorism or other catastrophes. Risks Related to our Business Strategy and Operations Failure to maintain the reputation or value of our brands could harm our business operations and financial condition. Our inability to execute our direct to consumer and portfolio- level strategies in response to shifts in consumer shopping behavior could adversely affect our financial results and operations. We may be unable to grow our business through organic growth, which could have a material adverse effect on our business, financial condition, liquidity and results of operations. The acquisition of new businesses is inherently risky, and we cannot be certain that we will realize the anticipated benefits of any acquisition. The divestiture or discontinuation of businesses and product lines could result in unexpected liabilities and adversely affect our financial condition, cash flows and results of operations. Our business could be harmed if we fail to maintain proper inventory levels. We are subject to risks associated with leasing real estate for our retail stores and restaurants. We make use of debt to finance our operations, which could expose us to risks that adversely affect our business, financial position and operating results. The loss of one or more of our key wholesale customers, or a significant adverse change in a customer' s financial position, could negatively impact our net sales and profitability. Risks Related to Cybersecurity and Information Technology Cybersecurity attacks and / or breaches of information security or privacy could disrupt our operations, cause us to incur additional expenses, expose us to litigation and / or cause us financial harm. Our operations are reliant on information technology, and any interruption or other failure could have an adverse effect on our business or results of operations. Reliance on outdated technology or failure to upgrade our information technology systems and capabilities could impair the efficient operation of our business and our ability to compete. ~~● Remote work arrangements could inhibit our ability to effectively operate our business and result in enhanced cybersecurity risks.~~ Risks Related to our Sourcing and Distribution Strategies ~~●~~ Our reliance on third party producers in foreign countries to meet our production demands exposes us to risks that could disrupt our supply chain, increase our costs and negatively impact our operations. ● Our operations are dependent on the global supply chain, and the impact of supply chain constraints may adversely impact our business and operating results. ● Any disruption or failure in our primary distribution facilities may materially adversely affect our business or operations. ● Fluctuations and volatility in the cost and availability of raw materials, labor and freight may materially increase our costs. ● Labor- related matters, including labor disputes, may adversely affect our operations. ● Our geographic concentration ~~of retail stores, restaurants and wholesale customers~~ exposes us to certain regional risks. ● Our international operations, including foreign sourcing, result in an exposure to fluctuations in foreign currency exchange rates. Risks Related to Regulatory, Tax and Financial Reporting Matters ● Our business is subject to various federal, foreign, state and local laws and regulations, and the costs of compliance with, or the violation of, such laws and regulations could have an adverse effect on our costs or operations. ● Changes in international trade regulation could increase our costs and / or disrupt our supply chain. ● Any violation or perceived violation of our ~~codes~~ **Supplier Code** of ~~conduct~~ **Conduct** or environmental and social compliance programs, including by our manufacturers or vendors, could have a material adverse effect on our brands. ● As a multi- national apparel company, we may experience fluctuations in our tax liabilities and effective tax rate. ● Impairment charges for goodwill or intangible assets could have a material adverse impact on our financial results. ● Any failure to maintain liquor licenses or comply with applicable regulations could adversely affect the profitability of our restaurant operations. General Risks ● Our business depends on our senior management and other key personnel, and failure to successfully attract, retain and implement succession of our senior management and key personnel or to attract, develop and retain personnel to fulfill other critical functions may have an adverse effect on our operations and ability to execute our strategies. ● We may be unable to protect our trademarks and other intellectual property. ● We are subject to periodic litigation, which may cause us to incur substantial expenses or unexpected liabilities. ● Our common stock price may be highly volatile, and we may be unable to meet investor and analyst expectations. ● Other factors may have an adverse effect on our business, results of operations and financial condition. ~~5DEFINITIONSAs~~ - **DEFINITIONSAs** used in this report, unless the context requires otherwise," our,"" us" or" we" means Oxford Industries, Inc. and its consolidated subsidiaries;" SG & A" means selling, general and administrative expenses;" SEC" means the United States Securities and Exchange Commission;" FASB" means the Financial Accounting Standards Board;" ASC" means the FASB Accounting Standards Codification;" GAAP" means generally accepted accounting principles in the United ~~States~~ **5States** ; and" TBBC" means The Beaufort Bonnet Company. Additionally, the terms listed below reflect the respective period noted: Fiscal **202552 weeks ending January 31, 2026Fiscal** 202452 weeks ending February 1, 2025Fiscal 202353 weeks ~~ending~~ **ended** February 3, 2024Fiscal 202252 weeks ended January 28, 2023Fiscal 202152 weeks ended January 29, 2022 Fiscal 202052 weeks ended January 30, **2021Fourth quarter** ~~2021Fiscal~~ ---- **Fiscal** ~~201952~~ **202314** weeks ended February ~~1~~ **3** , **2024Third quarter Fiscal 202313 weeks ended October 28, 2023Second quarter Fiscal 202313 weeks ended July 29, 2023First quarter Fiscal 202313 weeks ended April 29,** ~~2020Fourth~~ **2023Fourth** quarter Fiscal 202213 weeks ended January 28, 2023Third quarter Fiscal 202213 weeks ended October 29, 2022Second quarter Fiscal 202213 weeks ended July 30, 2022First quarter Fiscal 202213 weeks ended April 30, ~~2022Fourth quarter Fiscal 202113 weeks ended January 29, 2022Third quarter Fiscal 202113 weeks ended October 30, 2021Second quarter Fiscal 202113 weeks ended July 31, 2021First quarter Fiscal 202113 weeks ended May 1, 20216PART~~ **20226PART** IItem 1. BusinessBUSINESS AND PRODUCTSOverviewWe are a leading branded apparel company that designs, sources, markets and distributes products bearing the trademarks of our portfolio of lifestyle brands: Tommy Bahama, Lilly Pulitzer, Johnny Was, Southern Tide, TBBC ~~and~~ **,** Duck Head **and Jack Rogers** . Our business strategy is to develop and market compelling lifestyle brands and products that evoke a strong emotional response from our target consumers. We consider lifestyle brands to be those brands that have a clearly defined and targeted point of view inspired by an appealing lifestyle or attitude. Furthermore, we believe lifestyle brands that create an emotional connection can command greater loyalty and higher price points and create licensing opportunities. We believe the attraction of a lifestyle brand depends on creating compelling product, effectively communicating the respective lifestyle brand message and distributing products to consumers where and when they want them. We believe the principal competitive factors in the apparel industry are the reputation, value, and image of brand names; design of differentiated, innovative or otherwise compelling product; consumer preference; price; quality; marketing (including through rapidly shifting digital and social media vehicles); product fulfillment capabilities; and customer service. Our ability to compete successfully in the apparel industry is dependent on our proficiency in foreseeing changes and trends in fashion and consumer preference and presenting appealing products for consumers. Our design- led, commercially informed lifestyle brand operations strive to provide exciting, differentiated fashion products each season as well as certain core products that consumers expect from us. To further strengthen each lifestyle brand' s connections with consumers, we directly communicate through digital and print media on a regular basis with our loyal consumers, including the approximately 2. ~~5~~ **7** million who have transacted with us in the last year. We believe our ability to effectively communicate the images, lifestyle and products of our brands and create an emotional connection with consumers is critical to the success of our brands, as evidenced by our advertising which engages our consumers by conveying the lifestyle of the brand. We believe the attraction of each of our lifestyle brands is a direct result of years of maintaining appropriate quality and design, and appropriately restricting the distribution of our products. We believe this approach to quality, design, distribution and communication has been critical in allowing us to achieve the current retail price points, high gross margins and success for our brands. During Fiscal ~~2022~~ **2023** , 80 % of our consolidated net sales were through our direct to consumer channels of distribution, which consist of our brand specific full- price retail stores, e- commerce websites and outlets, as well as our Tommy Bahama food and beverage operations. During Fiscal ~~2022~~ **2023** , the breakdown of our consolidated net sales by direct to consumer channel was as follows: **e- commerce of $ 538 million, or 34 %;** full- price retail of $ ~~487~~ **533** million, or **34** ~~35 %; e- commerce of $ 465 million, or 33~~ %; food and beverage of $ ~~109~~ **116** million, or ~~8~~ **7** %; and outlet operations of $ ~~66~~ **73** million, or 5 %. Our direct to consumer operations provide us with the opportunity to interact directly with our customers, present to them a broad assortment of our current season products and immerse them in the theme of the lifestyle brand. We believe that presenting our products in a digital or physical setting specifically designed to showcase the lifestyle on which the brands are based enhances the image of our brands. Our ~~257~~ **brand- specific e- commerce business continues to grow. Our e- commerce business is very profitable as we have a high gross margin on e- commerce sales that allow us to absorb any incremental picking, packing and freight expense associated with operating an e- commerce business and still maintain a high profit margin on e- commerce sales. Our 278** full- price retail stores allow us the opportunity to carry a full line of current season merchandise, including apparel, accessories and other products, all presented in an aspirational brand- specific atmosphere. We believe that our full- price retail stores provide high visibility for our brands and products and allow us to stay close to the ~~preferences~~ **7preferences** of our consumers. Further, we believe that our presentation of products and our strategy to operate the full- price retail stores with limited in- store promotional activities enhance the value and reputation of our lifestyle brands and, in turn, strengthen our business and relationships with key wholesale customers. **Approximately** ~~While about~~ one- half of our full- price retail stores are located in warm weather resort or travel- to destinations and states ~~, we~~ **. We** believe there are **still** ~~7opportunities~~ - **opportunities** for new stores in both warmer and colder climates ~~,~~ as we believe the more important consideration is whether the location attracts the affluent consumer that we are targeting. ~~Our brand- specific e- commerce business continues to grow. Our e- commerce business is very profitable as we have a high gross margin on e- commerce sales of approximately 70 % while averaging in excess of $ 125 per order. Our high average order value and high gross margins allow us to absorb any incremental picking, packing and freight expense associated with operating an e- commerce business and still maintain a high profit margin on e- commerce sales.~~ Additionally, our Tommy Bahama brand operates ~~21~~ **22** food and beverage locations, including Marlin Bars and full- service restaurants, generally adjacent to a Tommy Bahama full- price retail store. These food and beverage locations provide us with the opportunity to immerse customers in the ultimate Tommy Bahama experience as well as attract new customers to the Tommy Bahama brand. Both Tommy Bahama and Johnny Was operate brand- specific outlet stores, which are **typically** utilized for end of season inventory clearance. The remaining 20 % of our net sales were generated through our wholesale distribution channels, which complement our direct to consumer operations ~~and~~ **,** provide access to a larger base of consumers **and generate high operating margins given the lower fixed costs associated with these operations** . Our wholesale operations consist of sales of products bearing the trademarks of our lifestyle brands to various specialty stores, better department stores, multi- branded e- commerce retailers and other retailers. ~~As~~ **At the same time, as** we seek to maintain the integrity and continued success of our lifestyle brands by limiting promotional activity in our full- price retail stores and e- commerce websites, we intend to maintain controlled distribution with careful selection of the retailers through which we sell our products and generally target wholesale customers that follow a limited promotions approach. We continue to value our long- standing relationships with our wholesale customers and are committed to working with them to enhance the success of our lifestyle brands within their stores. ~~We~~ **Competitive EnvironmentWe** operate in a highly competitive apparel market that continues to evolve rapidly with the expanding application of technology to fashion retail. The application of technology, including the internet and mobile devices, to fashion retail provides consumers increasing access to multiple, responsive distribution platforms and an unprecedented ability to communicate directly with brands and retailers **and capabilities by some competitors to offer same- day or next- day delivery of products to online consumers** . As a result, consumers have more information and greater control over information they receive as well as broader, faster and cheaper access to goods than ever before. This is revolutionizing the way that consumers shop for fashion and other goods, which continues to be evidenced by weakness and store closures for certain department stores and mall- based retailers, uncertain consumer retail traffic patterns, a more promotional retail environment, expansion of off- price and discount retailers, and a shift from bricks and mortar to internet purchasing. This competitive and evolving environment requires that brands and retailers approach their operations, including marketing and advertising, very differently than they have historically and may result in increased operating costs and investments to generate growth or even maintain existing sales levels. While the competition and evolution present significant risks, especially for traditional retailers who fail or are unable to adapt, we believe it also presents a tremendous opportunity for brands and retailers to capitalize on the changing consumer environment. No single apparel firm or small group of apparel firms dominates the apparel industry, and our competitors vary by operating group and distribution channel. The apparel industry is cyclical and very dependent on the overall level and focus of discretionary consumer spending, which changes as consumer preferences and regional, domestic and international economic conditions change. Also, in recent years consumers have chosen to spend less of their discretionary spending on certain product categories, including apparel, while spending more on services and other product categories. Further, negative economic conditions often have a longer and more severe impact on the apparel industry than on other industries due, in part, to apparel purchases often being more of a discretionary purchase. The current macroenvironment, with heightened concerns about **continued** inflation, a global economic recession, geopolitical issues, the ~~stability of the U. S. banking system, the~~ availability and cost of credit and **elevated** ~~continued increases in~~ interest rates **for prolonged periods** , is creating a complex and challenging retail environment, which may impact our businesses and exacerbate some of the ~~8inherent~~ - **inherent** challenges to our operations. ~~There~~ **8There** remains significant uncertainty in the macroeconomic environment, and the impact of these and other factors could have a major effect on our businesses. Investments and OpportunitiesThe evolution in the fashion retail industry presents significant risks, especially for traditional retailers and others who fail or are unable to adapt, but we believe it also presents a tremendous opportunity for brands and retailers to capitalize on the changing consumer environment. We believe our lifestyle brands have true competitive advantages in this new retailing paradigm, and we continue to invest in and leverage technology to serve our consumers when and where they want to be served. We continue to believe that our lifestyle brands, with their strong emotional connections with consumers, are well suited to succeed and thrive in the long term while managing the various challenges facing our industry. Further, each of our brands aims to further enhance its customer- focused, dynamic, thriving, digitally- driven, mobile- centered, cross- channel personalized and seamless shopping experience that recognizes and serves customers in their brand discovery and purchasing habits of the future. We believe there are ample opportunities to expand the reach of each of our lifestyle brands in the future, including the opening of new direct to consumer locations, e- commerce growth and wholesale operations expansion. In order to expand the reach and maximize the success of each of our brands, we believe we must continue to invest in the lifestyle brands to take advantage of their long- term growth opportunities. ~~Future~~ **We expect Fiscal 2024 will be a particularly heavy year for** ~~investments~~ - **investment** ~~include~~ **in** capital expenditures **and expect such investments to** primarily ~~related~~ **be associated with a multi- year project** to **build a new distribution center in the Southeastern United States to ensure best- in- class** direct **-** to **-** consumer ~~operations~~ **throughput capabilities for our brands** , ~~such as technology enhancements, e- commerce initiatives and~~ direct to consumer location build- outs for new, relocated or remodeled locations, **technology and related** ~~as well as distribution center~~ enhancements **to support our direct to consumer operations** and administrative office expenditures. In addition to our capital investments, we ~~must~~ **will** continue to invest in our SG & A expense infrastructure, including people, technology, advertising and other resources. While we believe that our investments will generate long- term benefits, the investments ~~may~~ **are likely to** have a short- term negative impact on our operating margin ~~, particularly if~~ **as it will take some time for** ~~there~~ -- **the anticipated** ~~is insufficient~~ sales growth to absorb the incremental costs **of these** ~~in a particular year. Fiscal 2023 will be a particularly heavy year for both capital~~ expenditures ~~and SG & A, which is expected to decrease our operating margins from the levels achieved in Fiscal 2022. Meanwhile, as we grow we must be very diligent in our effort to avoid compromising the integrity of our brands by becoming overly promotional or maintaining or growing sales with wholesale customers that may not be aligned with our long- term strategy. This is particularly important with the challenges in the department store channel, which represented less than 10 % of our consolidated net sales in Fiscal 2022~~ . While we believe we have significant opportunities to appropriately deploy our capital and resources in our existing lifestyle brands, we will continue to evaluate opportunities to add additional lifestyle brands, both large and small, to our portfolio if we identify appropriate targets that meet our investment criteria and / or take strategic measures to return capital to our shareholders as and when circumstances merit ~~. For example, we acquired Johnny Was on September 19, 2022~~ . Important factors relating to certain risks, many of which are beyond our ability to control or predict, which could impact our business are described in Part I, Item 1A. Risk Factors of this report. Operating GroupsWe identify our operating groups based on the way our management organizes the components of our business for purposes of allocating resources and assessing performance. Our operating group structure reflects a brand- focused management approach, emphasizing operational coordination and resource allocation across each brand' s direct to consumer, wholesale and licensing operations, as applicable. ~~With~~ **Subsequent to** our acquisition of Johnny Was ~~on September 19, 2022~~ , our business is organized as our Tommy Bahama, Lilly Pulitzer, Johnny Was and Emerging Brands operating groups. Operating results for periods prior to Fiscal 2022 also include the Lanier Apparel operating group, which we exited in Fiscal 2021. For additional information about each of our reportable operating groups as well as Corporate and Other, see Part II, Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations, and Note 2 of our consolidated financial statements, each included in this report. The table below presents certain financial information about each of our operating groups, as well as Corporate and Other (in thousands). 9Fiscal **2023 Fiscal** 2022 Fiscal

~~2021 Fiscal 2020Net~~ **2021Net** Sales **Tommy Bahama $ 898, 807 $ 880, 233 $ 724, 305Lilly Pulitzer 343, 499 339, 266 298, 995Johnny Was** (1 **) 202, 859 72, 591 — Emerging Brands 126, 825 116, 484 90, 053Lanier Apparel (2) — — 24, 858Corporate and Other (515) 2, 954 3, 868Consolidated net sales $ 1, 571, 475 $ 1, 411, 528 1, 142, 079Operating Income (Loss**) Tommy Bahama $ ~~880~~ **160** , ~~233~~ **543** $ ~~724~~ **172** , ~~305~~ **761** $ ~~419~~ **111** , ~~817Lilly~~ -- **733Lilly** Pulitzer ~~339~~ **56** , ~~266 298~~ **110 67** , ~~995 231~~ **098 63** , ~~078Johnny~~ **601Johnny** Was (~~2~~ **1**) ~~72, 591 — — Emerging Brands 116, 484 90, 053 58, 200Lanier Apparel~~ (**104** ~~3) — 24~~ , **776** ~~858 38, 796Corporate and Other 2, 954 3, 868 942Consolidated net sales $ 1, 411, 528 $ 1, 142, 079 748, 833Operating Income (Loss~~) (1 ~~) Tommy Bahama $ 172, 761 $ 111, 733 $ (53, 310) Lilly Pulitzer 67, 098 63, 601 27, 702Johnny Was (2) (1~~ , 544) ~~—~~ — Emerging Brands (**3) 6, 714 15, 602 16, 649Lanier Apparel (2) — — 4, 888Corporate and Other (** 4) ~~15, 602 16, 649~~ (~~62~~ **37** , **609** ~~724) Lanier Apparel (3) — 4, 888 (26, 654) Corporate and Other (5~~) (35, 143) (31, 368 ~~) (8, 863~~) Consolidated Operating Income $ **80, 982 $** 218, 774 ~~$~~ 165, 503 ~~(123, 849)~~ (1) The ~~net sales and~~ **Johnny Was business was acquired on September 19, 2022. Activities for Fiscal 2022 consist of 19 weeks of activity from the acquisition date through January 28, 2023. The** operating ~~income (~~ loss ~~) of each operating group were negatively impacted by the COVID- 19 pandemic starting in Fiscal 2020. (2) Amount included~~ for Johnny Was ~~represents the post- acquisition period only. The operating income~~ **in Fiscal 2023 resulted from a $ 111 million impairment charge** for **goodwill** ~~Fiscal 2022 for Johnny Was includes $ 4 million of inventory step- up charges~~ and ~~$ 5 million of amortization of~~ intangible assets. (~~3~~ **2**) In Fiscal 2021, we exited our Lanier Apparel business, which had been focused on moderately priced tailored clothing and related products. The Lanier Apparel exit is discussed in more detail in Note ~~11~~ **12** of our consolidated financial statements included in this report. (~~4~~ **3**) The operating ~~loss~~ **income** for Emerging Brands in Fiscal ~~2020~~ **2023** included a $ ~~60~~ **2** million impairment charge ~~for goodwill~~ **related to** ~~and~~ - **an unconsolidated entity** ~~intangible assets of Southern Tide, with no such charges in Fiscal 2022 or Fiscal 2021~~ . (~~5~~ **4**) The operating loss for Corporate and Other includes a last- in, first- out (" LIFO ") accounting charge of $ **10 million, $** 3 million **and** ~~, charge of~~ $ 16 million ~~and credit of $ 9 million~~ in **Fiscal 2023,** Fiscal 2022 ~~,~~ **and** Fiscal 2021 ~~and Fiscal 2020~~ , respectively. **The** ~~During Fiscal 2022 and Fiscal 2021, the~~ operating loss for Corporate and Other **in Fiscal 2022** also included $ 3 million of transaction expenses and integration costs associated with the Johnny Was acquisition ~~and~~ **. Fiscal 2021 also included** a gain on sale of an unconsolidated entity of $ 12 million ~~, respectively~~ . Tommy BahamaTommy Bahama designs, sources, markets and distributes men' s and women' s sportswear and related products. Tommy Bahama' s typical consumer is older than 45 years old, has a household annual income in excess of $ 100, 000, lives in or travels to warm weather and resort locations and embraces a relaxed and casual approach to daily living. Tommy Bahama products can be found in our Tommy Bahama stores and on our Tommy Bahama e- commerce website, tommybahama. com, as well as at better department stores, independent specialty stores and multi- branded e- commerce retailers. We also operate Tommy Bahama food and beverage locations and license the Tommy Bahama name for various product categories. During Fiscal ~~2022~~ **2023** , 96 % of Tommy Bahama' s sales were in the United States, with the remaining sales in Australia and Canada. In Fiscal ~~2022~~ **2023** , we increased Tommy Bahama' s sales by ~~22~~ **2** % to **$ 899 million from** $ 880 million ~~and~~ **in Fiscal 2022.** ~~operating~~ **Operating** income **decreased** by ~~55~~ **7** % **to $ 161 million, or 17. 9 % of sales, compared** to $ 173 million, or 19. 6 % **of sales** ~~. For comparison~~ , ~~the~~ **in** Fiscal 2022 **, resulting primarily from our SG & A investments during Fiscal 2023. The** operating ~~margin for Tommy Bahama was~~ **income achieved in Fiscal 2023 and Fiscal 2022 is** considerably higher than ~~the 15. 4 % operating margin generated in Fiscal 2021, as well as~~ the 7. 9 % operating margin on $ 677 million of net sales generated in the last pre- pandemic year of Fiscal 2019. The significant improvement in operating **margin reflects the** results ~~reflects the efforts~~ of ~~an~~ important ~~initiative~~ **initiatives** for us in recent years to increase the profitability of the Tommy Bahama operating ~~10group~~ -- **group** ~~. While we made progress on this initiative prior to the COVID- 19 pandemic, these efforts were really evident in our Fiscal 2021 and Fiscal 2022 operating results~~ . Maintaining the significantly higher post- pandemic operating ~~income~~ **margin** levels continues to be a focus area for the long- term prospects of the Tommy Bahama business. ~~Direct~~ **10Direct** to Consumer OperationsA key component of our Tommy Bahama strategy is to operate ~~our~~ retail stores, e- commerce websites and food and beverage concepts, which we believe permits us to develop and build brand awareness by presenting our products in a setting specifically designed to showcase the aspirational lifestyle on which the products are based. Our Tommy Bahama direct to consumer channels, which consist of full- price retail store, e- commerce, food and beverage and outlet store operations, in the aggregate, represented 83 % of Tommy Bahama' s net sales in Fiscal ~~2022~~ **2023** . Full- price retail store, e- commerce, food and beverage and outlet store net sales accounted for ~~39~~ **37** %, ~~24~~ **25** %, 13 % and ~~7~~ **8** %, respectively, of Tommy Bahama' s net sales in Fiscal ~~2022~~ **2023** ~~. Our direct to consumer approach includes various e- commerce websites, including the tommybahama. com website~~ . Our Tommy Bahama e- commerce business, which generated $ ~~214~~ **224** million of net sales in Fiscal ~~2022~~ **2023** , has grown significantly over the last few years, including a ~~16~~ **5** % increase in net sales compared to Fiscal ~~2021~~ **2022** . Our Tommy Bahama websites **, including the tommybahama. com website,** allow consumers to buy Tommy Bahama products directly from us via the internet. These websites also enable us to increase our database of consumer contacts, which allows us to communicate directly and frequently with consenting consumers. As we reach more customers in the future, we anticipate that our e- commerce distribution channel for Tommy Bahama will continue to grow at a faster pace than our retail store or wholesale operations. Our direct to consumer strategy for the Tommy Bahama brand also includes locating and operating full- price retail stores in ~~upscale malls,~~ lifestyle shopping centers, resort destinations ~~and~~ **,** brand- appropriate street locations **and upscale malls** . Generally, we seek to locate our full- price retail stores in shopping areas and malls that have high- profile or upscale consumer brand adjacencies. As of ~~January 28~~ **February 3** , ~~2023~~ **2024** , the majority of our Tommy Bahama full- price retail stores were in street- front locations or lifestyle centers with the remainder primarily in regional indoor malls, with a number of those regional indoor locations in resort travel destinations. We believe that we have opportunities for continued sales growth for Tommy Bahama, particularly in our women' s business, which represented **36 % and** 34 % ~~and 33 %~~ of sales in our direct to consumer operations in Fiscal **2023 and Fiscal** 2022 ~~and Fiscal 2021~~ , respectively, with women' s swim representing about one- ~~fourth~~ **third** of the women' s business. For Tommy Bahama' s domestic full- price retail stores and retail- food and beverage locations operating for the full Fiscal ~~2022~~ **2023** year, sales per gross square foot, excluding food and beverage sales and food and beverage space, were approximately $ ~~790~~ **815** , compared to approximately $ ~~645~~ **790** in Fiscal ~~2021~~ **2022** . As of ~~January 28~~ **February 3** , ~~2023~~ **2024** , we operated ~~21~~ **22** Tommy Bahama food and beverage locations including 13 restaurants and ~~eight~~ **nine** Marlin Bar locations, generally adjacent to a Tommy Bahama full- price retail store location. These retail- food and beverage locations, which generated ~~approximately~~ **over** 25 % of Tommy Bahama' s net sales in Fiscal ~~2022~~ **2023** , provide us with the opportunity to immerse customers in the ultimate Tommy Bahama experience. We do not anticipate that the majority of our full- price retail locations will have an adjacent food and beverage location; however, we have determined that an adjacent food and beverage location can further enhance the image or exposure of the brand in select, high- profile, brand appropriate locations. The net sales per square foot in our domestic full- price retail stores that are adjacent to a food and beverage location have historically been approximately twice the sales per square foot of our other domestic full- price retail stores. We believe that the customer immersing themselves into the Tommy Bahama lifestyle by having a meal or a drink at the Tommy Bahama food and beverage location and visiting the adjacent full- price retail store may entice the customer to purchase additional Tommy Bahama merchandise and potentially provide a memorable consumer experience that further enhances the relationship between Tommy Bahama and the consumer. The Marlin Bar concept, like our traditional restaurant locations, is adjacent to one of our full- price retail store locations and serves food and beverages, but in a smaller space and with food options more focused on **fast, yet upscale, casual dining, with** small plate offerings rather than entrees. We believe that the smaller footprint, reduced labor requirements and lower required capital expenditure of the Marlin Bar concept provides us with the long- term potential for opening additional retail- food and beverage locations that are more in line with evolving customer trends toward fast casual dining, particularly with younger consumers. Typically, at the end of the summer and holiday season, Tommy Bahama will conduct sales both in- store and online to move end of season product. Utilizing Tommy Bahama' s Enterprise Order Management (EOM) system, many ~~11online~~ -- **online** orders will be fulfilled from retail stores, greatly reducing the amount of goods that ultimately get transferred from full- price retail stores to outlet stores. Tommy Bahama utilizes its outlet stores, which generated ~~7~~ **8** % of total Tommy Bahama sales in Fiscal ~~2022~~ **2023** , and sales to off- price retailers to sell the remaining end of season or excess inventory. Our Tommy Bahama outlet stores are generally located in outlet shopping centers that include other upscale retailers and serve ~~an~~ **11an** important role in overall inventory management by often allowing us to sell discontinued and out- of- season products at better prices than are otherwise available from outside parties. We believe that this approach has helped us protect the integrity of the Tommy Bahama brand by allowing our full- price retail stores to limit promotional activity while controlling the distribution of discontinued and out- of- season product. To supplement the clearance items sold in Tommy Bahama outlets **and offer a more comprehensive selection of products and sizes** , we merchandise our Tommy Bahama outlets with certain made- for products. Currently, we operate one outlet store for approximately every four full- price retail stores. The table below provides certain information regarding Tommy Bahama direct to consumer locations as of ~~January 28~~ **February 3** , ~~2023~~ **2024** . Full- Price Retail - Food & Beverage Retail StoresLocations (1) Outlet StoresTotalFlorida ~~18 8~~ **16 10** 5 31California ~~14~~ **15** 4 4 ~~22Texas~~ **23Texas** 6 2 4 12Hawaii 5 ~~4~~ **3** 1 ~~10Other~~ **9Other** states ~~42~~ **41** 3 14 ~~59Total~~ **58Total** domestic ~~85 21~~ **83 22** 28 ~~134Canada~~ **133Canada** 6 — 2 8Total North America ~~91 21~~ **89 22** 30 ~~142Australia~~ **141Australia** ~~12~~ **13** — ~~3~~ **4** ~~15Total~~ **17Total** ~~103 21 33~~ **102 22 34** ~~157Average~~ **158Average** square feet per store (2) 3, ~~400~~ **300** 4, 300 4, 400 Total square feet at year end (2) ~~350~~ **340** , 000 ~~90~~ **94** , 000 ~~145~~ **149** , 000 (1) Consists of 13 traditional format retail- restaurant locations and ~~eight~~ **nine** Marlin Bar locations. (2) Square feet for retail- food and beverage locations consists of retail square footage and excludes square feet used in the associated food and beverage operations. During Fiscal ~~2022~~ **2023** , Florida, California, Hawaii and Texas represented ~~33~~ **34** %, 16 %, ~~13~~ **12** % and ~~9~~ **8** %, respectively, of our Tommy Bahama direct to consumer retail and retail- food and beverage location sales. Including e- commerce sales, during Fiscal ~~2022~~ **2023** , Florida, California, Hawaii and Texas represented ~~27~~ **28** %, 15 %, 9 % and 8 %, respectively, of total Tommy Bahama direct to consumer sales. The table below reflects the changes in store count for Tommy Bahama locations during Fiscal ~~2022~~ **2023** . Full- Price Retail - Food & Beverage Retail StoresLocationsOutlet StoresTotalOpen as of beginning of fiscal year ~~102~~ **103** 21 ~~35~~ **33** ~~158Opened~~ **157Opened 7** 2 **3** ~~— —~~ ~~2Closed~~ **12Closed (8)** (1) ~~—~~ (2) (~~3~~ **11**) Open as of end of fiscal year ~~103 21 33~~ **102 22 34** ~~157In~~ **158In** future periods, we anticipate that many of our new Tommy Bahama store openings will be Marlin Bar locations that are either new locations or conversions of existing full- price retail stores. Currently, we have ~~three~~ **five** Marlin Bar openings scheduled for Fiscal ~~2023~~ **2024** , including the conversion of Tommy Bahama full- price retail locations in ~~Palm Beach Gardens, Florida and~~ San Antonio, Texas **, Charlotte, North Carolina and King of Prussia, Pennsylvania** as well as ~~a~~ new **locations** ~~Marlin Bar~~ in **Sarasota** ~~Winter Park~~ , Florida **and Oklahoma City, Oklahoma** . We also have other locations in the pipeline for openings in Fiscal ~~2024~~ **2025** and beyond and anticipate opening **at least three** ~~as many as five~~ Marlin Bar locations in Fiscal ~~2024~~ **2025** , subject to lease negotiation, construction timing and other factors. We continue to look for other appropriate locations for full- price retail stores and Marlin Bars. In addition to the planned Marlin Bars **in Fiscal 2024** , we **are** also ~~have 12two~~ **targeting three new full- price locations and three** full- price retail store relocations ~~and a couple of other new locations in negotiation~~ . We believe that in Fiscal ~~2023~~ **2024** , we may close a limited number of locations, including certain outlets and full- price retail locations. ~~The~~ **12The** construction ~~of~~ and **/ or** relocation of retail stores requires a greater amount of initial capital investment than wholesale operations, as well as greater operating costs. In addition to new store openings, we also incur capital expenditure costs related to remodels or expansions of existing stores, particularly when we renew or extend a lease beyond the original lease term, or otherwise determine that a remodel of a store is appropriate. The cost of a Tommy Bahama Marlin Bar is significantly more than the cost of a full- price retail store and can vary significantly depending on a variety of factors. **The** ~~Historically, the~~ cost to build out ~~our~~ **a** Marlin Bar ~~locations~~ - **location averages** ~~has been approximately~~ $ ~~3~~ **4** million and future locations may be more **or less** expensive than that amount. For most of our full- price retail stores and our Marlin Bar locations, the landlord often provides certain incentives to fund a portion of our capital expenditures. Wholesale OperationsTo complement our direct to consumer operations and have access to a larger group of consumers, we maintain a wholesale business for Tommy Bahama. Tommy Bahama' s wholesale customers include better department stores, specialty stores and multi- brand e- commerce retailers that generally follow a retail model approach with limited discounting. We value our long-standing relationships with our wholesale customers and are committed to working with them to enhance the success of the Tommy Bahama brand within their stores. With its wide distribution currently, we believe that **domestic** sales growth in our men' s apparel wholesale business may be somewhat limited in the long ~~-~~term. However, we believe that we may have opportunities for wholesale sales increases for our Tommy Bahama women' s business in the future, with its appeal evidenced by its performance in our full- price retail stores and e- commerce websites. Wholesale sales for Tommy Bahama accounted for 17 % of Tommy Bahama' s net sales in Fiscal ~~2022~~ **2023** . Approximately 10 % of Tommy Bahama' s net sales reflects sales to major department stores with our remaining wholesale sales primarily to specialty stores. During Fiscal ~~2022~~ **2023** , 12 % of Tommy Bahama' s net sales were to Tommy Bahama' s 10 largest wholesale customers, with its largest customer representing less than 5 % of Tommy Bahama' s net sales. Tommy Bahama ~~ResortOn~~ **ResortIn Fiscal** ~~November 14,~~ 2022, Tommy Bahama entered into a licensing arrangement for the first Tommy Bahama resort. Pursuant to the licensing agreement, the Miramonte Resort & Spa in Indian Wells, California **was** ~~will be~~ converted into the Tommy Bahama Miramonte Resort & Spa ~~,~~ with **a successful relaunch** ~~an anticipated completion date~~ in ~~late~~ **the Third Quarter of Fiscal** 2023. ~~Upon conversion of the property,~~ Tommy Bahama will earn royalty income calculated as a percentage of revenues associated with the resort. The property **is** ~~will be~~ managed and operated by a national commercial and hospitality real estate company with considerable experience in premier resort development and operations. Lilly PulitzerLilly Pulitzer designs, sources, markets and distributes upscale collections of women' s and girl' s dresses, sportswear and related products. The Lilly Pulitzer brand was originally created in the late 1950s by Lilly Pulitzer and is an affluent brand with a heritage and aesthetic based on the Palm Beach resort lifestyle. The brand is somewhat unique among women' s brands in that it has demonstrated multi- generational appeal, including among young women in college or recently graduated from college; young mothers with their daughters; and women who are not tied to the academic calendar. **The brand' s 65th anniversary in Fiscal 2024 sets the stage for continued investment in brand enhancement that is the culmination of a multi- year initiative of modernizing the brand. Enhancements in Fiscal 2024 will include a visual refresh of the brand across retail store locations, marketing, packaging, and merchandising.** Lilly Pulitzer products can be found on our Lilly Pulitzer website, lillypulitzer. com, in our owned Lilly Pulitzer stores, and in Lilly Pulitzer Signature Stores, which are described below, as well as in independent specialty stores and better department stores. During Fiscal ~~2022~~ **2023** , ~~34~~ **38** %, ~~34~~ **35** % and 14 % of Lilly Pulitzer' s net sales were for women' s dresses, sportswear, and Luxletic ~~apparel~~ **athleisure** products, respectively, with the remaining sales consisting of Lilly Pulitzer accessories, including scarves, bags, jewelry and belts, children' s apparel, swim, footwear and licensed products. 13Direct to Consumer OperationsLilly Pulitzer' s direct to consumer distribution channel, which consists of e- commerce operations and full- price retail stores, represented 84 % of Lilly Pulitzer' s net sales in Fiscal ~~2022~~ **2023** . A key element of our Lilly Pulitzer strategy is the lillypulitzer. com website, which generated $ ~~172~~ **175** million, or 51 %, of Lilly Pulitzer' s net sales in Fiscal ~~2022~~ **2023** . Another key component of our Lilly Pulitzer direct to consumer strategy is to operate our own Lilly Pulitzer stores, which represented 33 % of Lilly Pulitzer' s net sales in Fiscal ~~2022~~ **2023** . The Lilly Pulitzer e- commerce business has experienced double- digit percentage growth for many years, and we anticipate that the net sales growth of the e- commerce business will remain strong in the future. We utilize the Lilly Pulitzer website as an effective means of liquidating discontinued or out- of-season inventory in a brand appropriate manner and at gross margins in excess of 40 % via e- commerce flash clearance sales. These sales create a significant amount of excitement with loyal Lilly Pulitzer consumers, who are looking for an opportunity to purchase Lilly Pulitzer products at a discounted price and are also important in attracting new consumers to the Lilly Pulitzer brand. These e- commerce flash clearance sales typically run for **two to** three days during ~~the summer~~ **end of season** clearance ~~period~~ **periods** ~~in September and for two days during the post- holiday clearance period in January,~~ allowing the Lilly Pulitzer website to generally remain full ~~-~~ price for the **remainder** ~~remaining 360 days~~ of the year. During Fiscal ~~2022~~ **2023** , ~~31~~ **35** % of Lilly Pulitzer' s e- commerce sales, or ~~16~~ **18** % of Lilly Pulitzer' s net sales, were e- commerce flash clearance sales. Our full-price retail store strategy for the Lilly Pulitzer brand includes operating full- price retail stores in higher- end lifestyle shopping centers and malls, resort destinations and brand- appropriate street locations. As of ~~January 28~~ **February 3** , ~~2023~~ **2024** , about 40 % of our Lilly Pulitzer full- price stores were located in outdoor regional lifestyle centers and approximately one- ~~third~~ **quarter** of our Lilly Pulitzer stores were located in indoor regional malls, with the remaining locations in resort or street locations. In certain seasonal locations such as Nantucket **, Massachusetts** and Watch Hill **, Rhode Island** , our stores are only open during the resort season. Additionally, we may open temporary pop- up stores in certain locations. Lilly Pulitzer' s full-price retail store sales per gross square foot for Fiscal ~~2022~~ **2023** were approximately $ ~~765~~ **737** for the full- price retail stores which were open the full Fiscal ~~2022~~ **2023** year, as compared to $ ~~685~~ **765** in Fiscal ~~2021~~ **2022** . The table below provides certain information regarding Lilly Pulitzer direct to consumer locations as of ~~January 28~~ **February 3** , ~~2023~~ **2024** . Full-PriceRetail StoresFlorida ~~20Massachusetts~~ **21Massachusetts** ~~7Virginia~~ **6Virginia** 5North Carolina ~~4Other~~ **5Other** 23Total ~~59Average~~ **60Average** square feet per store 2, 500Total square feet at year- end ~~145~~ **152** , 00014During Fiscal ~~2022~~ **2023** , ~~50~~ **51** % of Lilly Pulitzer' s full- price retail store sales were in stores located in Florida with no other state generating more than 10 % of full- price retail store sales. Including e- commerce sales, during Fiscal ~~2022~~ **2023** , Florida represented ~~33~~ **34** % of total Lilly Pulitzer direct to consumer sales. The table below reflects the changes in direct to consumer location count for Lilly Pulitzer stores during Fiscal ~~2022~~ **2023** . Full- PriceRetail StoresOpen as of beginning of fiscal year ~~58Opened~~ **59Opened** ~~3Closed~~ **4Closed** (~~2~~ **3**) Open as of end of fiscal year ~~59Currently~~ **60Currently** , we expect to open at least ~~two~~ **five** new full-price retail stores in Fiscal ~~2023~~ **2024** , ~~including~~ **with the anticipated new stores** in ~~Delray Beach,~~ Florida ~~and Charlotte~~ , ~~North Carolina~~ **Rhode Island, Massachusetts, Georgia and Arizona** . We are in the process of identifying sites or negotiating leases for additional locations. We continue to look for other appropriate locations and anticipate returning to a pace of opening as many as five **to six** locations per year in the future. At the same time, we may relocate or close a limited number of locations at lease expiration **, or sooner based on store performance** . The construction **or** ~~of and~~ relocation of retail stores requires a greater amount of initial capital investment than wholesale operations, as well as greater operating costs. In addition to new store openings, we also incur capital expenditure costs related to remodels or expansions of existing stores, particularly when we renew or extend a lease beyond the original lease term, or otherwise determine that a remodel of a store is appropriate. Wholesale OperationsTo complement our direct to consumer operations and have access to a larger group of consumers, we maintain wholesale operations for Lilly Pulitzer. These wholesale operations, which represented 16 % of Lilly Pulitzer' s net sales in Fiscal ~~2022~~ **2023** , are primarily with Signature Stores, independent specialty stores, better department stores and multi- branded e- commerce retailers that generally follow a retail model approach with limited discounting. During Fiscal ~~2022~~ **2023** , ~~about~~ **approximately** one- ~~third~~ **quarter** of Lilly Pulitzer' s wholesale sales were to Lilly Pulitzer' s Signature Stores, **approximately** one- ~~third~~ **fifth** of Lilly Pulitzer' s wholesale sales were to specialty stores and ~~about~~ **less than** one- fifth of Lilly Pulitzer' s wholesale sales, or less than 5 % of Lilly Pulitzer' s net sales, were to department stores. The remaining wholesale sales were primarily to **off- price retailers and** national accounts, including on- line ~~retailers, and off- price~~ retailers. Lilly Pulitzer' s net sales to its 10 largest wholesale customers represented ~~8~~ **9** % of Lilly Pulitzer' s net sales in Fiscal ~~2022~~ **2023** with its largest customer representing less than 5 % of Lilly Pulitzer' s net sales. An important part of Lilly Pulitzer' s wholesale distribution is sales to Signature Stores. For these stores, we enter into agreements whereby we grant the other party the right to independently operate one or more stores as a Lilly Pulitzer Signature Store, subject to certain conditions, including designating substantially all floor space specifically for Lilly Pulitzer products and adhering to certain trademark usage requirements. We sell products to these Lilly Pulitzer Signature Stores on a wholesale basis and do not receive royalty income associated with these sales. As of ~~January 28~~ **February 3** , ~~2023~~ **2024** , there were ~~48~~ **46** Lilly Pulitzer Signature Stores. Johnny ~~WasOn~~ **WasIn** ~~September 19,~~ **the Third Quarter of Fiscal** 2022, we acquired the Johnny Was California lifestyle brand and related operations, which includes the design, sourcing, marketing and distribution of collections of affordable luxury, artisan- inspired bohemian apparel, accessories and home goods. The Johnny Was brand was founded in 1987 and continues to transcend fashion trends with its beautifully crafted, globally inspired products and demonstrates a unique ability to combine and mix elevated fabrics, patterns, bespoke prints and artisanal embroidery that distinguishes its product in the marketplace. Johnny Was products can be found on the Johnny Was website, johnnywas. com, and in our full- price retail stores as well as select department stores and specialty stores. During **Fiscal** ~~the 12 months ended January 28,~~ 2023, **approximately** 90 % of the net sales of Johnny Was were for women' s apparel, with the remaining sales consisting of Johnny Was accessories, including home products, shoes, scarves, handbags, and jewelry. 15Direct to Consumer OperationsThe Johnny Was direct to consumer distribution channel, which consists of e- commerce operations and the Johnny Was retail stores, represented ~~75~~ **79** % of the Johnny Was net sales in **Fiscal** ~~the 12 months ended January 28,~~ 2023. A key element of the Johnny Was strategy is the johnnywas. com website, which generated $ ~~83~~ **84** million of net sales, or ~~40~~ **41** % of the net sales of Johnny Was, in **Fiscal** ~~the 12 months ended January 28,~~ 2023. Another key component of our Johnny Was direct to consumer strategy is to operate our own Johnny Was stores, which represented ~~35~~ **38** % of the net sales of Johnny Was in **Fiscal** ~~the 12 months ended January 28,~~ 2023 ~~. The Johnny Was e-commerce business has experienced very strong growth in recent years, and we anticipate that the net sales growth of the e-commerce business will remain strong in the future~~ . Our full- price retail store strategy for the Johnny Was brand includes operating full- price retail stores in higher- end lifestyle shopping centers and malls, resort destinations and brand- appropriate street locations. As of ~~January 28~~ **February 3** , ~~2023~~ **2024** , about ~~70~~ **75** % of the Johnny Was full- price stores were located in lifestyle centers, open air shopping environments or street front locations with the remaining ~~30~~ **25** % of locations in indoor regional malls. Full- price retail store sales per gross square foot for Johnny Was for **Fiscal** ~~the 12 months ended January 28,~~ 2023 **were approximately $ 664. Full- price retail store sales per gross square foot for Johnny Was** were approximately $ 740 for the full- price retail stores which were open the full 12 months **ended January 28, 2023** . Our Johnny Was outlet stores are generally located in outlet shopping centers that include other upscale retailers and serve an important role in overall inventory management by often allowing us to sell discontinued and out- of- season products at better prices than are otherwise available from outside parties. The table below provides certain information regarding Johnny Was direct to consumer locations as of ~~January 28~~ **February 3** , ~~2023~~ **2024** . Full- Price Retail StoresOutlet StoresTotalCalifornia 17 ~~1~~ **2** ~~18Florida~~ **19Florida** 8 1 9Texas 8 — 8New York **4 — 4Other states 35 — 35Total 72** 3 ~~— 3Other states 29 — 29Total 65 2 67Average~~ - **75Average** square feet per store 1, ~~700~~ **600** 1, ~~300~~ **400** Total square feet at year end ~~110~~ **117** , 000 ~~2~~ **4** , ~~500~~ **200** During **Fiscal 2023,** ~~the 12 months ended January~~ 28 ~~, 2023, 29~~ %, ~~16~~ **14** % and 13 % of the retail store sales of Johnny Was were in stores located in California, Texas and Florida, respectively. During **Fiscal** ~~the 12 months ended January 28,~~ 2023, including e- commerce sales, California, Texas, and Florida represented ~~24~~ **23** %, ~~15~~ **14** % and 11 %, respectively, of our total Johnny Was direct to consumer sales. The table below reflects the changes in store count for Johnny Was during Fiscal ~~2022~~ **2023** . Full- Price Retail StoresOutlet StoresTotalOpen as of **beginning** ~~January 29, 2022 56 2 58Opened 5 — 5Open as of September 19, 2022 acquisition date 61 2 63Opened 4 — 4Open as of end~~ of fiscal year 65 2 **67Opened 10 1 11Closed (3) — (3) Open as of end of fiscal year 72 3** ~~67Currently~~ - **75Currently** , we expect to open approximately 10 new full- price retail stores in Fiscal ~~2023~~ **2024** . During Fiscal ~~2023~~ **2024** , we anticipate opening full- price retail stores across the country including stores in ~~Colorado~~ **California, Florida** , Idaho, Missouri, **Massachusetts** ~~Oklahoma, North Carolina~~ and New York ~~as well as additional stores in California and Florida~~ . We believe that in Fiscal ~~2023~~ **2024** , we ~~16may~~ -- **may** relocate or close a limited number of locations at lease expiration **, or sooner based on store performance** . The construction **or** ~~of and~~ relocation of retail stores requires a greater amount of initial capital investment than wholesale operations, as well as greater ongoing operating costs. The cost to build ~~-~~ out a Johnny Was retail store is typically less than $ 0. 5 million. In addition to new store openings, we also incur capital expenditure costs related to remodels or expansions of existing stores, particularly when we renew or extend a lease beyond the original lease term, or otherwise determine that a remodel of a store is appropriate. ~~Wholesale~~ **16Wholesale** OperationsTo complement our direct to consumer operations and have access to a larger group of consumers, we maintain wholesale operations for Johnny Was. These wholesale operations are primarily with better independent specialty and department stores and multi- branded e- commerce retailers that generally follow a retail model approach with limited discounting. During **Fiscal** ~~the 12 months ended January 28,~~ 2023, ~~25~~ **21** % of the net sales of Johnny Was were sales to wholesale customers **and approximately** ~~. During the 12 months ended January 28, 2023, about~~ 40 % and ~~30~~ **35** % of the wholesale sales of Johnny Was were to specialty stores and department stores, respectively. The remaining wholesale sales were primarily to off- price retailers and retailers in countries outside of the United States. Net sales to the 10 largest wholesale customers of Johnny Was represented ~~14~~ **10** % of the net sales of Johnny Was **during Fiscal** ~~in the 12 months ended January 28,~~ 2023 with its largest customer representing less than 5 % of Johnny Was' net sales. Emerging BrandsEmerging Brands, which was organized in Fiscal 2022, consists of the operations of our smaller, earlier stage Southern Tide, TBBC ~~and~~ **,** Duck Head **and Jack Rogers** brands **. Investments in smaller lifestyle brands that are unconsolidated entities are included within Emerging Brands** . Each of the brands included in Emerging Brands designs, sources, markets and distributes apparel and related products bearing its respective trademarks and is supported by Oxford' s emerging brands team that provides certain support functions to the smaller brands, including marketing and advertising execution, analysis and other functions. The shared resources provide for operating efficiencies and enhanced knowledge sharing across the brands. We acquired Southern Tide in 2016, Duck Head in 2016 ~~and~~ **,** TBBC in 2017 **and Jack Rogers, a footwear brand, in 2023** . The table below reflects the net sales (in thousands) for Fiscal ~~2022~~ **2023** by brand for each brand included in Emerging Brands. Fiscal ~~2022Southern~~ **2023Southern** Tide $ ~~62~~ **69** , ~~769TBBC 44~~ **017TBBC 43** , ~~911Duck~~ **524Duck** Head ~~8~~ **12** , **780Jack Rogers (1) 1,** ~~804Total~~ **504Total** Emerging Brands net sales $ ~~116~~ **126** , ~~484The~~ **825 (1) The Jack Rogers business was acquired during the Fourth Quarter of Fiscal 2023 and reflects activity from the acquisition date through February 3, 2024. The** brands distribute their products on their brand- specific e- commerce websites, southerntide. com, thebeaufortbonnetcompany. com ~~and~~ **,** duckhead **. com and jackrogersusa** . com, as well as wholesale channels of distribution for each brand that may include independent specialty retailers, better department stores and brand specific Signature Stores. During Fiscal ~~2022~~ **2023** , the majority of the **net** sales of both Southern Tide and Duck Head were wholesale sales, while the majority of TBBC **and Jack Rogers** sales were direct to consumer sales. Also, a key component of our Southern Tide and TBBC growth strategy is to expand our direct to consumer retail store operations after both brands opened their first retail store locations in recent years. The table below provides certain information regarding the Emerging Brands direct to consumer locations as of ~~January 28~~ **February 3** , ~~2023~~ **2024** . 17Southern TideTBBCTotal Emerging BrandsFlorida ~~5~~ **9** 2 ~~7North~~ **11South** Carolina **3** 1 **4Massachusetts 3** — ~~1South~~ **— North** Carolina **2** — ~~1~~ **2Other states 2 —** ~~1Total~~ **2Total** ~~6~~ **19** 3 ~~9Average~~ **22Average** square feet per store 1, ~~700~~ **600** 1, 400 Total square feet at year end ~~10~~ **30** , 000 4, 200 The table below reflects the changes in direct to consumer location count for Emerging Brands during Fiscal ~~2022~~ **2023** . Southern TideTBBCTotal Emerging BrandsOpen as of beginning of fiscal year ~~4 1~~ **6 3** ~~5Opened~~ **9Opened** ~~2 2~~ **/ Acquired 13 —** ~~4Closed~~ **13Closed** — — — Open as of end of fiscal year ~~6~~ **19** 3 ~~9During the First Quarter~~ **22We opened a total** of **13 new** ~~Fiscal 2023, we acquired three~~ Southern Tide ~~Signature Stores~~ **stores** ~~located in Massachusetts, and~~ during Fiscal 2023 **, including the acquisition of three former Southern Tide signature stores located in Massachusetts during the First Quarter of Fiscal 2023 and three additional former signature stores in the Fourth Quarter of Fiscal 2023, two of which are in South Carolina and one in Georgia. We also opened a total of seven stores in Florida, South Carolina, North Carolina and Texas. During Fiscal 2024,** we expect to open **approximately 10** ~~at least five~~ additional Southern Tide stores, with **stores** ~~the majority of those~~ in Florida, ~~resulting in a planned~~ **Texas, Alabama, Virginia and New York. Additionally, for TBBC, we anticipate opening at least one new** store ~~count increase of eight or more for Southern Tide~~ during Fiscal ~~2023~~ **2024** ~~. Additionally, for TBBC, we anticipate opening two new stores during Fiscal 2023~~ . We continue to look at additional opportunities for new full- price store locations for both Southern Tide and TBBC. The operation of full- price retail stores requires a greater amount of initial capital investment than wholesale operations, as well as greater ongoing operating costs. We anticipate that most future retail store openings for Southern Tide and TBBC will generally be approximately 1, 500 to 2, ~~500~~ **000** square feet; however, the determination of actual size of the store will depend on a variety of criteria **, including the potential opportunities that become available** . Lanier ApparelIn Fiscal 2021, we exited our Lanier Apparel business, which had been focused on moderately priced tailored clothing and related products. This decision aligns with our stated business strategy of developing and marketing compelling lifestyle brands. It also took into consideration the increased macroeconomic challenges faced by the Lanier Apparel business, many of which were magnified by the COVID- 19 pandemic. The operating results of the Lanier Apparel business in Fiscal 2021 largely consisted of activities associated with the wind down of operations following our Fiscal 2020 decision to exit the business. Refer to Note ~~11~~ **12** and Note 2 of our consolidated financial statements included in this report for additional information about the Lanier Apparel exit and Fiscal 2021 operating results. Corporate and OtherCorporate and Other is a reconciling category for reporting purposes and includes our corporate offices, substantially all financing activities, the elimination of inter- segment sales, any other items that are not allocated to the operating groups, including LIFO inventory accounting adjustments as our LIFO pool does not correspond to our operating group definitions, ~~and~~ the operations of our Lyons, Georgia distribution center ~~and~~ **,** our Oxford America business, which generated net sales of $ 1 million and was exited in Fiscal 2022, and our **initial** $ 8 million minority ownership interest in a property in Indian Wells, California that **was** ~~will be~~ converted ~~into~~ **and rebranded in Fiscal 2023 as** the Tommy Bahama Miramonte Resort ~~and~~ **&** Spa ~~during Fiscal 2023~~ . ~~TRADEMARKSWe~~ **18TRADEMARKSWe** own trademarks, many of which are very important and valuable to our business, including Tommy Bahama ®, Lilly Pulitzer ®, Johnny Was ®, Southern Tide ®, The Beaufort Bonnet Company ® ~~and~~ **,** Duck Head **® and Jack Rogers** ®. Generally, our trademarks are subject to registrations and pending applications throughout the world for use on apparel and, in some cases, apparel- related products, accessories ~~,~~ **and** home furnishings ~~and beauty products~~ , as well as in connection ~~18with~~ -- **with** retail services. We continue to evaluate our worldwide usage and registration of our trademarks. In general, trademarks remain valid and enforceable as long as the trademarks are used in connection with our products and services in the relevant jurisdiction and the required registration renewals are filed. Important factors relating to risks associated with our trademarks include, but are not limited to, those described in Part I, Item 1A. Risk Factors. ADVERTISING AND MARKETINGDuring Fiscal ~~2022~~ **2023** , we incurred $ ~~82~~ **105** million, or ~~6~~ **7** % of net sales, of advertising expense. Advertising and marketing are an integral part of the long- term strategy for our lifestyle brands, and we therefore devote significant resources to these efforts. Thus, we believe that it is very important that our brands communicate regularly with consumers about product offerings or other brand events in order to maintain and strengthen connections with consumers. Our advertising emphasizes the respective brand' s image and lifestyle and attempts to engage individuals within the target consumer demographic and guide them on a regular basis to our e- commerce websites, direct to consumer locations or wholesale customers' stores and websites in search of our products. We increasingly utilize digital marketing, social media and email, and continue to use traditional direct mail communications, to interact with our consumers. We vary our engagement tactics to elevate the consumer experience as we attract new consumers, drive conversion, build loyalty, activate consumer advocacy and address the transformation of consumer shopping behaviors. Our creative marketing teams design and produce imagery and content, social media strategies and email and print campaigns designed to inspire the consumer and drive traffic to the brand. We attempt to increase our brand awareness through a strategic emphasis on technology and the elevation of our digital presence which encompasses e- commerce, mobile e- commerce, digital media, social media and influencer marketing. In this environment where many people are digital- first consumers, we continue to enhance our approach to digital marketing and invest in analytical capabilities to promote a more personalized experience across our distribution channels. At the same time, we continue to innovate to better meet consumer online shopping preferences (e. g. loyalty, ratings and reviews and mobile phone applications) and build brand equity. The ongoing trend towards a digital first consumer ~~that was accelerated as a result of the COVID- 19 pandemic~~ provided a catalyst for accelerating the implementation of new direct to consumer business models and consumer engagement programs, such as selling through social media. Marketing initiatives in our direct to consumer operations may include special event promotions, including loyalty award card, Flip Side, Friends & Family and gift with purchase events and a variety of public relations activities designed to create awareness of our brands and products, drive traffic to our websites and stores, convert new consumers and increase demand and loyalty. Our various initiatives are effective in increasing online and in- store traffic resulting in the proportion of our sales that occur during our **promotional** marketing initiatives **, such as Tommy Bahama' s Friends & Family events,** increasing in recent years, which puts some downward pressure on our direct to consumer gross margins. ~~We believe that highly visible full-price retail stores with creative design, broad merchandise selection and brand appropriate visual presentation are key enticements for customers to visit and buy merchandise. We believe that full- price retail stores attract new consumers and enhance the shopping experience of our existing customers, which will increase consumer brand loyalty, our net sales and sales of our products by our wholesale customers.~~ Our marketing may also include sponsorships, collaborations, and co- branding initiatives, which may be for a particular cause or non- profit organization that is expected to resonate with target consumers. For certain of our wholesale customers, we may also provide point- of- sale materials and signage to enhance the presentation of our products at their retail locations and / or participate in cooperative advertising programs. PRODUCT DESIGNWe believe **that one of the key competitive factors in the apparel industry is the design of differentiated,innovative or otherwise compelling product that resonates with our target consumers.** Our ability to compete successfully in the apparel industry is dependent on our proficiency in foreseeing changes and trends in fashion and consumer preference and presenting appealing products for consumers.Our ~~19design~~ -- **design** - led,commercially informed lifestyle brand operations strive to provide exciting,differentiated products each season. ~~Each~~ **19Each** of our lifestyle brands' products are designed and developed by dedicated brand- specific teams who focus on the target consumer for the respective brand.The design process includes feedback from buyers,consumers and sales agents,along with market trend research.Our apparel products generally incorporate fabrics made of cotton,silk,linen, ~~nylon~~ **polyester,cellulosic fibers** ,leather ~~,tencel~~ and other natural and man- made fibers,or blends of two or more of these materials.PRODUCT SOURCINGWe intend to maintain flexible,diversified,cost- effective sourcing operations that provide high- quality apparel and related products.Our operating groups,either internally,using in-house employees located in the United States and / or Hong Kong,or through the use of third **-** party **vendors or** buying agents,manage the production and sourcing of substantially all of our apparel and related products from non- exclusive,third party producers located in foreign countries.Although we place a high value on long- term relationships with our suppliers of apparel and related products and have used many of our suppliers for a number of years,we do not have long- term contracts with our suppliers.Instead,we conduct business on an order- by- order basis.Thus,we compete with other companies for the production capacity of independent manufacturers.We believe that this approach provides us with the greatest flexibility in identifying the appropriate manufacturers while considering quality,cost,timing of product delivery and other criteria.During Fiscal ~~2022~~ **2023** ,we purchased our products from **approximately 260** ~~more than 250~~ suppliers,with a significant concentration of suppliers in Asia.Our 10 largest suppliers provided approximately one- third of our product purchases.During Fiscal ~~2022~~ **2023** ,no individual third party manufacturer,licensee or other supplier provided more than 10 % of our product purchases in total.We generally acquire products sold in our food and beverage operations from various third party domestic suppliers ~~,with a particular emphasis on procuring sustainably sourced food and locally grown produce~~ .During Fiscal ~~2022~~ **2023** ,approximately ~~36~~ **41** % ~~,~~ **and** 23 ~~%,and 11~~ % of our apparel and related products acquired directly by us or via **vendors or** buying agents,were from producers located in China ~~,~~ **and** Vietnam ~~and Peru~~ ,respectively,with no other country representing more than 10 % of such purchases. ~~We expect that the percentage of our products sourced from producers located in China will increase to closer to 40 % in Fiscal 2023,as Fiscal 2023 will include a full year of purchases for~~ Johnny Was,which **was acquired** ~~has a significantly higher concentration of production~~ in ~~China than our other brands.For the 12 months ended January 28,2023~~ **2022** , ~~the percentage~~ **sources approximately 90 %** of **its** products ~~sourced~~ from China ~~for our Tommy Bahama,Lilly Pulitzer and Johnny Was operating groups were 40 %,23 % and 92 %,respectively~~ .While we have and will continue to work on diversifying our supplier base and reducing the concentration of manufacturing from China in the future,the majority of fibers included in our apparel and other products currently originate in China even if the products are manufactured elsewhere.We purchase our apparel and related products from third **-** party producers,substantially all as package purchases of finished goods.These products are manufactured **to our design and fabric specifications** with oversight by us or our third **-** party **vendors or** buying agents ~~and to our design and fabric specifications~~ .The use of third **-** party ~~manufacturers~~ **producers** reduces the amount of capital investment required by us,as operating manufacturing facilities requires a significant amount of capital investment,labor and oversight.We depend on third **-** party producers to secure a sufficient supply of specified raw materials,adequately finance the production of goods ordered and maintain sufficient manufacturing and shipping capacity.We believe that purchasing substantially all of our products as package purchases allows us to reduce our working capital requirements as we are not required to purchase,or finance the purchase of,the raw materials or other production costs related to our apparel and related product purchases until we take ownership of the finished goods,which typically occurs when the goods are shipped by the third **-** party producers.As the manufacture and transportation of apparel and related products for our brands may take as many as six months for each season,we typically make commitments months in advance of when products will arrive in our full- price retail stores or our wholesale customers’ stores.As our merchandising departments must estimate our requirements for finished goods purchases for our own full- price retail stores and e- commerce sites based on historical product demand data and other factors,and as purchases for our wholesale accounts must be committed to prior to the receipt of ~~20all~~ -- **all** wholesale customer orders,we carry the risk that we have purchased more inventory than will ultimately be desired or that we will not have purchased sufficient inventory to satisfy demand,resulting in lost sales opportunities. ~~As part of our commitment to source our products in a lawful,ethical and socially responsible manner,each of our operating groups has implemented a code of conduct program applicable to vendors from whom we purchase apparel and related products,which includes provisions related to abiding by applicable laws as well as compliance with other business or ethical standards,including related human rights,health,safety,working conditions,environmental and other requirements.We require that each of our vendors and licensees comply with the code of conduct or substantially similar compliance standards.All of our vendors from whom we purchase goods are also required by us to adhere to the United States Customs and Border Protection’ s Customs- Trade Partnership Against Terrorism program,including standards relating to facility,procedural,personnel and cargo security.On an ongoing basis we assess vendors’ compliance with the applicable code of conduct and applicable laws and regulations through audits performed by either our employees or our designated agents.We periodically review each tier 1 supplier’ s compliance with our requirements and conduct social compliance audits more frequently depending on the severity of issues identified and the cooperation received during remediation.In the event we determine that a vendor is not abiding by our required standards,we work with the vendor to remediate the violation.If the violation is not satisfactorily remediated,we will discontinue use of the vendor.~~ CORPORATE RESPONSIBILITYWe **recognize that our business operations throughout the value chain impact people and the environment and** believe that **,** as a leading apparel company,we have a responsibility to reduce **those** ~~our environmental impact~~ **impacts** ~~and make the world a better place for all people~~ .Our Board is ultimately charged with overseeing the risks to our business on behalf of our shareholders,and we believe that our Board’ s active involvement in oversight of environmental,social and governance (“ ESG ”) initiatives affords us tremendous benefits.We ~~report~~ **20report** routinely to our Board and / or various Board committees about ESG risks and strategies and communicate insights provided by our directors to our brands to assist in formulating ESG goals and initiatives. ~~Within~~ **Reducing** our **ImpactWe are committed to identifying and executing commercially viable corporate responsibility initiatives in furtherance of a safer,more sustainable world.To support this objective,we organized a new** Corporate **Responsibility** team ~~,~~at the end of Fiscal 2022 **to efficiently manage environmental sustainability** , ~~we created~~ **social responsibility** ~~an~~ **and traceability across the** enterprise ~~-wide~~ **.Drawing on existing expertise from our Tommy Bahama initiatives,the new function ensures a consistent approach to** ~~Corporate~~ **corporate** ~~Responsibility~~ **responsibility** ~~Department~~ **across our brands.The team** ~~reporting~~ **reports** to our General Counsel ~~which~~ ,with input from our Executive Leadership Team, **and** will focus in the immediate future on assessing ~~ESG~~ **corporate responsibility risks and** opportunities ~~within our industry~~ ,establishing baseline metrics and objectives ~~which we expect to publish in the future~~ and collaborating with our brands on potential ~~opportunities to execute~~ brand- specific ~~ESG~~ initiatives. ~~Reducing~~ **As part of** our ~~FootprintOur~~ **commitment to source our products in a lawful,ethical and socially responsible manner,we have implemented a supplier corporate responsibility program applicable to vendors and producers from whom we purchase apparel and related products.The program includes a comprehensive Supplier Code of Conduct that requires compliance with applicable laws as well as other international** business ~~operations – throughout the value chain – impact the environment,~~ and ~~we are committed to identifying and executing commercially viable~~ **ethical standards,including related human rights,health,safety,working conditions,** environmental **and** ~~sustainability initiatives to further a safer,more sustainable world for the~~ **other requirements** ~~generations that follow us~~ . **We** ~~Our brands are continuously working to improve sustainability in direct to consumer location design and operations,and we have~~ also **require all vendors** ~~undertaken efforts to implement sustainability measures at our offices and distribution centers.Increasing our use of sustainable materials is and will continue to be a key priority,and we are excited to introduce products crafted~~ from **whom** ~~sustainable materials.For example,in Fiscal 2022,~~ we ~~launched~~ **purchase goods to adhere to** the **United States Customs and Border Protection** ~~Tommy Bahama Palm ModernTM line of women~~ ’ s ~~swimwear~~ **Customs Trade Partnership Against Terrorism program** , ~~made~~ **including standards relating to facility,procedural,personnel and cargo security.We monitor compliance** with **our Supplier Code of Conduct and applicable laws and regulations through social assessments performed** ~~75 % recycled nylon.At Southern Tide,we reintroduced the Shoreline shorts,beloved~~ by **credible** ~~customers for their~~ - **third** ~~versatility~~ **parties** and ~~comfort,in 100 % recycled materials~~ **require our suppliers to partner with us to remediate issues identified** . ~~Within~~ **Social assessments of our tier 1 and strategic tier 2 producers are required annually** ~~our~~ - **or** ~~businesses,~~ **more frequently.In the event** we **determine that a supplier cannot or will not remediate issues,we will discontinue use of the**

supplier.We also ~~seek~~ **continue** to ~~use preferred materials that are more environmentally responsible than their conventional counterparts like LENZINGTM,ECOVEROTM Viscose and TENCELTM Modal and raw materials that are certified to the Global Organic Textile Standard or Global Recycled Standard.Our operating groups also maintain and enforce restricted substances lists,which are informed by the American Apparel & Footwear Association Environmental Task Force restricted substances list,to ensure that the use of chemicals in our products complies with all applicable legal and safety requirements.We~~ participate in various trade ~~initiatives~~ **associations** and organizations to ~~better~~ **drive industry- wide collective action and ensure we remain** ~~inform~~ **informed** ~~ourselves~~ about **emerging laws,** risks,opportunities and best practices.We are ~~a proud~~ **an active** member of the American Apparel & Footwear Association (AAFA) ~~,~~ and **in 2023,we transitioned** ~~all of our 21brands are signatories to the " Commitment to Responsible Recruiting " sponsored by the AAFA and the Fair Labor Association.Our~~ Tommy Bahama **' s** ~~business is a member~~ **membership** ~~of~~ **in Cascade (formerly** the Sustainable Apparel Coalition ~~,~~ **) to** ~~and~~ **an enterprise- wide** ~~within our organization,we have~~ membership **to support each of our brands** in **their journeys toward more responsible production.Additionally,various combinations of our brands are members of the Textile Exchange,** Better Cotton **,** ~~and partnerships with the Forest Stewardship Council (FSC) and FSC- certified suppliers.Empowering our PeopleWe believe that our long- term success as an~~ **and** ~~organization relies on recruiting,developing,promoting and rewarding the best and most talented people within our industry.Diversity and inclusion are key components of our corporate responsibility framework,and we are committed to creating a culture where people have a sense of belonging and purpose to maximize their~~ -- **the Good Cashmere Standard by the Aid by Trade Foundation** ~~fullest potential.For more information about our workforce and diversity and inclusion initiatives,please refer~~ to **further** ~~Part I,Item 1,Business — Human Capital Management.Enriching~~ our ~~CommunitiesSince~~ **adoption of preferred materials.ENRICHING OUR COMMUNITIESSince** our founding in 1942,we have prided ourselves on being model citizens for the communities in which we operate.We focus our community initiatives on programs that can impact a broad set of constituents where we operate.Our community partners include the United Way of Greater Atlanta,the Woodruff Arts Center and Grady Hospital,and each of our operating groups partners with organizations improving quality of life in the communities where our customers and employees live and work ~~,such as the Garden of Hope and Courage,the Breast Cancer Research Foundation,Folds of Honor and the Kentucky Children' s Hospital~~ .In 2020,we announced the launch of the Oxford Educational Access Initiative to further our goal of reducing economic and racial inequality through access to education.We believe that every child,regardless of race or economic circumstance,deserves the chance to learn and be successful.Over the course of four years beginning in 2021,we have **committed** ~~given and will continue~~ to ~~give~~ **fund** an aggregate of $ 1 million to community organizations with innovative program models that address a broad spectrum of educational challenges that children in underserved communities face.Each of our brands has selected recipient organizations that are working to address disparities in educational access and barriers to success for children in our local communities. ~~IMPORT~~ **21IMPORT** RESTRICTIONS AND OTHER GOVERNMENT REGULATIONSWe are exposed to certain risks as a result of our international operations as substantially all of our merchandise,as well as the products purchased by our licensing partners,is manufactured by foreign suppliers ~~as discussed above~~ .Products imported by us,or imported by others and ultimately sold to us,are subject to customs,trade and other laws and regulations governing their entry into the United States and other countries where we sell our products,including various federal,state,local and foreign laws and regulations that govern any of our activities that may have adverse environmental,health and safety effects.Noncompliance with these laws and regulations may result in significant monetary penalties.Substantially all of the merchandise we acquire is subject to certain duties which are assessed on the value of the imported product.These amounts represent a component of the inventories we sell and are included in cost of goods sold in our consolidated statements of operations.We paid total duties of ~~more than~~ $ ~~57~~ **58** million on products imported into the United States directly by us in Fiscal ~~2022~~ **2023** ,with the average duty rate on those products of approximately ~~17~~ **19** % of the value of the imported product in Fiscal ~~2022~~ **2023** .Duty rates vary depending on the type of garment,fiber content and country of origin and are subject to change in future periods.In addition,while the World Trade Organization' s member nations have eliminated quotas on apparel and textiles,the United States and other countries into which we import our products are still allowed in certain circumstances to unilaterally impose" anti- dumping" or" countervailing" duties in response to threats to their comparable domestic industries.Although we have not been materially inhibited from sourcing products from desired markets in the past,we cannot assure that significant impediments will not arise in the future as we expand product offerings and enter into new markets.In recent years the United States government has implemented additional duties on certain product categories across various industries.It is possible that additional duty increases could occur in future years,which could have a ~~22significant~~ -- **significant** unfavorable impact on the apparel retail industry and our cost of goods sold,operations,net sales,net earnings and cash flows.Our management regularly monitors proposed regulatory changes and the existing regulatory environment,including any impact on our operations or on our ability to import products.As a result of these changes and increased costs of production in certain countries that unfavorably impact our cost of goods sold,we continue to make changes in our supply chain,including exiting certain factories and sourcing those products from a factory in a different foreign country.In addition,apparel and other related products sold by us are subject to stringent and complex product performance and security and safety standards,laws and other regulations.These regulations relate principally to product labeling, **product content,** certification of product safety and importer security procedures.We believe that we are in material compliance with those regulations.Our licensed products and licensing partners are also generally subject to such regulations.Important factors relating to risks associated with government regulations **,including forced labor laws,** include those described in Part I,Item 1A.Risk Factors.DISTRIBUTION CENTERSWe operate a number of distribution centers.Our Auburn,Washington,King of Prussia,Pennsylvania and Los Angeles,California distribution centers serve our Tommy Bahama,Lilly Pulitzer and Johnny Was operating groups,respectively.Additionally,a third **-** party distribution center in Los Angeles,California provides distribution services for the Johnny Was e- commerce operations.Our Lyons,Georgia distribution center provides primary distribution services for our smaller Southern Tide,TBBC and Duck Head businesses,as well as certain distribution services for our Lilly Pulitzer and Tommy Bahama businesses. **In Fiscal 2023,we began a multi- year Southeastern United States distribution center enhancement project in Lyons,Georgia to build a new facility to ensure best- in- class direct- to- consumer throughput capabilities for our brands.The new facility will provide direct to consumer support for all of our brands,including the East Coast operations of Tommy Bahama.We anticipate total capital expenditures in excess of $ 130 million over the life of the project,with the majority of the spend occurring in Fiscal 2024,and expect completion of the new facility in the Second Half of Fiscal 2025.** ~~Activities~~ **22Activities** at the distribution centers include receiving finished goods from suppliers,inspecting the products and shipping the products to our retail store,e- commerce and wholesale customers,as applicable.We seek to maintain sufficient levels of inventory at the distribution centers to support our direct to consumer operations,as well as pre- booked,at- once and some in- stock replenishment orders for our wholesale customers.We use a local third party distribution center for our Tommy Bahama Australia operations.In Fiscal ~~2022~~ **2023** ,80 % of our net sales were direct to consumer sales,which are filled on a current basis;accordingly,an order backlog is not material to our business.INFORMATION TECHNOLOGIESWe believe that sophisticated information systems and functionality are important components of maintaining our competitive position and supporting continued growth of our businesses,particularly in the ever- changing consumer shopping environment.Our information systems are designed to provide effective retail store,e- commerce,food and beverage and wholesale operations while emphasizing efficient point- of- sale,distribution center,design,sourcing,order processing,marketing,customer relationship management,accounting and other functions.We ~~regularly~~ **periodically** evaluate the adequacy of our information technologies and upgrade or enhance our systems to gain operating efficiencies,to provide additional consumer access and to support our anticipated growth as well as other changes in our business.We believe that **,where possible,** continuous upgrading and enhancements to our information systems with newer technology that offers greater efficiency,functionality and reporting capabilities is critical to our operations and financial condition ~~.We plan to increase our investment in information technology initiatives in Fiscal 2023 compared to Fiscal 2022 levels which will result in increased capital expenditures and SG & A and decrease operating margin from the levels achieved in Fiscal 2022 in the near term but provide significant long term benefits to our business operations and financial success~~ .LICENSING AND OTHER DISTRIBUTION ARRANGEMENTSWe license certain of our trademarks,including the Tommy Bahama and Lilly Pulitzer names,to licensees in categories beyond our brands' core product categories.We believe licensing is an attractive business opportunity for our larger lifestyle brands.Once a brand is more fully established,licensing typically requires modest additional investment but can yield high- margin income.It also affords the opportunity to enhance overall brand awareness and exposure.In ~~23evaluating~~ -- **evaluating** a licensee for our brands,we consider the candidate' s experience,financial stability,sourcing expertise and marketing ability.We also evaluate the marketability and compatibility of the proposed licensed products with the brand image and our own products.Our agreements with our licensees are brand specific,relate to specific geographic areas and have expirations at various dates in the future,with contingent renewal options in limited cases.Generally,the agreements require minimum royalty payments as well as royalty payments based on specified percentages of the licensee' s net sales of the licensed products as well as certain obligations for advertising and marketing.Our license agreements generally provide us the right to approve all products,advertising and proposed channels of distribution.We license the Tommy Bahama brand for a broad range of product categories including indoor furniture,outdoor furniture,beach chairs,bedding and bath linens,fabrics,leather goods and gifts,headwear,hosiery,sleepwear,shampoo,toiletries,fragrances,cigar accessories,distilled spirits,resort operations and other products.Third party license arrangements for Lilly Pulitzer products include stationery and gift products;home furnishing products;and eyewear.In addition to our license arrangements for the specific product categories listed above,we may enter into certain international distributor agreements which allow third parties to distribute apparel and other products on a wholesale and / or retail basis within certain countries or regions.As of ~~January 28~~ **February 3** , ~~2023~~ **2024** ,we have agreements for the distribution of Tommy Bahama products in the Middle East and parts of Latin America.The products sold by the distributors generally are identical to the products sold in our own Tommy Bahama stores.In addition to selling Tommy Bahama goods to wholesale accounts,the distributors may,in some cases,operate a limited number of their own retail stores.Additionally,we have arrangements for distribution of Johnny Was products in certain countries.None of our international distributor agreements are expected to generate growth that would materially impact our operating results in the near term. ~~SEASONAL~~ **23SEASONAL** ASPECTS OF BUSINESSEach of our operating groups is impacted by seasonality as the demand by specific product or style,as well as by distribution channel,may vary significantly depending on the time of year.As a result,our quarterly operating results and working capital requirements fluctuate significantly from quarter to quarter.Typically,the demand for products for our larger brands is higher in the spring,summer and holiday seasons and lower in the fall season (the third quarter of our fiscal year).Thus,our third quarter historically has had the lowest net sales and net earnings compared to other quarters.Further,the impact of certain unusual or non- recurring items,economic conditions,our e- commerce flash clearance sales,wholesale product shipments,weather,acquisitions or other factors affecting our operations may vary from one year to the next.Therefore,due to the potential impact of these items ~~and the September 2022 acquisition of Johnny Was~~ ,we do not believe that net sales or operating income by quarter in Fiscal ~~2022~~ **2023** ~~is~~ **are necessarily** indicative of the expected proportion of amounts by quarter for future periods.HUMAN CAPITAL MANAGEMENTOur key strategy is to own brands that make people happy,and we recognize that successful execution of our strategy starts with people.We believe treating people fairly and with respect is key to long- term success and,more importantly,is simply the right thing to do.As of ~~January 28~~ **February 3** , ~~2023~~ **2024** ,we employed ~~approximately~~ **over** 6,000 individuals globally,more than ~~95~~ **96** % of whom were in the United States.Approximately ~~70~~ **77** % of our employees were retail store and food and beverage employees.Our employee base fluctuates during the year,as we typically hire seasonal employees to support our retail store and food and beverage operations,primarily during the holiday selling season.None of our employees as of ~~January 28~~ **February 3** , ~~2023~~ **2024** ~~was~~ **were** represented by a union. ~~24Commitment~~ -- **Commitment** to our Core ValuesOur actions are guided by our company' s core values:● Integrity – Build trust through honest relationships.Do the right thing.● Respect – Have respect for oneself and for one another.Lead by example.Exercise humility.● Inclusion – Root our relationships with one another in understanding,awareness and mutual respect.Value and embrace diversity.Welcome the respectful,open expression of differing ideas and perspectives.● Accountability – Own our words,decisions and actions.Earn our reputation.● Teamwork – Show up for each other.Solve problems through good and transparent communication.Know we are strongest when we work as a team.● Curiosity – Improve and innovate.Simplify and streamline.Embrace change.Challenge ourselves.We believe that our adherence to these core values in everything we do as a company furthers our good relations with employees,suppliers and customers.Commitment to Human Rights and our Code of ConductWe are committed to respecting human rights in our business operations,including throughout our supply chain and product life cycle.As part of our supplier audit processes,we conduct human rights due diligence to identify risks and work to mitigate them,and our ~~supplier~~ **Supplier** ~~codes~~ **Code** of ~~conduct~~ **Conduct** ~~set~~ **sets** forth minimum social responsibility requirements to ensure that the human rights of all people in our value chain are respected.We do not tolerate harassment,discrimination,violence or retaliation of any kind.Our Code of Conduct applies to all employees,officers and directors in our organization and addresses,among other topics,compliance with laws,avoiding conflicts of interest,gifts and entertainment,bribery and kickbacks,anti- discrimination and anti- harassment and reporting misconduct.Our General Counsel takes responsibility for reviewing and refreshing our Code of Conduct;educating our team members about our expectations;and,as applicable,enforcing the Code of Conduct.All employees at the time of hire are required to read and certify compliance with the Code of Conduct and are given an opportunity to ask questions. ~~Talent~~ **24Talent** and DevelopmentWe are always looking for great people to join our team.We recognize that in order to remain competitive,we must attract,develop and retain top caliber employees in our design,marketing,merchandising,information technology and other functions,as well as in our direct to consumer locations and distribution centers.Competition for talented employees is intense.In furtherance of attracting and retaining employees committed to our core values and business strategy,we maintain competitive compensation programs that include a variety of components,including competitive pay consistent with skill level,experience and knowledge,as well as comprehensive benefit plans consisting of health and welfare plans,retirement benefits and paid leave for our employee base in the United States. **We continue** ~~In 2018,we launched an ongoing initiative~~ to assess how well we are doing in managing performance,developing our people and putting our talent to its highest and best use across our company.Our aim is greater employee engagement and ultimately a more effective organization.As part of our commitment to our people,throughout our brands and businesses,we provide employees with training,growth and development opportunities,including on- the- job training,learning and development programs,and other educational programs.Outside of the United States,we work with outside partners familiar with the local markets and laws to ensure our rewards are competitive within that jurisdiction and support employee well- being.Diversity & InclusionOur ongoing commitment to having the best people includes a commitment to equal opportunity.We believe in a diverse and inclusive workplace that respects and invites differing ideas and ~~perspective~~ **perspectives** .We have a number of ~~25initiatives~~ -- **initiatives** to ensure that our hiring,retention and advancement practices promote fair and equal opportunities across our workforce and ensure that we will have the best people in the industry to support our businesses going forward.Our diversity and inclusion strategies begin at the recruiting stage,where we seek to attract and hire the most qualified candidates possible,without regard to race,ethnicity,national origin,gender,age,sexual orientation,genetics or other protected characteristics.We reinforce our values and goals through our Code of Conduct and other workplace policies,with an anonymous,confidential ethics hotline that allows our employees to voice concerns.We also seek to ensure that our pay and rewards programs and advancement opportunities are consistent with our culture of equality.As of ~~January 28~~ **February 3** , ~~2023~~ **2024** ,our domestic workforce,which comprised over ~~95~~ **96** % of our employee population,was self- disclosed as 34 % male, ~~65~~ **66** % female and less than 1 % undisclosed or choosing not to identify.Among our management employees,who comprise approximately ~~18~~ **19** % of our workforce,the self- disclosed figures were 29 % male,71 % female and less than 1 % undisclosed or choosing not to identify.As of ~~January 28~~ **February 3** , ~~2023~~ **2024** ,the self- disclosed ethnicity of our domestic workforce was ~~60~~ **59** % white (not Hispanic or Latino) and ~~40~~ **41** % non- white,whereas for management employees,the self- disclosed ethnicity figures were ~~75~~ **71** % white (not Hispanic or Latino) and ~~25~~ **29** % non- white.INFORMATIONOxford Industries,Inc.is a Georgia corporation originally founded in 1942.Our corporate headquarters are located at 999 Peachtree Street,N.E.,Ste.688,Atlanta,Georgia 30309.Our internet address is oxfordinc.com.Copies of our annual report on Form 10- K,proxy statement,quarterly reports on Form 10- Q and current reports on Form 8- K,and amendments to those reports filed or furnished pursuant to Section 13 (a) or 15 (d) of the Securities Exchange Act of 1934,as amended,are available free of charge on our website the same day that they are electronically filed with the SEC.We also use our website as a means of disclosing additional information,including for complying with our disclosure obligations under the SEC' s Regulation FD (Fair Disclosure).The information on our website is not and should not be considered part of this Annual Report on Form 10- K and is not incorporated by reference in this document.Item 1A.Risk FactorsThe risks described below highlight some of the factors that could materially affect our operations.If any of these risks actually occurs,our business,financial condition,prospects and / or operating results may be adversely **25affected.These are not the only risks and uncertainties we face.Additional risks and uncertainties that we currently consider immaterial or are not presently known to us may also adversely affect our business.Risks Related to our Industry and Macroeconomic Conditions Our business and financial condition are heavily influenced by general economic and market conditions which are outside of our control.We are a consumer products company and are highly dependent on consumer discretionary spending and retail traffic patterns,particularly in the United States.The demand for apparel products changes as regional,domestic and international economic conditions change and may be significantly impacted by trends in consumer confidence and discretionary consumer spending patterns.These trends may be influenced by employment levels;recessions;inflation and elevated interest rates;fuel and energy costs;tax rates;personal debt levels;savings rates;stock market and housing market volatility;shifting social ideology;concerns about the political and economic climate;and general uncertainty**

about the future.The factors impacting consumer confidence and discretionary consumer spending patterns are outside of our control and difficult to predict,and,often,the apparel industry experiences longer periods of recession and greater declines than the general economy.Recently,the U.S.economy has been impacted by elevated inflation rates,which has created a complex and challenging retail environment that has affected consumer spending and consumer preferences.In Fiscal 2023 and continuing into Fiscal 2024,the prevailing macroeconomic concerns have led to conservative purchase order decisions for future seasons by many of our wholesale customers.A decline in consumer confidence or change in discretionary consumer spending could reduce our sales,increase our inventory levels,result in more promotional activities and / or lower our gross margins,any or all of which may adversely affect our business and financial condition.We operate in a highly competitive industry with significant pricing pressures and heightened customer expectations.We operate in a highly competitive industry in which the principal competitive factors ~~in the apparel industry~~ are the reputation, value ~~,~~ and image of brand names; design of differentiated, innovative or otherwise compelling product; consumer preference; price; quality; marketing (including through rapidly shifting digital and social media vehicles); product fulfillment capabilities; and customer service. Our ability to compete successfully in the...... fulfillment capabilities; and customer service. The highly competitive apparel industry is characterized by low barriers to entry, with new competition entering the marketplace regularly. There are numerous domestic and foreign apparel designers, distributors, importers, licensors and retailers. Some of these companies may be significantly larger or more diversified than us and / or have significantly greater financial resources than we do. Competition in the apparel industry is particularly enhanced in the digital marketplace for our rapidly growing e- commerce businesses, where there are new entrants in the market, greater pricing pressure and heightened customer expectations and competitive pressure related to, among other things, customer engagement, delivery speed, shipping charges and return privileges. In addition, fast fashion, value fashion and off- price retailers **, as** ~~have shifted customer expectations of pricing for~~ well ~~- known brands~~ **as the more recent declines in spending within the consumer** and **retail sector,** have contributed to additional promotional pressure ~~in recent years~~ . These and other competitive factors within the apparel industry may result in reduced sales, increased costs, lower prices for our products and / or decreased margins. ~~27Failure~~ -- **Failure** to anticipate and adapt to changing fashion trends and consumer preferences could harm our reputation and financial performance. We believe that our ability to compete successfully is directly related to our proficiency in foreseeing changes and trends in fashion and consumer preference and presenting appealing products for consumers when and where they seek ~~it~~ **them** . Although certain of our products carry over from season to season, the apparel industry is subject to rapidly changing fashion trends and shifting consumer expectations. The increasing shift to digital brand engagement and social media communication, as well as the attempted replication of our products by competitors, presents emerging challenges for our business. The apparel industry is also impacted by changing consumer preferences regarding spending categories generally, including shifts away from traditional consumer product spending and towards “ experiential ” spending and sustainable products. There can be no assurance that we will be able to successfully evaluate and adapt our products to ~~align~~ **26align** with evolving trends. Any failure on our part to develop and market appealing products could harm the reputation and desirability of our brands and products and / or result in weakened financial performance. Our operations and those of our suppliers, vendors and wholesale customers may be affected by changes in weather patterns, natural or man- made disasters, public health crises, war, terrorism or other catastrophes. Our sales volume and operations and the operations of third parties on whom we rely, including our suppliers, vendors, licensees and wholesale customers, may be adversely affected by unseasonable or severe weather conditions **or other climate- related events** , natural or man- made disasters, hurricanes, public health crises **, pandemics** , war, terrorist attacks, including heightened security measures and responsive military actions, or other catastrophes which may cause consumers to alter their purchasing habits or result in a disruption to our operations **, such as the damage to, and temporary closure of, our Tommy Bahama restaurant and retail store in Naples, Florida due to Hurricane Ian in September 2022 and the destruction of our Tommy Bahama Marlin Bar in Lahaina, Hawaii by wildfires in August 2023** . Our business may also be adversely affected by instability, disruption or destruction, regardless of cause. These events may result in closures of our retail stores, restaurants, offices or distribution centers and / or declines in consumer traffic, which could have a material adverse effect on our business, results of operations or financial condition. Because of the seasonality of our business, the concentration of a significant proportion of our retail stores and wholesale customers in certain geographic regions, including a resort and / or coastal focus for most of our lifestyle brands, and the concentration of our sourcing and distribution center operations, the occurrence of such events could disproportionately impact our business, financial condition and operating results. The ongoing war between Russia and Ukraine ~~has~~ **and the ongoing war between Israel and Hamas have** adversely affected the global economy ~~,~~ **and** resulted in ~~heightened~~ economic sanctions ~~against Russia from the United States~~ , ~~the United Kingdom, the European Union, and the international community, and has resulted in~~ geopolitical instability and market disruption. Although we do not have operations or generate revenues in the impacted regions, the geopolitical tensions related to the ~~war~~ **wars** could result in broader impacts that expand into other markets, cyberattacks, supply chain and logistics disruptions **, including shipping disruptions in the Red Sea region,** and lower consumer demand, any of which could have a material adverse effect on our business and operations. Risks Related to our Business Strategy and OperationsFailure to maintain the reputation or value of our brands could harm our business operations and financial condition. Our success depends on the reputation and value of our brand names. The value of our brands could be diminished by actions taken by us or by our licensees, wholesale customers or others who have an interest in our brands. Actions that could cause harm to our brands include failing to respond to emerging fashion trends or meet consumer quality expectations; selling products bearing our brands through distribution channels that are inconsistent with customer expectations; becoming overly promotional; or setting up consumer expectations for promotional activity for our products. In addition, social media is a critical marketing and customer acquisition and customer retention strategy in today’ s technology- driven retail environment, and the value of our brands could be adversely affected if we do not effectively and accurately communicate our brand message through social media vehicles, including with respect to our social responsibility and environmental sustainability initiatives. The concentration in our portfolio heightens the risks we face if one of our larger brands is adversely impacted by actions we or third parties take with respect to that brand. The improper or detrimental actions of a licensee or wholesale customer, including a third party distributor in an international market, or for example, the operator of the ~~planned~~ Tommy Bahama Miramonte Resort & Spa ~~targeted 28to~~ **, which** ~~open~~ **opened** in late ~~Fiscal -~~ **-** 2023 **and** ~~, which~~ is an unproven concept with previously untested brand and operating standards, could also significantly impact the perception of our brands. While we enter into comprehensive license and similar collaborative agreements with third party licensees covering product design, product quality, brand standards, sourcing, social compliance, distribution, operations, manufacturing and / or marketing requirements and approvals, there can be no guarantee our brands will not be negatively impacted through our association with products or concepts outside of our core apparel products and by the market perception of the third parties with whom we associate. In addition, we cannot always control the marketing and promotion of our products by our wholesale customers, and actions by such parties ~~that adversely affect the appeal of our products~~ could diminish the value or reputation of one or more of our brands and have an adverse effect on our sales, gross margins and business operations. ~~The~~ **27The** appeal of our brands may also depend on the perceived relevance and success of our ~~environmental, social and governance (" ESG ")~~ initiatives **related to corporate responsibility** and our commitments to operating our business in a socially responsible fashion. ~~ESG risks~~ **Risks related to corporate responsibility** include increased stakeholder focus on social and environmental sustainability matters, including forced labor, chemical use, energy and water use, packaging and waste, animal welfare and land use. **We** ~~ESG risks~~ may also ~~include~~ **be required to incur substantial costs to comply with the amalgamation of differing or conflicting state, federal or international laws or regulations or the rules of government agencies requiring disclosure of risks and initiatives related to corporate responsibility and the collection, certification and disclosure of operational data, and any failure to comply with such requirements could result in fines, penalties or negative public perception of our brands or drive decisions on whether we can continue or expand our business in certain markets. We may also face** increased pressure **from stakeholders or the public** to **voluntarily** expand our disclosures ~~in these areas~~ , make commitments, set targets or establish additional goals and take actions to meet them, which could expose us to market, operational and execution costs or risks. The metrics we disclose may not meet stakeholder expectations and may impact our reputation and the value of our brands, and a failure to achieve progress on our metrics on a timely basis, or at all, could adversely affect our business and financial performance. Our inability to execute our direct to consumer and portfolio- level strategies in response to shifts in consumer shopping behavior could adversely affect our financial results and operations. One of our key long- term initiatives over the last several years has been to grow our branded businesses through distribution strategies that allow our consumers to access our brands whenever and wherever they choose to shop. Our ability to anticipate and transform our business in response to the manner in which consumers seek to transact business and access products requires us to introduce new retail, restaurant and other concepts in suitable locations; anticipate and implement innovations in sales and marketing technology to align with our consumers' shopping preferences; invest in appropriate digital and other technologies; establish the infrastructure necessary to support growth; maintain brand specific websites and mobile applications that offer the functionality and security customers expect; and effectively enhance our advertising and marketing activities, including our social media presence, to maintain our current customers and attract and introduce new consumers to our brands and offerings. For the last several years, the retail apparel market has been evolving very rapidly in ways that are disruptive to traditional fashion retailers. These changes included ~~sustained~~ declines in bricks and mortar retail traffic; entry into the fashion retail space by large e- commerce retailers and others with significant financial resources and enhanced distribution capabilities; increased costs to attract and retain consumers; increased investment in technology and multi- channel distribution strategies by large, traditional bricks and mortar and big box retailers; ongoing emphasis on off- price and fast fashion channels of distribution, in particular those who offer brand label products at clearance; and increased appeal for consumers of products that incorporate sustainable materials and processes in the supply chain and / or otherwise reflect their social or personal values. In response, fashion retailers and competing brands have increasingly offered greater transparency for consumers in product pricing and engaged in increased promotional activities, both online and in- store. These trends accelerated **in recent years** ~~during the COVID- 19 pandemic~~ and are likely to continue to evolve in ways that may not yet be evident. In response to these evolving and rapidly changing trends in consumer shopping behavior, we have made and expect to continue to make significant investments in expanding our digital capabilities and technologies in three key areas: mobile technology; digital marketing; and the digital customer experience. Although we have experienced significant growth in our e- commerce businesses in recent years, there is no assurance that we will realize a return on these investments, be successful in continuing to grow our e- commerce businesses over the long term or that any increase we may see in net sales from our e- commerce business will not cannibalize, or be sufficient to offset any decreases in, net sales from bricks and mortar retail stores. ~~29Any~~ -- **Any** inability on our part to effectively adapt to rapidly evolving consumer behavioral trends may result in lost sales, increase our costs and / or adversely impact our results of operations, financial condition, reputation and credibility. We may be unable to grow our business through organic growth, which could have a material adverse effect on our business, financial condition, liquidity and results of operations. A key component of our business strategy is organic growth in our brands. Organic growth may be achieved by, among other things, increasing sales in our direct to consumer channels; selling our products in new markets; increasing our market share in existing markets; expanding the demographic appeal of our brands; expanding our margins through ~~product~~ **28product** cost reductions, price increases or otherwise; expanding the customer reach of our brands through new and enhanced advertising initiatives; and increasing the product offerings and concepts within our various operating groups ~~, such as the opening of additional Marlin Bars at Tommy Bahama and owned retail stores at Southern Tide and TBBC~~ . Successful growth of our business is also subject to our ability to implement plans for expanding and / or maintaining our existing businesses at satisfactory levels. We may not be successful in achieving suitable organic growth, and our inability to grow our business may have a material adverse effect on our business, financial condition, liquidity and results of operations. In addition, investments we make in technology, advertising and infrastructure, retail stores and restaurants, office and distribution center facilities, personnel and elsewhere may not yield the full benefits we anticipate, and sales growth may be outpaced by increases in operating costs, putting downward pressure on our operating margins and adversely affecting our results of operations. If we are unable to increase our revenues organically, we may be required to pursue other strategic initiatives, including reductions in costs and / or acquisitions, **which** ~~in order to grow our business. These initiatives~~ may ~~not be available to us on desirable terms, inhibiting~~ --- **inhibit** our ability to increase profitability. The acquisition of new businesses is inherently risky, and we cannot be certain that we will realize the anticipated benefits of any acquisition. Growth of our business through acquisitions of lifestyle brands that fit within our business model is a key component of our long- term business strategy, as evidenced by our acquisition of Johnny Was in ~~September~~ **Fiscal** 2022 ~~. Johnny Was is an affordable luxury, artisan- inspired bohemian apparel, accessories and home goods brand that is exposed to similar industry, macroeconomic, operational, cybersecurity and information technology, sourcing, regulatory and other general risks as our other businesses~~ . Integrating an acquired business **, regardless of the size of the acquired operations,** is a complex, time- consuming and expensive process ~~and is even more challenging for a larger, rapidly growing business such as Johnny Was~~ . The integration process could create a number of challenges and adverse consequences for us associated with the integration of product lines, support functions, employees, sales teams and outsourced manufacturers; employee turnover, including key management and creative personnel of the acquired business and our existing businesses; disruption in product cycles for newly acquired product lines; maintenance of acceptable standards, controls, procedures and policies; operating a business in new geographic territories; diversion of the attention of our management from other areas of our business; and the impairment of relationships with customers of the acquired and existing businesses ~~. We are still relatively early in the process of integrating the operations of Johnny Was, and there can be no assurance that we will not encounter unexpected costs or liabilities arising from the Johnny Was business or the integration process~~ . As a result of these challenges or other factors, the benefits of an acquisition may not materialize to the extent or within the time periods anticipated. In addition, the competitive climate for desirable acquisition candidates drives higher market multiples, and we may pay more to consummate an acquisition than the value we ultimately derive from the acquired business. Acquisitions may cause us to incur debt ~~, as we did in connection with the Johnny Was acquisition,~~ or make dilutive issuances of our equity securities, and may result in certain impairment or amortization charges in our statements of operations ~~. In addition~~ , ~~we may not complete a potential acquisition~~ **as evidenced by the noncash impairment charges** for **goodwill** ~~a variety of reasons but still incur material, unrecoverable costs in the preliminary stages of evaluating and pursuing an~~ **and** ~~acquisition~~ **intangible assets of $ 111 million recognized in Johnny Was in the Fourth Quarter of Fiscal 2023, which was driven by the challenging macroeconomic environment and elevated interest rates during Fiscal 2023** . Additionally, as a result of acquisitions, we may become responsible for unexpected liabilities that we failed or were unable to discover in the course of performing due diligence **, or may incur material, unrecoverable costs to evaluate and pursue an acquisition that is ultimately not consummated** . ~~30As~~ **As** the fashion retail environment evolves, our investment criteria for acquisitions has grown to include smaller brands and non-controlling investments in burgeoning brands seeking debt or equity financing. The limited operating history, less experienced management teams and less sophisticated systems, infrastructure and relationships generally associated with such brands may heighten the risks associated with acquisitions generally. Minority investments present additional risks, including the potential disproportionate distraction to our management team relative to the potential financial benefit; the potential for a conflict of interest; the damage to our reputation of associating with a brand which may take actions inconsistent with our values; and the financial risks associated with making an investment in an unproven business model **, including the potential for impairment charges such as the $ 2 million noncash impairment charges recognized in Fiscal 2023 from our equity method investment in a smaller lifestyle brand that resulted from that entity, which we do not control, forecasting continued, future losses** . The divestiture or discontinuation of businesses and product lines could result in unexpected liabilities and adversely affect our financial condition, cash flows and results of operations. ~~From~~ **29From** time to time, we may also divest or discontinue businesses, product lines and / or wholesale relationships that do not align with our strategy or provide the returns that we expect or desire ~~, such as our Fiscal 2021 exit of the Lanier Apparel business~~ . Such dispositions and / or discontinuations may result in ~~underutilization of our retained resources if the exited operations are not replaced with new lines of business, either internally or through acquisition. In addition, we may become responsible for~~ unexpected liabilities, which could adversely affect our financial condition and results of operations. Our business could be harmed if we fail to maintain proper inventory levels. Many factors, such as economic conditions, fashion trends, consumer preferences, the financial condition of our wholesale customers and weather, make it difficult to accurately forecast demand for our products. In order to meet the expected demand for our products in a cost- effective manner, we make commitments for production several months prior to our receipt of goods and almost entirely without firm commitments from our customers. Depending on the demand for our products, we may be unable to sell the products we have ordered or that we have in our inventory, which may result in inventory markdowns or the sale of excess inventory at discounted prices and through off- price channels. These events could significantly harm our operating results and impair the image of our brands. Conversely, if we underestimate the timing or extent of demand for our products or if we are unable to access our products when we need them, for example due to a third party manufacturer' s inability to source materials or produce goods in a timely fashion or as a result of delays in the delivery of products to us, ~~issues which have been exacerbated by the COVID- 19 pandemic,~~ we may experience inventory shortages, which might result in lost sales, unfilled orders, negatively impacted customer relationships, and diminished brand loyalty, any of which could harm our business. These risks relating to inventory may also escalate as our direct to consumer sales, for which we do not have any advance purchase commitments, continue to increase as a proportion of our consolidated net sales. We are subject to risks associated with leasing real estate for our retail stores and restaurants. We lease all of our retail store and restaurant locations. Successful operation of our retail stores and restaurants depends, in part, on our ability to identify desirable, brand appropriate locations; the overall ability of the location to attract a consumer base sufficient to make sales volume profitable; our ability to negotiate satisfactory lease terms and employ qualified personnel; and our ability to timely construct and complete any build out and open the location in accordance with our plans ~~, which could be delayed due to supply chain constraints, delays in permitting and government approval processes and / or labor or materials shortages~~ . A decline in the volume of consumer traffic at our retail stores and restaurants, due to economic conditions, shifts in consumer shopping preferences or technology, a decline in the popularity of malls or lifestyle centers in general or at those in which we operate, the closing of anchor stores or other adjacent tenants or otherwise, could have a negative impact on our sales, gross margins and results of operations. Our growth may be limited if we are unable to identify new locations with consumer traffic sufficient to support a profitable sales level or the local market reception to a new retail store opening is inconsistent with our expectations. Our retail store and restaurant leases generally represent long- term financial commitments, with substantial costs at lease inception for a location' s design, leasehold improvements, fixtures and systems installation and recurring fixed costs. On an ongoing basis, we review the financial performance of our retail and restaurant locations in order to determine whether continued operation is appropriate. Even if we determine that it is desirable to exit a particular ~~31location~~ -- **location** , we may be unable to close an underperforming location due to continuous use clauses and / or because negotiating an early termination would be cost prohibitive. In addition, due to the fixed- cost structure associated with these operations, negative cash flows or the closure of a retail store or restaurant could result in impairment of leasehold improvements, impairment of operating lease assets and / or other long- lived assets, severance costs, lease termination costs or the loss of working capital, which could adversely impact our business and financial results. Furthermore, as each of our leases expire **and as competition and rental rates for prime retail and restaurant locations continues to accelerate, as we have experienced in recent years** , we may be unable to negotiate renewals, either on commercially acceptable terms or at all, including as a result of shifts in how shopping center operators seek to merchandise the particular center' s lineup, which could force us to close retail stores and / or restaurants in desirable locations. Furthermore, a deterioration in the financial condition of shopping center operators or developers could, for example, limit their ability to invest in improvements and finance tenant improvements for us and other retailers and lead consumers to view these locations as less desirable. In addition, if our e- commerce businesses continue to grow, they may do so in part by attracting existing customers, rather than new customers, who choose to purchase products from us online through our websites rather than from our physical stores, thereby reducing the financial performance of our bricks and mortar operations, which could have a material adverse effect on our results of operations or financial condition. ~~We~~ **30We** make use of debt to finance our operations, which could expose us to risks that adversely affect our business, financial position and operating results. Our levels of debt vary as a result of the seasonality of our business, investments in our operations, acquisitions we undertake and working capital needs. **Our** ~~As of January 28, 2023, we had $ 119 million of borrowings under our U. S. Revolving Credit Agreement, which was primarily driven by our acquisition of Johnny Was. In the future, our~~ debt levels may increase **or decrease from time to time** under our existing facility or potentially under new facilities, or the terms or forms of our financing arrangements may change. Our indebtedness under the U. S. Revolving Credit Agreement includes certain obligations and limitations, including the periodic payment of principal, interest and unused line fees, maintenance of certain covenants and certain other limitations. The negative covenants in the U. S. Revolving Credit Agreement limits our ability to, among other things, incur debt, guaranty certain obligations, incur liens, pay dividends, repurchase common stock, make investments, sell assets or make acquisitions. These obligations and limitations may increase our vulnerability to adverse economic and industry conditions, place us at a competitive disadvantage compared to any competitors that may be less leveraged and limit our flexibility in carrying out our business plans and planning for, or reacting to, change. In addition, we are subject to interest rate risk on the indebtedness under our variable rate U. S. Revolving Credit Agreement, particularly in the current macroeconomic environment. An increase in the interest rate environment ~~, such as the recent increases in interest rates implemented by the Federal Reserve,~~ would require us to pay a greater amount towards interest on our borrowings. The continued growth of our business depends on our access to sufficient funds. If the need arises in the future to finance expenditures in excess of those supported by our U. S. Revolving Credit Agreement, we may need to seek additional funding through debt or equity financing. Our ability to obtain that financing will depend on many factors, including prevailing market conditions, our financial condition and our ability to negotiate favorable terms and conditions. The terms of any such financing or our inability to secure such financing could adversely affect our ability to execute our strategies, and the negative covenants in our debt agreements, now or in the future, may increase our vulnerability to adverse economic and industry conditions and / or limit our flexibility in carrying out our business strategy and plans. The loss of one or more of our key wholesale customers, or a significant adverse change in a customer' s financial position, could negatively impact our net sales and profitability. We generate a material percentage of our wholesale sales, which was 20 % of our net sales in Fiscal ~~2022~~ **2023** , from a few key customers. Although our largest customer only represented **less than** 4 % of our consolidated net sales in Fiscal ~~2022~~ **2023** , the failure to increase or maintain our sales with our key customers as much as we anticipate would have a negative ~~32impact~~ -- **impact** on our growth prospects and any decrease or loss of these customers' business could result in a decrease in our net sales and operating income if we are unable to capture these sales through our direct to consumer operations or other wholesale accounts. Over the last several years, department stores and other large retailers have faced increased competition from online competitors, declining sales and profitability and tightened credit markets, resulting in store closures, bankruptcies and financial restructurings. Restructuring of our customers' operations, continued store closures or increased direct sourcing by customers could negatively impact our net sales and profitability. We also extend credit to most of our key wholesale customers without requiring collateral, which results in a large amount of receivables from just a few customers. A significant adverse change in a customer' s financial position or ability to satisfy its obligations to us could cause us to limit or discontinue business with that customer, in some cases after we have already made product purchase commitments for inventory; require us to assume greater credit risk relating to that customer' s receivables; or limit our ability to collect amounts related to shipments to that customer. In addition, a decision by one or more of our key wholesale customers to terminate its relationship with us or to reduce its purchases, whether motivated by competitive considerations, a change in desired product assortment, quality or style issues, financial difficulties, economic conditions or otherwise, could also adversely affect our business. Risks Related to Cybersecurity and Information TechnologyCybersecurity attacks and / or breaches of information security or privacy could disrupt our operations, cause us to incur additional expenses, expose us to litigation and / or cause us financial harm. ~~Cybersecurity~~ **31Cybersecurity** attacks continue to become increasingly sophisticated, and experienced computer programmers and hackers may be able to penetrate our network security and misappropriate or compromise our assets ~~, including confidential information,~~ or disrupt our systems. We collect, use, store and transmit sensitive and confidential **business information and** personal information of our customers, employees, suppliers and others as an ongoing part of our business operations, and we are regularly subject to attempts by attackers to gain unauthorized access to our networks, systems and data, or to obtain, change or destroy confidential information. In addition, customers may use devices or software that are beyond our control environment to purchase our products, which may provide additional avenues for attackers to gain access to confidential information **, and our embracing and implementation of remote work arrangements for a substantial portion of our employees may increase our vulnerability to cybersecurity attacks. Additionally, the security systems of businesses that we acquire could pose additional risks to us, such as those related to the collection, use, maintenance and disclosure of data, or present other cybersecurity vulnerabilities** . Despite our implementation of security measures, if an actual or perceived data security breach occurs, whether as a result of cybersecurity attacks, computer viruses, vandalism, ransomware, human error or otherwise, or if there are perceived vulnerabilities in our systems, the image of our brands and our reputation and credibility could be damaged, and, in some cases, our continued operations may be impaired or restricted. Ongoing and increasing costs to enhance cybersecurity protection and prevent, eliminate or mitigate vulnerabilities ~~and comply with required security or other measures under state, federal and international laws, which may include deploying additional personnel and protection technologies, training employees and engaging third party experts and consultants,~~ are significant. Although we have business continuity plans and other safeguards in place, our operations may be adversely affected by an actual or perceived data security breach. Costs to resolve any litigation or to investigate and remediate any actual or perceived breach could result in significant financial losses and expenses, as well as lost sales. While we continue to evolve and modify our business continuity plans, there can be no assurance in an escalating threat environment that they will be effective in avoiding disruption and business impacts **In addition,the** regulatory environment governing our use of individually identifiable data is complex,and compliance with new and modified state,federal and international privacy and security laws may require us to modify our operations and / or incur costs to make necessary systems changes and implement new administrative processes ~~,which may include deploying additional personnel and protection technologies,training employees and engaging third party experts and consultants~~ .In addition,because we process and transmit payment card information,we are subject to the payment card industry data security standard and card brand operating rules,which provide for a comprehensive set of rules relating to the retention and / or transmission of payment card information.If we do not comply with the applicable standards,we may be subject to fines or restrictions on our ability **to accept payment cards,which could have a material adverse effect on our operations.** . As part of our routine operations, we also contract with third party service providers to store, process and transmit personal information of our customers and employees. Although we may contractually require that these providers implement reasonable security measures, we cannot control third parties and cannot guarantee that a security breach will not occur at their location or within their systems. Privacy breaches of confidential information stored or used by our third party service providers or disruptions in their systems may expose us to the same risks as a breach of our own systems, including negative publicity, potential out- of- pocket costs and adverse effects on our business and customer relationships. Our operations are reliant on information technology, and any interruption or other failure could have an adverse effect on our business or results of operations. ~~33The~~ -- **The** efficient operation of our business depends on information technology. This requires us to devote significant financial and employee resources to information technology initiatives and operations. Information systems are used in all stages of our operations and as a method of communication, both internally and with our customers, service providers and suppliers. Many of our information technology solutions are operated and / or maintained by third parties, including our use of cloud- based solutions. Additionally, each of our operating groups uses e- commerce websites, point- of- sale systems, enterprise order management systems, warehouse management systems and wholesale ordering systems to acquire, manage, sell and distribute goods. Our management also relies on information systems to provide relevant and accurate information in order to allocate resources, manage operations and forecast, account for and report our operating results. Service interruptions may occur as a result of a number of factors, including power outages, consumer traffic levels, computer viruses, sabotage, hacking or other unlawful activities by third parties, human error, disasters or failures to properly install, upgrade, integrate, protect, repair or maintain our various systems, networks and e- commerce websites. ~~All~~ **32All** of these events could have a material adverse effect on our financial condition and results of operations. In light of the current geopolitical environment, there are heightened risks that our information technology systems, as well as those of third parties on whom we rely in order to conduct our operations, could be compromised by threat actors. Reliance on outdated technology or failure to upgrade our information technology systems and capabilities could impair the efficient operation of our business and our ability to compete. Any failure to timely upgrade our technology systems and capabilities may impair our ability to market, sell and deliver products to our customers, efficiently conduct our operations, facilitate customer engagement in today' s digital marketplace and / or meet the needs of our management. We regularly evaluate upgrades or enhancements to our information systems to more efficiently and competitively operate our businesses, including periodic upgrades to digital commerce and marketing, warehouse management, guest relations, omnichannel and / or enterprise order management systems in our businesses. Digital commerce and marketing have continued to increase in importance to our business, and we have invested and will continue to invest significant capital in the digital strategies, systems, expertise and capabilities necessary for us to compete effectively in this arena. Upgrades to our systems may be expensive undertakings, may not be successful and / or could be abandoned ~~, as we did in the Fourth Quarter of Fiscal 2020 with a Tommy Bahama information technology project~~ . We may also experience difficulties during the implementation, upgrade or subsequent operation of our systems, including the risk of introducing cybersecurity vulnerabilities into our systems or the loss of certain functionality, information from our legacy systems and / or efficient interfaces with third party and continuing systems. Temporary processes or solutions, including manual operations, which may be required to be instituted in the short term could also significantly increase the risk of loss or corruption of data and information. Additionally, if such upgraded information technology systems fail to operate or are unable to support our growth, our store operations and websites could be severely disrupted, and we could be required to make significant additional expenditures to remedy any such failure. ~~Remote work arrangements could inhibit our ability to effectively operate our business and result in enhanced cybersecurity risks. We anticipate continuing to implement remote work arrangements for a substantial portion of our employees in the future. If remote work arrangements negatively impact the performance or management of our employees, whether as a result of technological challenges, unsuitable work environments or other limitations, our ability to carry out key functions and successfully manage our operations could be compromised. In addition, remote work arrangements could exacerbate our existing cybersecurity and privacy risks, including by introducing vulnerabilities in our systems due to the use of laptops, mobile devices and remote work environments. Cybersecurity attacks or data security incidents resulting from a failure to manage these risks could negatively impact our business and results of operations.~~ Risks Related to our Sourcing and Distribution StrategiesOur reliance on third party producers in foreign countries to meet our production demands exposes us to risks that could disrupt our supply chain, increase our costs and negatively impact our operations. ~~34We~~ **We** source substantially all of our products from non- exclusive, third party producers located in foreign countries. Although we place a high value on long- term relationships with our suppliers, we do not have long- term supply contracts but instead conduct business on an order- by- order basis. Therefore, we compete with other companies for the production capacity of independent manufacturers. We also depend on the ability of these third party producers to secure a sufficient supply of raw materials, adequately finance the production of goods ordered and maintain sufficient manufacturing and shipping capacity, and in some cases, the products we purchase and the raw materials that are used in our products are available only from one source or a limited number of sources. Although we monitor production in third party manufacturing locations, we cannot be certain that we will not experience operational difficulties with our manufacturers, such as the reduction of available production capacity, errors in complying with product specifications, insufficient quality control, failures to meet production deadlines or increases in manufacturing costs. In addition, we may experience disruptions in our supply chain as we continue to diversify the jurisdictions from which we source products. Any such difficulties may impact our ability to deliver quality products to our customers on a timely basis, increase our costs, negatively impact our customer relationships and result in lower net sales and profits. Our operations are dependent on the global supply chain, and the impact of supply chain constraints may adversely impact our business and operating results. Our operations in recent years have been, and may continue to be, impacted by supply chain constraints, labor shortages and raw material shortages, resulting in increased costs for raw materials, longer lead times, port congestion and increased freight costs ~~caused, in part, by the COVID- 19 pandemic, increased consumer demand, the uncertain economic environment, and other macroeconomic trends~~ . As a result of these factors within the global supply chain, our gross margins ~~were negatively~~ **may be adversely** impacted ~~during Fiscal 2021 and, to a lesser extent in Fiscal 2022~~ . We also rely on logistics providers to transport our products to our distribution centers. Delays in shipping may cause us to have to use more expensive air freight or other more costly methods to ship our products. Failure to adequately produce and timely ship our products to customers could lead to increased costs and lost sales, negatively impact our relationships with customers, and adversely impact our brand reputation. ~~Any~~ **33Any** disruption or failure in our primary distribution facilities may materially adversely affect our business or operations. We rely on our primary distribution facilities in order to support our direct to consumer and wholesale operations, meet customer fulfillment expectations, manage inventory, complete sales and achieve operating efficiencies. We may have a greater risk than our peers due to the concentration of our distribution facilities, as substantially all of our products for each operating group are distributed through one or two principal distribution centers. Although we continue to enhance our enterprise order management capabilities to deliver products from other physical locations, our ability to effectively support our direct to consumer and wholesale operations, meet customer expectations, manage inventory and achieve objectives for operating efficiencies depends on the proper operation of these distribution facilities, each of which manages the receipt, storage, sorting, packing and distribution of finished goods. **In addition, initiatives to build new distribution centers or enhance existing distribution centers, such as our multi- year project to build a new distribution center in the Southeastern United States that will provide significant or exclusive support for all of our brands, or to transition operations among distribution facilities or third party service providers, may be subject to delays, cost overruns, supply chain disruptions or inability to obtain labor or materials which could result in substantial expense to us, disrupt our operations and divert the attention of our management. In addition, we may face challenges integrating the distribution center with the systems supporting our brands and transitioning operations to the distribution center around peak selling seasons, and there can be no assurance that any such investments will achieve anticipated efficiencies.** If any of our primary distribution facilities were to shut down or otherwise become inoperable or inaccessible for any reason, including as a result of natural or man- made disasters, pandemics or epidemics, human error, or cybersecurity attacks or computer viruses, or if we are unable to receive or ship the goods in a distribution center, as a result of a technology failure, labor shortages or otherwise, we could experience a substantial loss of inventory, a reduction in sales, higher costs, insufficient inventory at our retail stores to meet consumer expectations and longer lead times associated with the distribution of our products. In addition, for the distribution facilities that we operate, there are substantial fixed costs associated with these large, highly automated distribution centers, and we could experience reduced operating and cost efficiencies during periods of economic weakness. Any disruption to our distribution facilities or in their efficient operation could negatively affect our operating results and our customer relationships. Fluctuations and volatility in the cost and availability of raw materials, labor and freight may materially increase our costs. We and our third party suppliers rely on the availability of raw materials at reasonable prices. The principal fabrics used in our business are cotton, silk, linen, **polyester, cellulosic fibers,** leather ~~, tencel~~ , and other natural and man- made fibers, or blends of ~~35two~~ -- **two** or more of these materials. The prices paid for these fabrics depend on the market price for raw materials used to produce them. The cost of the materials and components that are used in our manufacturing process, such as oil- related commodity prices and other raw materials, such as dyes and chemicals, and other costs, can fluctuate. We historically have not entered into any futures contracts to hedge commodity prices. In **recent years** ~~Fiscal 2021 and Fiscal 2022~~ , we ~~saw~~ **experienced** increased costs of raw materials, including cotton, that impacted our production costs. These price increases could continue in future years. Employment costs represented more than 40 % of our consolidated SG & A in Fiscal ~~2022~~ **2023** , and we have seen increases in the cost of labor in our retail, restaurant and distribution center operations as well as at many of our suppliers in recent ~~years, which intensified during the last two~~ years. Employment costs are affected by labor markets, as well as various federal, state and foreign laws governing matters such as minimum wage rates, overtime compensation and other requirements. In addition, in recent years, there has been significant political pressure and legislative action to increase the minimum wage rate in many of the jurisdictions in which we operate. We have also experienced increases in freight costs and distribution and logistics functions and may continue to see such cost and capacity pressures. Although we attempt to mitigate the effect of increases in our cost of goods sold, labor costs, occupancy costs, other operational costs and SG & A items through sourcing initiatives and by selectively increasing the prices of our products, we may be unable to fully pass on these costs to our customers, and material increases in our costs may reduce the profitability of our operations and / or adversely impact our results of operations. Labor- related matters, including labor disputes, may adversely affect our operations. ~~We~~ **34We** may be adversely affected as a result of labor disputes in our own operations or in those of third parties with whom we work. Our business depends on our ability to source and distribute products in a timely manner, and our new retail store and restaurant growth is dependent on timely construction of our locations. While we are not subject to any organized labor agreements and have historically enjoyed good employee relations, there can be no assurance that we will not experience work stoppages or other labor problems in the future with our ~~non- unionized~~ employees. In addition, potential labor disputes at independent factories where our goods are produced, shipping ports or transportation carriers create risks for our business, particularly if a dispute results in work slowdowns, lockouts, strikes or other disruptions during our peak manufacturing, shipping and selling seasons. Further, we plan our inventory purchases and forecasts based on the anticipated timing of retail store and restaurant openings, which could be delayed as a result of a number of factors, including labor disputes among contractors engaged to construct our locations or within government licensing or permitting offices or the unavailability of qualified contractors due to labor shortages. Any potential labor dispute, either in our own operations or in those of third parties on whom we rely, could materially affect our costs, decrease our sales, harm our reputation or otherwise negatively affect our operations. Our geographic concentration ~~of retail stores, restaurants and wholesale customers~~ exposes us to certain regional risks. Our operations and retail and restaurant locations are heavily concentrated in the United States and certain geographic areas within the United States, including Florida, California, Texas and Hawaii for our Tommy Bahama operations; Florida for our Lilly Pulitzer operations; California for our Johnny Was operations; and Florida for our Emerging Brands operations. Additionally, the wholesale sales for our businesses are also geographically concentrated, including in geographic areas where we have concentrations of our own retail store **and restaurant** locations. Due to these concentrations, as well as our brands' association with the resort lifestyle and destinations, we have heightened exposure to factors that impact these regions, including general economic conditions, weather patterns **, climate- related conditions** , natural disasters, public health crises, changing demographics and other factors. Our international operations, including foreign sourcing, result in an exposure to fluctuations in foreign currency exchange rates. We are exposed to certain currency exchange risks in conducting business outside of the United States. Substantially all of our product purchases are from foreign vendors and are denominated in U. S. dollars. If the value of the U. S. dollar decreases relative to certain foreign currencies in the future, then the prices that we negotiate for products could increase and we may be unable to pass this increase on to customers, which would negatively impact our margins. ~~36However~~ -- **However** , if the value of the U. S. dollar increases between the time a price is set and payment for a product, the price we pay may be higher than that paid for comparable goods by competitors that pay for goods in local currencies, and these competitors may be able to sell their products at more competitive prices. An increase in the value of the U. S. dollar compared to other currencies in which we have sales could also result in lower levels of sales and earnings reported in our consolidated statements of operations and lower gross margins. Additionally, currency fluctuations could also disrupt the business of our independent manufacturers by making their purchases of raw materials more expensive and difficult to finance. Risks Related to Regulatory, Tax and Financial Reporting MattersOur business is subject to various federal, foreign, state and local laws and regulations, and the costs of compliance with, or the violation of, such laws and regulations could have an adverse effect on our costs or operations. We are subject to **an increasing number of evolving and** stringent standards, laws and other regulations, including those relating to labor, employment, privacy and data security, consumer protection, marketing, health, product performance, content and safety, anti-bribery, taxation, customs, logistics and other operational matters. These laws and regulations, in the United States and abroad, are complex and often vary widely by jurisdiction, making it difficult for us to ensure that we are currently or will in the future be compliant with all applicable laws and regulations in all the states and countries in which we operate. In addition to the local laws of the foreign countries in which we operate, we are subject to certain anti- corruption laws, including the U. S. Foreign Corrupt Practices Act. If any of our international operations, or ~~our~~ **35our** employees or agents, violates such laws, we could become subject to sanctions or other penalties that could negatively affect our reputation, business and operating results. We **have seen many new laws and regulations going into effect or being proposed in recent years, including in areas such as consumer and data privacy, matters related to corporate responsibility marketing and trade. We** may be required to make significant expenditures and devote significant time and management resources to comply with **any** existing or future laws or regulations, and a violation of applicable laws and regulations by us, or any of our suppliers or licensees, may restrict our ability to import products, require a recall of our products, lead to fines or otherwise increase our costs, negatively impact our ability to attract and retain employees or materially limit our ability to operate our business. In addition, regardless of whether any allegations of violations of the laws and regulations governing our business are valid or whether we ultimately become liable, we may be materially affected by negative publicity as a result of such allegations. In addition, the regulatory environment governing...... material adverse effect on our operations. Changes in international trade regulation could increase our costs and / or disrupt our supply chain. Due to our international sourcing activities, we are exposed to risks associated with changes in the laws and regulations governing the importing and exporting of apparel products into and from the countries in which we operate. These risks include imposition of ~~additional or new~~ antidumping, countervailing or other duties, tariffs, taxes or quota restrictions; government- imposed restrictions as a result of public health issues; changes in customs procedures for importing apparel products; restrictions on the transfer of funds to or from foreign countries; and the issuance of sanctions and trade orders. Any of these factors may disrupt our supply chain, and we may be unable to offset any associated cost increases by shifting production to suitable manufacturers in other jurisdictions in a timely manner or at acceptable prices, and future regulatory actions or changes in international trade regulation may provide our competitors with a material advantage over us or render our products less desirable in the marketplace. ~~37There~~ -- **There** has been heightened trade tension between the United States and China, from which we sourced ~~36~~ **41** % of our products in Fiscal ~~2022~~ **2023** and from which Johnny Was has sourced more than 90 % of its products in recent years, with multiple rounds of increased U. S. tariffs on China- imported goods implemented in 2018 and 2019. It is unclear what, if any, additional actions might be considered or implemented, particularly in the current geopolitical environment. Significant tariffs or other restrictions placed on Chinese imports and any related countermeasures that are taken by China could have an adverse effect on our financial condition or results of operations. Any violation or perceived violation of our ~~codes~~ **Supplier Code** of ~~conduct~~ **Conduct** or environmental and social compliance programs, including by our manufacturers or vendors, could have a material adverse effect on our brands. We have a robust legal, social and environmental compliance program, including ~~codes~~ **a Supplier Code** of ~~conduct~~ **Conduct** and vendor compliance standards. The reputation of our brands could be harmed if we or our third- party ~~manufacturers~~ **producers** and vendors, substantially all of which are located outside the United States, fail to meet appropriate **human rights, environmental,** product safety ~~,~~ **and** product quality ~~and social and environmental compliance~~ standards. Despite our efforts, we cannot ensure that our ~~manufacturers~~ **producers** and vendors will at all times conduct their operations in accordance with ethical practices or that the products we purchase will always meet our safety and quality control standards, and any failure to do so could disrupt our supply chain and adversely affect our business operations. The presence or perception of forced labor in our supply chain in spite of our efforts to ensure that our third **-** party ~~manufacturers~~ **producers** and vendors meet human rights and labor standards could result in adverse impacts on our business, including the detention of goods at U. S. ports of entry, challenges in identifying replacement vendors and harm to our reputation. While we have diversified the jurisdictions from which we source products and product inputs, our manufacturing operations remain concentrated in ~~China~~ **Asia** , cotton is among the principal raw materials used in many of our goods and even the cotton used in our products manufactured outside of China largely originates from Chinese fabric mills. Starting in Fiscal 2020, the U. S. Government issued withhold release orders in response to concerns regarding forced labor in the Xinjiang Uyghur Autonomous Region (the " XUAR ") of China. The XUAR is a globally significant source of cotton production, much of which is controlled by the Xinjiang Production and Construction Corporation (" XPCC ") and its affiliates. The Uyghur Forced Labor Prevention Act (" UFLPA "), which was enacted in 2021, created a rebuttable presumption that goods produced in whole or in part in the XUAR or connected with certain listed companies, including ~~the~~ **36the** XPCC and its affiliates, were produced using forced labor and are, therefore, barred from entry into the United States. Requirements for enhanced supply chain traceability, monitoring and risk screening, including pursuant to the UFLPA, have increased our compliance costs. Furthermore, while we do not knowingly source any products or product inputs from the XUAR, we have no known involvement with the XPCC, its affiliates or other entity list companies and we prohibit our suppliers from using forced labor, our supply chain is complex, and we may not have the ability to completely map and monitor it. We could be subject to penalties, fines or sanctions if any of the ~~manufacturers~~ **producers** from which we purchase goods is found or suspected to have dealings, directly or indirectly, with the XUAR or entity list companies, and any actions taken by customs officials to block the import of products suspected of being manufactured with forced labor, whether or not founded, could adversely impact our operations and financial results. Furthermore, consumers are increasingly attuned to the environmental and social impact of the products they purchase and companies with which they do business. A failure to effectively convey our core principles to our customers and investors or to accurately communicate our social responsibility and environmental sustainability initiatives and respond to concerns raised about them, including through our **websites and** social media channels, could result in a negative public perception of our brands and products and negatively impact our business. As a multi- national apparel company, we may experience fluctuations in our tax liabilities and effective tax rate. As a multi- national apparel company, we are subject to income taxes in the United States and various foreign jurisdictions. We record our income tax liability based on an analysis and interpretation of local tax laws and regulations, which requires a significant amount of judgment and estimation. In addition, we may from time to time modify our operations in an effort to minimize our consolidated income tax expense. Our effective income tax rate in any particular period or in future periods may be affected by a number of factors, including a shift in the mix of revenues, income and / or losses among domestic and international sources during a year or over a period of years; changes in tax laws ~~and~~ **,** regulations ~~and /~~ or international tax treaties; the outcome of income tax audits ~~in various jurisdictions~~ ; the difference ~~38between~~ -- **between** the income tax deduction and the previously recognized income tax benefit related to the vesting of equity- based compensation awards; and the resolution of uncertain tax positions, any of which could adversely affect our effective income tax rate and profitability. Further, changes to U. S. and foreign tax laws and compliance with new tax laws could have a material adverse effect on our tax expense, cash flows and operations.

Impairment charges for goodwill or intangible assets could have a material adverse impact on our financial results. The carrying values of our goodwill and intangible assets, including those recorded in connection with our acquisition of a business ~~or our bricks and mortar operations~~ , are subject to periodic impairment testing ~~. In connection with our acquisition of Johnny Was, we preliminarily recognized $ 135 million of intangible assets and $ 97 million of goodwill associated with those operations~~ . Impairment testing of goodwill and intangible assets requires us to make estimates about future performance and cash flows that are inherently uncertain and can be affected by numerous factors, including changes in economic conditions, income tax rates, our results of operations and competitive conditions in the industry. **In** ~~For example, in~~ Fiscal ~~2020~~ **2023** , we recognized $ ~~60~~ **111** million of **noncash** ~~non- cash~~ impairment charges for goodwill and intangible assets **in connection with the operations of Johnny Was** , which ~~reflected~~ **was driven by** the **prevailing macroeconomic environment' s** impact ~~of COVID- 19~~ on ~~the~~ **near- term expectations for our business** operations ~~, plans~~ and **higher interest rates** ~~strategy of the Southern Tide business~~ . Future impairment charges may have a material adverse effect on our consolidated financial statements or results of operations. Any failure to maintain liquor licenses or comply with applicable regulations could adversely affect the profitability of our restaurant operations. The restaurant industry requires compliance with a variety of federal, state and local regulations. In particular, all of our Tommy Bahama restaurants and Marlin Bars serve alcohol and, therefore, maintain liquor licenses. Our ability to maintain our liquor licenses and other permits depends on our compliance with applicable laws and regulations. The loss of a liquor license or other critical permits would adversely affect the profitability of that restaurant. Additionally, as a participant in the restaurant industry, we face risks related to food quality, food- borne illness, injury, health inspection scores and labor relations. The negative impact of adverse publicity relating to allegations of actual or perceived violations at one of our restaurants may extend beyond the restaurant involved to affect some or all of our other restaurants, as well as the image of the Tommy Bahama brand as a whole. General ~~RisksOur~~ **Risks37Our** business depends on our senior management and other key personnel, and failure to successfully attract, retain and implement succession of our senior management and key personnel or to attract, develop and retain personnel to fulfill other critical functions may have an adverse effect on our operations and ability to execute our strategies. Our senior management has substantial experience in the apparel and related industries, with our Chairman and Chief Executive Officer Mr. Thomas C. Chubb III having worked with our company for more than 30 years, including in various executive management capacities. Our success depends on disciplined execution at all levels of our organization, including our senior management, and continued succession planning. Competition for qualified personnel is intense, and we compete to attract and retain these individuals with other companies that may have greater financial resources than us. While we believe that we have depth within our management team, the unexpected loss of any of our senior management, or the unsuccessful integration of new leadership, could harm our business and financial performance. In addition, we may be unable to retain or recruit qualified personnel in key areas such as product design, sales, marketing (including individuals with key insights into digital and social media marketing strategies), distribution, technology, sourcing and other support functions, which could result in missed sales opportunities and harm to key business relationships. **In recent years** ~~During Fiscal 2021 and Fiscal 2022~~ , we **have** experienced staffing shortages, higher turnover rates and challenges in recruiting and retaining qualified employees at all levels of our organization, which may continue in the future. Our inability or failure to recruit and retain skilled personnel **, or the still undeterminable longer term impact of our embracing remote and hybrid work arrangements on professional development and progression, retention and company culture,** could adversely impact our business, financial performance, reputation, ability to keep up with the needs of our customers and overall customer satisfaction. ~~39We~~ **We** may be unable to protect our trademarks and other intellectual property. We believe that our trademarks and other intellectual property rights have significant value and are important to our continued success and our competitive position due to their recognition by consumers and retailers. Substantially all of our consolidated net sales are attributable to branded products for which we own the trademark. Therefore, our success depends to a significant degree on our ability to protect and preserve our intellectual property. We rely on laws in the United States and other countries to protect our proprietary rights. However, we may not be able to sufficiently prevent third parties from using our intellectual property without our authorization, particularly in those countries where the laws do not protect our proprietary rights as fully as in the United States. We have also experienced ~~inherent, expanding~~ challenges with enforcing our intellectual property rights on third party e- commerce websites, especially those based in foreign jurisdictions. The use of our intellectual property or similar intellectual property by others could reduce or eliminate any competitive advantage we have developed, causing us to lose sales or otherwise harm the reputation of our brands. We devote significant resources to the registration and protection of our trademarks and to anti- counterfeiting efforts. Despite these efforts, we regularly discover products that infringe our proprietary rights or that otherwise seek to mimic or leverage our intellectual property. Counterfeiting and other infringing activities typically increase as brand recognition increases, and association of our brands with inferior counterfeit reproductions or third **-** party labels could adversely affect the integrity and reputation of our brands. Additionally, there can be no assurance that the actions that we have taken will be adequate to prevent others from seeking to block sales of our products as violations of proprietary rights. As we extend our brands into new product categories and new product lines and expand the geographic scope of the sourcing, distribution and marketing of our brands' products, we could become subject to litigation or challenge based on allegations of the infringement of intellectual property rights of third parties, including by various third parties who have acquired or claim ownership rights in some of our trademarks internationally. In the event a claim of infringement against us is successful or would otherwise affect our operations, we may be required to pay damages, royalties, license fees or other costs to continue to use intellectual property rights that we had been using, or we may be unable to obtain necessary licenses from third parties at a reasonable cost or within a reasonable time. Litigation and other legal action of this type, regardless of whether it is successful, could result in substantial costs to us and diversion of the attention of our management and other resources. We are subject to periodic litigation, which may cause us to incur substantial expenses or unexpected liabilities. **38** ~~From time to time, we are involved in litigation matters, which may relate to employment practices, consumer protection, intellectual property~~

~~infringement, product liability and contract disputes, and which may include a class action, and we are subject to various claims and pending or threatened lawsuits in the ordinary course of our business operations. Often, these cases raise complex factual and legal issues and, due to the inherent uncertainties of litigation, we cannot accurately predict the ultimate outcome of any such proceedings. Regardless of the outcome or whether the claims have merit, legal proceedings may be expensive and require significant management time. Our common stock price may be highly volatile, and we may be unable to meet investor and analyst expectations. Our common stock, which is currently listed on the New York Stock Exchange, may be subject to extreme and unpredictable fluctuations in price. The market price of our common stock may decline if the results of our operations or projected results do not meet the expectations of securities analysts or our shareholders, investors are unreceptive to an announcement of changes in our business or our strategic initiatives or securities analysts who follow our company change their ratings or estimates of our future performance. Our stock price may also change suddenly as a result of other factors beyond our control, including general economic conditions, new or modified legislation impacting our industry, announcements by our competitors, or sales of our stock by existing shareholders. The stock market has also experienced periods of general volatility which result in fluctuations in stock prices unrelated or disproportionate to operating performance. We cannot provide assurances that there will continue to be an 40~~