REFINITIV

DELTA REPORT

10-Q

JILL - J.JILL, INC.

10-Q - MAY 04, 2024 COMPARED TO 10-Q - OCTOBER 28, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	970
CHANGES	158
DELETIONS	400
ADDITIONS	412

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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended October 28, May 4, 2023 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ____________________ to ____________________

Commission File Number: 001-38026

J.Jill, Inc.
(Exact Name of Registrant as Specified in its Charter)

Delaware	**45-1459825**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
4 Batterymarch Park, Quincy, MA 02169	**02169**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (617) 376-4300

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

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value	JILL	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes

☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Securities registered pursuant to Section 12(g) of the Act: None

As of December 1, 2023 June 3, 2024 the registrant had 10,602,705 10,747,847 shares of common stock, $0.01 par value per share, outstanding.

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

J.Jill, Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(in thousands, except share data)

	October 28, 2023	January 28, 2023	May 4, 2024	February 3, 2024
Assets				
Current assets:				
Cash and cash equivalents	$ 64,115	$ 87,053	$ 77,117	$ 62,172
Accounts receivable	6,210	7,039	10,914	5,042
Inventories, net	56,652	50,585	53,145	53,259
Prepaid expenses and other current assets	16,629	16,143	17,676	17,656
Total current assets	143,606	160,820	158,852	138,129
Property and equipment, net	53,883	53,497	52,083	54,118
Intangible assets, net	67,981	73,188	64,638	66,246
Goodwill	59,697	59,697	59,697	59,697
Operating lease assets, net	112,389	119,118	106,107	108,203
Other assets	492	97	2,525	1,787
Total assets	$ 438,048	$ 466,417	$ 443,902	$ 428,180
Liabilities and Shareholders' Equity (Deficit):				
Liabilities and Shareholders' Equity				
Current liabilities:				
Accounts payable	$ 48,981	$ 39,306	$ 41,687	$ 41,112
Accrued expenses and other current liabilities	42,858	49,730	46,834	42,283
Current portion of long-term debt	8,750	3,424	35,353	35,353
Current portion of operating lease liabilities	35,415	34,527	34,701	36,204
Total current liabilities	136,004	126,987	158,575	154,952
Long-term debt, net of discount and current portion	148,731	195,517	119,079	120,595

Long-term debt, net of discount - related party	—	9,719		
Deferred income taxes	10,738	10,059	11,107	10,967
Operating lease liabilities, net of current portion	110,008	123,101	100,684	103,070
Other liabilities	909	1,253	1,345	1,378
Total liabilities	406,390	466,636	390,790	390,962
Commitments and contingencies (see Note 11)				
Shareholders' Equity (Deficit)				
Common stock, par value $0.01 per share; 50,000,000 shares authorized; 10,603,506 and 10,165,361 shares issued and outstanding at October 28, 2023 and January 28, 2023, respectively	107	102		
Shareholders' Equity				
Common stock, par value $0.01 per share; 50,000,000 shares authorized; 10,747,847 and 10,614,454 shares issued and outstanding at May 4, 2024 and February 3, 2024, respectively			107	107
Additional paid-in capital	212,443	212,005	212,434	213,236
Accumulated deficit	(180,892)	(212,326)	(159,429)	(176,125)
Total shareholders' equity (deficit)	31,658	(219)		
Total liabilities and shareholders' equity (deficit)	$ 438,048	$ 466,417		
Total shareholders' equity			53,112	37,218
Total liabilities and shareholders' equity			$ 443,902	$ 428,180

The accompanying notes are an integral part of these condensed consolidated financial statements.

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J.Jill, Inc.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (UNAUDITED)

(in thousands, except share and per share data)

	For the Thirteen Weeks Ended		For the Thirty-Nine Weeks Ended		For the Thirteen Weeks Ended	
	October 28, 2023	October 29, 2022	October 28, 2023	October 29, 2022	May 4, 2024	April 29, 2023
Net sales	$ 150,125	$ 150,204	$ 455,214	$ 467,616	$ 161,513	$ 150,246
Costs of goods sold (exclusive of depreciation and amortization)	42,283	45,181	128,423	140,656	43,776	41,880
Gross profit	107,842	105,023	326,791	326,960	117,737	108,366
Selling, general and administrative expenses	85,694	84,873	251,161	254,624	89,112	82,972

Impairment of long-lived assets	21	1,300	66	1,408	253	—
Operating income	22,127	18,850	75,564	70,928	28,372	25,394
Loss on debt refinancing	—	—	12,702	—	—	12,702
Interest expense, net	5,794	4,348	17,008	11,553		
Interest expense, net - related party	—	1,092	1,074	2,823		
Interest expense					6,436	5,627
Interest expense - related party					—	1,074
Interest income					988	570
Income before provision for income taxes	16,333	13,410	44,780	56,552	22,924	6,561
Income tax provision	4,717	4,491	13,346	15,413	6,228	1,965
Net income and total comprehensive income	$ 11,616	$ 8,919	$ 31,434	$ 41,139	$ 16,696	$ 4,596
Per share data (Note 8):						
Net income per common share:						
Basic	$ 0.82	$ 0.64	$ 2.22	$ 2.95	$ 1.17	$ 0.33
Diluted	$ 0.80	$ 0.62	$ 2.19	$ 2.89	$ 1.16	$ 0.32
Weighted average common shares:						
Basic	14,169,955	13,962,467	14,130,734	13,922,460	14,256,928	14,063,409
Diluted	14,448,228	14,297,925	14,379,529	14,240,486	14,395,197	14,322,606

The accompanying notes are an integral part of these condensed consolidated financial statements.

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J.Jill, Inc.

CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIT) (UNAUDITED)

(in thousands, except common share data)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Shareholders' Equity (Deficit)	Common Stock		Additional Paid- in Capital	Accumulated Deficit	Total Shareholders' Equity
	Shares	Amount				Shares	Amount			
Balance, January 28, 2023	10,165,361	$ 102	$ 212,005	$ (212,326)	$ (219)					

Vesting of restricted stock units	227,237	2	(2)	—	—					
Surrender of shares to pay withholding taxes	(66,423)	—	(1,930)	—	(1,930)					
Equity-based compensation	—	—	878	—	878					
Exercise of warrants	254,627	3	(3)	—	—					
Net income	—	—	—	4,596	4,596					
Balance, April 29, 2023	10,580,802	$ 107	$ 210,948	$ (207,730)	$ 3,325					
Balance, February 3, 2024						10,614,454	$ 107	$ 213,236	$ (176,125)	$ 37,218
Vesting of restricted stock units	39,334	—	—	—	—	201,827	2	(2)	—	—
Surrender of shares to pay withholding taxes	(17,431)	—	(371)	—	(371)	(68,434)	(2)	(2,054)	—	(2,056)
Equity-based compensation	—	—	937	—	937	—	—	1,254	—	1,254
Net income	—	—	—	15,222	15,222	—	—	—	16,696	16,696
Balance, July 29, 2023	10,602,705	$ 107	$ 211,514	$ (192,508)	$ 19,113					
Vesting of restricted stock units	1,293	—	—	—	—					
Surrender of shares to pay withholding taxes	(492)	—	(13)	—	(13)					
Equity-based compensation	—	—	942	—	942					
Net income	—	—	—	11,616	11,616					
Balance, October 28, 2023	10,603,506	$ 107	$ 212,443	$ (180,892)	$ 31,658					
Balance, May 4, 2024						10,747,847	$ 107	$ 212,434	$ (159,429)	$ 53,112

	Common Stock		Additional Paid-in	Accumulated	Total Shareholders'	Common Stock		Additional Paid- in Capital	Accumulated Deficit	Total Shareholders' Equity (Deficit)
	Shares	Amount	Capital	Deficit	Deficit	Shares	Amount			
Balance, January 29, 2022	10,001,422	$ 100	$ 209,747	$ (254,501)	$ (44,654)					

Balance, January 28, 2023						10,165,361	$ 102	$ 212,005	$ (212,326)	$ (219)
Vesting of restricted stock units	146,852	—	—	—	—	227,237	2	(2)	—	—
Surrender of shares to pay withholding taxes	(48,430)	—	(821)	—	(821)	(66,423)	—	(1,930)	—	(1,930)
Equity-based compensation	—	—	742	—	742	—	—	878	—	878
Exercise of warrants						254,627	3	(3)	—	—
Net income	—	—	—	14,415	14,415	—	—	—	4,596	4,596
Balance, April 30, 2022	10,099,844	$ 100	$ 209,668	$ (240,086)	$ (30,318)					
Vesting of restricted stock units	62,090	2	(2)	—	—					
Surrender of shares to pay withholding taxes	(13,430)	—	(244)	—	(244)					
Equity-based compensation	—	—	976	—	976					
Net income	—	—	—	17,805	17,805					
Balance, July 30, 2022	10,148,504	$ 102	$ 210,398	$ (222,281)	$ (11,781)					
Vesting of restricted stock units	4,863	—	—	—	—					
Surrender of shares to pay withholding taxes	(1,429)	—	(27)	—	(27)					
Equity-based compensation	—	—	897	—	897					
Net income	—	—	—	8,919	8,919					
Balance, October 29, 2022	10,151,938	$ 102	$ 211,268	$ (213,362)	$ (1,992)					
Balance, April 29, 2023						10,580,802	$ 107	$ 210,948	$ (207,730)	$ 3,325

The accompanying notes are an integral part of these condensed consolidated financial statements.

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J.Jill, Inc.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(in thousands)

	For the Thirty-Nine Weeks Ended		For the Thirteen Weeks Ended	
	October 28, 2023	October 29, 2022	May 4, 2024	April 29, 2023
Net Income	$ 31,434	$ 41,139		
Net income			$ 16,696	$ 4,596
Operating activities:				
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation and amortization	16,847	19,445	5,825	5,568
Impairment of long-lived assets	66	1,408	253	—
Adjustment for exited retail stores	(632)	(246)	(509)	—
Loss on disposal of fixed assets	65	231	6	20
Loss on debt refinancing	12,702	—	—	12,702
Noncash interest expense, net	2,826	4,138	681	1,562
Equity-based compensation	2,757	2,615	1,254	878
Deferred rent incentives	(116)	(539)	(32)	(32)
Deferred income taxes	679	(472)	140	(103)
Changes in operating assets and liabilities:				
Accounts receivable	829	(2,168)	(5,872)	(1,114)
Inventories, net	(6,067)	(4,105)	114	(3,203)
Prepaid expenses and other current assets	(486)	(1,034)	(20)	(138)
Accounts payable	9,453	(2,767)	438	1,502
Accrued expenses and other current liabilities	(8,183)	14,336	4,560	(11,276)
Operating lease assets and liabilities	(4,844)	(5,360)	(1,284)	(1,553)
Other noncurrent assets and liabilities	(648)	99	(751)	(1,550)
Net cash provided by operating activities	56,682	66,720	21,499	7,859
Investing activities:				
Purchases of property and equipment	(5,822)	(2,467)	(1,732)	(1,504)
Capitalized software	(4,938)	(2,706)	(580)	(1,421)
Net cash used in investing activities	(10,760)	(5,173)	(2,312)	(2,925)
Financing activities:				
Principal repayments on Term Loan	(4,374)	—	(2,188)	—
Principal repayments on Priming Term Loan	(201,349)	(6,332)	—	(201,349)
Principal repayments on Subordinated Term Loan-related party	(21,181)	—		
Principal repayments on Subordinated Term Loan - related party			—	(21,181)
Proceeds from issuance of Term Loan	164,050	—	—	164,050
Third-party debt financing costs	(3,692)	—	—	(3,686)
Surrender of shares to pay withholding taxes	(2,314)	(1,092)	(2,054)	(1,930)
Net cash used in financing activities	(68,860)	(7,424)	(4,242)	(64,096)

Net change in cash and cash equivalents	(22,938)	54,123	14,945	(59,162)
Cash and cash equivalents:				
Beginning of Period	87,053	35,957	62,172	87,053
End of Period	$ 64,115	$ 90,080	$ 77,117	$ 27,891

The accompanying notes are an integral part of these condensed consolidated financial statements.

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J.Jill, Inc.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. Description of Business

J.Jill, Inc., “J.Jill” or the “Company”, is a national lifestyle brand that provides apparel, footwear and accessories designed to help its customers move through a full life with ease. The brand represents an easy, thoughtful and inspired style that celebrates the totality of all women and designs its products with its core brand ethos in mind: keep it simple and make it matter. J.Jill offers a high touch customer experience through over 200 stores nationwide and a robust ecommerce platform. J.Jill is headquartered outside Boston.

2. Summary of Significant Accounting Policies

Basis of Presentation

Our interim condensed consolidated financial statements are unaudited. All significant intercompany balances and transactions have been eliminated in consolidation. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) have been omitted, in accordance with the rules of the Securities and Exchange Commission (the “SEC”) associated with reporting of interim period financial information. We consistently applied the accounting policies described in our Annual Report on Form 10-K (the “2022 “2023 Annual Report”) for the fiscal year ended January 28, 2023 February 3, 2024 (“Fiscal Year 2022” 2023”) in preparing these unaudited interim condensed consolidated financial statements. J.Jill operates on a 52- or 53-week fiscal year that ends on the Saturday that is closest to January 31. Each fiscal year generally is comprised of four 13-week fiscal quarters, although in the years with 53 weeks, the fourth quarter represents a 14-week period. The fiscal year ending February 3, 2024 February 1, 2025 (“Fiscal Year 2023” 2024”) is comprised of 53 52 weeks and Fiscal Year 2022 is 2023 was comprised of 52 53 weeks.

In the opinion of management, these interim condensed consolidated financial statements contain all normal and recurring adjustments necessary to state fairly the financial position and results of operations of the Company. The consolidated balance sheet as of January 28, 2023 February 3, 2024 is derived from the audited consolidated balance sheet as of that date. The unaudited results of operations for the thirteen and thirty-nine weeks ended October 28, 2023 May 4, 2024 are not necessarily indicative of future results or results to be expected for Fiscal Year 2023. 2024. You should read these statements in conjunction with our audited consolidated financial statements and related notes in our 2022 2023 Annual Report.

Financial Statement Presentation

Certain reclassifications have been made to prior periods to conform with the current period presentation.

On the condensed consolidated statements of operations and comprehensive income, the Company reclassified amounts for interest income for the thirteen weeks ended April 29, 2023 from Interest expense, net to a separate financial statement line item to conform with the current presentation for the thirteen weeks ended May 4, 2024.

On the consolidated statement of cash flows, the Company reclassified amounts for capitalized approximately $1.0 million of prepaid software purchases project costs from Prepaid expenses and other current assets to Other assets for the thirty-nine thirteen weeks ended October 29, 2022 from purchases April 29, 2023. For further details refer "*Cloud-Based Software Arrangements*" below under *Note 2. Summary of property Significant Accounting Policies.*

Correction of Immaterial Error

The Company had previously recorded processing fee income related to customer sales returns as a contra expense within Selling, general and equipment to administrative expenses rather than as a separate financial statement line item component of Net sales in the condensed consolidated statements of operations and comprehensive income. Beginning in Fiscal Year 2024, the Company will record this revenue as a component of Net sales within investing activities to conform the Direct channel. The Company reclassified this income for the thirteen weeks ended April 29, 2023, which increased previously reported Net sales and Selling, general and administrative expenses by $0.8 million. The Company has concluded that the reclassification of this income was immaterial to the current presentation for the thirty-nine weeks ended October 28, 2023 of capitalized software purchases. prior period financial statements.

Cost of Goods Sold

Cost of goods sold ("COGS") includes the direct costs of sold merchandise, which include customs, taxes, duties, commissions and inbound shipping costs, inventory shrinkage, and adjustments and reserves for excess, aged and obsolete inventory. COGS does not include distribution center costs and allocations of indirect costs, such as occupancy, depreciation, amortization, or labor and benefits.

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Selling, General and Administrative Expenses

Selling, general and administrative expenses consist primarily of payroll and related expenses, occupancy costs, information systems costs and other operating expenses related to our stores and operations at the headquarters, including utilities, depreciation and amortization. These expenses also consist of marketing expense, including catalog production and mailing costs, warehousing, distribution and outbound shipping costs, customer service operations, consulting and software services, professional services and other administrative costs.

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Cloud-Based Software Arrangements

The costs incurred to implement cloud computing arrangements hosted by third party vendors are capitalized when incurred during the application development phase, and recognized as Prepaid expenses and other current assets for the current portion or Other assets for the long-term portion. Implementation costs are subsequently amortized on a straight-line basis over the expected term of the related cloud service, beginning on the date the related software or module is ready for its intended use. The amortization of cloud-based software implementation costs is recorded as a component of Selling, general, and administrative expenses, the same line item as the expense for the associated hosting arrangement. The carrying value of cloud computing implementation costs are tested for impairment when an event or circumstance indicates that the asset might be impaired. Changes in cloud computing arrangement implementation costs are classified within operating activities in the consolidated statements of cash flows.

For the thirteen weeks ended May 4, 2024, the Company amortized $0.2 million of cloud-based software implementation costs. For the thirteen weeks ended April 29, 2023, the Company amortized an immaterial amount of cloud-based software implementation costs.

As of May 4, 2024, the Company had $3.0 million of gross capitalized cloud-based software implementation costs and $0.2 million of related accumulated amortization, for a net balance of $2.8 million, made up of $1.0 million recorded within Prepaid expenses and other current assets and $1.8 million recorded within Other assets on the Company's consolidated balance sheets.

As of February 3, 2024, the Company had $2.5 million of gross capitalized cloud-based software implementation costs and $0.6 million of related accumulated amortization, for a net balance of $1.9 million, made up of $0.9 million recorded within Prepaid expenses and other current assets and $1.0 million recorded within Other assets on the Company's consolidated balance sheets.

Recently Issued Accounting Pronouncements

In October 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-06, "Disclosure Improvements: Codification Amendments in Response to the SEC's SEC's Disclosure Update and Simplification Initiative". This ASU amends the FASB Accounting Standards Codification ASC in response to the SEC's SEC's disclosure update and simplification initiative. This guidance will be applied prospectively with effective date for each amendment to be the date on which the SEC's removal of that related disclosure from Regulation S-X or Regulation S-K becomes effective, with early adoption prohibited. If by June 30, 2027, the SEC has not removed the related disclosures from Regulation S-X or Regulation S-K, the pending amendments will not become effective for any entity. The Company is assessing what impact this guidance will have on its disclosures in the Company's Company's consolidated financial statements.

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting, Improvements to Reportable Segment Disclosures". This ASU enhances the disclosures required about a public entity's reportable segments in its annual and interim condensed consolidated financial statements. The amendments in this update require additional detailed and enhanced information about reportable segments' expense, including significant segment expenses and other segment items that bridge segment revenue, significant expenses to segment profit or loss. The ASU also requires disclosure of the title and position of the Chief Operating Decision Maker ("CODM") on annual basis as well as an explanation of how CODM uses the reported measures and other disclosures. The amendments in this update do not change how a public entity identifies its operating segments, aggregates those operating segments, or applies the quantitative thresholds to determine its reportable segments. ASU 2023-07 is effective for the Company for annual reporting periods beginning with the fiscal year ending February 1, 2025 and for interim reporting periods beginning in fiscal year 2026. Early adoption is permitted. The Company is assessing what impact this guidance will have on its disclosures in the Company's consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, "Improvements to Income Tax Disclosures". This ASU requires enhanced income tax disclosures, including disaggregation of information in the rate reconciliation table and disaggregated information related to income taxes paid. The other amendments in this update improve the effectiveness and comparability of disclosures by (1) adding disclosures of pretax income (or loss) and income tax expense (or benefit), and (2) removing disclosures that are no longer considered cost beneficial or relevant. The amendments in ASU 2023-09 are effective for the fiscal year ending January 31, 2026. Early adoption is permitted. The Company is currently evaluating the impact that this guidance will have on its disclosures in the Company's consolidated financial statements.

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3. Revenues

Disaggregation of Revenue

Net sales consist primarily of revenues, net of merchandise returns and discounts, generated from the sale of apparel and accessory merchandise through retail stores (“Retail”) and through our website and catalog orders (“Direct”). Net sales also include shipping and handling fees collected from customers, royalty revenues and marketing reimbursements related to our private label credit card agreement. Retail revenue is recognized at the time of sale and Direct revenue is recognized upon shipment of merchandise to the customer. The following table presents disaggregated revenues by source (in thousands):

	For the Thirteen Weeks Ended		For the Thirty-Nine Weeks Ended		For the Thirteen Weeks Ended	
	October 28, 2023	October 29, 2022	October 28, 2023	October 29, 2022	May 4, 2024	April 29, 2023
Retail	$ 82,051	$ 81,800	$ 250,365	$ 253,093	$ 85,607	$ 82,204
Direct	68,074	68,404	204,849	214,523	75,906	68,042
Net sales	$ 150,125	$ 150,204	$ 455,214	$ 467,616	$ 161,513	$ 150,246

Performance Obligations

The Company has a remaining performance obligation of $0.5 million related to an upfront payment to support the marketing and promotion of the private label credit card program. This upfront payment will be amortized to revenue evenly through January 2031.

Contract Liabilities

The Company recognizes a contract liability when it has received consideration from the customer and has a future obligation to the customer. Total contract liabilities consisted of the following (in thousands):

	October 28, 2023	January 28, 2023	May 4, 2024	February 3, 2024
Contract liabilities:				
Signing bonus (1)	—	$ 82		
Unredeemed gift cards	5,184	7,131		
Upfront Payment (1)			547	570
Unredeemed gift cards (2)			5,792	7,005
Total contract liabilities	$ 5,184	$ 7,213	$ 6,339	$ 7,575

(1) Signing bonus The short-term portion of the upfront payment is included in Accrued expenses and other current liabilities and the long-term portion of the upfro payment is included in Other long-term liabilities on the Company’s consolidated balance sheets sheets.

(2) Revenue recognized for the thirteen weeks ended May 4, 2024 related to the contract liability balance as of January 28, 2023 February 3, 2024 was $1,988.

The Company recognized approximately $2.9 million of revenue related to gift card redemptions and breakage for the thirteen and thirty-nine weeks ended October 28, 2023 of approximately $2.0 million May 4, 2024 and $7.5 million, respectively, and for the thirteen and thirty-nine weeks ended October 29, 2022 of approximately $1.8 million and $7.3 million, April 29, 2023, respectively. Revenue recognized consists of gift cards that were part of the unredeemed gift card balance at the beginning of the period as well as gift cards that were issued and redeemed during the period.

Performance Obligations

As of August 2023, the remaining, immaterial balance of the performance obligation for the signing bonus related to the private label credit card agreement was fully amortized.

Unredeemed gift cards require a performance obligation for revenue to be recognized, but substantially all gift cards are redeemed in the first year of issuance.

Practical Expedients and Policy Elections

The Company excludes from its revenue all amounts collected from customers for sales taxes that are remitted to taxing authorities.

Shipping and handling activities that occur after control of related goods transfers to the customer are accounted for as fulfillment activities rather than assessing these activities as performance obligations.

The Company does not disclose remaining performance obligations that have an expected duration of one year or less.

7 4. Asset Impairments

Long-lived Asset Impairments

For the thirteen weeks ended May 4, 2024, the Company reduced the net carrying value of certain long-lived assets to their estimated fair value, which was determined using a discounted cash flows method. The Company recorded noncash impairment

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4. charges of $0.3 million related to leasehold improvements at certain store locations primarily due to the actual performance at these locations. The Company did not record any impairment for the thirteen weeks ended April 29, 2023.

Goodwill and Other Intangible Assets

The balance of goodwill was $59.7 million at October 28, 2023 May 4, 2024 and January 28, 2023. February 3, 2024, respectively. The accumulated goodwill impairment losses as of October 28, 2023 are May 4, 2024 were $137.3 million.

A summary of other intangible assets as of October 28, 2023 May 4, 2024 and January 28, 2023 February 3, 2024 is as follows (in thousands):

		October 28, 2023			
	Weighted Average Useful Life (Years)	Gross	Accumulated Amortization	Accumulated Impairment	Carrying Amount
Indefinite-lived:					
Trade name	N/A	$ 58,100	$ —	$ 24,100	$ 34,000
Definite-lived:					
Customer relationships	13.2	134,200	97,599	2,620	33,981
Total intangible assets		$ 192,300	$ 97,599	$ 26,720	$ 67,981

		January 28, 2023			
	Weighted Average Useful Life (Years)	Gross	Accumulated Amortization	Accumulated Impairment	Carrying Amount
Indefinite-lived:					
Trade name	N/A	$ 58,100	$ —	$ 24,100	$ 34,000
Definite-lived:					

Customer relationships	13.2	134,200	92,392	2,620	39,188
Total intangible assets		$ 192,300	$ 92,392	$ 26,720	$ 73,188

	May 4, 2024				
	Weighted Average Useful Life (Years)	Gross	Accumulated Amortization	Accumulated Impairment	Carrying Amount
Indefinite-lived:					
Trade name	N/A	$ 58,100	$ —	$ 24,100	$ 34,000
Definite-lived:					
Customer relationships	13.2	134,200	100,942	2,620	30,638
Total intangible assets		$ 192,300	$ 100,942	$ 26,720	$ 64,638

	February 3, 2024				
	Weighted Average Useful Life (Years)	Gross	Accumulated Amortization	Accumulated Impairment	Carrying Amount
Indefinite-lived:					
Trade name	N/A	$ 58,100	$ —	$ 24,100	$ 34,000
Definite-lived:					
Customer relationships	13.2	134,200	99,334	2,620	32,246
Total intangible assets		$ 192,300	$ 99,334	$ 26,720	$ 66,246

Total amortization expense for these amortizable intangible assets was $1.7 1.6 million and $1.9 1.7 million for the thirteen weeks ended October 28, 2023 May 4, 2024 and October 29, 2022, respectively, and $5.2 million and $5.6 million for the thirty-nine weeks ended October 28, 2023 and October 29, 2022 April 29, 2023, respectively.

Impairment Tests

Goodwill and indefinite-lived intangible assets are not amortized but are reviewed for impairment at least annually, or more frequently when events or changes in circumstances indicate that the carrying value may not be recoverable. Definite-lived intangible assets are reviewed for impairment when events or circumstances indicate that the carrying value may not be recoverable. Judgments regarding indicators of potential impairment are based on market conditions and operational performance of the business.

During the thirty-nine thirteen weeks ended October 28, 2023 May 4, 2024 and October 29, 2022 April 29, 2023, the Company did not identify any events or circumstances that indicated the fair value of a reporting unit was less than its carrying value.

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5. Debt

The components of the Company's outstanding long-term debt at October 28, 2023 May 4, 2024 and January 28, 2023 February 3, 2024 were as follows (in thousands):

	At October 28, 2023				At May 4, 2024			
	Outstanding Balance	Original Issue Discount	Capitalized Fees & Expenses	Balance Sheet	Outstanding Principal Balance	Original Issue Discount	Capitalized Fees & Expenses	Balance Sheet
Term Loan due 2028	$ 170,625	$ (9,858)	$ (3,286)	$ 157,481	$ 166,250	$ (8,864)	$ (2,954)	$ 154,432
Less: Current portion	(8,750)	—	—	(8,750)				
Less: Current portion (including Excess Cash Flow payment)					(35,353)	—	—	(35,353)
Net long-term debt	$ 161,875	$ (9,858)	$ (3,286)	$ 148,731	$ 130,897	$ (8,864)	$ (2,954)	$ 119,079

	At January 28, 2023			
	Outstanding Balance	Original Issue Discount	Capitalized Fees & Expenses	Balance Sheet
Priming Term Loan due 2024	$ 201,349	$ (786)	$ (1,622)	$ 198,941
Subordinated Term Loan due 2024	20,548	—	(10,829)	9,719
Totals	221,897	(786)	(12,451)	208,660
Less: Current portion	(3,424)	—	—	(3,424)
Net long-term debt	$ 218,473	$ (786)	$ (12,451)	$ 205,236

	At February 3, 2024			
	Outstanding Principal Balance	Original Issue Discount	Capitalized Fees & Expenses	Balance Sheet
Term Loan due 2028	$ 168,438	$ (9,367)	$ (3,123)	$ 155,948
Less: Current portion (including Excess Cash Flow payment)	(35,353)	—	—	(35,353)
Net long-term debt	$ 133,085	$ (9,367)	$ (3,123)	$ 120,595

Term Loan Credit Agreement

On April 5, 2023, the The Company and Jill Acquisition LLC (the "Borrower") entered into is party to a Term Loan Credit Agreement secured $175.0 million term loan credit agreement (the "Term Loan Credit Agreement" and, such facility, the "Term Loan Facility"), dated April 5, 2023, by and among the lenders party thereto and Jefferies Finance LLC, as administrative and collateral agent. The Term Loan Credit Agreement provides for a secured term loan facility in an aggregate principal amount of $175.0 million agent, with a maturity date of May 8, 2028 (the "Term Loan Facility"). Loans under the Term Loan Credit Agreement bear interest at the Borrower's election at (1) Base Rate (as defined in the Term Loan Credit Agreement) plus 7.00% or (2) Adjusted Term SOFR (as defined in the Term Loan Credit Agreement) plus 8.00%, with Adjusted Term SOFR subject to a floor rate of 1.00%.

The Term Loan Facility is to be repaid in quarterly payments of $2.2 million from July 28, 2023 to May 2, 2025, and $3.3 million from August 1, 2025 to April 28, 2028 with the balance of the Term Loan Facility due upon maturity on May 8, 2028. In conjunction with

Subsequent to May 4, 2024, on May 10, 2024, the entry into Company made a voluntary principal prepayment on the Term Loan Credit Agreement of $58.2 million. Together with the required quarterly payment of $2.2 million that the Company made on April 26, 2024, the Company has repaid $60.4 million of debt under the Term Loan Credit Agreement in Fiscal Year 2024. In addition, the Company paid a $3.7 1.7 million in third-party fees related premium, amounting to legal, consulting, agent3% on the aggregate principal amount being prepaid, and other fees. Of these costs, $3.1 0.8 million were deferred towards interest in accordance with the provisions of the Term Loan Credit Agreement. The voluntary prepayment was in lieu of the Excess Cash Flow (“ECF”) payment of $26.6 million, which was rejected by the lenders as permitted under the provisions of the Term Loan Credit Agreement.

In connection with the voluntary principal prepayment discussed above, in May 2024, the Company will recognize a loss of approximately $5.9 million, consisting of $4.2 million of accelerated amortization of the discount and presented as a direct reduction from the carrying amount fees and $1.7 million of long-term debt on the consolidated balance sheets as of October 28, 2023 and are amortized through the line item “Interest Expense” prepayment premium, in the Company’s its condensed consolidated statements of operations and comprehensive income over income. Following the term of voluntary prepayment, the remaining Term Loan Credit Agreement using the effective interest method. On October 27, 2023, the Company made a Facility principal balance will be $108.1 million, which is to be repaid in three quarterly payment principal payments of $2.2 million in accordance through January 31, 2025, with the Term Loan Credit Agreement. remaining balance of $

101.5 million to be paid upon maturity on May 8, 2028. The Borrower’s obligations under remaining unamortized discount and fees will be $7.7 million, which will continue to be amortized over the Term Loan Credit Agreement are guaranteed by the Company and J.Jill Gift Card Solutions, Inc., a Florida corporation (“Jill Gift Card Solutions” and collectively with the Company, the “Guarantors”), and are secured by substantially all of the real and personal property of the Borrower and the Guarantors, subject to certain customary exceptions. The Term Loan Credit Agreement includes customary negative covenants for remaining term loan agreements of this type, including covenants limiting the ability of the Borrower and the Guarantors to, among other things, incur additional indebtedness, create liens on assets, make investments, loans or advances, engage in mergers, consolidations, sales of assets and purchases, pay dividends and distributions, enter into transactions with affiliates, and make payments in respect of junior indebtedness, in each case subject to customary exceptions for term loan agreements of this type. The Term Loan Credit Agreement also includes certain customary representations and warranties, affirmative covenants, certain financial covenants and events of default, including but not limited to, payment defaults, breaches of representations and warranties, covenant defaults, certain events under the Employee Retirement Income Security Act of 1974 ("ERISA"), certain final non-appealable judgments that are not covered by a reputable and solvent insurance company, certain defaults under other indebtedness, change of control and certain Title 11 proceedings. through May 8, 2028.

As of October 28, 2023 May 4, 2024, the Company was in compliance with all covenants.

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Priming and Subordinated Term Loans

The proceeds Company was party to a priming and a subordinated credit agreement, dated as of September 30, 2020, by and among J.Jill, Inc., Jill Acquisition LLC, as the borrower, the lenders party thereto from time to time and Wilmington Trust, National Association, as administrative agent and collateral agent (as amended, the Term Loan “Subordinated Credit Agreement, combined with a portion of Agreement” and, such facility, the Company’s existing cash on hand, were used to repay Subordinated Facility), until it was repaid in full the outstanding balance of $225.4 million, inclusive of $3.6 million interest, under the Priming Term Loan Credit Agreement (the “Priming Credit Agreement”) and the Subordinated Term Loan Credit Agreement (the “Subordinated Credit Agreement”). All security interests and liens incurred in connection with the Priming Credit Agreement and Subordinated Credit Agreement have been released. The prepayment of the Priming Credit Agreement and Subordinated Credit Agreement was in accordance with the terms of such agreements.

A portion of the transaction was accounted for as a debt modification. As a result, approximately $0.4 million of deferred costs will continue to be deferred and amortized using the effective interest method through May 8, 2028, the maturity date of the Term Loan Facility. These fees are presented as a direct reduction from the carrying amount of long-term debt on the consolidated balance sheets. For repayment of the remaining portion of the Priming Credit Agreement and for the entirety of the Subordinated Credit Agreement, the Company recorded a loss on debt refinancing of $12.7 million of which $9.3 million relates to the Subordinated Credit Agreement, inclusive of the write-off of original issue discount, and deferred debt issuance costs and other fees, in the line item “Loss on debt refinancing” in its condensed consolidated statements of operations and comprehensive income and in the condensed consolidated statement of cash flows during the thirty-nine weeks ended October 28, 2023 April 5, 2023.No debt refinancing gains or losses were recognized during the thirty-nine weeks ended October 29, 2022.

The Company was in compliance with all covenants under the Priming Credit Agreement and the Subordinated Credit Agreement at the time of their repayment.

Asset-Based Revolving Credit Agreement

The Company is party to a secured $40.0 million asset-based revolving credit facility agreement (the(the "ABL Credit Agreement" and, such facility, the "ABL Facility").

On May 10, 2023, the Company entered into Amendment No. 6 to the ABL Credit Agreement (the "ABL Amendment"), by and among the Company, J.Jill Gift Card Solutions, the other guarantors party thereto the other lenders party thereto, and CIT Finance LLC, as the administrative agent and collateral agent.

The ABL Amendment extended the amended, with a maturity date of the ABL Credit Agreement from May 8, 2024 to May 10, 2028 (or 180 days prior to the maturity date of the Company's Term Loan Credit Agreement if the maturity date of such Term Loan Facility has not been extended to a date that is at least 180 days after the maturity date of the ABL Credit Agreement).

The other terms and conditions 10

Table of the ABL Facility remain substantially unchanged. The benchmark interest rate applicable to the loans under the ABL Facility is the forward-looking secured overnight financing rate. Contents

Borrowings under the ABL Facility are secured by a first lien on accounts receivable and inventory. In connection with the ABL Facility, the Company is subject to various financial reporting (including with respect to liquidity), financial and other covenants. Affirmative covenants include providing timely quarterly and annual financial statements and prompt notification of the occurrence of any event of default or any other event, change or circumstance that has had, or could reasonably be expected to have, a material adverse effect as defined in the ABL Facility. In addition, there are negative covenants, including certain restrictions on the Company's ability to incur additional indebtedness, create liens, enter into transactions with affiliates, transfer assets, pay dividends, consolidate or merge with other entities, make advances, investments and loans or modify its organizational documents. The ABL Facility also includes certain financial maintenance covenants, including a requirement to maintain a fixed charge coverage ratio greater than or equal to 1.00:1.00 if availability under the ABL Facility is less than specified levels. As of October 28, 2023 and January 28, 2023, the Company was in compliance with all covenants.

The Company had no short-term borrowings under the Company's ABL Facility as of October 28, 2023 May 4, 2024 and January 28, 2023 February 3, 2024. The Company's available borrowing capacity under the ABL Facility as of October 28, 2023 May 4, 2024 and January 28, 2023 February 3, 2024 was $35.7 million and $34.2 million, respectively.

As of May 4, 2024 and $30.0 million, respectively. At October 28, 2023 and January 28, 2023 February 3, 2024, there were outstanding letters of credit of $5.8 4.3 million and $7.0 5.8 million, respectively, which reduced the availability under the ABL Facility. As of October 28, 2023 May 4, 2024, the maximum commitment for letters of credit was $10.0 million.

10 As of May 4, 2024, the Company was in compliance with all covenants.

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6. Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

Valuation techniques used to measure fair value require the Company to maximize the use of observable inputs and minimize the use of unobservable inputs. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Financial assets and liabilities carried at fair value are to be classified and disclosed in one of the following three levels of the fair value hierarchy, of which the first two are considered observable and the last is considered unobservable:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Observable inputs, other than Level 1 prices, such as quoted prices for similar assets or liabilities in active markets; quoted prices similar assets or liabilities in markets that are not active; or other inputs other than quoted prices that are observable or can be corroborated observable market data for substantially the full term of the assets or liabilities, including interest rates and yield curves, and market corrobo inputs.
- Level 3 - Unobservable inputs for the assets or liabilities that are supported by little or no market activity and that are significant to the fair va of the assets or liabilities. These are valued based on management's estimates and assumptions that market participants would use in pricii the asset or liabilities.

The following table presents the carrying value and fair value hierarchy for debt as of October 28, 2023 May 4, 2024 and January 28, 2023 February 3, 2024, respectively (in thousands):

		Fair Value as of October 28, 2023				Fair Value as of May 4, 2024		
	Carrying Value	Level 1	Level 2	Level 3	Carrying Value	Level 1	Level 2	Level 3
Financial instruments not carried at fair value:								
Total debt	$ 157,481	$ —	$ 163,030	$ —	$ 154,432	$ —	$ 161,650	$ —
Total financial instruments not carried at fair value	$ 157,481	$ —	$ 163,030	$ —	$ 154,432	$ —	$ 161,650	$ —

		Fair Value as of January 28, 2023				Fair Value as of February 3, 2024		
	Carrying Value	Level 1	Level 2	Level 3	Carrying Value	Level 1	Level 2	Level 3
Financial instruments not carried at fair value:								
Total debt	$ 208,660	$ —	$ 223,616	$ —	$ 155,948	$ —	$ 161,871	$ —
Total financial instruments not carried at fair value	$ 208,660	$ —	$ 223,616	$ —	$ 155,948	$ —	$ 161,871	$ —

The Company's debt instruments include the Term Loan Credit Agreement as of October 28, 2023, and the Priming Credit Agreement and Subordinated Credit Agreement as of January 28, 2023. Agreement. The debt instruments are recorded at cost, net of debt issuance costs and any related discount. The fair value of the debt instruments is obtained based on observable market prices quoted on public exchanges for similar instruments.

The Company believes that the carrying amounts of its other financial instruments, including cash, accounts receivable, accounts payable and any amounts drawn on its revolving credit facilities, consisting primarily of instruments without extended maturities, based on management's estimates, approximates their fair value due to the short-term maturities of these instruments.

Assets and Liabilities with Recurring Fair Value Measurements - Certain assets and liabilities may be measured at fair value on an ongoing basis. We did not elect to apply the fair value option for recording financial assets and financial liabilities. Other than total debt, we do not have any assets or liabilities which we measure at fair value on a recurring basis.

Assets and Liabilities with Nonrecurring Fair Value Measurements - Certain assets and liabilities are not measured at fair value on an ongoing basis. These assets and liabilities, which include long-lived assets, goodwill, intangible assets, and debt are subject to fair value adjustment in certain circumstances. From time to time, the fair value is determined on these assets and liabilities as part of related impairment tests or for disclosure purposes. See *Note 4. Goodwill and Other Intangible Assets Asset Impairments*, for additional information.

7. Income Taxes

The Company recorded an income tax provision of $4.7 6.2 million and $4.5 2.0 million during the thirteen weeks ended October 28, 2023 May 4, 2024 and October 29, 2022 April 29, 2023, respectively. The Company recorded an income effective tax provision of $ rate was 13.3 27.2 million and $15.4 million % for the thirty-nine thirteen weeks ended October 28, 2023 May 4, 2024, and October 29, 2022, respectively. 29.9% for the thirteen weeks ended April 29, 2023.

The effective tax rate for the thirteen and thirty-nine weeks ended October 28, 2023 May 4, 2024 differs from the federal statutory rate of 21% primarily due to the impact of state and local income taxes and executive compensation limitations. The effective tax rate for the thirteen weeks ended April 29, 2023 differs from the federal statutory rate of 21% primarily due to the impact of state and local income taxes, executive compensation limitations and non-deductible expenses. The effective tax rate for the thirteen and thirty-nine weeks ended October 29, 2022 differs from the federal statutory rate of 21% primarily due to the impact of state and local income taxes, return to provision adjustments and partial release of its valuation allowance on state deferred tax assets.

As of October 28, 2023, the Company maintained a $1.3 million valuation allowance against the state deferred tax assets. The Company will continue to evaluate the positive and negative evidence available and may reduce the valuation allowance in the future if the Company's recent profitability trends continue during the remainder of Fiscal Year 2023.

8. Net Income Per Share

The following table summarizes the computation of basic and diluted net income per common share ("EPS") (in thousands, except share and per share data):

	For the Thirteen Weeks Ended		For the Thirty-Nine Weeks Ended		For the Thirteen Weeks Ended	
	October 28, 2023	October 29, 2022	October 28, 2023	October 29, 2022	May 4, 2024	April 29, 2023
Numerator						
Net income attributable to common shareholders	$ 11,616	$ 8,919	$ 31,434	$ 41,139		

Net income					$ 16,696	$ 4,596
Denominator						
Weighted average number of common shares outstanding	10,605,208	10,152,538	10,543,699	10,112,911	10,692,241	10,431,506
Assumed exercise of warrants	3,564,747	3,809,929	3,587,035	3,809,549	3,564,687	3,631,903
Weighted average common shares, basic	14,169,955	13,962,467	14,130,734	13,922,460	14,256,928	14,063,409
Dilutive effect of equity compensation awards	278,273	335,458	248,795	318,026	138,269	259,197
Weighted average common shares, diluted	14,448,228	14,297,925	14,379,529	14,240,486	14,395,197	14,322,606
Net income per common share, basic	$ 0.82	$ 0.64	$ 2.22	$ 2.95	$ 1.17	$ 0.33
Net income per common share, diluted	$ 0.80	$ 0.62	$ 2.19	$ 2.89	$ 1.16	$ 0.32

Equity compensation awards are excluded from the diluted earnings per share calculation when their inclusion would have an antidilutive effect such as when the Company has a net loss for the reporting period, or if the assumed proceeds per share of the award is in excess of the related fiscal period's average price of the Company's common stock. Accordingly, 35,195 279,786 and 72,248 35,195 shares for the thirteen and thirty-nine weeks ended October 28, 2023, respectively, May 4, 2024 and 110,982 and 136,546 shares for the thirteen and thirty-nine weeks ended October 29, 2022 April 29, 2023, respectively, were excluded from the diluted earnings per share calculation because their inclusion would be antidilutive.

For the thirteen and thirty-nine weeks ended October 28, 2023 May 4, 2024 and October 29, 2022 April 29, 2023, warrants issued to the Subordinated Credit Agreement Facility holders have been included in the denominator for basic and diluted EPS calculations as the exercise of the warrants is near certain because the exercise price is non-substantive in relation to the fair value of the common shares to be issued upon exercise. In accordance with the terms of the warrant agreement, dated as of October 2, 2020, as amended on December 4, 2020, in the event of a dividend payment on the shares of common stock, the exercise ratio in effect immediately following the record date of such dividend distribution date shall be proportionately adjusted to give effect to the total number of shares of common Stock constituting such dividend.

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9. Equity-Based Compensation

In conjunction with the initial public offering ("IPO"), on March 9, 2017, the Company established the The J.Jill, Inc. Omnibus Equity Incentive Plan, as amended and restated on June 1, 2023 (the "A&R Plan"), which reserves a maximum 2,043,453 shares of common stock for issuance upon exercise of options, or in respect of granted awards. The As of May 4, 2024, the A&R Plan is administered had an aggregate of 846,607 shares remaining for future issuance pursuant to awards that may be granted by the Compensation Committee of the Board of Directors (the

"Committee" "Board"). The Committee has the authority to determine the type, size and terms and conditions of awards to be granted and to grant such awards.

On June 29, 2023, the Company registered an additional 750,000 shares of its common stock at par value of $0.01 per share. As of October 28, 2023, the A&R Plan has 2,043,453 shares of common stock reserved for issuance to awards granted by the Committee with an aggregate of 1,118,111 shares remaining for future issuance.

During the thirty-nine thirteen weeks ended October 28, 2023 May 4, 2024 and April 29, 2023, the Committee Board approved and granted restricted stock units ("RSUs") and performance-based restricted stock units ("PSUs") under the A&R Plan.

Restricted Stock Units

For the thirty-nine thirteen weeks ended October 28, 2023 May 4, 2024 and October 29, 2022 April 29, 2023, the Committee Board granted RSUs under the A&R Plan, which vest in one to three equal annual installments, beginning one year from the date of grant. The grant-date fair value of RSUs is recognized as expense on a straight-line basis over the requisite service period, which is generally the vesting period. In the event of any issuance of a cash dividend on the shares of Common stock, the participant shall be credited with dividend equivalent RSUs, which are subject to the same vesting terms as the RSUs. For the thirty-nine thirteen weeks ended October 28, 2023 May 4, 2024 and October 29, 2022 April 29, 2023, the fair market value of RSUs was determined based on the market price of the Company's shares on the date of the grant.

The following table summarizes the RSU awards activity for the thirty-nine thirteen weeks ended October 28, 2023 May 4, 2024:

	Number of RSUs	Weighted Average Grant Date Fair Value
Unvested units outstanding at January 28, 2023	678,510	$ 11.78
Granted	88,673	$ 25.00
Vested	(267,864)	$ 12.97
Forfeited	(30,019)	$ 13.03
Unvested units outstanding at October 28, 2023	469,300	$ 13.57

	Number of RSUs	Weighted Average Grant Date Fair Value
Unvested units outstanding at February 3, 2024	458,299	$ 14.15
Granted	207,205	$ 32.55
Vested	(201,827)	$ 12.20
Unvested units outstanding at May 4, 2024	463,677	$ 23.22

As of October 28, 2023 May 4, 2024, there was $4.6 9.6 million of total unrecognized compensation expense related to unvested RSUs, which is expected to be recognized over a weighted-average service period of 2.4 2.3 years. The total fair value of RSUs vested during the thirty-nine thirteen weeks ended October 28, 2023 May 4, 2024 and October 29, 2022 April 29, 2023 was $3.5 2.5 million and $2.9 2.6 million, respectively.

Performance Stock Units

For the thirty-nine thirteen weeks ended October 28, 2023 May 4, 2024 and April 29, 2023, the Company Board granted PSUs, a portion of which are based on achieving an Adjusted adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") goal and the remaining portion is based on achieving an annualized absolute total shareholder return ("TSR") growth goal.

Each PSU award reflects a target number of shares ("Target Shares") that may be issued to the award recipient provided the employee continues to provide services to the Company through January 31, 2026 ("Fiscal Year 2025"). throughout the three year performance period of the award. For Adjusted EBITDA based PSUs, the number of units earned will be determined based on the achievement of the predetermined Adjusted EBITDA goals at the end of each performance period ending January 29, 2024, February 1, 2025 ("Fiscal Year 2024"), and Fiscal Year 2025, respectively, year, and for TSR based PSUs, the number of units earned will be determined based on the achievement of the predetermined TSR growth goal at the end of Fiscal Year 2025. a three-year performance period. The TSR is based on J Jill's J.Jill's 30-trading day average beginning and closing price of the three-year performance period, assuming the reinvestment of dividends. Depending on the performance results based on Adjusted EBITDA and TSR, the actual number of shares that a grant recipient receives at the end of the vesting period may range from 0% to 200% of the Target Shares granted. PSUs are converted into shares of common stock upon vesting, under the terms of the A&R Plan. In the event of any issuance of a cash dividend on the shares of Common stock, the participant shall be credited with dividend equivalent PSUs, a portion of which are based on an Adjusted EBITDA goal and the remaining portion is based on achieving an annualized TSR growth goal, each subject to the same vesting terms as the corresponding PSUs.

The fair value of the PSUs granted during the thirty-nine thirteen weeks ended October 28, 2023 May 4, 2024 for which the performance is based on an Adjusted EBITDA goal was determined based on the market price of the Company's shares on the date of the grant. Additionally, for those awards whose performance is based on a TSR growth goal, the fair value was estimated on the grant date using a Monte Carlo simulation with the below noted assumptions:

Monte Carlo Simulation Assumptions	
Risk Free Interest Rate	3.87 4.49 %
Expected Dividend Yield	—
Expected Volatility	74.98 47.58 %
Expected Term	2.84 2.83 years

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The Company recognizes equity-based compensation expense related to Adjusted EBITDA goal-based based PSUs based on the Company's estimate of the percentage of the award that will be achieved. The Company evaluates the estimate on these awards on a quarterly basis and adjusts equity-based compensation expense related to these awards, as appropriate. For the TSR goal-based based PSUs, the equity-based compensation expense is recognized on a straight-line basis over the three-year performance period based on the grant-date fair value of these PSUs.

The following table summarizes the PSU awards activity for the thirty-nine thirteen weeks ended October 28, 2023 May 4, 2024:

	Number of PSUs	Weighted Average Grant Date Fair Value
Unvested units outstanding at January 28, 2023	—	—
Granted	65,928	$ 30.50
Forfeited	(3,514)	$ 30.50
Unvested units outstanding at October 28, 2023	62,414	$ 30.50

	Number of PSUs	Weighted Average Grant Date Fair Value
Unvested units outstanding at February 3, 2024	62,414	$ 30.50
Granted	103,820	$ 40.33
Unvested units outstanding at May 4, 2024	166,234	$ 36.64

As of October 28, 2023 May 4, 2024, there was $1.6 5.4 million of total unrecognized compensation expense related to unvested PSUs, which is expected to be recognized over a weighted-average service period of 2.3 2.4 years.

Equity-based compensation expense for all award types of $0.9 1.3 million and $2.8 0.9 million was recorded in the Selling, general and administrative expenses in the consolidated statement of operations and comprehensive income for the thirteen and thirty-nine weeks ended October 28, 2023, respectively May 4, 2024 and $0.9 million and $2.6 million for the thirteen and thirty-nine weeks ended October 29, 2022 April 29, 2023, respectively.

10. Related Party Transactions

TowerBrook Capital Partners, LP ("TowerBrook") controls a majority of the voting power of our outstanding voting stock, and as a result we are a controlled company within the meaning of the New York Stock Exchange (the "NYSE") corporate governance standards.

On September 30, 2020, the The Company entered into was party to the Subordinated Credit Agreement, with a group of lenders that includes certain affiliates of TowerBrook and the Chairman of our board of directors. As of April 5, 2023, the Subordinated Credit Agreement Board, until it was repaid in full. Refer to Note 5. *Debt* for additional information full on repayment of the Subordinated Credit Agreement.

April 5, 2023. For the thirteen weeks ended October 28, 2023, the Company did not incur any Interest expense, net - related party associated with the Subordinated Credit Agreement. For the thirty-nine weeks ended October 28, 2023 April 29, 2023, the Company incurred $1.1 million of Interest expense net - related party associated with the Subordinated Credit Agreement in the condensed consolidated statement of operations and comprehensive income. For the thirteen and thirty-nine weeks ended October 29, 2022, the Company incurred $1.1 million and $2.8 million, respectively, of Interest expense, net - related party associated with the Subordinated Credit Agreement in the condensed consolidated statement statements of operations and comprehensive income.

For the thirteen weeks ended October 28, 2023 May 4, 2024 and April 29, 2023, the Company incurred an immaterial amount of other related party transactions.

11. Commitments and Contingencies

Legal Proceedings

The Company is subject to various legal proceedings that arise in the ordinary course of business. Although the outcome of such proceedings cannot be predicted with certainty, management does not believe that the Company is presently party to any legal proceedings the resolution of which management believes would have a material adverse effect on the Company's business, financial condition, operating results or cash flows. statements. The Company establishes reserves for specific legal matters, including legal costs, when the Company determines that the likelihood of an unfavorable outcome is probable, and the loss is reasonably estimable.

12. Subsequent Events

On May 10, 2024, the Company made a voluntary prepayment on the Term Loan Credit Agreement. See *Note 5. Debt* for additional information regarding the Company's ECF payment and the voluntary prepayment on the Term Loan Credit Agreement.

On May 14, 2024, the Board declared an initial quarterly cash dividend of $0.07 per share payable on June 12, 2024 to stockholders of record as of May 29, 2024. The Company intends to pay dividends quarterly in the future, subject to market conditions and the approval by the Board of any such dividends.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with our condensed consolidated financial statements and related notes thereto included elsewhere in this quarterly report on Form 10-Q (the "Quarterly Report"). The following discussion contains forward-looking statements that reflect our plans, estimates and assumptions. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause such differences are discussed in the sections of this Quarterly Report titled "Risk Factors" and "Special Note Regarding Forward-Looking Statements."

We operate on a 52- or 53-week fiscal year that ends on the Saturday that is closest to January 31. Each fiscal year generally is comprised of four 13-week fiscal quarters, although in the years with 53 weeks, the fourth quarter represents a 14-week period. The fiscal year ending February 1, 2025 ("Fiscal Year 2024") is comprised of 52 weeks and fiscal year ended February 3, 2024 ("Fiscal Year 2023") is was comprised of 53 weeks and fiscal year ended January 28, 2023 ("Fiscal Year 2022") is comprised of 52 weeks.

All references in this Quarterly Report to "J.Jill," "we," "our," "us," "the Company" or similar terms are to J.Jill, Inc. and its subsidiaries.

Overview

J.Jill is a national lifestyle brand that provides apparel, footwear and accessories designed to help its customers move through a full life with ease. The brand represents an easy, thoughtful and inspired style that celebrates the totality of all women and designs its products with its core brand ethos in mind: keep it simple and make it matter. J.Jill offers a high touch customer experience through over 200 stores nationwide and a robust ecommerce platform. J.Jill is headquartered outside Boston.

Factors Affecting Our Operating Results

Various factors are expected to continue to affect our results of operations going forward, including the following:

Overall Economic Trends. Consumer purchases of clothing and other merchandise generally decline during recessionary periods and other periods when disposable income is adversely affected, and consequently our results of operations may be affected by general economic conditions. For example, reduced consumer confidence, lower availability, inflationary pressures and higher cost of consumer credit may reduce demand for our merchandise and may limit our ability to increase or sustain prices. The growth rate of the market could be affected by macroeconomic conditions in the United States. States and abroad. Additionally, the occurrence or reoccurrence of any significant pandemic, regional conflicts, or other geopolitical disruptions could impact our sales and business operations.

Consumer Preferences and Fashion Trends. Our ability to maintain our appeal to existing customers and attract new customers depends on our ability to anticipate fashion trends. During periods in which we have successfully anticipated fashion trends, we have generally had more favorable results.

Competition. The retail industry is highly competitive and retailers compete based on a variety of factors, including design, quality, price and customer service. Levels of competition and the ability of our competitors to more accurately predict fashion trends and otherwise attract customers through competitive pricing or other factors may impact our results of operations.

Our Strategic Initiatives. Initiatives. The ongoing implementation of strategic initiatives will continue to have an impact on our results of operations. These initiatives include our ecommerce platform and our initiative to upgrade and enhance our information systems, including the upgrade of our order management system and the completion of the rollout of our new Point of Sale ("POS") systems. system. Although initiatives of this nature are designed to create growth in our business and continue improvement in our operating results, the timing of expenditures related to these initiatives, as well as the achievement of returns on our investments, may affect our results of operations in future periods.

Pricing and Changes in Our Merchandise Mix or Supply Chain Issues. Our product offering changes from period to period, as do the prices at which goods are sold and the margins we are able to earn from the sales of those goods. The levels at which we are able to price our merchandise are influenced by a variety of factors, including the quality of our products, cost of production, prices at which our competitors are selling similar products, sourcing and/or distributing product, and the willingness of our customers to pay for products.

***Potential Changes in Tax Laws and/or Regulations*.** Changes in tax laws in any of the multiple jurisdictions in which we operate, or adverse outcomes from tax audits that we may be subject to in any of the jurisdictions in which we operate, could adversely affect our business, financial condition and operating results. Additionally, any potential changes with respect to tax and trade policies, tariffs and government regulations affecting trade between the U.S. and other countries could adversely affect our business, as we source the majority of our merchandise from manufacturers located outside of the U.S.

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How We Assess the Performance of Our Business

In assessing the performance of our business, we consider a variety of financial and operating metrics, including financial measures calculated in accordance with U.S. generally accepted accounting principles ("GAAP") and non-GAAP financial measures, including the following: such as:

Net sales consist primarily of revenues, net of merchandise returns and discounts, generated from the sale of apparel and accessory merchandise through our retail stores ("Retail") and through our website and catalog orders ("Direct"). Net sales also include shipping and handling fees collected from customers, royalty revenues and marketing reimbursements related to our private label credit card agreement. Retail revenue is recognized at the time of sale and Direct revenue is recognized upon shipment of merchandise to the customer.

Net sales are impacted by the size of our active customer base, product assortment and availability, marketing and promotional activities and the spending habits of our customers. Net sales are also impacted by the migration of single-channel customers to omnichannel customers who, on average, spend three times more than single-channel customers.

Total company comparable sales include net sales generated from our retail stores that have been open for more than 52 weeks and from our Direct channel. This measure highlights the performance of existing stores open during the period, while excluding the impact of new store openings and closures. When a store in the total company comparable store base is temporarily closed for four or more days within a fiscal week, the store is excluded from the comparable store base; if it is temporarily closed for three or fewer days within a fiscal week, the store is included within the comparable store base. Certain of our competitors and other retailers may calculate total company comparable sales differently than we do. Our comparable sales are based on a 52-week period. The total company comparable sales calculation shifts the weeks in the current fiscal year, which follows a fiscal year containing the fifty-third week to align like-for-like. As a result, the reporting of our total company comparable sales may not be comparable to sales data made available by other companies.

Number of stores reflects all stores open at the end of a reporting period. In connection with opening new stores, we incur pre-opening costs. Pre-opening costs include expenses incurred prior to opening a new store and primarily consist of payroll, travel, training, marketing, initial opening supplies and costs of transporting initial inventory and fixtures to retail stores, as well as occupancy costs incurred from the time of possession of a store site to the opening of that store. In connection with closing stores, we incur store-closing costs. Store-closing costs primarily consist of lease termination penalties and costs of transporting inventory and fixtures to other store locations. These pre-opening and store-closing costs are included in selling, general and administrative expenses and are generally incurred and expensed within 30 days of opening a new store or closing a store.

Gross profit is equal to our net sales less costs of goods sold. Gross profit as a percentage of our net sales is referred to as gross margin.

Costs of goods sold ("COGS")includes consists of the direct costs of sold merchandise, which include customs, taxes, duties, commissions and inbound shipping costs, inventory shrinkage, and adjustments and reserves for excess, aged and obsolete inventory. COGS does not include distribution center costs and allocations of indirect costs, such as occupancy, depreciation, amortization, or labor and benefits. We review our inventory levels on an ongoing basis to identify slow-moving merchandise and use markdowns to liquidate these products. Changes in the assortment of our products may also impact our gross profit. The timing and level of markdowns are driven by customer acceptance of our merchandise. The Company's COGS, and consequently gross profit, may not be comparable to those of other retailers, as inclusion of certain costs vary across the industry.

The variability in COGS is due to raw materials, transportation and freight costs. These costs fluctuate based on certain factors beyond our control, including labor conditions, inbound transportation or freight costs, energy prices, currency fluctuations and commodity prices. We place orders with merchandise suppliers in U.S. dollars and, as a result, are not exposed to significant foreign currency exchange risk.

Selling, general and administrative ("SG&A") expenses include all operating costs not included in COGS. These expenses include consist primarily of all payroll and related expenses, occupancy costs, information systems costs and other operating expenses related to our stores and to our operations at our headquarters, including utilities, depreciation and amortization. These expenses also include consist of marketing expense, including catalog production and mailing costs, warehousing, distribution and outbound shipping costs, customer service operations, consulting and software services, professional services and other administrative costs. Additionally, our outbound shipping costs may fluctuate due to surcharges from shipping vendors based on demand for shipping services.

With the exception of store selling expenses, certain marketing expenses and incentive compensation, SG&A expenses generally do not vary proportionately with net sales. As a result, SG&A expenses as a percentage of net sales are usually higher in lower-volume periods and lower in higher-volume periods.

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Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") and Adjusted EBITDA Margin. Adjusted EBITDA represents net income plus net interest expense, depreciation and amortization, provision for income taxes, depreciation and amortization, interest expense, interest expense - related party, interest income, equity-based compensation expense, asset impairments, write-off of property and equipment, amortization of cloud-based software implementation costs, loss on debt refinancing, adjustments adjustment for exited retail stores, impairment of long-lived assets and other non-recurring items, expenses, primarily consisting of outside legal and professional fees retention expenses associated with certain non-recurring transactions and costs related to the COVID-19 pandemic. events. We present Adjusted EBITDA on a consolidated basis because management uses it as a supplemental measure in assessing our operating performance, and we believe that it is helpful to investors, securities analysts and other interested parties as a measure of our comparative operating performance from period to period. We also use Adjusted EBITDA as one of the primary methods for planning and forecasting overall expected performance of our business and for evaluating on a quarterly and annual basis actual results against such expectations. Further, we recognize Adjusted EBITDA as a commonly used measure in determining business value and as such, use it internally to report results. Adjusted EBITDA margin represents, for any period, Adjusted EBITDA as a percentage of net sales.

While we believe that Adjusted EBITDA is useful in evaluating our business, Adjusted EBITDA is a non-GAAP financial measure that has limitations as an analytical tool. Adjusted EBITDA should not be considered an alternative to, or substitute for, net income, which is calculated in accordance with GAAP. In addition, other companies, including companies in our industry, may calculate Adjusted EBITDA differently or not at all, which reduces the usefulness of Adjusted EBITDA as a tool for comparison. We recommend that you review the reconciliation of Adjusted EBITDA to net income, the most directly comparable GAAP financial measure, and the calculation of the resultant Adjusted EBITDA margin below and not rely solely on Adjusted EBITDA or any single financial measure to evaluate our business.

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Reconciliation of Net Income to Adjusted EBITDA and Calculation of Adjusted EBITDA Margin

The following table provides a reconciliation of net income to Adjusted EBITDA and the calculation of Adjusted EBITDA margin for the periods presented.

	For the Thirteen Weeks Ended		For the Thirty-Nine Weeks Ended		For the Thirteen Weeks Ended	
(in thousands)	October 28, 2023	October 29, 2022	October 28, 2023	October 29, 2022	May 4, 2024	April 29, 2023
Statements of Operations Data:						
Net income	$ 11,616	$ 8,919	$ 31,434	$ 41,139	$ 16,696	$ 4,596
Interest expense, net	5,794	$ 4,348	17,008	11,553		
Interest expense, net - related party	—	$ 1,092	1,074	2,823		
Add (Less):						
Depreciation and amortization					5,827	5,571
Income tax provision	4,717	$ 4,491	13,346	15,413	6,228	1,965
Depreciation and amortization	5,792	$ 6,406	16,854	19,450		
Interest expense					6,436	5,627
Interest expense - related party					—	1,074
Interest income					(988)	(570)
Adjustments:						
Equity-based compensation expense (a)	942	$ 897	2,757	2,615	1,254	878
Write-off of property and equipment (b)	19	$ 68	65	231	6	20
Loss on debt refinancing (c)	—	$ —	12,702	—		
Adjustment for exited retail stores (d)	(632)	$ —	(632)	(246)		
Impairment of long-lived assets (e)	21	$ 1,300	66	1,408		
Other non-recurring items (f)	—	$ 2	2	6		
Amortization of cloud-based software implementation costs (c)					221	55
Loss on debt refinancing (d)					—	12,702

Adjustment for exited retail stores (e)					(509)	—
Impairment of long-lived assets (f)					253	—
Other non-recurring items (g)					223	—
Adjusted EBITDA	$ 28,269	$ 27,523	$ 94,676	$ 94,392	$ 35,647	$ 31,918
Net sales	$ 150,125	$ 150,204	$ 455,214	$ 467,616	$ 161,513	$ 150,246
Adjusted EBITDA margin	18.8 %	18.3 %	20.8 %	20.2 %	22.1 %	21.2 %

(a) Represents expenses associated with equity incentive instruments granted to our management and board of directors. directors ("Board"). Incentive instruments are accounted for as equity-classified awards with the related compensation expense recognized based on fair value at tl date of the grant.

(b) Represents net gain or loss on the disposal of fixed assets.

(c) Represents amortization of capitalized implementation costs related to cloud-based software arrangements that are included within Selling, general and administrative expenses. Adjusted EBITDA for the thirteen weeks ended April 29, 2023 has been restated to include such adjustments to Net income.

(d) Represents loss on the repayment of Priming Term Loan Credit Agreement (the "Priming Credit Agreement") and the Subordinated Term Loan Credit Agreement (the "Subordinated Credit Agreement").

(d) (e) Represents non-cash gains associated with exiting store leases earlier than anticipated.

(e) (f) Represents impairment of long-lived assets related to leasehold improvements. improvements at certain store locations.

(f) (g) Represents items management believes are not indicative of ongoing operating performance, including legal and professional fees, retention expenses and costs related to the COVID-19 pandemic. fees.

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Results of Operations

Thirteen weeks ended October 28, 2023 May 4, 2024 Compared to Thirteen weeks ended October 29, 2022 April 29, 2023

The following table summarizes our consolidated results of operations for the periods indicated:

For the Thirteen Weeks Ended		Change from the Thirteen Weeks Ended October 29, 2022 to the Thirteen Weeks Ended October 28, 2023	For the Thirteen Weeks Ended	Change from the Thirteen Weeks Ended April 29, 2023 to the Thirteen Weeks Ended May 4, 2024
October 28, 2023	October 29, 2022			

(in thousands)	Dollars	% of Net Sales	Dollars	% of Net Sales	$ Change	% Change	May 4, 2024		April 29, 2023			
							Dollars	% of Net Sales	Dollars	% of Net Sales	$ Change	% Change
Net sales	$ 150,125	100.0 %	$ 150,204	100.0 %	$ (79)	(0.1)%	$ 161,513	100.0 %	$ 150,246	100.0 %	$ 11,267	7.5 %
Costs of goods sold	42,283	28.2 %	45,181	30.1 %	(2,898)	(6.4)%	43,776	27.1 %	41,880	27.9 %	1,896	4.5 %
Gross profit	107,842	71.8 %	105,023	69.9 %	2,819	2.7 %	117,737	72.9 %	108,366	72.1 %	9,371	8.6 %
Selling, general and administrative expenses	85,694	57.1 %	84,873	56.5 %	821	1.0 %	89,112	55.2 %	82,972	55.2 %	6,140	7.4 %
Impairment of long-lived assets	21	—	1,300	0.9 %	(1,279)	(98.4)%	253	0.2 %	—	—	253	100.0 %
Operating income	22,127	14.7 %	18,850	12.5 %	3,277	17.4 %	28,372	17.6 %	25,394	16.9 %	2,978	11.7 %
Interest expense, net	5,794	3.9 %	4,348	2.9 %	1,446	33.3 %						
Interest expense, net - related party	—	—	1,092	0.7 %	(1,092)	(100.0)%						
Loss on debt refinancing							—	0.0 %	12,702	8.5 %	(12,702)	(100.0)%
Interest expense							6,436	4.0 %	5,627	3.7 %	809	14.4 %
Interest expense - related party							—	0.0 %	1,074	0.7 %	(1,074)	(100.0)%
Interest income							988	0.6 %	570	0.4 %	418	73.3 %
Income before provision for income taxes	16,333	10.9 %	13,410	8.9 %	2,923	21.8 %	22,924	14.2 %	6,561	4.4 %	16,363	249.4 %
Income tax provision	4,717	3.1 %	4,491	3.0 %	226	5.0 %	6,228	3.9 %	1,965	1.3 %	4,263	216.9 %
Net income	$ 11,616	7.7 %	$ 8,919	5.9 %	$ 2,697	30.2 %	$ 16,696	10.3 %	$ 4,596	3.1 %	$ 12,100	263.3 %

Net Sales

Net sales for the thirteen weeks ended October 28, 2023 decreased $0.1 million May 4, 2024 increased $11.3 million, or 0.1% 7.5%, to $150.1 million $161.5 million from $150.2 million for the thirteen weeks ended October 29, 2022 April 29, 2023. At the end of those same periods, we operated 245 244 and 247 245 retail stores, respectively. The decrease increase in net sales was driven primarily by higher estimated returns offset by an increase in total company comparable sales due to the benefit of 1.9% approximately $7.0 million from the calendar shift for the thirteen weeks ended October 28, 2023 May 4, 2024 and total company comparable sales increase of 3.1% compared to the thirteen weeks ended April 29, 2023.

Our Retail channel contributed 54.7% 53.0% of our net sales in the thirteen weeks ended October 28, 2023 May 4, 2024 and 54.5% 54.7% in the thirteen weeks ended October 29, 2022 April 29, 2023. Our Direct channel contributed 45.3% 47.0% of our net sales in the thirteen weeks ended October 28, 2023 May 4, 2024 and 45.5% 45.3% in the thirteen weeks ended October 29, 2022 April 29, 2023.

Gross Profit and Costs of Goods Sold

Gross profit for the thirteen weeks ended October 28, 2023 May 4, 2024 increased $2.8 million $9.4 million, or 2.7% 8.6%, to $107.8 million $117.7 million from $105.0 million $108.4 million for the thirteen weeks ended October 29, 2022 April 29, 2023. The gross margin for the thirteen weeks ended October 28, 2023 May 4, 2024 was 71.8% 72.9% compared to 69.9% 72.1% for the thirteen weeks ended October 29, 2022 April 29, 2023. The increase in gross profit and gross margin for the thirteen weeks ended October 28, 2023 May 4, 2024 was primarily driven largely by favorability from freight, lower average product cost, the an increase in net sales of 7.5% and a stronger mix of sales at full price, selling and lower promotions, compared to the thirteen weeks ended October 29, 2022 April 29, 2023.

Selling, General and Administrative Expenses

SG&A expenses for the thirteen weeks ended October 28, 2023 May 4, 2024 increased $0.8 million $6.1 million, or 1.0% 7.4%, to $85.7 million $89.1 million from $84.9 million $83.0 million for the thirteen weeks ended October 29, 2022 April 29, 2023. The increase is was primarily driven primarily by a $2.5 million increase in marketing costs, mainly due to timing of catalog production and mailing costs, $1.6 million increase in compensation, benefits and management incentive expense, $0.8 million increase in Compensation professional fees and Benefits expense $0.6 million increase in shipping costs compared to the thirteen weeks ended October 29, 2022 April 29, 2023.

As a percentage of net sales, SG&A expenses were 57.1% for the thirteen weeks ended October 28, 2023 compared to 56.5% for the thirteen weeks ended October 29, 2022.

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Interest Expense, Net

Interest expense, net was $5.8 million and $5.4 million for the thirteen weeks ended October 28, 2023 and October 29, 2022, respectively. The increase was due to a higher interest rate offset by a lower principal balance for the thirteen weeks ended October 28, 2023. Interest expense, net, consists of interest expense on the Term Loan Facility and ABL Facility for the thirteen weeks ended October 28, 2023 and, on the Company's former term loan facility prior to repayment in full on May 8, 2022, Priming Credit Agreement, Subordinated Credit Agreement and ABL Facility for the thirteen weeks ended October 29, 2022, partially offset by interest earned on cash for the thirteen weeks ended October 28, 2023 and October 29, 2022.

Income Tax Provision

The income tax provision was $4.7 million for the thirteen weeks ended October 28, 2023 compared to $4.5 million for the thirteen weeks ended October 29, 2022, while our effective tax rates for the same periods were 28.9% and 33.5%, respectively. The effective tax rate during the thirteen weeks ended October 28, 2023 is lower primarily due to the impact of state and local income taxes, executive compensation limitations and non-deductible expenses.

Thirty-Nine weeks ended October 28, 2023 Compared to Thirty-Nine weeks ended October 29, 2022

The following table summarizes our consolidated results of operations for the periods indicated:

	For the Thirty-Nine Weeks Ended	Change from the Thirty-Nine Weeks Ended October 29, 2022 to

(in thousands)	October 28, 2023		October 29, 2022		the Thirty-Nine Weeks Ended October 28, 2023	
	Dollars	% of Net Sales	Dollars	% of Net Sales	$ Change	% Change
Net sales	$ 455,214	100.0%	$ 467,616	100.0%	$ (12,402)	(2.7)%
Costs of goods sold	128,423	28.2%	140,656	30.1%	(12,233)	(8.7)%
Gross profit	326,791	71.8%	326,960	69.9%	(169)	(0.1)%
Selling, general and administrative expenses	251,161	55.2%	254,624	54.5%	(3,463)	(1.4)%
Impairment of long-lived assets	66	0.0%	1,408	0.3%	(1,342)	(95.3)%
Operating income	75,564	16.6%	70,928	15.2%	4,636	6.5%
Loss on debt refinancing	12,702	2.8%	—	0.0%	12,702	100.0%
Interest expense, net	17,008	3.7%	11,553	2.5%	5,455	47.2%
Interest expense, net - related party	1,074	0.2%	2,823	0.6%	(1,749)	(62.0)%
Income before provision for income taxes	44,780	9.8%	56,552	12.1%	(11,772)	(20.8)%
Income tax provision	13,346	2.9%	15,413	3.3%	(2,067)	(13.4)%
Net income	$ 31,434	6.9%	$ 41,139	8.8%	$ (9,705)	(23.6)%

Net Sales

Net sales for the thirty-nine weeks ended October 28, 2023 decreased $12.4 million, or 2.7%, to $455.2 million from $467.6 million for the thirty-nine weeks ended October 29, 2022. At the end of those same periods, we operated 245 and 247 retail stores, respectively. The decrease in net sales was driven primarily by a decrease in total company comparable sales of 0.7% and higher estimated returns for the thirty-nine weeks ended October 28, 2023.

Our Retail channel contributed 55.0% of our net sales in the thirty-nine weeks ended October 28, 2023 and 54.1% in the thirty-nine weeks ended October 29, 2022. Our Direct channel contributed 45.0% of our net sales in the thirty-nine weeks ended October 28, 2023 and 45.9% in the thirty-nine weeks ended October 29, 2022.

Gross Profit and Costs of Goods Sold

Gross profit for the thirty-nine weeks ended October 28, 2023 decreased $0.2 million, or 0.1%, to $326.8 million from $327.0 million for the thirty-nine weeks ended October 29, 2022. The gross margin for the thirty-nine weeks ended October 28, 2023 was 71.8% compared to 69.9% for the thirty-nine weeks ended October 29, 2022. The increase in gross margin for the thirty-nine weeks ended October 28, 2023 was driven largely by lower freight costs compared to the thirty-nine weeks ended October 29, 2022.

Selling, General and Administrative Expenses

SG&A expenses for the thirty-nine weeks ended October 28, 2023 decreased $3.5 million, or 1.4%, to $251.2 million from $254.6 million for the thirty-nine weeks ended October 29, 2022. The decrease is driven by a $2.6 million decrease in depreciation and amortization expense and a $1.4 million decrease in compensation expense compared to the thirty-nine weeks ended October 29, 2022.

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As a percentage of net sales, SG&A expenses were 55.2% for the thirty-nine thirteen weeks ended October 28, 2023 compared May 4, 2024 and April 29, 2023.

Impairment of long-lived assets

For the thirteen weeks ended May 4, 2024, the Company recorded noncash impairment charges of $0.3 million related to 54.5% leasehold improvements at certain store locations. No impairment charges were recorded for the thirty-nine thirteen weeks ended October 29, 2022 April 29, 2023.

Loss on debt refinancing Debt Refinancing

During the thirty-nine thirteen weeks ended October 28, 2023 April 29, 2023, the Company recognized a loss on debt refinancing of $12.7 million related to entering into a Term term loan credit agreement (the "Term Loan Credit Agreement Agreement" and, such facility, the "Term Loan Facility") and the repayment of the Priming Credit Agreement and the Subordinated Credit Agreement, as discussed in the Liquidity and Capital Resources section below. Agreement. The Company did not incur any gain or loss on debt refinancing during the thirty-nine thirteen weeks ended October 29, 2022 May 4, 2024.

Interest Expense Net

Interest expense net was $18.1 million $6.4 million and $14.4 million $5.6 million for the thirty-nine thirteen weeks ended October 28, 2023 May 4, 2024 and October 29, 2022 April 29, 2023, respectively. The increase was due to a higher interest rate partially offset by a lower principal balance for the thirty-nine thirteen weeks ended October 28, 2023 May 4, 2024.

Interest expense net, during the thirty-nine weeks ended October 28, 2023 and October 29, 2022 consists of interest expense on the Term Loan Priming Credit Agreement and Subordinated asset-based revolving credit facility agreement (the "ABL Credit Agreement" and, such facility, the "ABL Facility") for the thirteen weeks ended May 4, 2024, and, on the Company's Term Loan Credit Agreement, Priming Credit Agreement prior to refinancing repayment in full on April 5, 2023, and ABL Facility partially offset by for the thirteen weeks ended April 29, 2023.

Interest Expense - Related Party

For the thirteen weeks ended April 29, 2023, the Company incurred $1.1 million of Interest expense - related party associated with the Subordinated Credit Agreement, until it was repaid in full on April 5, 2023. The Company did not incur any Interest expense - related party during the thirteen weeks ended May 4, 2024.

Interest Income

For the thirteen weeks ended May 4, 2024, the Company earned interest earned on cash. cash of $1.0 million, compared to $0.6 million for the thirteen weeks ended April 29, 2023.

Income Tax Provision

The income tax provision was $13.3 million $6.2 million for the thirty-nine thirteen weeks ended October 28, 2023 May 4, 2024 compared to $15.4 $2.0 million for the thirty-nine thirteen weeks ended October 29, 2022 April 29, 2023, while our effective tax rates for the same periods were 29.8% 27.2% and 27.3% 29.9%, respectively. The effective tax rate during the thirty-nine thirteen weeks ended October 28, 2023 May 4, 2024 is lower primarily due to the impact of state and local income taxes and executive compensation limitations and non-deductible expenses. limitations.

Liquidity and Capital Resources

General

Our primary sources of liquidity and capital resources are cash and cash equivalents generated from operating activities and availability under our ABL facility (governed by the "ABL Credit Agreement" and, such facility the "ABL Facility"), Facility, so long as certain conditions related to the maturity of the Term Loan Credit Agreement are met. As of October 28, 2023 May 4, 2024, we had $64.1 million $77.1 million in cash and $34.2

million $35.7 million of total availability under our ABL Facility. In addition, through our shelf registration statement on file with the SEC, depending on conditions prevailing in the public capital markets, we may from time to time issue equity securities in one or more series in one or more offerings.

On April 5, 2023, the Company entered into a Term Loan Credit Agreement (the "Term Loan Credit Agreement"). The Term Loan Credit Agreement provides for a secured term loan facility in an aggregate principal amount of $175.0 million with a maturity date of May 8, 2028. The proceeds of the Term Loan Credit Agreement, combined with a portion of the Company's existing cash on hand, were used to fully repay the Priming Credit Agreement and the Subordinated Credit Agreement. All security interests and liens incurred in connection with the Priming Credit Agreement and Subordinated Credit Agreement have been released.

The Term Loan Credit Agreement includes customary negative covenants, including covenants limiting the ability of the Borrower to, among other things, incur additional indebtedness, create liens on assets, make investments, loans or advances, engage in mergers, consolidations, sales of assets and purchases, pay dividends and distributions, enter into transactions with affiliates, and make payments in respect of junior indebtedness.

The Term Loan Credit Agreement also has certain customary representations and warranties (see *Note 5. Debt* to the condensed consolidated financial statements included in this Quarterly Report). As of October 28, 2023, the Company is in compliance with all covenants.

On May 10, 2023, the Company entered into Amendment No. 6 to the ABL Credit Agreement (the "ABL Amendment"). The ABL Amendment extended the maturity date of the ABL Credit Agreement from May 8, 2024 to May 10, 2028 (or 180 days prior to the maturity date of the Company's Term Loan Credit Agreement if the maturity date of such term loan has not been extended to a date that is at least 180 days after the maturity date of the ABL Credit Agreement). The other terms and conditions of the ABL Credit Facility remain substantially unchanged.

We believe our cash and cash equivalents balance, along with our future cash flows from operations, capacity for borrowings under the ABL Facility and access to credit and capital markets, provide sufficient liquidity to meet the needs of our business operations, make voluntary prepayments, pay dividends and to satisfy our projected cash requirements for the next 12 months and the foreseeable future.

Credit Facilities

The Company is party to a secured $175.0 million Term Loan Credit Agreement, with a maturity date of May 8, 2028.

On May 10, 2024, the Company made a voluntary principal prepayment on the Term Loan Credit Agreement of $58.2 million. Together with the required quarterly payment of $2.2 million that the Company made on April 26, 2024, the Company has repaid $60.4 million of debt under the Term Loan Credit Agreement in Fiscal Year 2024. In addition, the Company paid a $1.7 million premium, amounting to 3% on the aggregate principal amount being prepaid, and $0.8 million towards interest in accordance with the provisions of the Term Loan Credit Agreement. The voluntary prepayment was in lieu of the Excess Cash Flow payment of $26.6 million, which was rejected by the lenders as permitted under the provisions of the Term Loan Credit Agreement.

Following the May 10, 2024 prepayment discussed above, The Term Loan Facility is to be repaid in quarterly principal payments of $2.2 million from August 2, 2024 to January 31, 2025, and the balance of $101.5 million on the Term Loan Facility due upon maturity on May 8, 2028. See *Note 5. Debt* to the condensed consolidated financial statements included in this Quarterly Report for additional information.

There were no short-term borrowings outstanding under the Company's ABL Facility as of May 4, 2024 and February 3, 2024. At May 4, 2024 and February 3, 2024, the Company had outstanding letters of credit in the amount of $4.3 million and $5.8 million, respectively, and had a maximum additional borrowing capacity of $35.7 million and $34.2 million, respectively.

As of May 4, 2024, the Company is in compliance with all covenants.

Cash Flow Analysis

The following table shows our cash flows information for the periods presented:

(in thousands)	For the Thirty-Nine Weeks Ended		For the Thirteen Weeks Ended	
	October 28, 2023	October 29, 2022	May 4, 2024	April 29, 2023
Net cash provided by operating activities	$ 56,682	$ 66,720	$ 21,499	$ 7,859
Net cash used in investing activities	(10,760)	(5,173)	(2,312)	(2,925)
Net cash used in financing activities	(68,860)	(7,424)	(4,242)	(64,096)

Net Cash Provided cash provided by Operating Activities operating activities

Net cash provided by operating activities decreased increased by $10.0 million $13.6 million during the thirty-nine thirteen weeks ended October 28, 2023 May 4, 2024 compared to the thirty-nine thirteen weeks ended October 29, 2022 April 29, 2023. The decrease increase during the thirteen weeks ended May 4, 2024 was driven primarily by higher net income, and cash used by from working capital of $8.9 million $14.5 million. The decrease increase in net cash from working capital was driven primarily by lower changes in accrued expenses and other current liabilities of $22.5 million and higher payments for inventory $15.8 million, mainly consisting of $2.0 million management incentives of $4.1 million, offset by a change in accounts payable of $12.2 million due to the timing of payments relating to income taxes of $2.8 million, interest on debt of $2.6 million, payroll of $2.0 million, outbound shipping of $1.7 million and, sales returns reserve of $0.8 million, and other net expenses, as well as lower cash outflows of $3.3 million related to inventory. This increase in net cash from working capital was partially offset by timing of payments relating to accounts receivable of $3.0 million $4.8 million.

Net cash provided by operating activities during the thirty-nine thirteen weeks ended October 28, 2023 May 4, 2024 was $56.7 million $21.5 million. Key elements of cash provided by operating activities were (i) net income of $31.4 million $16.7 million, (ii) adjustments to reconcile net income to net cash provided by operating activities of $35.2 million $7.6 million, primarily driven by depreciation and amortization and equity-based compensation, and (iii) uses of cash totaling $2.8 million for net operating assets and liabilities.

Net cash provided by operating activities during the thirteen weeks ended April 29, 2023 was $7.9 million. Key elements of cash provided by operating activities were (i) net income of $4.6 million, (ii) adjustments to reconcile net income to net cash provided by operating activities of $20.6 million, primarily driven by loss on debt refinancing and depreciation and amortization, and (iii) uses of cash totaling $9.9 million $17.3 million for net operating assets and liabilities.

Net cash provided by operating used in investing activities during the thirty-nine weeks ended October 29, 2022 was $66.7 million. Key elements of cash provided by operating activities were (i) net income of $41.1 million, (ii) adjustments to reconcile net income to net cash provided by operating activities of $26.6 million, primarily driven by depreciation and amortization, and (iii) uses of cash totaling $1.0 million for net operating assets and liabilities to support increased sales, primarily driven by higher payments for merchandise inventory offset by higher accrued expenses and other current liabilities, including an $8.3 million federal income payment received from the IRS in error.

Net Cash Used in Investing Activities

Net cash used in investing activities during the thirty-nine thirteen weeks ended October 28, 2023 May 4, 2024 and October 29, 2022 April 29, 2023 was $10.8 million $2.3 million and $5.2 million $2.9 million, respectively, representing purchases of property and equipment related investments in stores and software and technology-related investments, including the new POS system. technology related investments.

Net Cash Used cash used in Financing Activities financing activities

Net cash used in financing activities was $68.9 million $4.2 million for the thirty-nine thirteen weeks ended October 28, 2023 May 4, 2024 compared to $7.4 million $64.1 million for the thirty-nine thirteen weeks ended October 29, 2022 April 29, 2023. The change cash used in financing activities for the thirteen weeks ended April 29, 2023 was higher primarily driven by due to the repayment of the previously existing Priming and Subordinated Credit Agreements for the thirty-nine weeks ended October 28, 2023 offset by the proceeds from the issuance of the Term Loan. Loan Credit Agreement.

Dividends

The Company did not pay any dividends during the thirteen weeks ended May 4, 2024 and April 29, 2023, respectively.

Subsequently, on May 14, 2024, the Board declared an initial quarterly cash dividend of $0.07 per share, payable on June 12, 2024 to stockholders of record as of May 29, 2024. The Company intends to pay dividends quarterly in the future subject to market conditions and the approval by the Board of any such dividends.

The payment of cash dividends in the future, if any, will be at the discretion of our board of directors Board and will depend upon such factors as earnings levels, capital requirements, restrictions imposed by applicable law, our overall financial condition, restrictions in our debt agreements and any other factors deemed relevant by our board of directors. Board. As a holding company, our ability to pay dividends depends on our receipt of cash dividends from our operating subsidiaries, which may further restrict our ability to pay dividends as a result of restrictions on their ability to pay dividends to us, under our debt agreements and under future indebtedness that we or they may incur.

Credit Facilities

There were no short-term borrowings outstanding under the Company's ABL Facility as of October 28, 2023 and January 28, 2023. At October 28, 2023 and January 28, 2023, the Company had outstanding letters of credit in the amount of $5.8 million and $7.0 million, respectively, and had a maximum additional borrowing capacity of $34.2 million and $30.0 million, respectively.

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Contractual Obligations

The Company's contractual obligations consist primarily of debt obligations, interest payments, operating leases and purchase orders for merchandise inventory. These contractual obligations impact the Company's short-term and long-term liquidity and capital resource needs.

Contingencies

We are subject to various legal proceedings that arise in the ordinary course of business. Although the outcome of such proceedings cannot be predicted with certainty, management does not believe that we are presently party to any legal proceedings the resolution of which management believes would have a material adverse effect on our business, financial condition, operating results or cash flows. We establish reserves for specific legal matters, including legal costs, when we determine that the likelihood of an unfavorable outcome is probable and the loss is reasonably estimable.

Off-Balance Sheet Arrangements

We are not a party to any off-balance sheet arrangements.

Critical Accounting Policies and Significant Estimates

The most significant accounting estimates involve a high degree of judgment or complexity. Management believes the estimates and judgments most critical to the preparation of our condensed consolidated financial statements and to the understanding of our reported financial results include those made in connection with revenue recognition, including accounting for gift card breakage and estimated merchandise returns; estimating the value of inventory; impairment assessments for goodwill and other indefinite-lived intangible assets, and long-lived assets. Management evaluates its policies and assumptions on an ongoing basis.

Our significant accounting policies related to these accounts in the preparation of our condensed consolidated financial statements are described under the heading "Management Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Policies and Significant Estimates" in our Annual Report on Form 10-K for the fiscal year ended January 28, 2023 February 3, 2024 (the "2022 "2023 Annual Report"). As of the date of this filing, there were no significant changes to any of the critical accounting policies and estimates previously described in our 2022 2023 Annual Report. See *Note 2. Summary of Significant Accounting Policies* to the condensed consolidated financial statements included in this Quarterly Report for additional information regarding changes in our estimates.

Special Note Regarding Forward-Looking Statements

This Quarterly Report contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are generally identified by the use of forward-looking terminology, including the terms "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "target," "will," "would" and, in each case, their negative or other various or comparable terminology. All statements other than statements of historical facts contained in this Quarterly Report, including statements regarding our strategy, future operations, future financial position, future revenue, projected costs, prospects, plans, objectives of management and expected market growth are forward-looking statements.

These forward-looking statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. All written and oral forward-looking statements made in connection with this Quarterly Report that are attributable to us or persons acting on our behalf are expressly qualified in their entirety by the Risk Factors set forth in our 2022 2023 Annual Report and other cautionary statements included therein and herein.

These forward-looking statements reflect our views with respect to future events as of the date of this Quarterly Report and are based on assumptions and subject to risks and uncertainties. Given these uncertainties, you should not place undue reliance on these forward-looking statements. These forward-looking statements represent our estimates and assumptions only as of the date of this Quarterly Report and, except as required by law, we undertake no obligation to update or review publicly any forward-looking statements, whether as a result of new information, future events or otherwise after the date of this Quarterly Report. We anticipate that subsequent events and developments will cause our views to change. We qualify all of our forward-looking statements by these cautionary statements.

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Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market Risk

There have been no material changes in our exposure to market risk during the third first quarter of Fiscal Year 2023. 2024. For a discussion of the Company's exposure to market risk, refer to Part II, Item 7A, "Quantitative and Qualitative Disclosures About Market Risk," contained in the Company's 2022 2023 Annual Report.

Subsequent to May 4, 2024, on May 14, 2024, the Board declared an initial quarterly cash dividend of $0.07 per share, payable on June 12, 2024 to stockholders of record as of May 29, 2024. The Company intends to pay dividends quarterly in the future, subject to market conditions and the approval by the Board of any such dividends.

Item 4. Controls and Procedures

The Company's management, including its Chief Executive Officer and Chief Financial and Operating Officer, have conducted an evaluation of the effectiveness of disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended), as of the end of the period covered by this Quarterly Report. Based on that evaluation, the Chief Executive Officer and Chief Financial and Operating Officer concluded as of October 28, 2023 May 4, 2024, that the disclosure controls and procedures are effective in ensuring that all material information required to be filed in this Quarterly Report has been recorded, processed, summarized and reported when required and the information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial and Operating Officer, as appropriate, to allow timely decisions regarding required disclosure.

There have not been any changes in the Company's internal control over financial reporting that occurred during the third first quarter of Fiscal Year 2023 2024 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

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PART II—OTHER INFORMATION

Item 1. Legal Proceedings

For information regarding legal proceedings as of October 28, 2023 May 4, 2024, refer to *Note 11. Commitments and Contingencies* to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report.

Item 1A. Risk Factors

Factors that could cause our actual results to differ materially from those in this report are described under the heading "Risk Factors" in our 2022 2023 Annual Report. Any of these factors could result in a significant or material adverse effect on our results of operations or financial condition. As of the date of this Quarterly Report, there have been no material changes to the risk factors previously disclosed in our 2022 2023 Annual Report. However, additional risk factors not presently known to us or that we currently deem immaterial may also impair our business or results of operations and we may disclose changes to such factors or disclose additional factors from time to time in our future filings with the Securities and Exchange Commission.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None. On April 8, 2024, J.Jill's Chief Executive Officer and President and Director, Claire Spofford, entered into a Rule 10b5-1 trading plan ("Ms. Spofford's Plan") having conditions that, if satisfied, could lead to her sale of up to 46,981 shares of J.Jill common stock, subject to volume and pricing limits. Ms. Spofford's Plan will commence on July 9, 2024 and will cease upon the earlier of July 31, 2024 or the date all 46,981 shares of common stock included in Ms. Spofford's Plan have been sold. Ms. Spofford's Plan is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c)(1) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

On April 2, 2024, J.Jill's Executive Vice President, Chief Financial and Operating Officer, Mark Webb, entered into a Rule 10b5-1 trading plan ("Mr. Webb's Plan") having conditions that, if satisfied, could lead to his sale of up to 16,180 shares of J.Jill common stock, subject to volume and pricing limits. Mr. Webb's Plan will commence on July 8, 2024 and will cease upon the earlier of December 5, 2024 or the date all 16,180 shares of common stock included in Mr. Webb's Plan have been sold. Mr. Webb's Plan is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c)(1) promulgated under the Exchange Act.

Item 6. Exhibits

The exhibits listed on the Exhibit Index are filed or furnished as part of this Quarterly Report.

Exhibit Index

Exhibit Number	Description
3.1	Certificate of Incorporation of J.Jill, Inc. (incorporated by reference from Exhibit 3.1 to the Company's Form 10-K, filed on April 28, 2017 (File No. 0001-38026))
3.2	Certificate of Amendment to the Certificate of Incorporation of J.Jill, Inc. (incorporated by reference from Exhibit 3.1 to the Company's Form 8-K, filed on November 9, 2020 (File No. 001-38026)).
3.3	Bylaws of J.Jill, Inc. (incorporated by reference from Exhibit 3.2 to the Company's 10-K, filed on April 28, 2017 (File No. 001-38026)).

31.1 31.1*	Certification of Principal Executive Officer required by Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2 31.2*	Certification of Principal Financial Officer required by Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1 32.1*	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.2 32.2*	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

101.INS	Inline XBRL Instance Document (the Instance Document instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation with Embedded Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document Documents
104	Cover Page Interactive Data File (formatted formatted as inline XBRL and contained in Exhibits 101) 101

† Management contract or compensatory plan or arrangement. * Filed herewith.

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SIGNATURES

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

J.Jill, Inc.

Date: December 5, 2023 June 7, 2024

By: /s/ Claire Spofford

Claire Spofford

Chief Executive Officer, President and Director

Date: December 5, 2023 June 7, 2024

By: /s/ Mark Webb

Mark Webb

Executive Vice President, Chief Financial and Operating Officer

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Exhibit 10.1

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November 1, 2023

Claire Spofford

Dear Claire:

We are amending your Employment Agreement dated October 3, 2020 (the "Agreement"). These changes will take effect on February 15, 2024 (the "Effective Date"). Capitalized terms used in this letter (the "Amendment") shall have the meanings given to them in the Agreement.

Section 3(c) Compensation is hereby deleted in its entirety and replaced with the following:

(c) *Benefits and Perquisites*. Executive shall be entitled to participate in the employee benefit plans and programs of the J.Jill Companies in accordance with the terms of such plans and programs and shall be entitled to the same perquisites as are made available to other senior executive employees of the J.Jill Companies. In addition, Executive will receive a housing stipend in the amount of Ninety Thousand Dollars ($90,000) per year for the first three (3) years of Executive's employment. The three-year period shall be measured from Executive's Start Date. Executive shall receive the yearly housing stipend in installments of Seven Thousand Five Hundred Dollars ($7,500), payable monthly in advance. After such three-year period, Executive will receive a housing stipend in an amount not to exceed One Hundred Fifty Thousand Dollars ($150,000) for the next one (1) year of Executive's employment and a housing stipend in an amount not to exceed One Hundred Seventy Thousand Dollars ($170,000) for the following (1) year of Executive's employment. This two-year period will begin February 15, 2024 and end February 14, 2026 during which time Executive shall receive the yearly housing stipend in installments of Seven Thousand One Hundred Dollars ($7,100) after taxes, payable monthly in advance. In addition, during the Term, Executive shall be entitled to reimbursement for expenses reasonably incurred in connection with an annual physical with a provider of Executive's choice, and up to Twenty Five Thousand Dollars ($25,000) of professional fees incurred in connection with income tax planning and return preparation per year.

This Amendment shall be governed in all respects by, and construed in accordance with, the laws of the State of Delaware. The Parties hereby consent to the exclusive and sole jurisdiction and venue of the state and federal courts located in Delaware for the litigation of disputes not subject to arbitration and waive any claims of improper venue, lack of personal jurisdiction or lack of subject matter jurisdiction as to any such disputes.

By signing below, you are indicating that you agree with the terms of this Amendment and choose to accept this offer.

Sincerely,

Date: November 1, 2023 By: /s/ Kathleen Stevens

Kathleen Stevens

Vice President General Counsel and Secretary

ACCEPTANCE:

I have read this letter and agree with the terms and conditions of my employment as set forth above.

Date: November 1, 2023 By: /s/ Claire Spofford

Claire Spofford

Chief Executive Officer, President and Director

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS AMENDED, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Claire Spofford, certify that:

1. I have reviewed this Quarterly Report of J.Jill, Inc. (the "Company") on Form 10-Q for the period ended October 28, 2023 May 4, 2024;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Securities Exchange Act Rules 13a-15(f) 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervisic ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recer fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to mate affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonat likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal con over financial reporting.

Date: December 5, 2023 June 7, 2024

By: /s/ Claire Spofford

Claire Spofford

Chief Executive Officer, President and Director

Exhibit 31.2

CERTIFICATION PURSUANT TO

RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,

AS AMENDED, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Mark Webb, certify that:

1. I have reviewed this Quarterly Report of J.Jill, Inc. (the "Company") on Form 10-Q for the period ended October 28, 2023 May 4, 2024;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Securities Exchange Act Rules 13a-15(f) 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervisic ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recer fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to mate affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to tl registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonal likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal con over financial reporting.

Date: December 5, 2023 June 7, 2024

By: /s/ Mark Webb

Mark Webb

Executive Vice President, Chief Financial and Operating Officer

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Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of J.Jill, Inc. (the "Company") on Form 10-Q for the period ended October 28, 2023 May 4, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Comp

Date: December 5, 2023 June 7, 2024

By: /s/ Claire Spofford

Claire Spofford

Chief Executive Officer, President and Director

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of J.Jill, Inc. (the "Company") on Form 10-Q for the period ended October 28, 2023 May 4, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Comp

Date: December 5, 2023 June 7, 2024	By:	/s/ Mark Webb
		Mark Webb
		Executive Vice President, Chief Financial and Operating Officer

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.