J.JILL

# Investor PRESENTATION

2017



# Disclosure

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This presentation contains, and oral statements made by representatives of J.Jill, Inc. (the "Company") in connection with this presentation may contain, forward-looking statements that are based on current expectations, forecasts and projections, including (but not limited to) capital market conditions, expected financial results and other planned events. Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by which, such performance or results will be achieved. Forward-looking information is based on information available at the time and/or management's good faith belief with respect to future events, and is subject to risks and uncertainties, some or all of which are not predictable or within the control of the Company, that could cause actual performance or results to differ materially from those expressed in the statements.

Forward-looking statements speak only as of the date the statements are made. The Company assumes no obligation to update forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information. If the Company does update one or more forward-looking statements, no inference should be drawn that the Company will make additional updates with respect thereto or with respect to other forward-looking statements. Factors that could cause results to differ include those set forth in the section captioned "Risk Factors" in the prospectus for the offering to which this presentation relates.

Our audited consolidated financial statements for the fiscal year ended January 28, 2017 ("fiscal year 2016") are not yet available. We have presented preliminary estimated ranges of certain of our financial results below for fiscal year 2016, based on information currently available to management. We have used the mid-point of these preliminary estimated ranges in this presentation for certain financial results for fiscal year 2016, primarily because our financial closing procedures for the three months and year ended January 28, 2017 are not yet complete. As a result, our actual results may vary materially from the estimated preliminary results included herein and will not be publicly available until after the closing of this offering. Accordingly, you should not place undue reliance on these estimates.

This presentation includes certain non-GAAP financial measures, including Adjusted EBITDA and Adjusted EBITDA Margin. Non-GAAP financial measures such as Adjusted EBITDA and Adjusted EBITDA Margin should be considered only as supplemental to, and not as superior to, financial measures prepared in accordance with GAAP. Other companies may use similarly titled non-GAAP financial measures that are calculated differently from the way we calculate such measures. Accordingly, our non-GAAP financial measures may not be comparable to similar measures used by other companies. We caution investors not to place undue reliance on such non-GAAP measures, but instead to consider them with the most directly comparable GAAP measure. Non-GAAP financial measures have limitations as analytical tools, and should not be considered in isolation, or as a substitute for our results as reported under GAAP. A reconciliation of non-GAAP measures to the most directly comparable financial measure prepared in accordance with GAAP is included in the Appendix hereto.

The Company has filed a registration statement (including a prospectus) with the SEC for the offering to which this presentation relates. Before you invest, you should read the prospectus in that registration statement and the other documents the Company has filed with the SEC for more complete information about the Company and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the Company or any underwriter or dealer participating in this offering will arrange to send you the prospectus if you request it by contacting BofA Merrill Lynch, 200 North College Street, 3rd Floor, Charlotte, NC 28255-0001, Attention: Prospectus Department; Morgan Stanley & Co. LLC, Attention: Prospectus Department, 180 Varick Street, 2nd Floor, New York, NY 10014; or Jefferies LLC, Attention: Prospectus Department, 520 Madison Avenue, 2nd Floor, New York, NY, 10022, via telephone: 877-547-6340, or via email: Prospectus_Department@Jefferies.com.

J.JILL

# WE ARE J.JILL



# We Have a Highly Compelling Growth Story

**Proven, Profitable Omni-Channel Model That Positions Us for Share Gains and Margin Increases**

**Data-Centric Approach That Guides Our Success**

**Strong Relationship With Our Affluent, Highly Loyal Customers**

**Distinct, Well-Recognized Brand That Resonates With Our Customers**

**Aligned, Customer-Focused Product Strategy Driving Superior Margins**

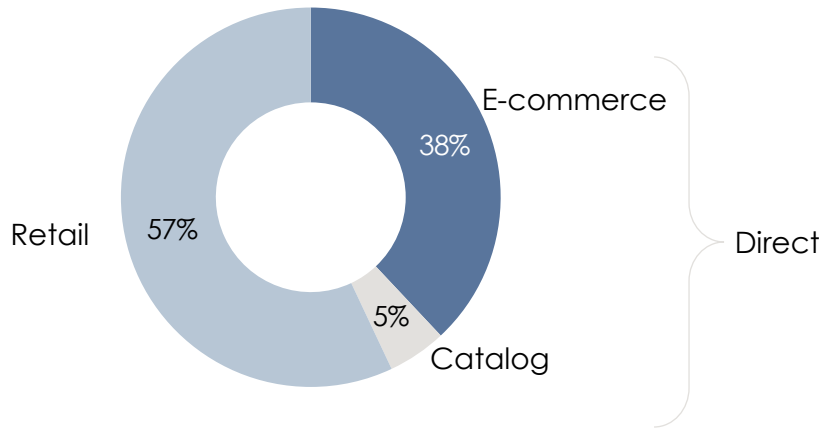
**Continued Momentum, Outperforming the Sector**

**Clear, Sustainable Growth Strategies**

**Team, Culture and Investments to Deliver Consistent, Profitable Growth**

## Profitable Omni-Channel Model

*(Net Sales by Channel [1])*




## FY2016E Financials

| | |
|---|---|
| Net Sales[2] | $639M |
| Comparable Sales[2][3] | 11.2% |
| # Stores[1] | 275 |
| Adjusted EBITDA[2][4] | $105M |
| *% Margin* | *16.5%* |

(1) Represents the fiscal year ended January 28, 2017
(2) Fiscal year ended January 28, 2017. Represents midpoint of range of preliminary estimate of financial results
(3) Represents net sales from our full-price stores, open for more than 52 weeks, and our direct channel
(4) Represents net income (loss) plus interest expense, provision (benefit) for income taxes, depreciation and amortization, the amortization of the step-up in fair value of merchandise inventory resulting from the application of a purchase accounting adjustment related to the Acquisition, certain Acquisition-related expenses, sponsor fees, equity-based compensation expense, write-off of property and equipment and other non-recurring expenses, primarily consisting of outside legal and professional fees associated with certain non-recurring transactions and events. Please refer to the reconciliation in the appendix

# We Have a Rich Heritage in Direct

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**1959** — J.Jill is founded as a catalog business

**1993** — J.Jill becomes a public company

**1999** — J.Jill becomes a multichannel retailer with the launch of its E-commerce website and the opening of its first retail stores

**2006** — Talbots acquires J.Jill

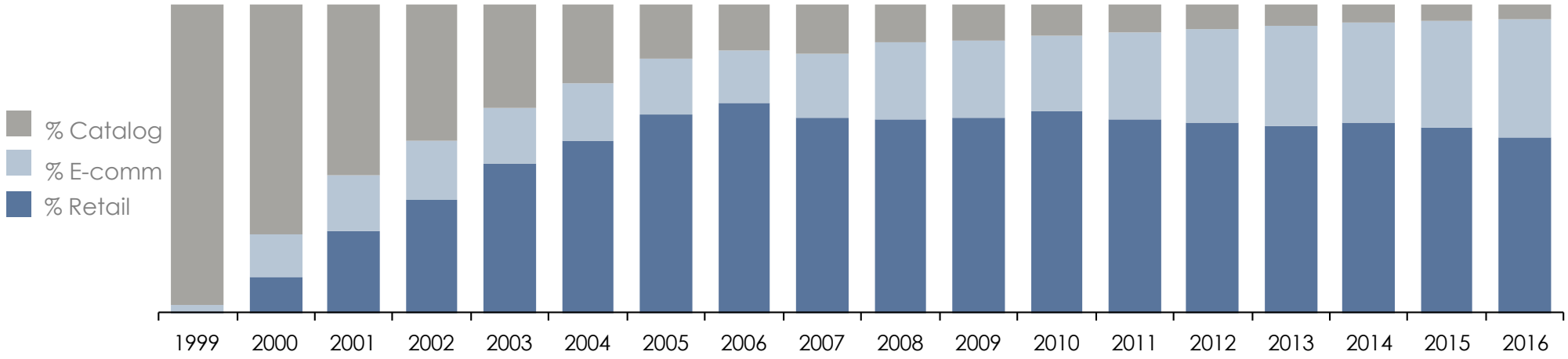
**2008** — Paula Bennett joins J.Jill and identifies brand and business initiatives to drive consistent profitable growth

**2009** — Shift to private equity ownership

**2011** — Focus on brand, customer, product and channel propels J.Jill to industry leading results

**2014** — Increased emphasis on growing size and value of the customer base and accelerating E-commerce

**2015** — TowerBrook acquires J.Jill

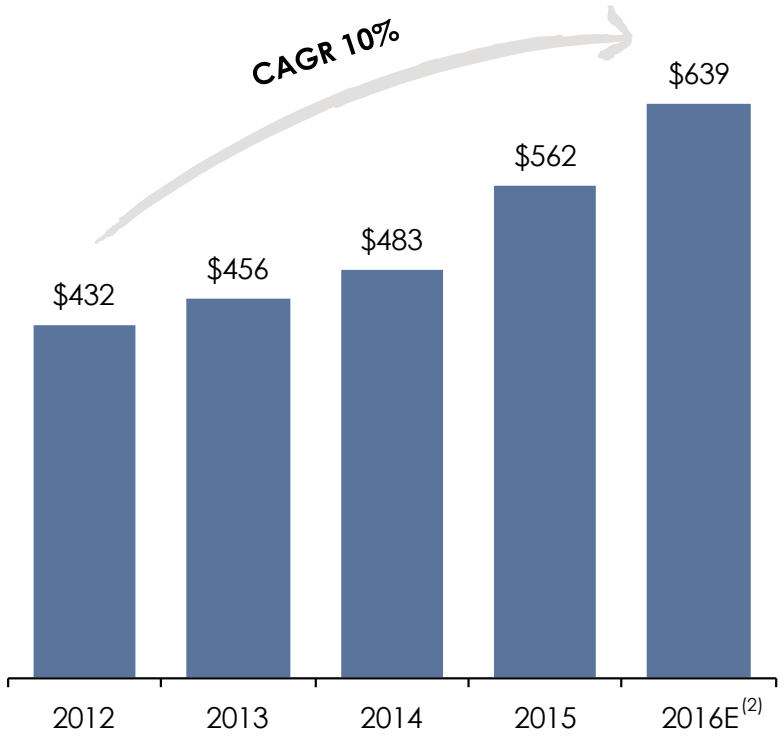



Note: Chart represents % composition of net sales through catalog, E-commerce and retail

# We Drive Superior Financial Results

## Net Sales

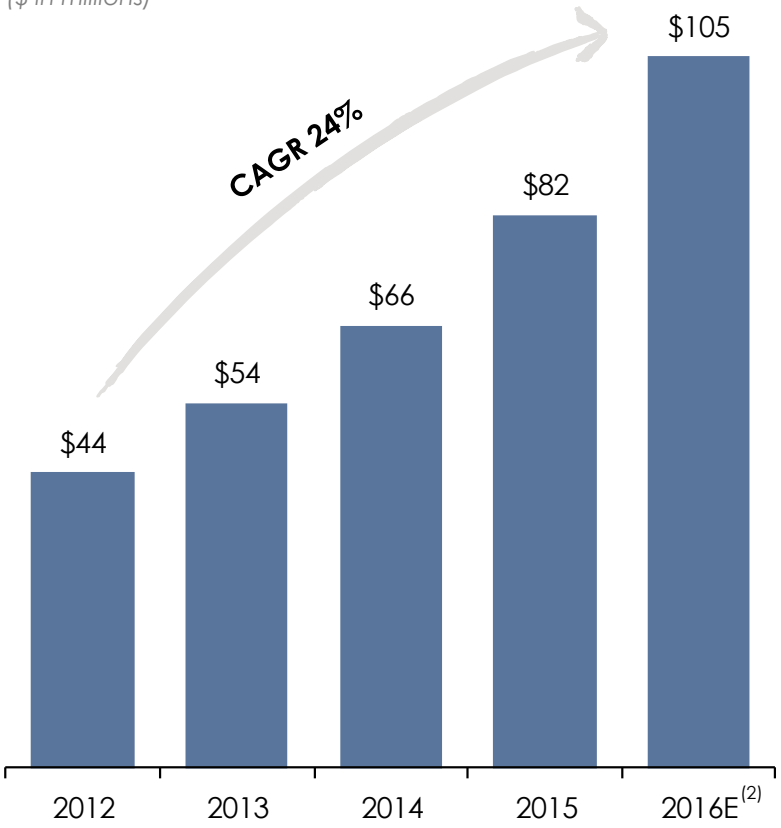
*($ in millions)*




| | 2012 | 2013 | 2014 | 2015 | 2016E[2] |
|---|---|---|---|---|---|
| Total Comp. Sales | 14.5% | 4.6% | 5.4% | 12.4% | 11.2% |

## Adjusted EBITDA (1)

*($ in millions)*

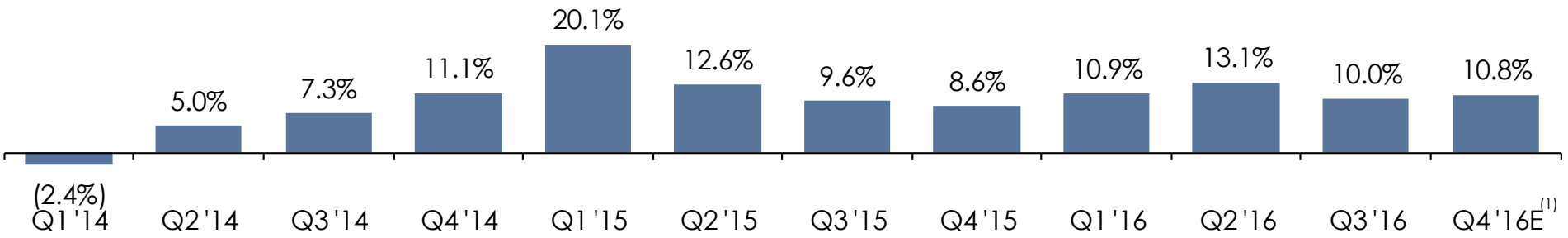



| | 2012 | 2013 | 2014 | 2015 | 2016E[2] |
|---|---|---|---|---|---|
| Margin[3] | 10.2% | 11.9% | 13.6% | 14.6% | 16.5% |

(1) Please refer to the Adjusted EBITDA reconciliation in the appendix
(2) Represents midpoint of range of preliminary estimate of financial results
(3) Represents, for any period, Adjusted EBITDA as a percentage of net sales

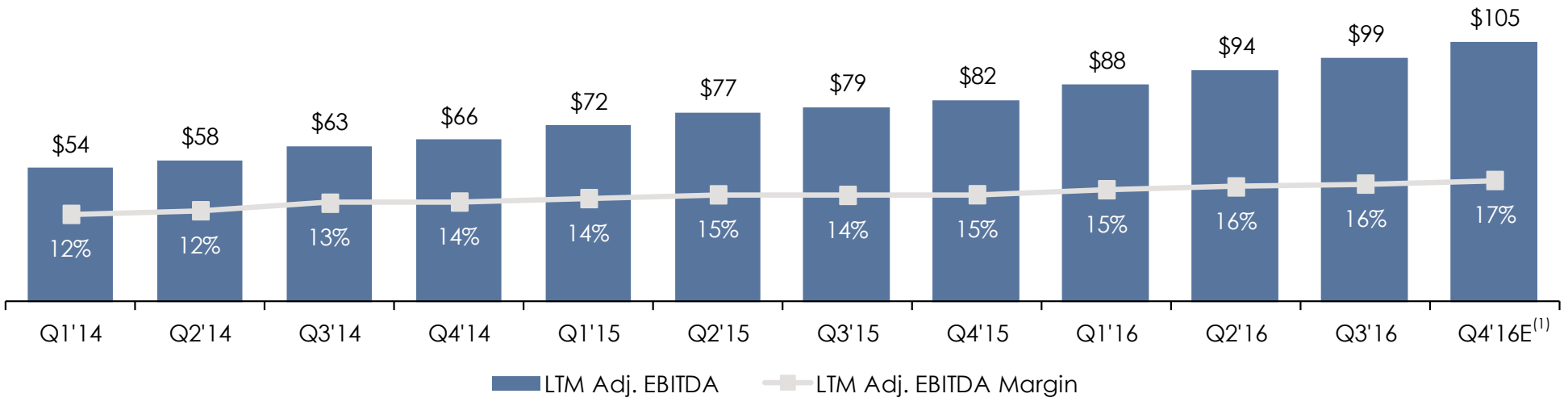
# We Deliver Consistent Profitable Growth

## 18 of 20 Consecutive Quarters of Total Company Comparable Sales Growth




## 20 Consecutive Quarters of Adjusted EBITDA Growth

*($ in millions)*




(1) Represents midpoint of range of preliminary estimate of financial results

# We Are Just Getting Started

## Clear, Sustainable Growth Strategies

**Grow Size and Value of Our Active Customer Base**

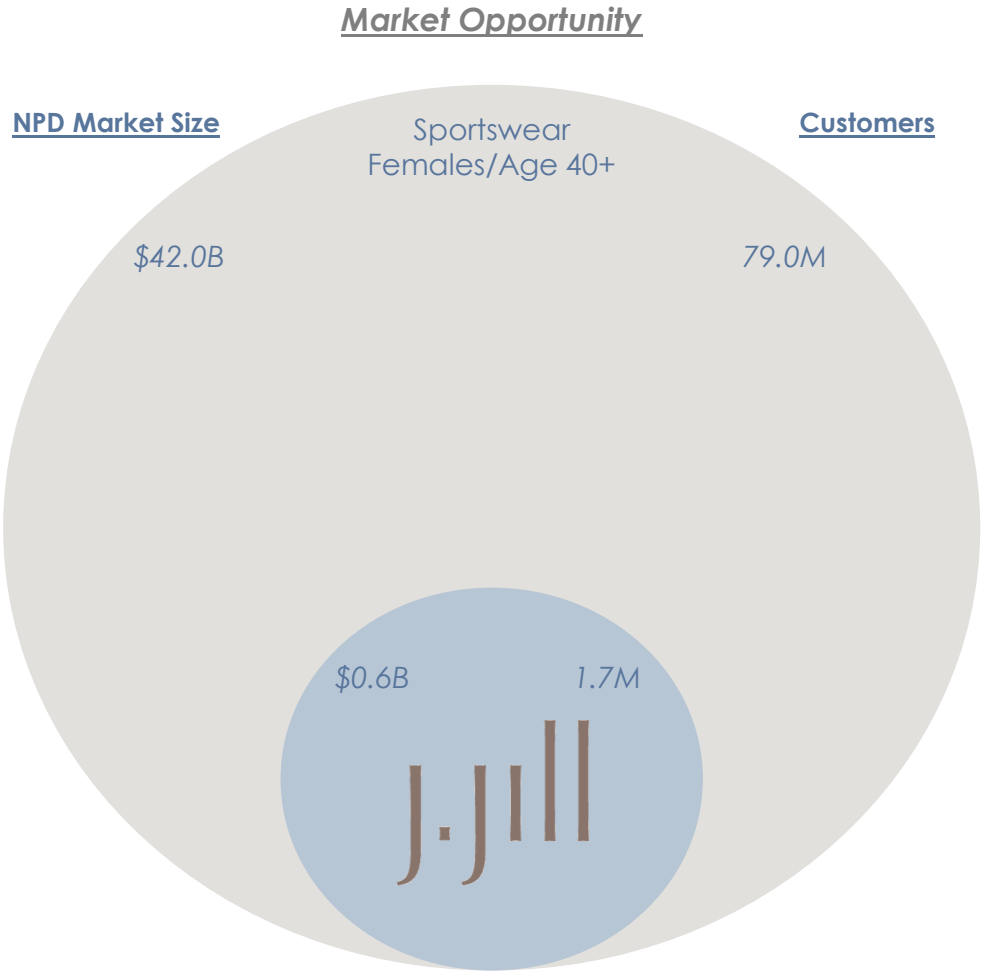
**Increase Direct Sales**

**Strengthen Omni-Channel Capabilities**

**Profitably Expand Our Store Base**

**Enhance Product Assortment**

## Significant Whitespace Opportunity




***We Have Less Than 2% of Market Share***

Source: NPD, US Census data, publicly reported sales



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# WE ARE DIFFERENT

# Why We Are Different

**Proven, Profitable Omni-Channel Model That Positions Us for Share Gains and Margin Increases**

**Data-Centric Approach That Guides Our Success**

**Strong Relationship With Our Affluent, Highly Loyal Customers**

**Distinct, Well-Recognized Brand That Resonates With Our Customers**

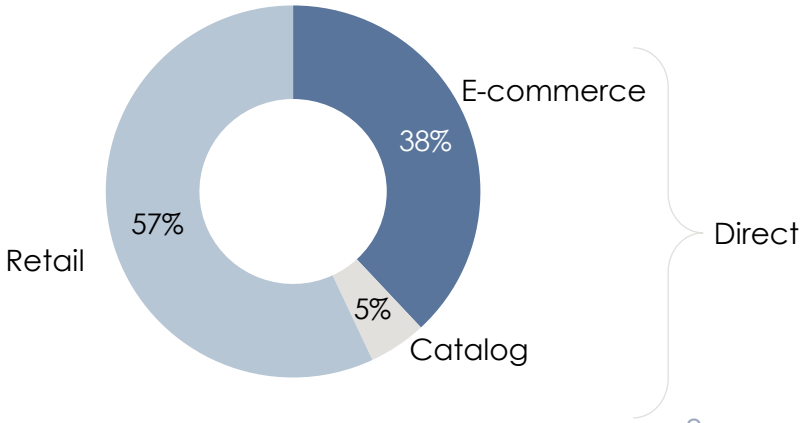
**Aligned, Customer-Focused Product Strategy Driving Superior Margins**

**Team, Culture and Investments to Deliver Consistent, Profitable Growth**



## Profitable Omni-Channel Model

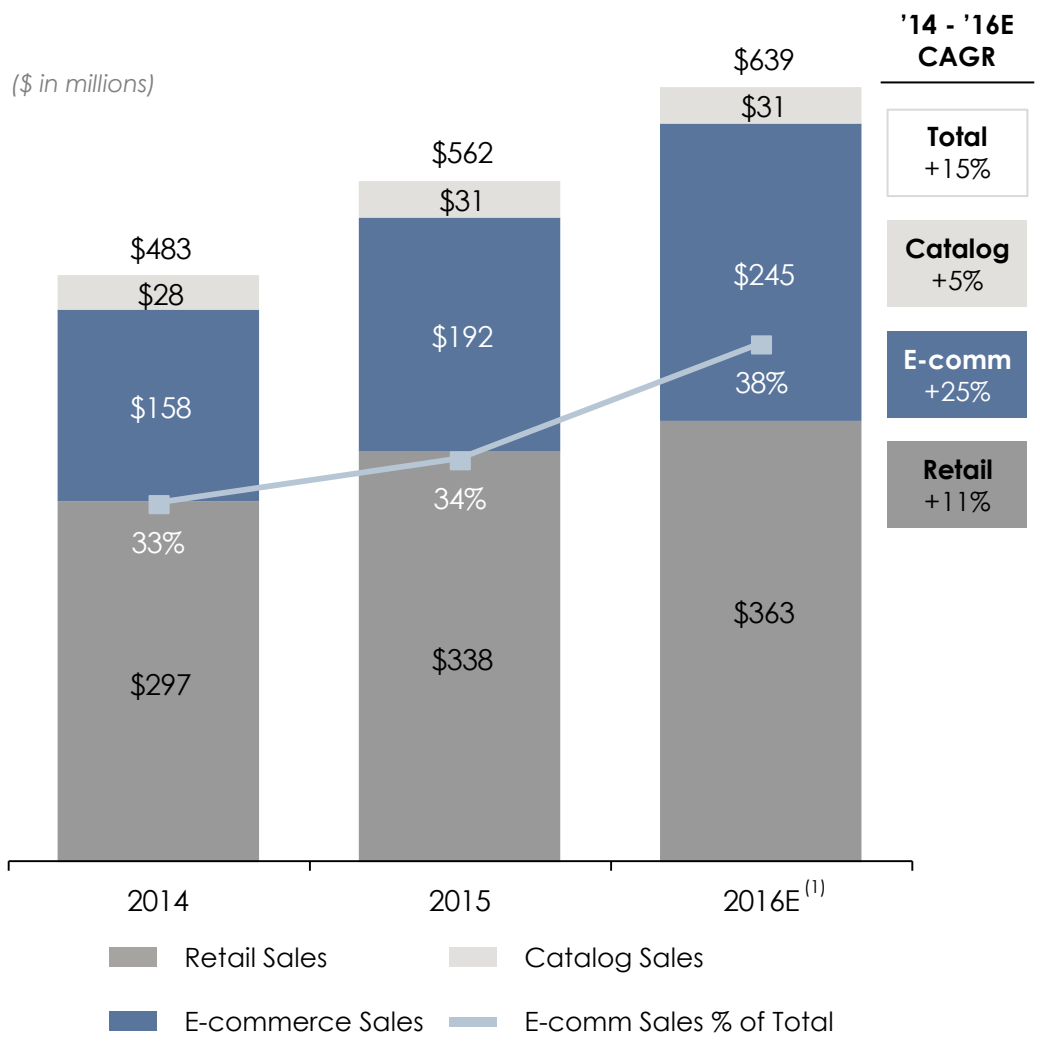
*(Net Sales by Channel [1])*




(1) Represents the fiscal year ended January 28, 2017

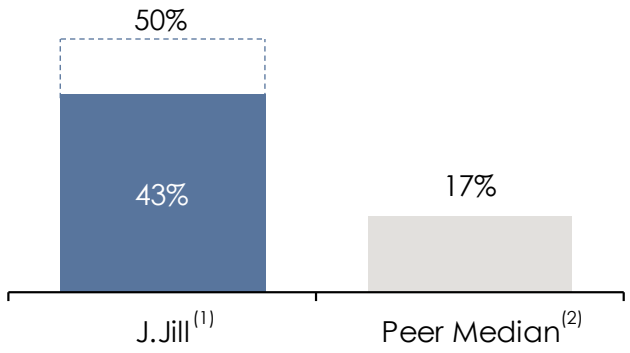
# Our Proven Omni-Channel Model Positions Us for Share Gains and Margin Increases

## J.Jill E-commerce Channel Has Grown at a 25% CAGR Since 2014

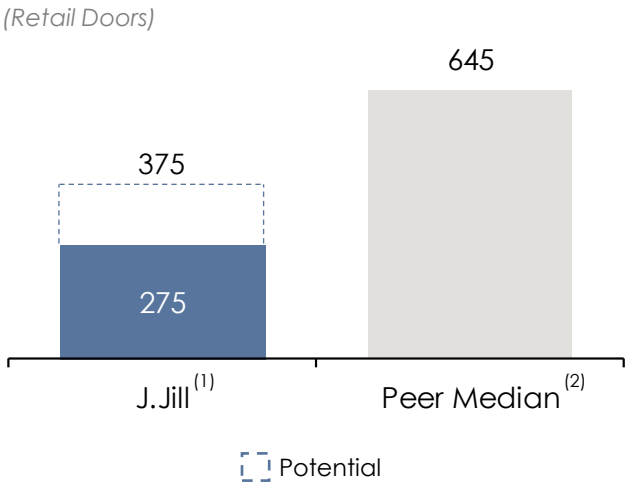



## We Are Well Positioned to Take Share

### *Strong Penetration in Direct*




### *And Underpenetrated in Retail*




Source: Company filings, publicly available information and Euromonitor
(1) Represents the fiscal year ended January 28, 2017
(2) Based on last fiscal year for peers. Peers include ASNA, CHS, EXPR, FRAN, GPS, J Crew, KATE, LB, LULU, Talbots and URBN. Median calculation excludes J.Jill

# Our Channels Complement and Drive Traffic to One Another

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## Direct

*43% of Net Sales* [1]

- Offers full range of styles, colors and sizes
- A full representation of our brand and features:
  - Updates on new collections
  - Guidance on how to wear and match products
  - Ability to chat live with a customer representative
- E-commerce serves as an efficient inventory clearance vehicle

## Retail

*57% of Net Sales* [1]

- 275 stores nationwide, 52% located within lifestyle centers and 48% within premium malls [1]
- Merchandise showcases newest collection, reflecting our brand concept and promoting full-price selling
- 64% of new customers make their first purchase through our retail store
- In-store concierge service to order and ship any item

## Catalog

One of our primary marketing vehicles to drive customer acquisition and engagement across channels

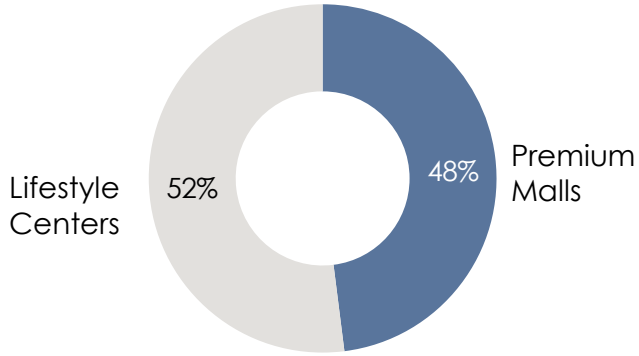
Produce 25 annual editions, and in 2015 we circulated 57 million copies

(1) Represents the fiscal year ended January 28, 2017

# Our Retail Store Base Is Profitable and Well-Positioned for Growth

***98% of our full-price stores generate positive 4-wall contribution***

## Growing Presence in Lifestyle Centers




## Store Design Elevates Shopping Experience

- Introduced a store design that brings the J.Jill brand concept to life
  - Showcases our brand concept and elevates, yet simplifies, the J.Jill shopping experience
  - Provides a welcoming, easy-to-shop format that guides her through clearly merchandised product stories






# Our Data-Centric Approach Guides Our Success

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**Industry Leading Database**

**1.7MM active customers** and can match **~97% of transactions** to an identifiable customer

**What We Capture/ Track**

- Personal Identifiers
- Demographic Overlay
- Contact History
- Transaction History
- Channel History

## Data Guides Our Success

### Customer Acquisition and Retention

- Utilize data insights to strategically expand marketing investment and to acquire and retain customers

### Marketing Investment and Mix of Medium

- On-going optimization of spend (e.g. catalog, digital marketing) toward more effective and targeted communications

### Product and Merchandising

- Leverage customer feedback to develop products and identify new category opportunities

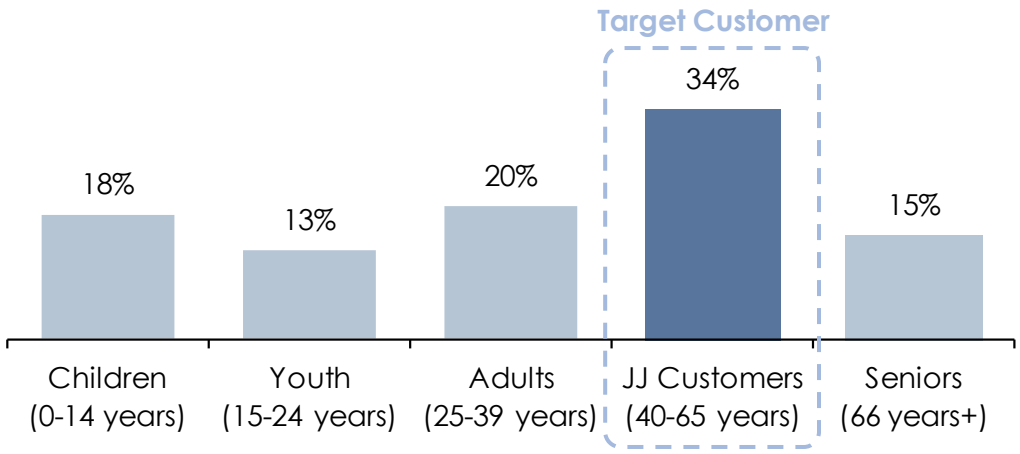
### Omni-Channel Portfolio

- Combine market demographics with customer purchase behavior to frame our store portfolio
- Leverage both quantitative and qualitative data sources to deliver a best-in-class omni experience

# We Target an Attractive, Highly Loyal Customer

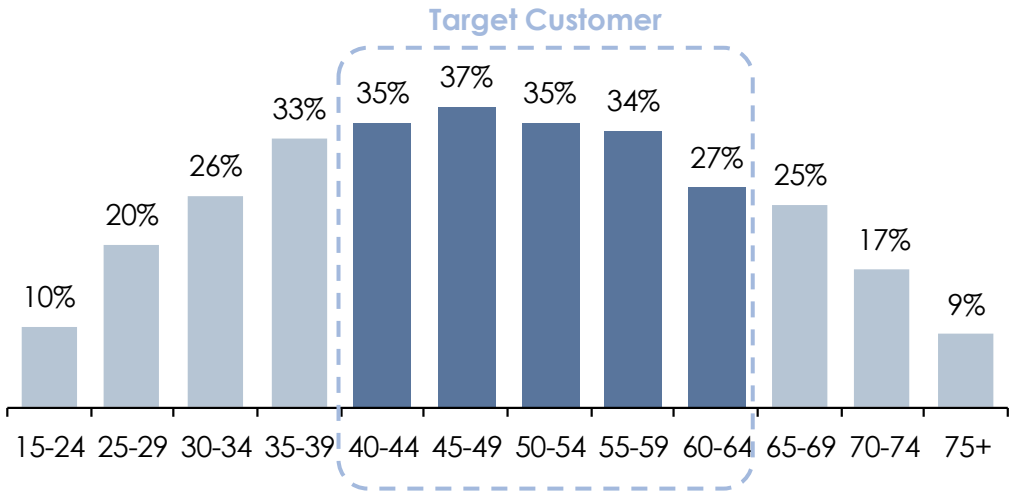
## We Target the Largest Segment of the Female Population

*Population Breakdown by Age (2015)*




## She Has Tremendous Spending Power

*% of U.S. Households Earning More than $100K / year by Age*




Source: U.S. Census Bureau

## We Know Our Customer…

- We can match 97% of our transactions to an identifiable customer
- Extensive customer database allows us to build and maintain relationships with her to drive optimum value
- Our customer is college educated, works outside the home and has an average household income > $150,000

## …And She Is Extremely Loyal

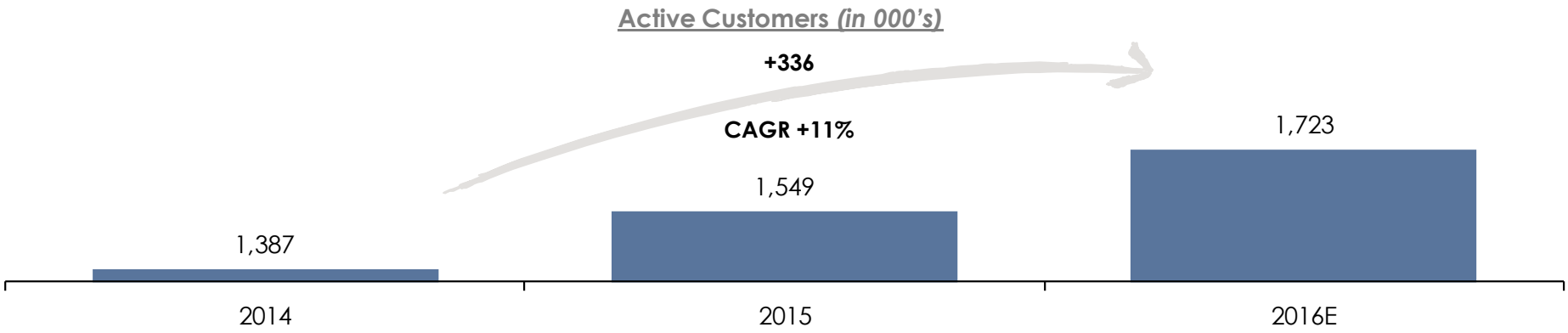
***7 Years***

*Average Customer Tenure*

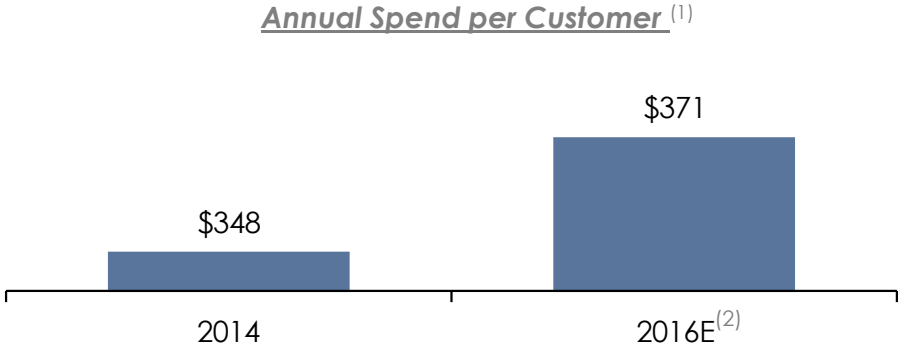


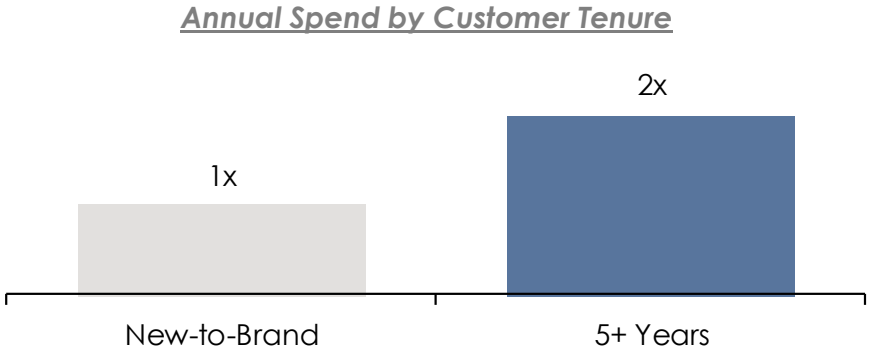
# We Are Rapidly Growing Our Customer Base and They Spend More Over Time

## We Have a Rapidly Growing Customer Base

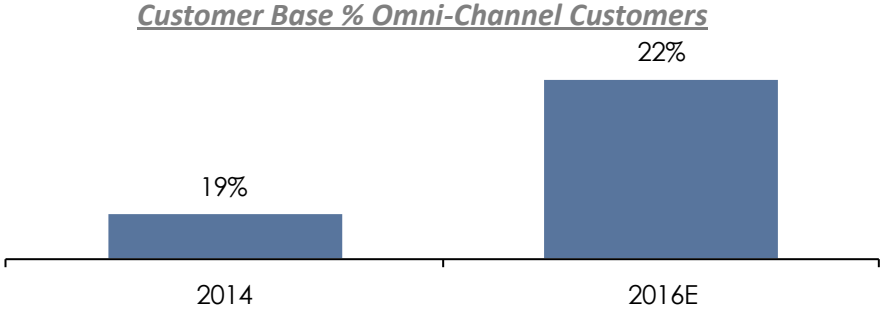


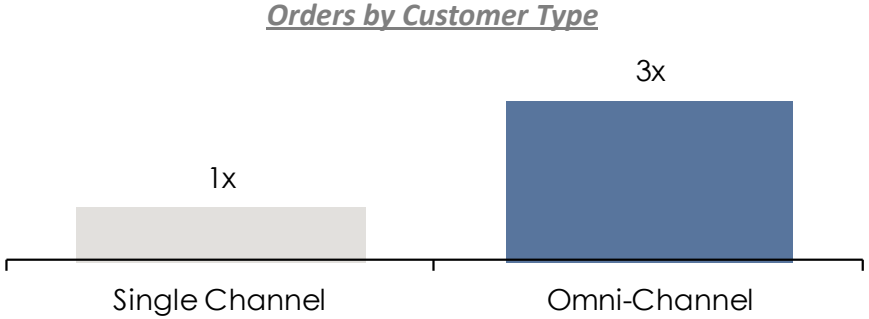

## Our Customers Spend More the Longer They Are With Our Brand




## We Are Increasing Our Most Profitable Omni-Channel Customers




(1) Calculated as net sales divided by total customers
(2) Represents midpoint of range of preliminary estimate of financial results

# We Know What Is Relevant to Her

**The J.Jill Brand Promise**

**"…is to delight her with great wear-now product, to inspire her confidence through our approach to dressing and to provide her with friendly, guiding service wherever and whenever she chooses to shop."**



Naturally Authentic



Thoughtfully Engaging



Relaxed Femininity



Positive Energy



Confident Simplicity

# Our Product Segments Meet Her Lifestyle Needs

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## Core

*63% of Sales (1)*



## Pure Jill

*18% of Sales (1)*



## Wearever

*11% of Sales (1)*



***Accessories across all segments reflects 8% of sales (1)***

(1) Based on operating sales across all channels for FY2015

# Our Product Strategy Supports Leading Sales and Margins

## Alignment and Discipline From Concept to Customer

**Design**

- Design products in-house, using our customer database to guide product development and to drive full-price selling and consistent gross margins

**Sourcing**

- Flexible sourcing model ensures brand-right, quality product
  - —~75% of products sourced from Asia
  - —No vendor accounts for >20% of purchases

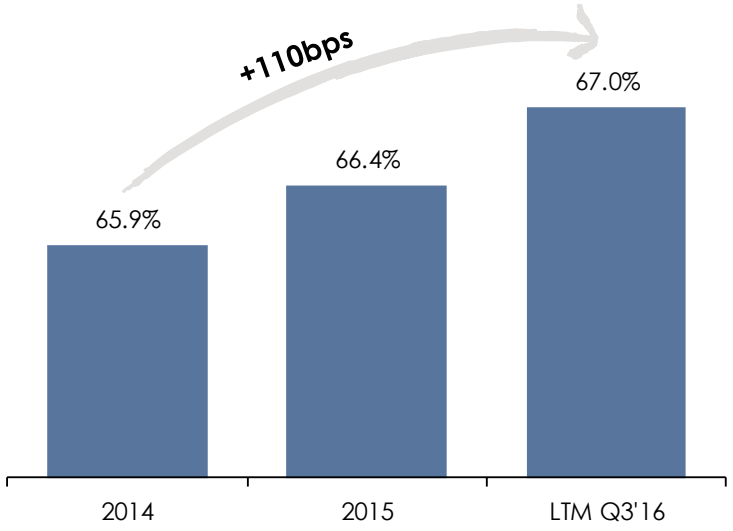
**Merchandising**

- 12 merchandise collections per year creates newness and mitigates markdown risk

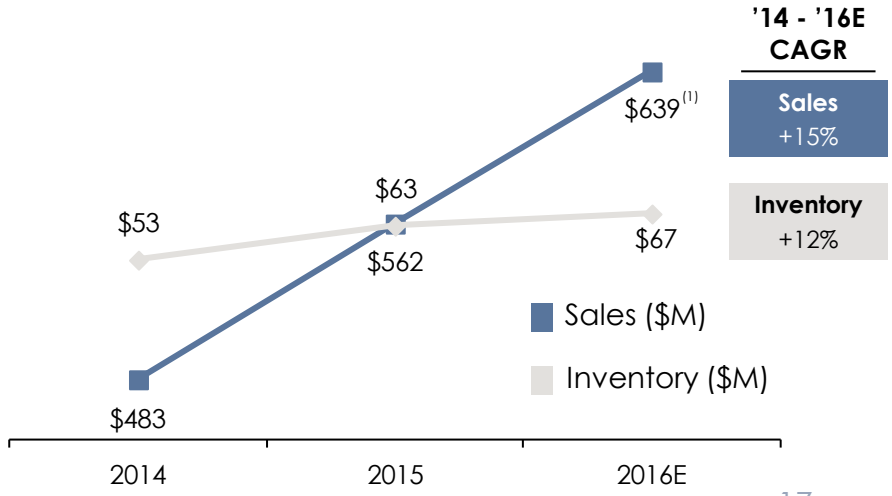
**Inventory**

- Stores focused on full-price selling and website leveraged as an inventory clearance vehicle
- Distribution center efficiently processes direct-to-consumer orders

## Driving Consistent Gross Margins…




## …And Growing Sales Faster Than Inventory




(1) Represents midpoint of range of preliminary estimate of financial results

# Our Team Is Fully Invested and Delivers

## The J.Jill Team Has an Average of 25+ Years of Industry Experience

| Name | Position | Years at J.Jill | Previous Experience |
|---|---|---|---|
| Paula Bennett | President and Chief Executive Officer | 9 | EILEEN FISHER, ORCHARD BRANDS, Calvin Klein, TIFFANY & CO., bloomingdale's |
| Joann Fielder | EVP, Chief Merchandising and Creative Officer | 5 | ANN INC., Brooks Brothers, Talbots |
| David Biese | SVP, Chief Financial Officer | 7 | SAKS INCORPORATED, KPMG, f.y.e., Carson Pirie Scott |
| Gloria Guerrera | SVP, Human Resources | 7 | chico's, EILEEN FISHER, Kenneth Cole, NINE WEST |
| Paul Lanham | SVP, Chief Information Officer | 1 | RALLY HOUSE, crocs, JONES APPAREL GROUP |
| Dan Clifford | SVP, Marketing | ~1 | VICTORIA'S SECRET, EXPRESS |
| Michele Parzianello | VP, E-commerce | 3 | UNDER ARMOUR, L.L.Bean |



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# We Are Just Getting Started

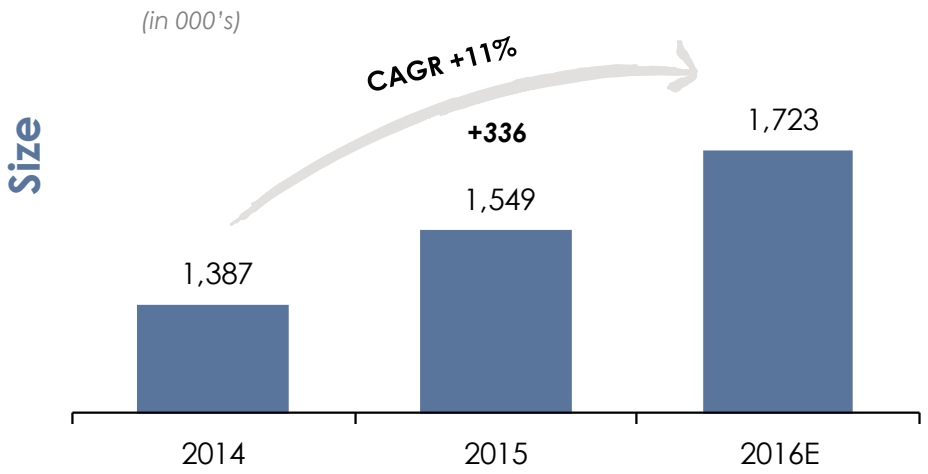
# Clear, Sustainable Growth Strategies

1. **Grow Size and Value of Our Active Customer Base**
2. **Increase Direct Sales**
3. **Strengthen Omni-Channel Capabilities**
4. **Profitably Expand Our Store Base**
5. **Enhance Product Assortment**

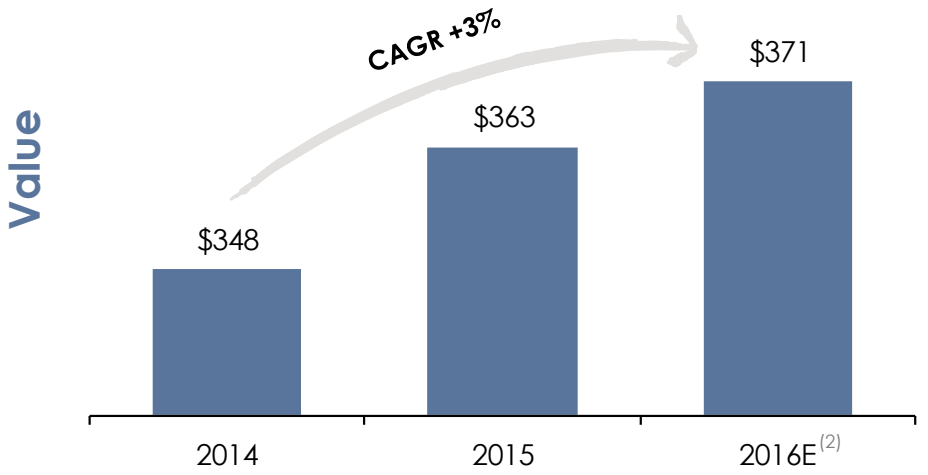


# 1 Grow Size and Value of Customer Base

## Active Customer Base Growth




## Annual Spend per Customer (1)




## Key Drivers

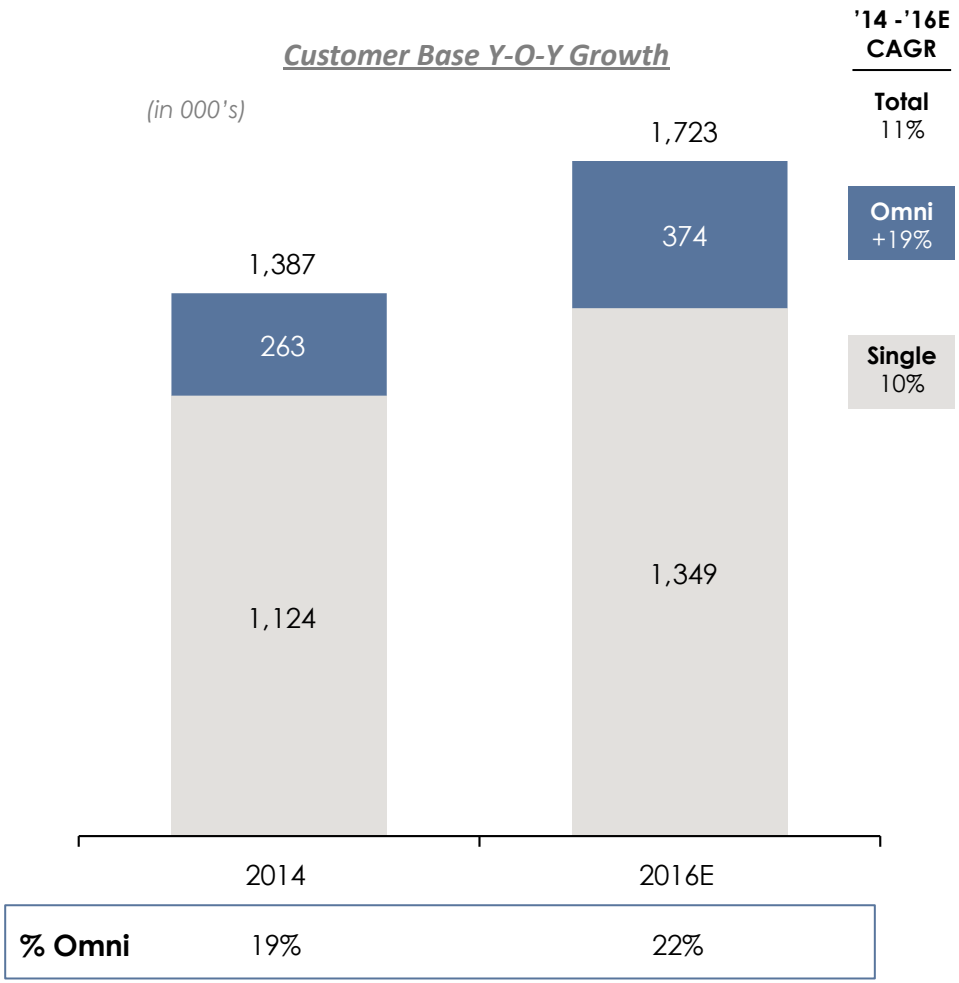
- Drive growth of our customer base by using data to efficiently increase marketing investment
- Optimize investment to drive customer acquisition, retention and customer lifetime value
- Migrate single channel customers to omni-channel customers
  - Omni-channel customers spend 3x as much and 3x as frequently per year
- Leverage our data analytics as well as our brand voice and customer segmentation initiative
  - Identify highest value customer segmentation and focus targeted marketing to drive value

(1) Calculated as net sales divided by total customers
(2) Represents midpoint of range of preliminary estimate of financial results

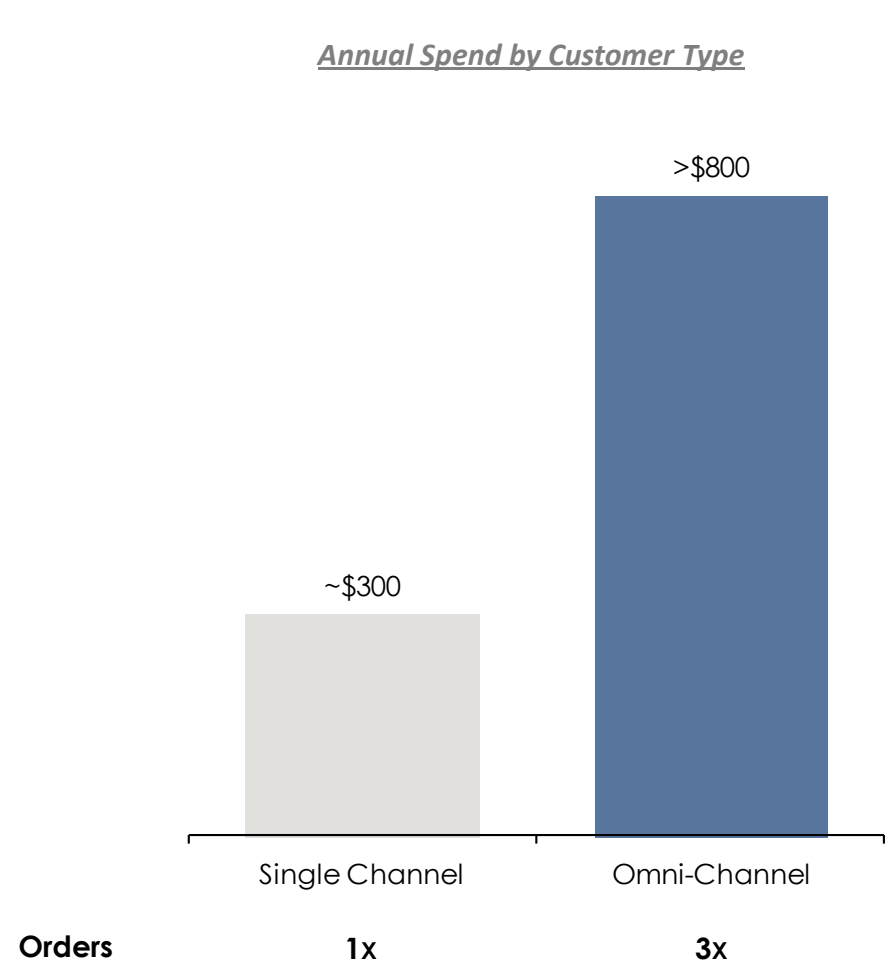
# 1 Migrate Single Channel Customers to Omni-Channel, Driving Sales Lift

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## We Are Increasing Our Omni-Channel Customers Faster…



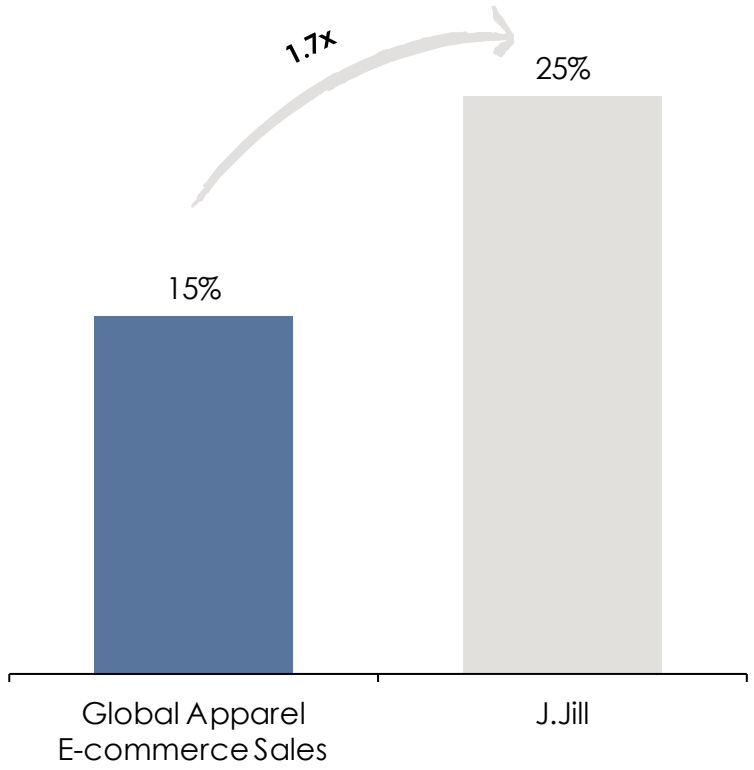

## …Driving Meaningful Sales Uplift



# 2 Capitalize on Rapidly Growing E-commerce Apparel Sector Growth

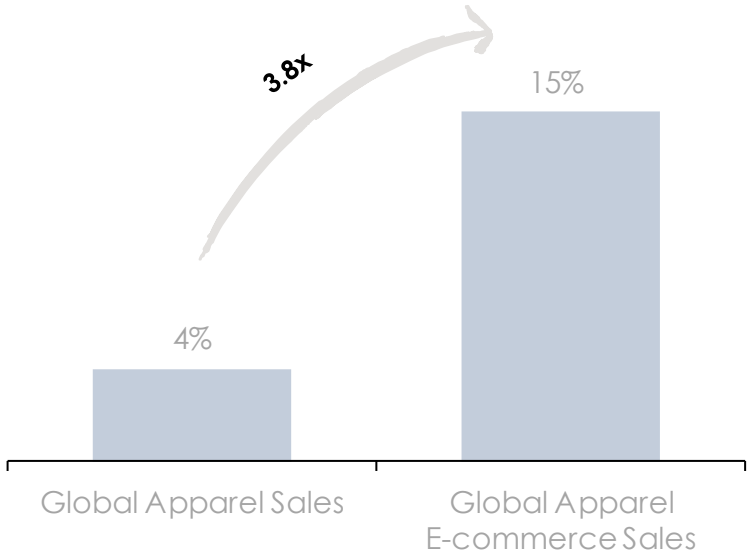
## Our Growth Has Outpaced the Apparel E-commerce Sector…

***Global E-commerce Apparel Sales Growth***
*('14 – '16 CAGR)*




## …And the Sector is Expected to Continue Growing Rapidly

***Expected Global Apparel Sales Growth***
*('15 – '20 CAGR)*




Source: Euromonitor

# 2 Increase Our Direct Sales

## Upgrade E-Commerce Platform




- Personalize for the customer
  - Improve navigation
  - Implement guiding service
  - Streamline checkout process
- Optimize for all device types
- Estimated completion Fall 2017

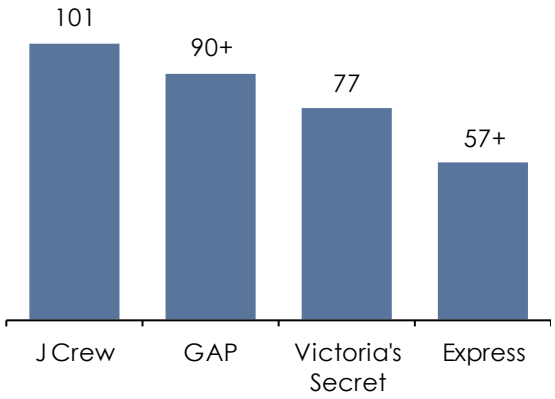
## Leverage Mobile




- Enhance and support omni-channel customer experience
- Connect with customers on mobile via re-platformed website
  - Social media
  - In-store push notifications

## Expand Internationally

***# of Countries Shipped to Internationally*** (1)




- Expand geographic reach, similar to other global apparel businesses
- Leverage new web platform to expand internationally

(1) Sourced from company filings

# 3 Strengthen Omni-Channel Capabilities

| What We Will Do | What It Will Bring | Estimated Timing |
|---|---|---|
| Create Personalized Experiences | ■ Omni-channel product recommendations | ➢ Fall 2017 |
| | ■ Wardrobing features / services in store and online | |
| | ■ Enhanced product selection tools and features | |
| Enable Seamless Product Discovery | ■ Customer visibility to in-store inventory | ➢ Mid 2018 |
| | ■ Reserve online, pickup in store | ➢ Mid 2018 |
| | ■ Buy online, pickup in store | ➢ Mid 2018 |
| Enhance Purchase and Post-Purchase Service Experience | ■ Responsive / device "agnostic" digital design | ➢ Fall 2017 |
| | ■ Omni-channel order history and "My Account" features | ➢ Mid 2018 |
| | ■ Alternate payment methods, mobile payments | ➢ Early 2018 |
| | ■ Clientelling for in-store customers | ➢ Early 2018 |

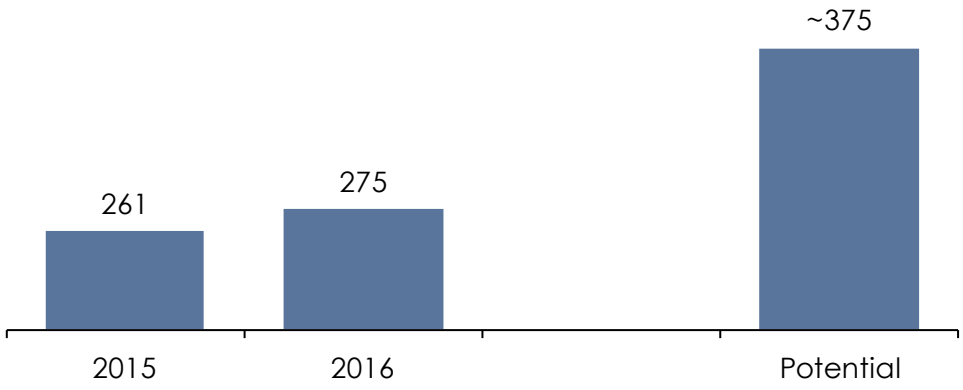
# 4 Profitably Expand Our Store Base

## Disciplined, Analytical Approach

- Grow retail store base by up to 100 stores
  - 10-15 new stores per year
  - New locations in lifestyle centers and premium malls
- Market-based approach to targeting centers using internal and external data such as customer demographics and purchasing history, center quality and tenant mix
- 64% of new customers make their first purchase through our retail store

## Well Positioned to Grow Store Base

***J.Jill Store Count***




| | 2015 | 2016 | Potential |
|---|---|---|---|
| Net Store Growth | 13 | 14 | ~100 |

## Attractive New Store Model (1)

| | |
|---|---|
| Net Sales *($ '000s)* | $1,000 |
| Square Feet | 3,600 |
| 4-Wall Contribution *($ '000s)* | $270 |
| Payback Period | 2 years |
| **Cash-on-Cash Return** | **50%** |

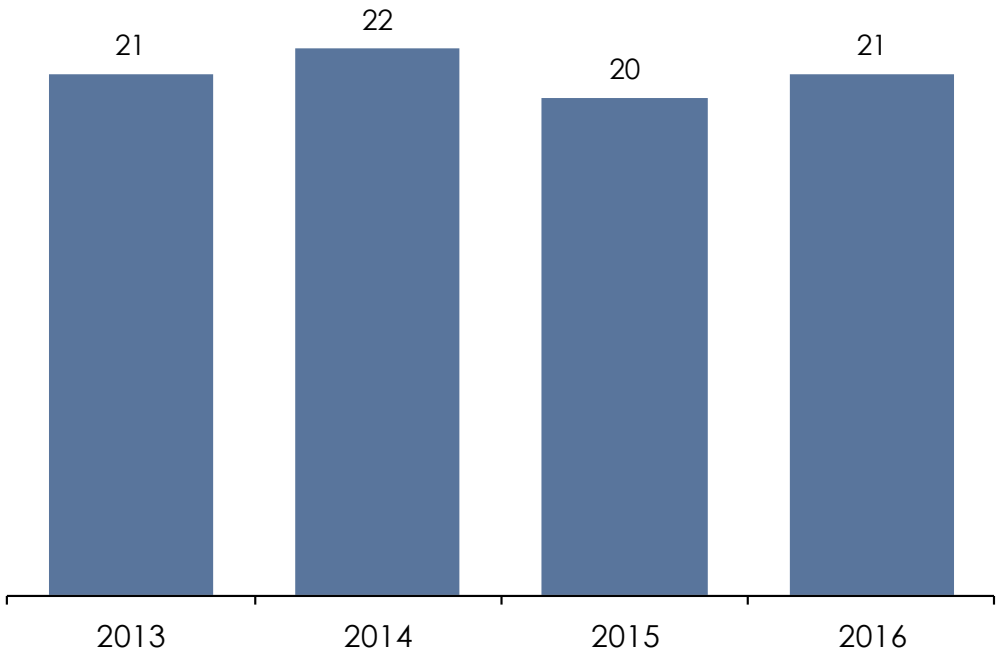
(1) Reflects company target new store model

# 4 Actively Remodel Our Store Portfolio

***~70% of store square footage is new or has been remodeled or refreshed***

- Lease renewals evaluated on same basis as new stores
- Significantly upgraded our store environment
  - — Provides an enhanced customer experience
  - — Often refresh high-volume stores with significant remaining lease term

## Store Remodels and Refreshes



# 5 Enhance Product Assortment

J.JILL

## Expand Categories

- Selectively broaden and enhance assortment across our sub-brands, Pure Jill and Wearever
- Leverage strong demand for our extended sizes
  - — Expand Women's offerings to select stores
- Leverage our data to fuel growth

## Optimize Assortment

- Leverage our customer database as well as our data capture capabilities
- Determine optimal mix of assortment by geography and by store
- Ensure each of our monthly offerings delivers right mix of fashion and basics

***We will continue delivering high-quality, customer-focused product assortments across each of our channels while strengthening visual merchandising***

# We Are Just Getting Started

## Clear, Sustainable Growth Strategies

**Grow Size and Value of Our Active Customer Base**

**Increase Direct Sales**

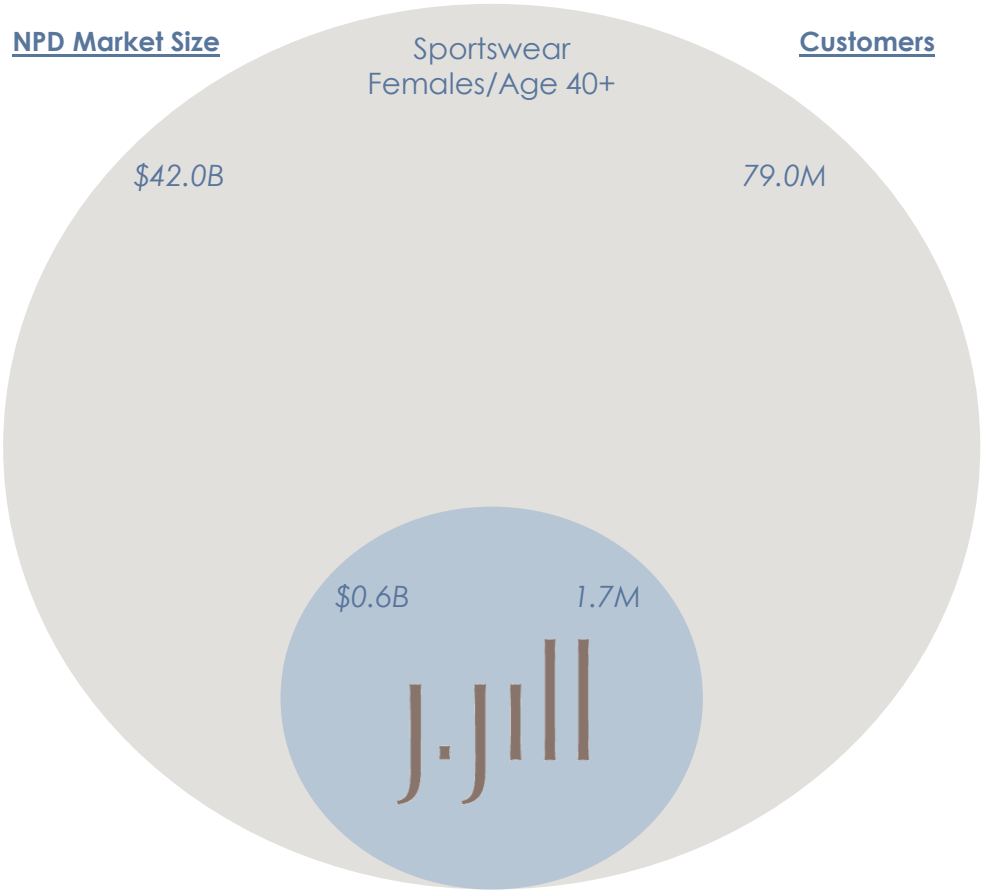
**Strengthen Omni-Channel Capabilities**

**Profitably Expand Our Store Base**

**Enhance Product Assortment**

## Significant Whitespace Opportunity

***Market Opportunity***




***We Have Less Than 2% of Market Share***

Source: NPD, US Census data, publicly reported sales



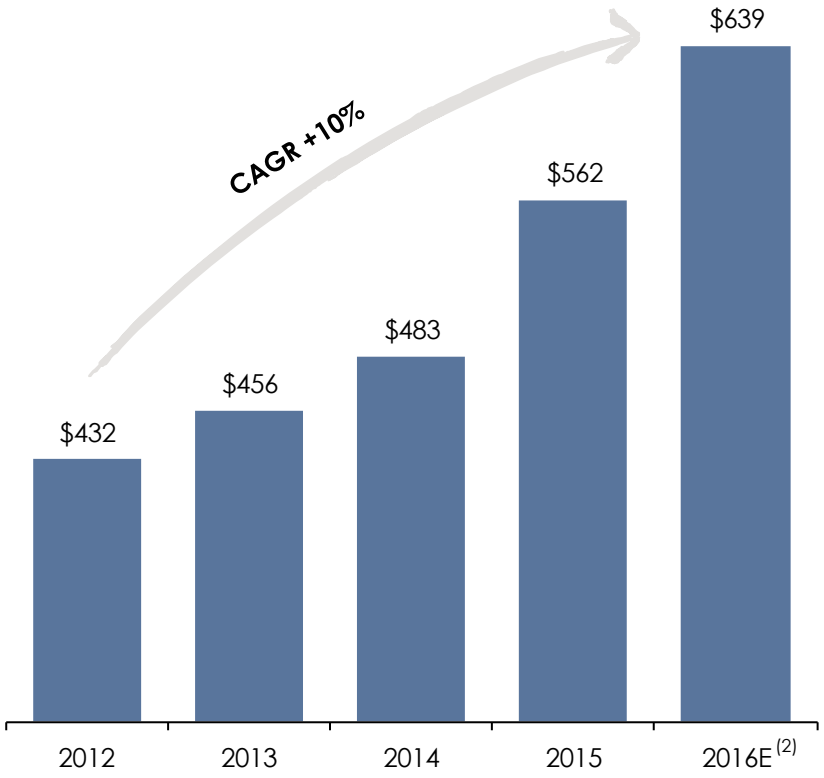
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# We Deliver

# Proven Record of Consistent, Profitable Growth

## Net Sales

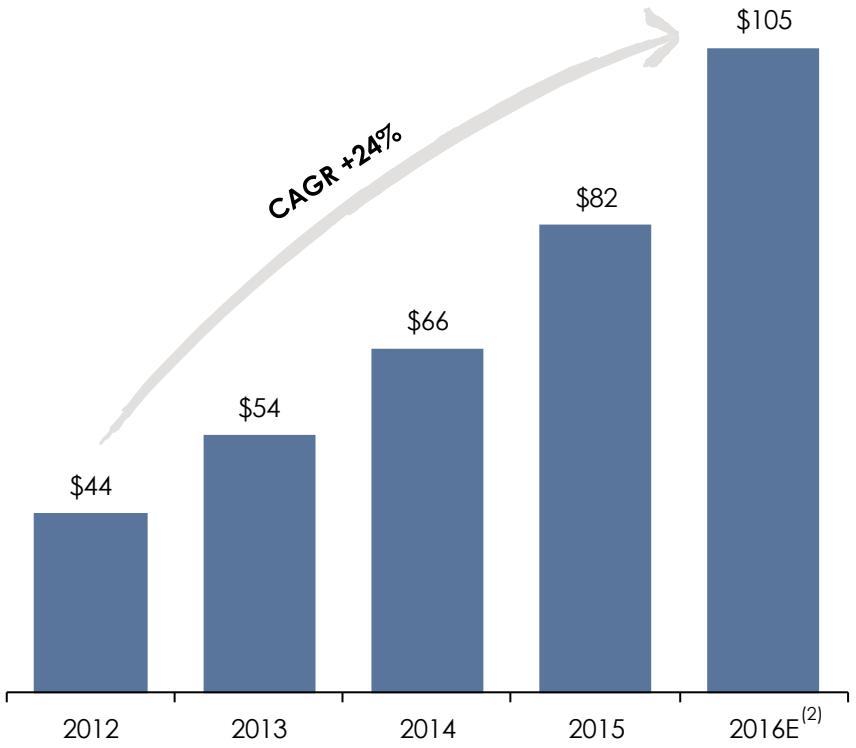
*($ in millions)*




| | 2012 | 2013 | 2014 | 2015 | 2016E (2) |
|---|---|---|---|---|---|
| Total Comp. Sales | 14.5% | 4.6% | 5.4% | 12.4% | 11.2% |

## Adjusted EBITDA (1)

*($ in millions)*




| | 2012 | 2013 | 2014 | 2015 | 2016E (2) |
|---|---|---|---|---|---|
| Margin | 10.2% | 11.9% | 13.6% | 14.6% | 16.5% |

(1) Please refer to the Adjusted EBITDA reconciliation in the appendix

(2) Represents midpoint of range of preliminary estimate of financial results

# Continued Momentum With Strong Q4 2016 and Fiscal Year Performance

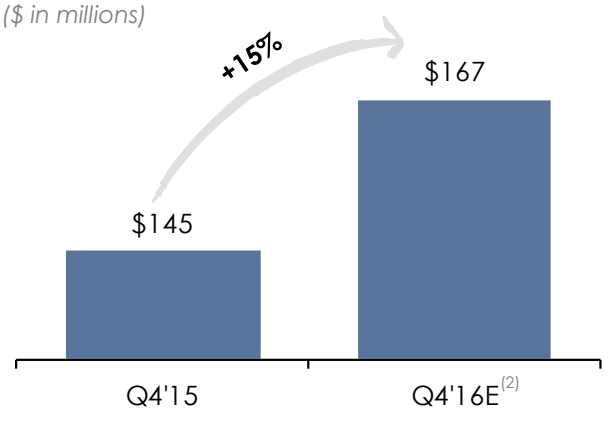
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## Q4 Performance

- Increased sales by 15% to $167M
  - — Total comparable sales of 10.8%
- Grew Adjusted EBITDA by 42% to $22M
  - — Expanded Adjusted EBITDA margin by 260 basis points

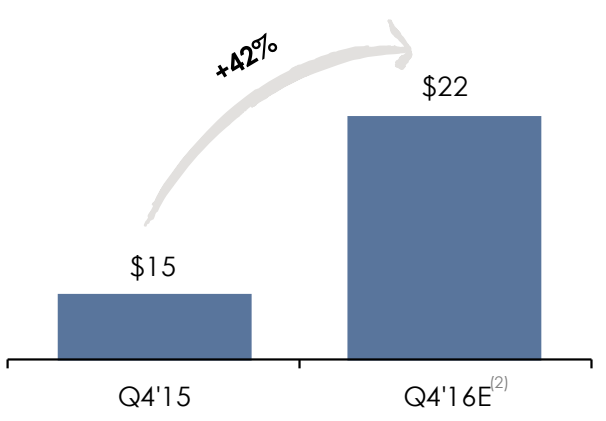
**Net Sales**

*($ in millions)*




| | Q4'15 | Q4'16E(2) |
|---|---|---|
| Total Comp. | 8.6% | 10.8% |

**Adjusted EBITDA(1)**



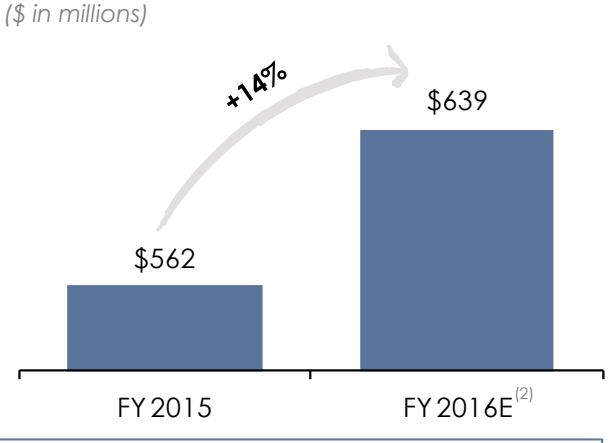

| | Q4'15 | Q4'16E(2) |
|---|---|---|
| Margin | 10.6% | 13.2% |

## Fiscal 2016 Performance

- Increased sales by 14% to $639M
  - — Total comparable sales of 11.2%
- Grew Adjusted EBITDA by 29% to $105M
  - — Expanded Adjusted EBITDA margin by 190 basis points

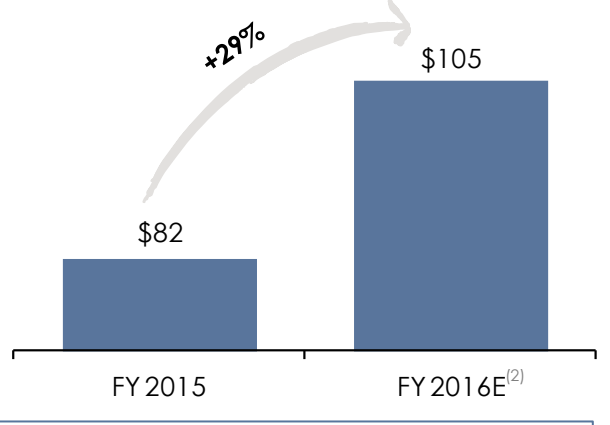
**Net Sales**

*($ in millions)*




| | FY 2015 | FY 2016E(2) |
|---|---|---|
| Total Comp. | 12.4% | 11.2% |

**Adjusted EBITDA(1)**



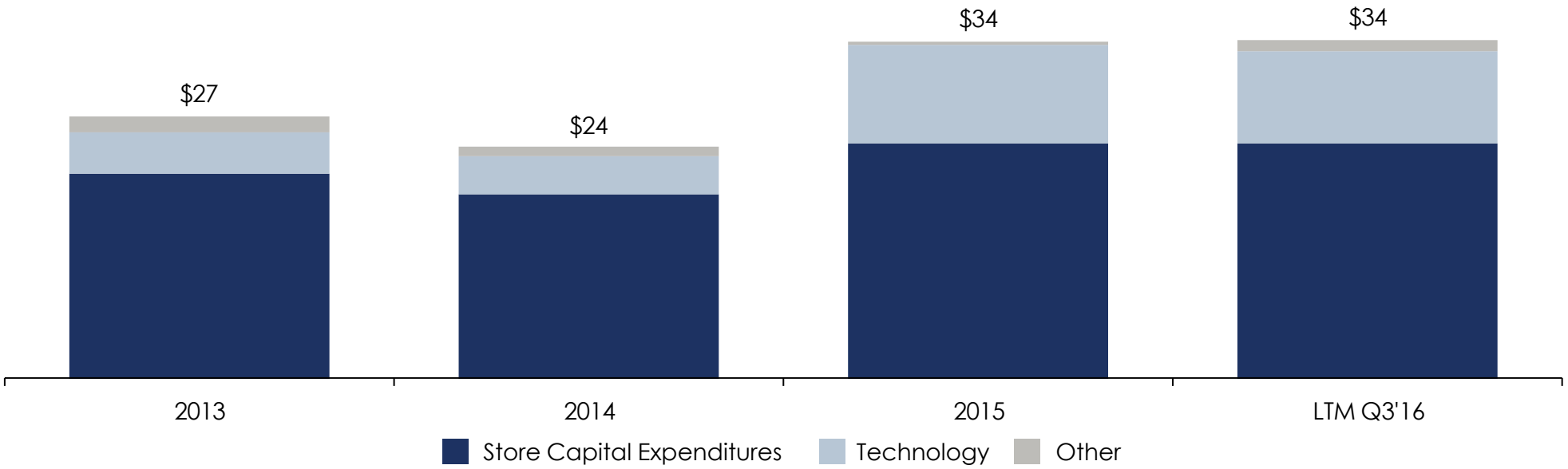

| | FY 2015 | FY 2016E(2) |
|---|---|---|
| Margin | 14.6% | 16.5% |

(1) Please refer to the Adjusted EBITDA reconciliation in the appendix
(2) Represents midpoint of range of preliminary estimate of financial results

# Strong Free Cash Flow Generation While Investing in Growth

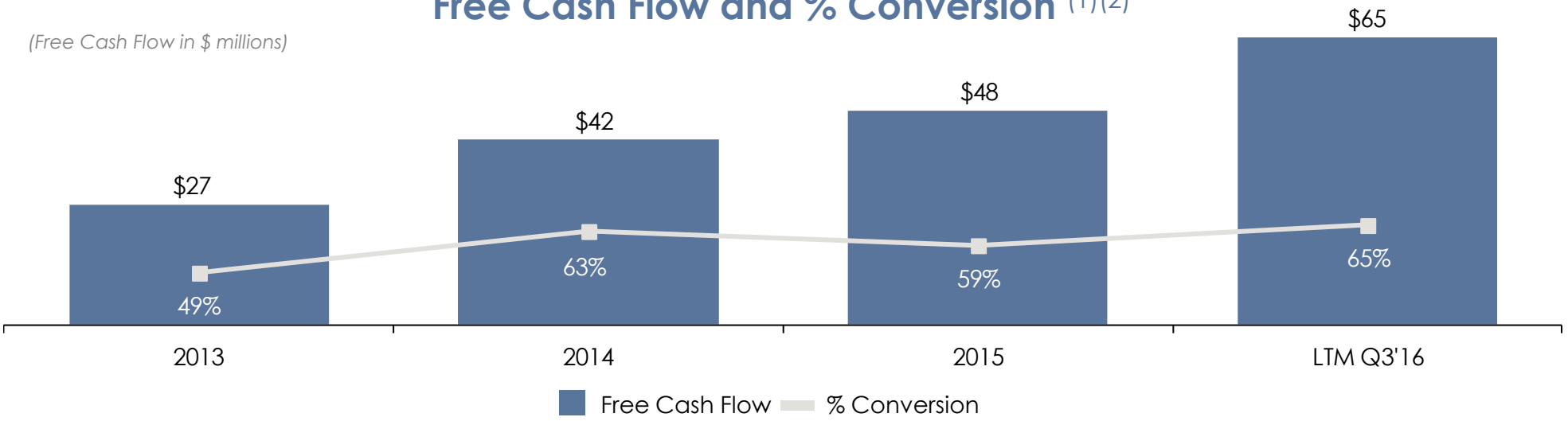
## Gross Capital Expenditures

*($ in millions)*




## Free Cash Flow and % Conversion (1)(2)

*(Free Cash Flow in $ millions)*




Note: Dollars in millions
(1) Free Cash Flow defined as Adjusted EBITDA less Gross Capital Expenditures
(2) Conversion defined as Free Cash Flow divided by Adjusted EBITDA

# Balance Sheet That Provides Significant Liquidity and Financial Flexibility

| ($MMs) | Amount | Maturity | Pricing |
|---|---|---|---|
| $40mm ABL Facility | $0 | 05/08/2020 | L + 150bps |
| $290mm Term Loan | $277[1] | 05/08/2022 | L + 500bps |
| Cash | $5 | | |
| Net Debt | $272 | | |
| LTM Q3'16 Adjusted EBITDA | $99 | | |
| **Net Debt / Adjusted EBITDA** | **2.8x** | | |
| **Adjusted Debt [2] / Adjusted EBITDAR [3]** | **4.5x** | | |

(1) Does not include voluntary pre-payment on Term loan of $10.1mm on January 19, 2017
(2) Capitalized at 8x rent expense with FY2015 rent expense of $48.9mm
(3) Adjusted EBITDAR defined as Adjusted EBITDA plus rent expense

# Our Long-Term Financial Targets

| | |
|---|---|
| **Sales Growth** | **High Single Digits** |
| **EBIT Growth** | **Mid Teens** |
| **Net Income Growth** | **~20%** |



# A Highly Compelling Growth Story

J.JILL

**Proven, Profitable Omni-Channel Model That Positions Us for Share Gains and Margin Increases**

**Data-Centric Approach That Guides Our Success**

**Strong Relationship With Our Affluent, Highly Loyal Customers**

**Distinct, Well-Recognized Brand That Resonates With Our Customers**

**Aligned, Customer-Focused Product Strategy Driving Superior Margins**

**Continued Momentum, Outperforming the Sector**

**Clear, Sustainable Growth Strategies**

**Team, Culture and Investments to Deliver Consistent, Profitable Growth**

