



Vera Bradley Announces Strategic Cost Efficiency Initiative Providing Approximately \$20 Million in Savings to Impact the Upcoming New Fiscal Year 2026

Jan 14, 2025

FORT WAYNE, Ind., Jan. 14, 2025 (GLOBE NEWSWIRE) -- Vera Bradley, Inc. (Nasdaq: VRA) today announced a strategic cost efficiency initiative for the upcoming fiscal year 2026.

Cost Efficiency Initiative Comments

Vera Bradley today announced a strategic cost efficiency initiative that is anticipated to reduce Company costs by approximately \$20 million annually commencing with its fiscal year 2026.

Jackie Ardrey, Chief Executive Officer commented, "A critical supporting foundation of Project Restoration has been efforts to sharpen both focus and business discipline across all areas of the company. As we prioritize resources in support of our transformation, we are streamlining business operations to restore profitability and ultimately increase shareholder value."

"The efficiency cost savings identified were a result of careful and thorough review of the entire company expense structure. The result in part will drive a significant reduction of outside vendor contracts and spending, which will help our teams focus on critical business priorities," concluded Ardrey.

Business actions supporting the \$20 million efficiency savings are generally anticipated to commence early in the year and will largely result in a full year impact in the Company's fiscal year 2026. The anticipated savings do not include any one-time costs associated with implementing the efficiency plans.

The benefit of the anticipated efficiency savings is expected across most areas of the organization and will affect both selling, general, and administrative expenses, as well as gross profit. Approximately 75% of the savings are anticipated to benefit selling, general, and administrative expenses, with the balance affecting gross profit.

The Company anticipates providing further fiscal year 2026 guidance information in March 2025, in conjunction with the release of the Company's Fourth Quarter financial results.

About Vera Bradley, Inc.

Vera Bradley, Inc. operates two unique lifestyle brands – Vera Bradley and Pura Vida. Vera Bradley and Pura Vida are complementary businesses, both with devoted, emotionally-connected, and multi-generational female customer bases; alignment as casual, comfortable, affordable, and fun brands; positioning as "gifting" and socially-connected brands; strong, entrepreneurial cultures; a keen focus on community, charity, and social consciousness; multi-channel distribution strategies; and talented leadership teams aligned and committed to the long-term success of their brands.

Vera Bradley, based in Fort Wayne, Indiana, is a leading designer of women's handbags, luggage and other travel items, fashion and home accessories, and unique gifts. Founded in 1982 by friends Barbara Bradley Baekgaard and Patricia R. Miller, the brand is known for its innovative designs, iconic patterns, and brilliant colors that inspire and connect women unlike any other brand in the global marketplace.

Pura Vida, based in La Jolla, California, is a digitally native, highly-engaging lifestyle brand with a differentiated and expanding offering of bracelets, jewelry, and other lifestyle accessories.

The Company has three reportable segments: Vera Bradley Direct ("VB Direct"), Vera Bradley Indirect ("VB Indirect"), and Pura Vida. The VB Direct business consists of sales of Vera Bradley products through Vera Bradley Full-Line and Outlet stores in the United States; Vera Bradley's websites, www.verabradley.com, outlet.verabradley.com, and international.verabradley.com; and the Vera Bradley annual outlet sale in Fort Wayne, Indiana. The VB Indirect business consists of sales of Vera Bradley products to approximately 1,200 specialty retail locations throughout the United States, as well as select department stores, national accounts, third party e-commerce sites, and third-party inventory liquidators, and royalties recognized through licensing agreements related to the Vera Bradley brand. The Pura Vida segment consists of sales of Pura Vida products through the Pura Vida website, www.puravidabracelets.com, through the distribution of its products to wholesale retailers and department stores, and through its Pura Vida retail stores.

Website Information

We routinely post important information for investors on our website www.verabradley.com in the "Investor Relations" section. We intend to use this webpage as a means of disclosing material, non-public information and for complying with our disclosure obligations under Regulation FD. Accordingly, investors should monitor the Investor Relations section of our website, in addition to following our press releases, SEC filings, public conference calls, presentations and webcasts. The information contained on, or that may be accessed through, our webpage is not incorporated by reference into, and is not a part of, this document.

Investors and other interested parties may also access the Company's most recent Corporate Responsibility and Sustainability Report outlining its ESG (Environmental, Social, and Governance) initiatives at <https://verabradley.com/pages/corporate-responsibility>.

Vera Bradley Safe Harbor Statement

Certain statements in this release are "forward-looking statements" made pursuant to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements reflect the Company's current expectations or beliefs concerning future events and are subject to various risks and uncertainties that may cause actual results to differ materially from those that we expected, including: possible adverse changes in general economic conditions and their impact on consumer confidence and spending; possible inability to predict and respond in a timely manner to changes in consumer demand; possible loss of key management or design associates or inability to attract and retain the talent required for our business; possible inability to maintain and enhance our brands; possible inability to successfully implement the Company's long-term strategic plan; possible inability to successfully open new stores, close targeted stores, and/or operate current stores as planned; incremental tariffs or adverse changes in the cost of raw materials and labor used to manufacture our products; possible adverse effects resulting from a significant disruption in our distribution facilities; or business disruption caused by pandemics or other macro factors. More information on potential factors that could affect the Company's financial results is included from time to time in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of the Company's public reports filed with the SEC, including the Company's Form 10-K for the fiscal year ended February 3, 2024. We undertake no obligation to publicly update or revise any forward-looking statement. Financial schedules are attached to this release.

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