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

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): June 19, 2019

VERA BRADLEY, INC.

(Exact name of registrant as specified in its charter)

Indiana
(State or Other Jurisdiction
of Incorporation)

**12420 Stonebridge Road,
Roanoke, Indiana**
(Address of Principal Executive Offices)

001-34918
(Commission
File Number)

27-2935063
(IRS Employer
Identification No.)

46783
(Zip Code)

(877) 708-8372
(Registrant's telephone number, including area code)

None
(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of exchange where registered
Common Stock	VRA	NASDAQ Global Select Market

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 1.01 Entry into a Material Definitive Agreement.

On June 19, 2019, Vera Bradley, Inc. (the "Company") and certain of its subsidiaries entered into an Interest Purchase Agreement (the "Interest Purchase Agreement") with Creative Genius, Inc., a California corporation to be reorganized as a California limited liability company that is engaged in the business of designing, marketing and distributing bracelets, jewelry and other related accessories primarily through its e-commerce site, subscription club and wholesale channels ("Pura Vida"), and certain affiliates of Pura Vida. Pursuant to the Interest Purchase Agreement, and subject to the terms and conditions thereof, as of the closing date, the Company will indirectly acquire a seventy-five percent (75%) ownership interest in Pura Vida (the "Transaction") in exchange for cash consideration consisting of (i) approximately \$75 million payable at closing, subject to certain adjustments and escrowed funds, including with respect to working capital and closing indebtedness, and (ii) a contingent payment of up to \$22.5 million payable during the first quarter of calendar year 2020 based on 2019 adjusted EBITDA of Pura Vida, as defined in the Interest Purchase Agreement. The Transaction is not subject to financing conditions. The Company's existing available cash, cash equivalents, and investments will fund the purchase price.

Among other ancillary documentation, the Interest Purchase Agreement contemplates that as of the closing of the Transaction the Company and certain of its subsidiaries and the owners of the remaining twenty-five percent (25%) ownership interest in Pura Vida (the "Sellers") which will not be indirectly acquired by the Company as of the closing of the Transaction (the "Remaining Pura Vida Interest") will enter into a Put/Call Agreement (the "Put/Call Agreement"). Pursuant to the Put/Call Agreement, and subject to the terms and conditions thereof, the Sellers will have the right to sell all of the Remaining Pura Vida Interest to the Company, and the Company will have the right to purchase all of the Remaining Pura Vida Interests from Sellers, in each case generally at any time following the fifth anniversary of the closing date of the Transaction until the tenth anniversary thereof. The purchase price for any Remaining Pura Vida Interest put to, or called by, the Company will be determined based on the arithmetic average of a multiple of adjusted EBITDA of Pura Vida and a multiple of adjusted EBITDA of the Company, as defined in the Put/Call Agreement, over the twelve-month period ending on the last day of the month immediately preceding the month in which an exercise notice is delivered by a relevant party. The parties may exercise their put and call rights prior to the fifth anniversary of the closing date in the event of a change in control of the Company (as defined in the Put/Call Agreement) with respect to 25% or 50% of the Remaining Pura Vida Interest depending upon the timing of the change in control.

The Interest Purchase Agreement contains customary representations, warranties and covenants of the parties. The representations and warranties contained in the Interest Purchase Agreement were made solely for purposes of the Interest Purchase Agreement, were made solely for the benefit of the parties to the Interest Purchase Agreement and may not have been intended to be statements of fact but, rather, as a method of allocating risk and governing the contractual rights and relationships among the parties to the Interest Purchase Agreement. The assertions embodied in those representations and warranties may be subject to important qualifications and limitations agreed to by the parties in connection with negotiating their terms and may be subject to a contractual standard of materiality that may be different from what may be viewed as material to shareholders. For the foregoing reasons, the representations and warranties contained in the Interest Purchase Agreement should not be relied upon as factual information at the time they were made or otherwise.

Each party's obligation to consummate the Transaction is subject to customary conditions as set out in the Interest Purchase Agreement, including, among others, (i) subject to certain exceptions, the accuracy of the representations and warranties of the parties; (ii) performance in all material respects by each of the parties of its obligations and satisfaction of its conditions; (iii) the entry into relevant ancillary documents, including the Put/Call Agreement, (iv) the absence of any change, event, state of facts, development, occurrence or effect that has or would reasonably be expected to have a Material Adverse Effect, as defined in the Interest Purchase Agreement and (v) regulatory approvals, including but not limited to, the expiration or earlier termination of all waiting periods under the United States Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and rules and regulations promulgated thereunder. In addition, the Interest Purchase Agreement contains certain customary termination rights of the parties. The Transaction is expected to close in the Company's second quarter of fiscal 2020.

Pura Vida will operate as an indirect subsidiary of the Company from its current headquarters in La Jolla, California and will continue to be led by its co-founders, Griffin Thall and Paul Goodman.

In connection with the Company's entry into the Interest Purchase Agreement, Vera Bradley Designs, Inc., a wholly owned subsidiary of the Company, entered into an amendment to its Credit Agreement (the "Credit Agreement Amendment") with JP Morgan Chase Bank N.A. and the lenders party thereto to, among other things, permit the Company to enter into the Interest Purchase Agreement and the Put/Call Agreement, to exclude certain aspects of the Transaction from coverage of the Credit Agreement, including excluding Pura Vida as a "Loan Party" or guarantor thereunder, and to otherwise permit the Transaction.

The foregoing descriptions of the Interest Purchase Agreement and the Credit Agreement Amendment do not purport to be complete and are qualified in their entirety by the terms and conditions of those agreements, copies of which will be filed as exhibits to the Company's Quarterly Report on Form 10-Q for the period ending August 3, 2019.

Item 7.01 Regulation FD Disclosure.

On June 20, 2019 the Company issued a press release and posted an investor presentation on its website relating to the Company's entry into the Interest Purchase Agreement, copies of which are attached to this Current Report on Form 8-K as Exhibits 99.1 and 99.2, respectively, and are incorporated herein by reference. This information shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Forward Looking Statements

This document may contain "forward-looking statements" within the meaning of the federal securities laws, including Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. In this context, forward-looking statements often address expected future business and financial performance and financial condition, and often contain words such as "expect," "anticipate," "intend," "plan," "believe," "seek," "see," "will," "would," "target," similar expressions, and variations or negatives of these words. Forward-looking statements by their nature address matters that are, to different degrees, uncertain, such as statements about the consummation of the proposed transaction and the anticipated benefits thereof. Such statements involve risks, uncertainties and assumptions. If such risks or uncertainties materialize or such assumptions prove incorrect, the results of the Company and its subsidiaries could differ materially from those expressed or implied by such forward-looking statements and assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including any statements regarding the expected benefits and costs of the transaction contemplated by the Interest Purchase Agreement; the expected timing of the completion of the Transaction; the ability of the Company and Pura Vida to complete the acquisition considering the various conditions to the transaction, some of which are outside the parties' control, including those conditions related to regulatory approvals; any statements of expectation or belief; and any statements of assumptions underlying any of the foregoing. Risks, uncertainties and assumptions include the possibility that expected benefits may not materialize as expected; that the acquisition may not be timely completed, if at all; that, prior to the completion of the Transaction, Pura Vida's business may not perform as expected due to transaction-related uncertainty or other factors; that the parties are unable to successfully implement integration strategies; and other risks that are described in the Company's latest Annual Report on Form 10-K and its other filings with the SEC. The Company and Pura Vida assume no obligation and do not intend to update these forward-looking statements.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>99.1</u>	<u>Press Release dated June 20, 2019</u>
<u>99.2</u>	<u>Investor Presentation dated June 20, 2019</u>

SIGNATURE

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.

Vera Bradley, Inc.
(Registrant)

June 20, 2019

/s/ John Enwright
John Enwright
Chief Financial Officer



Vera Bradley

VERA BRADLEY TO ACQUIRE MAJORITY OWNERSHIP OF PURA VIDA

- Cash transaction expected to close in Vera Bradley's second fiscal quarter -

FOR IMMEDIATE RELEASE

FORT WAYNE, Ind., June 20, 2019 - Vera Bradley, Inc. (NASDAQ: VRA; "Vera Bradley" or the "Company"), a leading American bag and luggage company and iconic lifestyle brand, today announced it has signed a definitive agreement to acquire a 75% interest in Creative Genius, Inc., which also operates under the name Pura Vida Bracelets ("Pura Vida"). Pura Vida, based in La Jolla, California, is a rapidly growing, digitally native, and highly engaging lifestyle brand that deeply resonates with its loyal consumer following. The Pura Vida brand has a differentiated and expanding offering of bracelets, jewelry, and other lifestyle accessories.

For the fiscal year ended December 31, 2018, Pura Vida reported total revenue of \$68.3 million, net income of \$3.8 million and adjusted EBITDA of \$13.7 million. Vera Bradley's revenues totaled \$416.1 million for the fiscal year ended February 2, 2019, and as of that date, the Company had cash, cash equivalents, and investments totaling \$156.6 million and no outstanding debt.

Robert Wallstrom, Chief Executive Officer of Vera Bradley, said, "The acquisition of Pura Vida is a terrific fit for Vera Bradley as we move into Year Two of our Vision 20/20 strategic plan and focus on growth. As we pursue ways to increase revenues, grow shareholder value, expand our customer community, and diversify the business, Pura Vida will be a great addition to our portfolio.

"Vera Bradley has grown into a \$400+ million lifestyle brand by creating deep customer connections through fun, casual, comfortable, and affordable offerings. Likewise, Pura Vida has grown into a distinctive brand and market leader in the jewelry and accessories markets."

Wallstrom continued, "Pura Vida is a highly differentiated lifestyle brand with uniquely strong products and amazing consumer loyalty. The brand resonates with individuals worldwide, creating a community of fun-loving, socially conscious, and stylish advocates, reflecting its potential to become a full-fledged lifestyle brand. We are thrilled to partner with founders Griffin Thall and Paul Goodman to help guide the brand to new heights.

"We have many similarities in our value-based cultures, in our authentic brands, and in our devoted customer bases and emotional customer connections. We will provide each other invaluable support as we grow our brands together. Vera Bradley will be able to leverage Pura Vida's expertise around digital marketing and social customer engagement, and Pura Vida will be able to leverage our product design and development, infrastructure, and back office support capabilities."

Griffin Thall and Paul Goodman, co-founders of Pura Vida, jointly noted, "We founded our company upon the 'pura vida' lifestyle of Costa Rica, encouraging the appreciation of life's simple treasures. With Vera Bradley providing the financial, organizational, and operational infrastructure, the Pura Vida lifestyle can grow as high and far as we want it to. We are excited and proud to partner with a great lifestyle brand that embraces our mission to create sustainable jobs for artisans around the world and raise awareness for charities through products that give back.

"To take Pura Vida to the next level, we knew we needed a partner with a proven track record and who would be a good steward for the Pura Vida brand and company. Based on Vera Bradley's experience building a leading authentic natural brand, they are the ideal partner to guide us through the next phase."

"Much like Vera Bradley, Pura Vida was founded by two friends and exceptional entrepreneurs who built a dominant brand by relentlessly focusing on customer experiences and connections," Wallstrom added. "Griffin and Paul are two visionary leaders who have brought the Pura Vida lifestyle brand to life."

Transaction Details

Vera Bradley has agreed to purchase 75% ownership of Pura Vida for a cash consideration of \$75 million, subject to certain purchase price adjustments, and up to \$22.5 million in incremental earnout consideration, subject to certain performance-based targets for calendar year 2019. The transaction is not subject to any financing conditions. Vera Bradley's existing available cash, cash equivalents, and investments will fund 100% of the purchase price. The transaction is expected to close late in Vera Bradley's second quarter of fiscal 2020 and is subject to customary closing conditions, including the receipt of required regulatory approvals. The Board of Directors of Vera Bradley approved the transaction.

Vera Bradley has the right to acquire the remaining 25% stake in Pura Vida five years post-closing.

Pura Vida will operate as a subsidiary of Vera Bradley from its current headquarters in La Jolla, California, and will continue to be led by Thall and Goodman.

Strategic Rationale

Vera Bradley and Pura Vida are highly complementary businesses. Both companies have devoted, emotionally-connected, and multi-generational female customer bases; alignment as casual, comfortable, affordable, and fun lifestyle brands; positioning as "gifting" and socially-connected brands; strong, entrepreneurial cultures and shared values of ingenuity, tenacity, and optimism; a keen focus on community, charity, and social consciousness; complementary, multi-channel distribution strategies; and talented core leadership teams aligned and committed to the long-term success of their brands. Vera Bradley is focused on preserving Pura Vida's brand independence and ensuring a smooth transition to the Vera Bradley family.

Vera Bradley values Pura Vida's unique positioning as a digitally-native brand with a loyal and growing consumer following. Pura Vida will be able to utilize Vera Bradley's infrastructure to support its growth.

Pura Vida has a strong growth profile, and the transaction is expected to be accretive to earnings in fiscal 2020 (fiscal year ending February 1, 2020).

Advisors

Vera Bradley's financial advisor is Robert W. Baird & Co., and its legal advisor is Ice Miller LLP. Pura Vida's financial advisor is The Sage Group, LLC, and its legal advisor is Solomon Ward Seidenwurm & Smith LLP.

Call Information

A conference call to discuss the transaction is scheduled for today, Thursday, June 20, 2019, at 9:00 a.m. Eastern Time. A broadcast of the call will be available via Vera Bradley's Investor Relations section of its website, www.verabradley.com. Alternatively, interested parties may dial into the call at (888) 204-4368, and enter the access code 7833699. A replay of the call will be available shortly after the conclusion of the call and remain available through Thursday, July 4, 2019. To access the recording, listeners should dial (844) 512-2921, and enter the access code 7833699.

About Vera Bradley

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

Vera Bradley offers a multi-channel sales model as well as a focus on service and a high level of customer engagement. The Company sells its products through two reportable segments: Direct and Indirect. The Direct business consists of sales of Vera Bradley products through the Company's full-line and factory outlet stores throughout the United States, verabradley.com, the Company's online outlet site, and its annual outlet sale in Fort Wayne, Indiana. The Indirect business consists of sales of Vera Bradley products to approximately 2,200 specialty retail locations, substantially all of which are located in the United States, as well as sales to select department stores, national accounts, third party e-commerce sites, and third-party inventory liquidators, and royalties recognized through licensing agreements.

The Company's commitment to bringing more beauty into women's lives includes its dedication to breast cancer research through the Vera Bradley Foundation for Breast Cancer for which they have raised over \$32 million to date.

For more information about Vera Bradley, visit www.verabradley.com or follow the brand @VeraBradley on Twitter and Instagram.

About Pura Vida

Griffin Thall and Paul Goodman, two Southern California friends traveling through Costa Rica on a post-college graduation trip in 2010, crossed paths with two bracelet artisans, Jorge and Joaquin, who were living in poverty. Jorge and Joaquin made beautiful, colorful handmade bracelets that seemed to capture the essence of their journey. Thall and Goodman asked the artisans to make 400 bracelets to take home with them.

Upon returning to San Diego, the pair placed the bracelets in a bowl at a local boutique. Within days, the bracelets sold out and customers were clamoring for more. Thall and Goodman quickly recognized the significance of these simple string bracelets. They were more than just ordinary friendship bracelets; they symbolized a movement valuing the simple things in life. So, Pura Vida, which means "pure life" in Spanish and is a philosophy that encourages the appreciation of life's simple treasures, was born.

In the early days, the pair were only selling a few bracelets a week. Today, millions of people around the world wear the bracelets, and Pura Vida's artisan community has expanded from Costa Rica to El Salvador, India, and more. Today, over 650 artisans can depend on steady income in positive working environments, thanks to the support of Pura Vida customers.

Giving back is a core belief at Pura Vida and the impetus for the Pura Vida Charity Collection. Since 2010, Pura Vida has partnered with over 174 different charities around the world and has donated more than \$1.7 million to causes they believe in.

Pura Vida has expanded its collection from bracelets to other jewelry items and accessories. The company is headquartered in La Jolla, California. Visit www.PuraVidaBracelets.com for more information or follow the brand @puravidabrac on Twitter or @puravidabracc on Instagram.

Forward-Looking Statements

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Non-GAAP Financial Measures

To provide investors with additional information regarding Pura Vida's financial results, this press release includes references to EBITDA and Adjusted EBITDA, which are non-GAAP financial measures. Vera Bradley defines EBITDA as net income (loss) before interest, taxes, depreciation and amortization. Vera Bradley defines adjusted EBITDA as net income (loss) before interest, taxes, depreciation, amortization, and other adjustments as described in the reconciliation accompanying this press

release. The Company has provided a reconciliation of EBITDA and Adjusted EBITDA to the most directly comparable GAAP financial measure, which is net income, within this press release. The non-GAAP measures presented in this release are not measures of performance under GAAP. These measures should not be considered as alternatives for the most directly comparable financial measures calculated in accordance with GAAP. Other companies in our industry may define these non-GAAP measures differently and, as a result, these non-GAAP measures may not be comparable to similarly titled measures used by other companies; and certain of our non-GAAP financial measures exclude financial information that some may consider important in evaluating our performance.

Contacts

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(260) 207-5116

Vera Bradley Media:
877-708-VERA (8372)
Mediacontact@verabradley.com

Pura Vida Adjusted EBITDA Reconciliation	(Unaudited)	
	12 months ended December 31, 2018	
(in thousands)		
Net income	\$	3,824
Depreciation and intangible asset amortization		36
EBITDA (non-GAAP)		3,860
Seller compensation, tax payments and tax reserves ¹		7,977
Other unusual non-recurring adjustments ²		1,898
Adjusted EBITDA (non-GAAP)	\$	13,735
¹ Includes non-recurring payments for sellers' income tax liability and non-recurring sales tax exposure.		
² Includes non-recurring legal and professional fees, transaction and settlement costs, and one-time transition items.		



Vera Bradley

puravida
bracelets

PURA VIDA ACQUISITION ANNOUNCEMENT

FORWARD-LOOKING STATEMENTS

This presentation may contain “forward-looking statements” within the meaning of the federal securities laws, including Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. In this context, forward-looking statements often address expected future business and financial performance and financial condition, and often contain words such as “expect,” “anticipate,” “intend,” “plan,” “believe,” “seek,” “see,” “will,” “would,” “target,” similar expressions, and variations or negatives of these words. Forward-looking statements by their nature address matters that are, to different degrees, uncertain, such as statements about the consummation of the proposed transaction and the anticipated benefits thereof. Such statements involve risks, uncertainties and assumptions. If such risks or uncertainties materialize or such assumptions prove incorrect, the results of Vera Bradley, Inc. and its subsidiaries could differ materially from those expressed or implied by such forward-looking statements and assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including any statements regarding the expected benefits and costs of the transaction contemplated by the purchase agreement by and between Vera Bradley and Pura Vida; the expected timing of the completion of the acquisition; the ability of Vera Bradley and Pura Vida to complete the acquisition considering the various conditions to the transaction, some of which are outside the parties’ control, including those conditions relating to regulatory approvals; any statements of expectation or belief; and any statements of assumptions underlying any of the foregoing. Risks and uncertainties and assumptions include the possibility that expected benefits may not materialize as expected; that the acquisition may not be timely completed, if at all; that, prior to the completion of the transaction, Pura Vida’s business may not perform as expected due to transaction-related uncertainty or other factors; that the parties are unable to successfully implement integration strategies; and other risks that are described in Vera Bradley’s latest Annual Report on Form 10-K and its other filings with the SEC. Vera Bradley and Pura Vida assume no obligation and do not intend to update these forward-looking statements.

COMPELLING STRATEGIC ACQUISITION OF PURA VIDA

BRAND HIGHLIGHTS

- Rapidly growing, digitally native and highly engaging lifestyle accessories brand
- Broad and growing following with a strong voice to female Millennial and Gen-Z consumers
- Casual, fun and adventurous product aesthetic and positioning
- Attractive growth profile



TRANSACTION OVERVIEW

- Total consideration of \$75.0 million for 75% interest in Pura Vida, subject to certain purchase price adjustments
- Potential for up to \$22.5 million in additional consideration based on certain performance-based targets in calendar year 2019
- Existing cash balance to fund 100% of purchase price
- Acquisition expected to be accretive to earnings in fiscal 2020
- Expected to close in late Q2 fiscal 2020

puravida
bracelets



INTRODUCTION TO PURA VIDA

Digitally native lifestyle brand founded in 2010 upon the “pura vida” or “pure life” lifestyle

“pura vida” strives to build a **powerful** and **socially-conscious community**

Differentiated and expanding product offering of bracelets, jewelry and other lifestyle accessories

Active and loyal consumer base consistently purchasing new product and **engaging on social media**

Multi-channel distribution spanning e-commerce, subscription and wholesale accounts

Highly **compelling financial profile** with CY2018 Sales of **\$68.3 million**, net income of **\$3.8 million** and adjusted EBITDA of **\$13.7 million**



Vera Bradley

LIFESTYLE ACCESSORIES BRAND WITH BROAD CONSUMER APPEAL



Vera Bradley

POWERFUL DIGITAL AND SOCIAL MEDIA PLATFORM

Highly Effective Consumer Engagement

- **Highly engaging lifestyle brand** that deeply resonates with customers via an **efficient and innovative marketing strategy**
- **Engaged social media community** with **3M+ consumers** across Instagram, Facebook, Snapchat, Twitter, Pinterest

- **Foster lasting relationships** and **bolster organic engagement** through passionate enthusiasts, select influencers, and brand ambassadors

- **Disciplined approach** to investments in other marketing channels that can **cost-effectively scale the brand**



Vera Bradley

STRATEGIC RATIONALE

Highly Complementary Businesses

- Devoted, emotionally-connected and multi-generational consumer base
- Aligned with existing market position of casual, comfortable, affordable and fun
- Consistent with current positioning as a “gifting” and socially-connected brand

Diversifies Business Model Across Channels and Products

- Leverage respective expertise in specialty wholesale and e-commerce
- Opportunity to expand into attractive adjacent lifestyle accessories categories

Digital Marketing and E-Commerce Capabilities

- Innovative and effective digital marketing and customer engagement capabilities
- Leading e-commerce platform and expanding subscription model drives strong consumer traffic

Substantial Operational and Financial Benefits

- Strong topline growth profile
- Attractive profitability and accretive to earnings

HIGHLY COMPLEMENTARY BUSINESSES

Well-Balanced Consumer Base

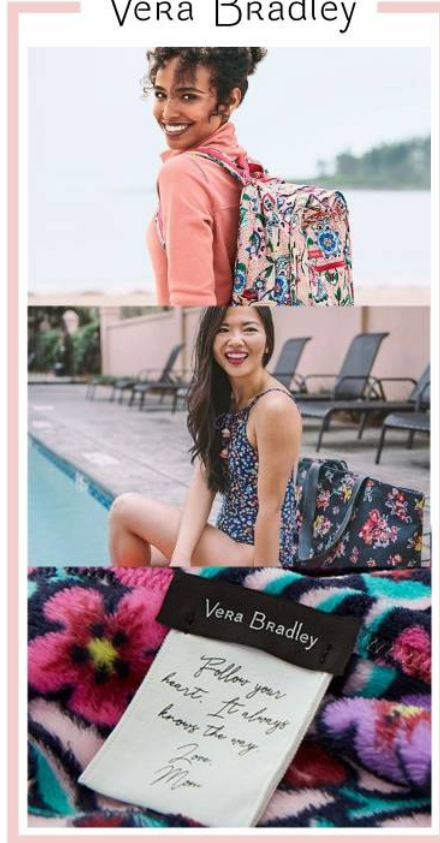
Lifestyle Brand Positioning

Strong Cultural Alignment

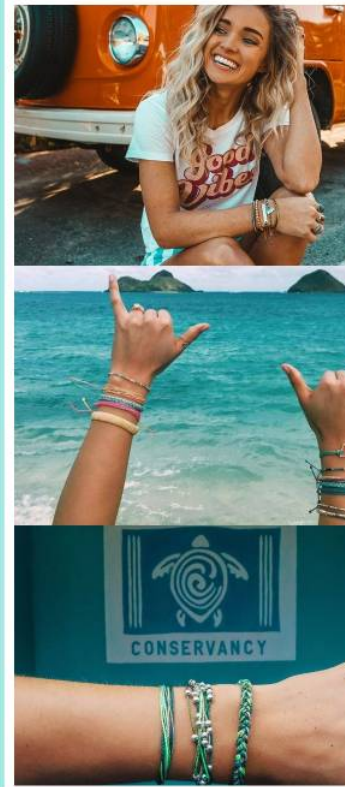
“Gifting” and Socially-Connected Brands

Multi-Channel Distribution Strategy

Vera Bradley



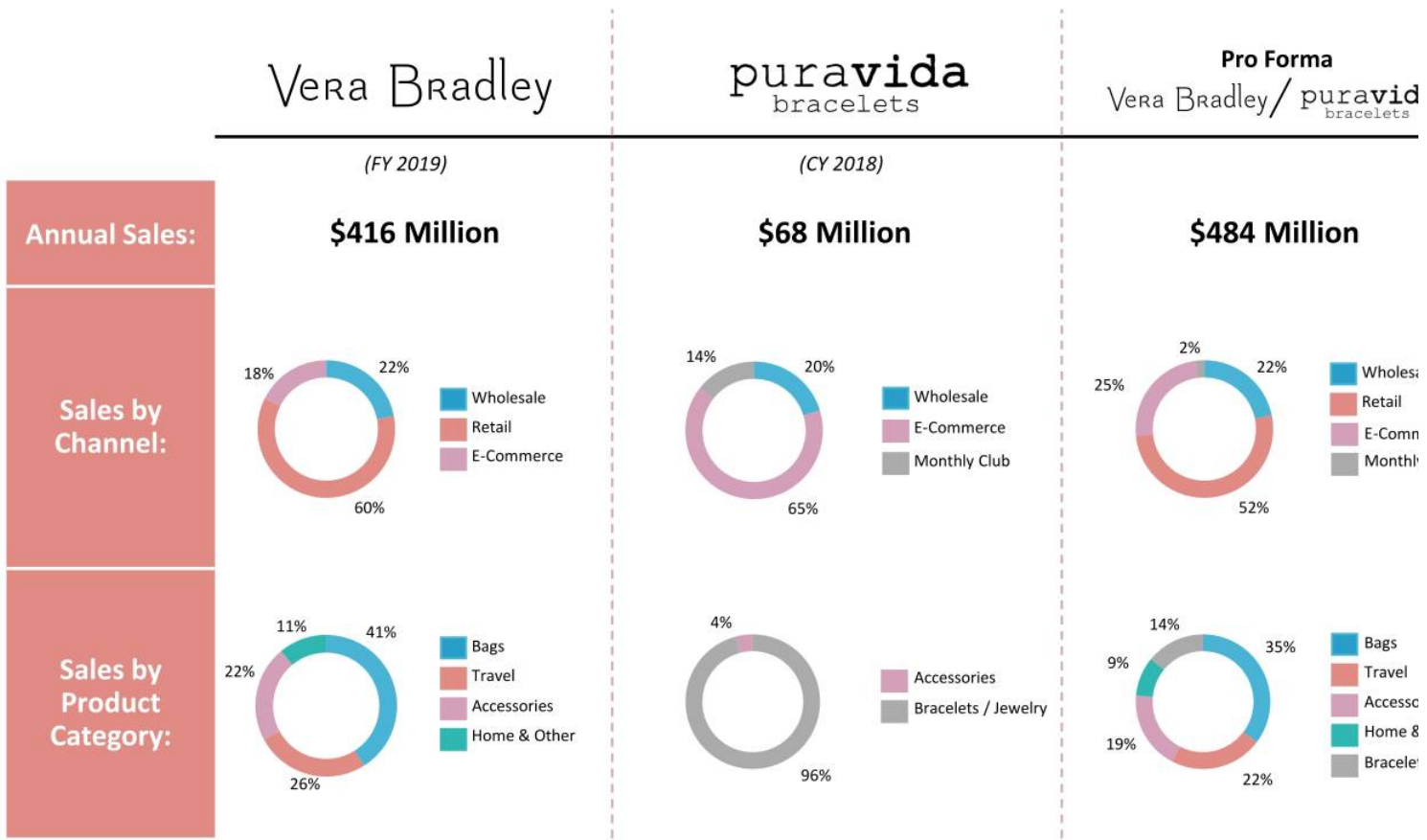
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Significant Overlap and Alignment in Lifestyle, Customers and Mission

Vera Bradley

DIVERSIFIES BUSINESS MODEL ACROSS CHANNELS AND PRODUCT



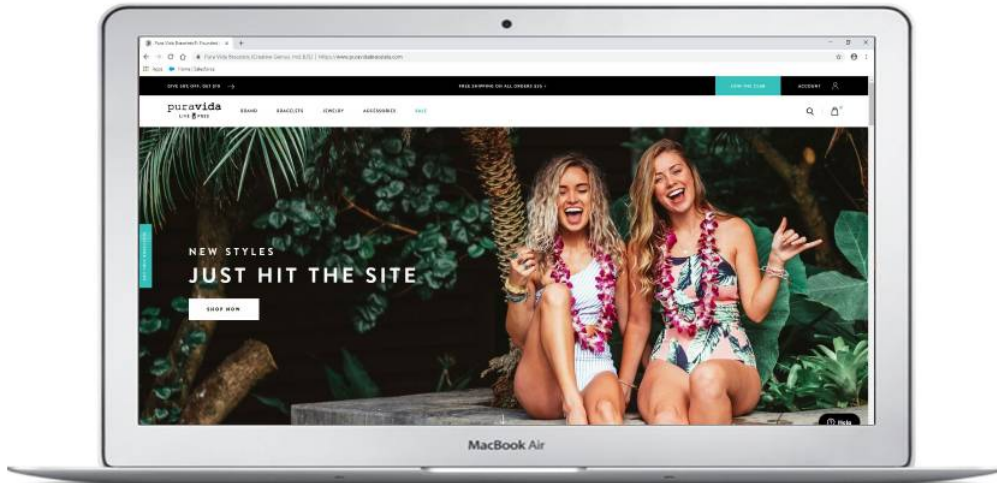
Scalable Platform of Complementary Brands, Channels and Product Offerings

Vera Bradley

DIGITAL MARKETING AND E-COMMERCE CAPABILITIES

Award-winning website immerses visitors in brand, product, social mission and community

Content integration from social media creates a cohesive consumer experience



1.6+ million followers on Instagram



#2 on Instagram's Most Engaged Jewelry Brands



Top 2 'bracelets' in Google search



1.0+ million Pura Vida email subscribers



80+ Pro Sco

Vera Bradley

SUBSTANTIAL OPERATIONAL AND FINANCIAL BENEFITS

GROWTH POTENTIAL

- Formation of a multi-branded lifestyle accessories platform enhances long-term growth profile
- Strengthens digital and e-commerce capabilities

FINANCIAL BENEFITS

- Acquisition expected to be accretive to earnings in fiscal 2020
- Diversified revenue profile by channel, product category and end-consumer
- Attractive cash flow generation of the combined platform

STRONG BALANCE SHEET

- Existing Vera Bradley cash balance to fund 100% of purchase price
- Ample liquidity post-transaction with \$65+ million of cash and investments as well as no outstanding debt

Compelling Financial Benefits Creating Shareholder Value

TRANSACTION SUMMARY

Transaction

- Vera Bradley to acquire 75% of Pura Vida for consideration of \$75.0 million subject to certain purchase price adjustments
- Pura Vida management has the potential for up to \$22.5 million of incremental consideration in the form of an earn-out, subject to certain performance-based targets in calendar year 2019
- Vera Bradley has the right to acquire remaining stake 5 years post-closing

Operations

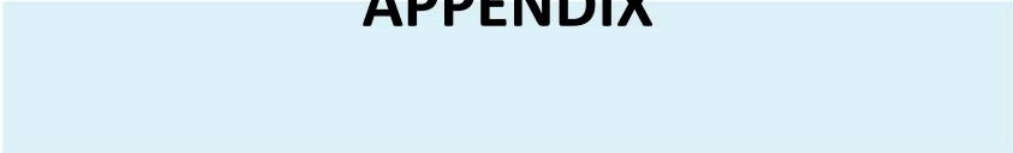
- Founders to continue to lead Pura Vida
- Headquarters of Pura Vida to remain in La Jolla, California
- Vera Bradley to provide operational and brand expansion support

Timing

- Transaction has been approved by Vera Bradley Board of Directors
- Signed definitive agreement on June 19, 2019
- Expected to close in late Q2 fiscal 2020



APPENDIX



PURA VIDA ADJUSTED EBITDA RECONCILIATION

	<u>(Unaudited)</u>
	<u>12 months ended</u>
	<u>December 31, 201</u>
(\$ in thousands)	
Net income	\$ 3,8
Depreciation and intangible asset amortization	
EBITDA (non-GAAP)	<u>3,8</u>
Seller compensation, tax payments and tax reserves ⁽¹⁾	7,9
Other unusual non-recurring adjustments ⁽²⁾	<u>1,8</u>
Adjusted EBITDA (non-GAAP)	<u>\$ 13,7</u>

(1) Includes non-recurring payments for sellers' income tax liability and non-recurring sales tax exposure.

(2) Includes non-recurring legal and professional fees, transaction and settlement costs, and one-time transition items.

