

Tandy Leather Factory Reports Third Quarter 2023 Results

FORT WORTH, TEXAS, Nov. 08, 2023 (GLOBE NEWSWIRE) -- Tandy Leather Factory, Inc. (Nasdaq: TLF) today announced the Company's financial results for the third fiscal quarter 2023, ended September 30, 2023.

Third Quarter Highlights:

- Revenues were \$17.5 million, down 8% from 2022
- Generated operating income of \$0.9 million
- Net income of \$0.6 million
- Gross margins of 62.4%
- Adjusted EBITDA* of \$1.4 million
- Ended quarter with \$8.6 million of cash and cash equivalents

Tandy Leather Factory's third quarter sales were \$17.5 million in 2023, down from \$19.1 million in 2022. Third quarter 2023 gross profit was \$10.9 million, down from \$11.6 million in 2022. As of September 30, 2023, the Company held \$8.6 million of cash and cash equivalents, up from \$8.0 million at year end. The Company held inventory of \$38.6 million, up from \$38.2 million as of December 31, 2022. The Company had basic and diluted net income in the quarter of \$0.08 per share, versus \$0.09 in the prior year. Additional details regarding the Company's third quarter 2023 results can be found in its Quarterly Report on Form 10-Q, filed with the SEC on November 8, 2023.

Janet Carr, Chief Executive Officer of the Company, said, "The weakness in consumer demand that we saw toward the end of Q2 continued into Q3, with retail traffic slowing and some caution among our commercial customers. However, our continued financial discipline allowed us to respond to these conditions to deliver positive operating profit and cash. We continued to improve warehouse handling and freight-in and duty costs, helping to reduce cost of sales and boost gross margin, and with slowing retail traffic, we reduced operating expenses in retail labor and corporate expenses."

The Company will host an investor presentation online (via Zoom) and by phone on November 10, 2023, at 9:00 am CDT to discuss the Company's third quarter operating results. Please note that those wishing to ask questions during the presentation will need to have an audio connection (by device or phone dial-in) in order to do so; questions submitted by text or chat will not be read aloud during the presentation but may be answered privately afterwards. Investors and other interested participants may attend the presentation on the web or by phone as follows:

Topic: Tandy Leather 2023 Q3 Investor Call
Time: November 10, 2023, 9:00 AM Central Time (US and Canada)

Join Zoom Meeting
<https://us02web.zoom.us/j/83493798545>

Meeting ID: 834 9379 8545

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* Adjusted EBITDA is a non-GAAP financial measure that the Company believes helps investors to compare its operating performance to that of other companies. The following is a reconciliation of the Company's net income to Adjusted EBITDA (in thousands):

	Three months ended September 30, 2023
Net income	\$636
Add back:	
Depreciation and amortization	299
Interest expense	-
Income tax provision	201
Stock-based compensation	209
Adjusted EBITDA	<u>\$1,345</u>

Tandy Leather Factory, Inc., (<https://www.tandyleather.com>), headquartered in Fort Worth, Texas, is a specialty retailer of a broad product line, including leather, leatherworking tools, buckles and adornments for belts, leather dyes and finishes, saddle and tack hardware, and do-it-yourself kits. The Company distributes its products through its 102 North American stores located in 40 US states and six Canadian provinces, and one store located in Spain. Its common stock trades on the Nasdaq Capital Market under the symbol "TLF". To be included on Tandy Leather Factory's email distribution list, go to: <https://www.b2i.us/irpass.asp?BzID=1625&to=ea&s=0>.

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This news release may contain statements regarding future events, occurrences, circumstances, activities, performance, outcomes and results that are considered "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Actual results and events may differ from those projected as a result of certain risks and uncertainties. These risks and uncertainties include but are not limited to: changes in general economic conditions, negative trends in general consumer-spending levels, failure to realize the anticipated benefits of opening retail stores; availability of hides and leathers and resultant price fluctuations; change in customer preferences for our product, and other factors disclosed in our filings with the Securities and Exchange Commission. These forward-looking statements are made only as of the date hereof, and except as required by law, we do not intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



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