



CreditRiskMonitor’s warning of J. Crew Group Inc.’s (“J. Crew”) bankruptcy risk was determined by a combination of factors:

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MONTHLY AVERAGE FRISK® SCORE

CreditRiskMonitor's FRISK® score had been warning of financial stress at J. Crew Group, Inc. for more than a year. We issued a special High Risk Report, dated Sept. 4, 2017 and a retail industry blog published Dec. 11, 2019, as conditions continued to deteriorate and become more troubling. The company ultimately filed for bankruptcy on May 4, 2020.

First quarter reported a net loss and working capital deficit widened from ABL facility borrowings. Requested investment banking advisory to facilitate its Madewell IPO; distressed sales are a major red flag. Third quarter operating income declined by 65% year-over-year and net losses continued. Coronavirus pandemic caused nationwide store closures and physical location revenue stalled.

Business Name	2019							2020					
	M	J	J	A	S	O	N	D	J	F	M	A	M
J.Crew Group, Inc.	1	1	1	1	1	1	1	1	1	1	1	1	1

BANKRUPT!

Moody's downgraded probability of default rating to Caa3 and cut speculative grade liquidity rating to SGL-4.

New CEO hired nearly five quarters after previous Chief Executive departed from his position.

The FRISK® score is 96% accurate* in predicting the risk of corporate failure/bankruptcy over a 12-month horizon. All FRISK® scores are recalculated every night for each subsequent 12-month period.

FRISK® Score	BANKRUPTCY RISK RELATIVE TO THE HISTORICAL AVERAGE	
	FROM	TO
10	0.00x	0.12x
9	0.12x	0.27x
8	0.27x	0.34x
7	0.34x	0.55x
6	0.55x	0.87x
5	0.87x	1.40x
4	1.40x	2.10x
3	2.10x	4.00x
2	4.00x	9.99x
1	9.99x	50.00x

While the risk of bankruptcy varies at each FRISK® score, 96% of public companies that eventually go bankrupt enter the FRISK® "red zone" prior to filing. A FRISK® score of 5 or less is an important warning sign.

* FRISK® score accuracy of 96% is based on backtesting of U.S. public companies; results may vary by country.

THE FRISK® SCORE COMPONENTS

At the core of the CreditRiskMonitor® process is our 96% accurate FRISK® score, which indicates a company's level of financial stress on a scale of 1 to 10, based on the probability of bankruptcy over a 12-month horizon. When available, the FRISK® score incorporates a number of powerful risk indicators including:

A “Merton” type model using stock market capitalization and volatility

Financial ratios, including those used in the Altman Z”-Score Model

Bond agency ratings from Moody’s, Fitch, & DBRS Morningstar

Crowdsourced CreditRiskMonitor® Usage Data

[Crowdsourcing](#) has enhanced the accuracy and timeliness of the FRISK® score. We collect and analyze data patterns from thousands of CreditRiskMonitor® subscribers, including professionals from more than 35% of the Fortune 1000 and other large corporations worldwide.

The crowdsourcing advantage is even more powerful in our FRISK® score since many of the professionals who use our service are credit managers:

- Credit managers control one of the largest sources of working capital going into a company
- They are not held to the same “Fair Disclosure” restrictions that prevent non-disclosed information sharing on public companies
- Credit managers use a variety of non-public information sources such as their own company’s management and sales representatives to be alerted to concerns in a public company’s performance
- It is commonly known credit managers confidentially share information with other credit managers, thus collectively, their behavior helps to provide advanced insight to financial problems in public companies

[Read more in Credit Research Foundation’s quarterly journal article, “Assessing Public Company Financial Risk by Crowdsourcing the Research of Credit Professionals”](#)

DO NOT MISS THIS – MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

Making misleading or fraudulent statements in an MD&A is against the law – and Sarbanes-Oxley subjects CEOs and CFOs to heavy fines or even jail time for doing so. A vital feature of the CreditRiskMonitor service is the ability to quickly access a Company’s Management Discussion and Analysis (MD&A) history. Let it sink in: there are no two people in the world with better knowledge of a company’s liquidity risk than the CEO and CFO. More than any credit manager. More than any trade group. And they’re personally liable if they’re lying.

According to the Financial Accounting Standards Board (FASB), “MD&A should provide a balanced presentation that includes both positive and negative information about the topics discussed.”

You MUST understand trends, commitments, demands and uncertainties likely to result in a material change in Liquidity and Capital Resources, like if they can continue as a going concern. If you don’t, you need help.

Report

- Overview
- Company News
- Risk Ratings
- Important Information
- Annual Financials
- Year/Year Interim
- Sequential Quarters
- Liquidity (MD&A)**
- SEC Filings
- Peer Analysis
- Payments
- Public Filings
- General Info
- Access History
- Credit Limit
- Update Portfolio
- Print/Save Report
- Currency Converter
- Send This to a Colleague

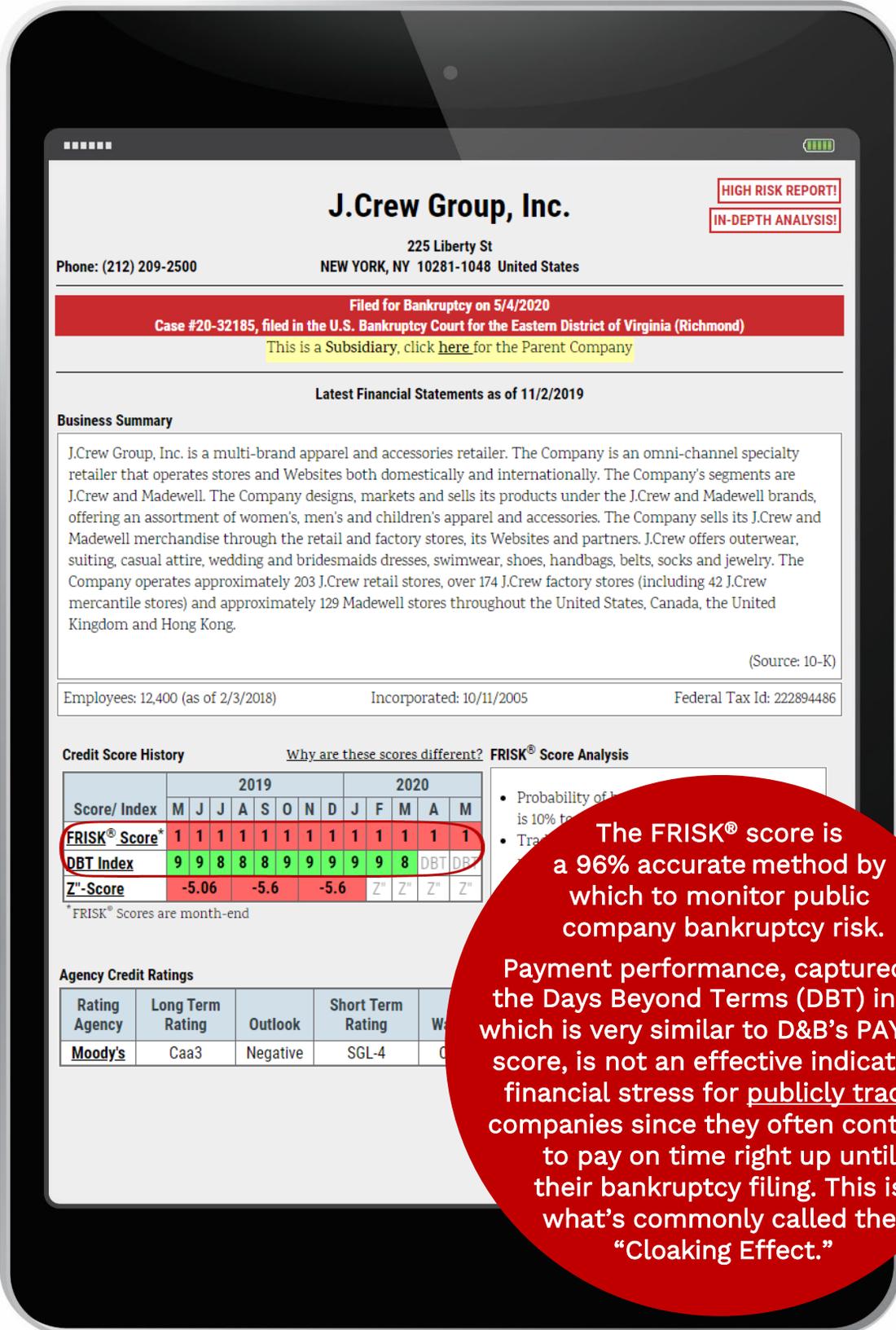
J.Crew Group, Inc.
225 Liberty St
NEW YORK, NY 10281-1048 United States
Phone: (212) 209-2500

Filed for Bankruptcy on 5/4/2020
Case #20-32185, filed in the U.S. Bankruptcy Court for the Eastern District of Virginia (Richmond)
[This is a Subsidiary, click here for the Parent Company](#)

Management Discussion and Analysis History

On September 19, 2018, we entered into a Sixth Amendment to Credit Agreement (Incremental Amendment) (the "Sixth Amendment"), which amended the ABL Facility to increase the revolving credit commitment from \$350 million to \$375 million, with the additional \$25 million provided by MUFG Union Bank, N.A., which joined the ABL Facility as an additional lender. On November 2, 2019, standby and documentary letters of credit were \$64.7 million, outstanding borrowings were \$217.9 million, and excess availability, as defined, was \$92.4 million. The weighted average interest rate on the borrowings outstanding under the ABL Facility as of November 2, 2019, was 4.50%. The weighted average interest rate on the borrowings under the ABL Facility for the first nine months of fiscal 2019 and the first nine months of fiscal 2018, respectively, was 4.50% and 4.50%. As of November 2, 2019, we had approximately \$170 million under the ABL Facility available for use. Our ability to satisfy these obligations depends on our performance under our financing arrangements depends on our performance under our financing arrangements, as well as the pursuit of strategic alternatives. All common bankruptcy red flags. Contact your account manager about the MD&A report.

COMPANY REPORT DETAIL



J.Crew Group, Inc.

HIGH RISK REPORT!

IN-DEPTH ANALYSIS!

225 Liberty St
NEW YORK, NY 10281-1048 United States

Phone: (212) 209-2500

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This is a Subsidiary, click [here](#) for the Parent Company

Latest Financial Statements as of 11/2/2019

Business Summary

J.Crew Group, Inc. is a multi-brand apparel and accessories retailer. The Company is an omni-channel specialty retailer that operates stores and Websites both domestically and internationally. The Company's segments are J.Crew and Madewell. The Company designs, markets and sells its products under the J.Crew and Madewell brands, offering an assortment of women's, men's and children's apparel and accessories. The Company sells its J.Crew and Madewell merchandise through the retail and factory stores, its Websites and partners. J.Crew offers outerwear, suiting, casual attire, wedding and bridesmaids dresses, swimwear, shoes, handbags, belts, socks and jewelry. The Company operates approximately 203 J.Crew retail stores, over 174 J.Crew factory stores (including 42 J.Crew mercantile stores) and approximately 129 Madewell stores throughout the United States, Canada, the United Kingdom and Hong Kong.

(Source: 10-K)

Employees: 12,400 (as of 2/3/2018)

Incorporated: 10/11/2005

Federal Tax Id: 222894486

Credit Score History

Why are these scores different? FRISK® Score Analysis

Score/ Index	2019					2020							
	M	J	J	A	S	O	N	D	J	F	M	A	M
FRISK® Score*	1	1	1	1	1	1	1	1	1	1	1	1	1
DBT Index	9	9	8	8	8	9	9	9	9	9	8		
Z"-Score			-5.06			-5.6			-5.6	Z"	Z"	Z"	Z"

*FRISK® Scores are month-end

- Probability of bankruptcy is 10%
- Trade credit

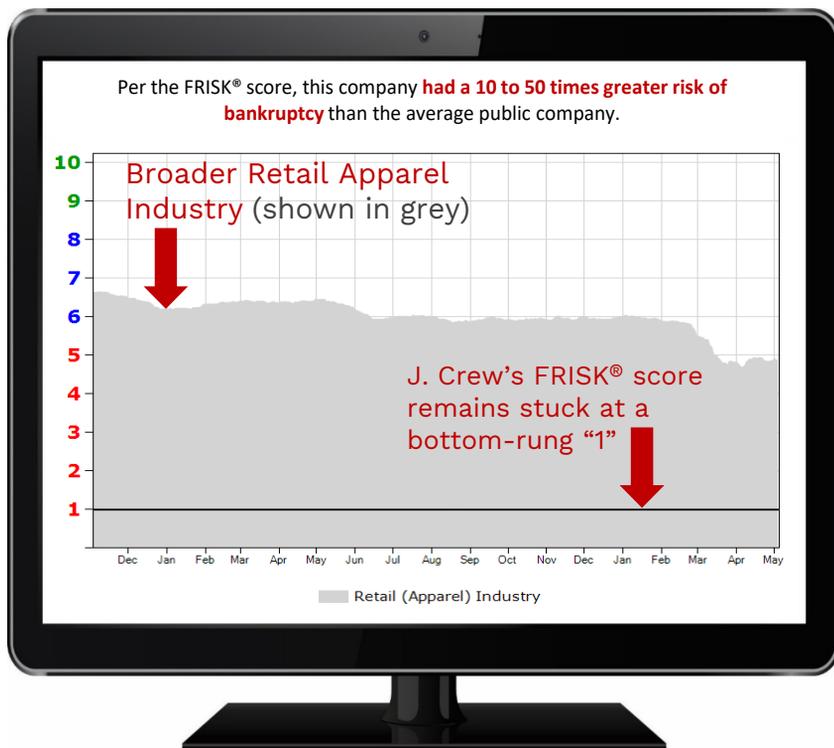
The FRISK® score is a 96% accurate method by which to monitor public company bankruptcy risk.

Agency Credit Ratings

Rating Agency	Long Term Rating	Outlook	Short Term Rating	Waiver
Moody's	Caa3	Negative	SGL-4	

Payment performance, captured by the Days Beyond Terms (DBT) index, which is very similar to D&B's PAYDEX® score, is not an effective indicator of financial stress for publicly traded companies since they often continue to pay on time right up until their bankruptcy filing. This is what's commonly called the "Cloaking Effect."

FRISK® DEEP DIVE



The FRISK® score relative to the broader Retail Apparel industry raised an additional red flag signaling heightened risk relative to peers, as well...

MAKING IMMEDIATE ATTENTION REQUIRED.

One of the component inputs to the FRISK® score is subscriber crowdsourcing, which integrates the aggregated research behavior of credit and other risk professionals on the CreditRiskMonitor web-service. Beginning in March 2019, numerous subscribers began exhibiting click patterns that reflected concern about the financial viability of J. Crew Group. Some of those patterns, for example, included exhaustive research and detailed financial analysis, which often coincide with potential credit policy adjustments, among other risk management actions. In the second quarter of 2019, reported on Sept. 13, inventory financed by vendors was 60.5%, a substantial decline from 72.1% in the same period of the previous year.

Given J. Crew's already severely distressed financial position, the coronavirus pandemic only exacerbated the company's deterioration in operating performance and credit quality. Subscribers maintained an unfavorable view on the company, especially in early 2020, leading all the way up until its Chapter 11 bankruptcy filing on May 4.

Subscriber crowdsourcing consistently provides unique, real-time insight for credit assessments on public companies.

FRISK® STRESS INDEX

#	Business Name	Country	Current FRISK® score
1	Ascena Retail Group Inc HIGH RISK REPORT!	United States	1
2	J.C. Penney Company Inc HIGH RISK REPORT! IN-DEPTH ANALYSIS!	United States	1
3	J.Crew Group, Inc. HIGH RISK REPORT! IN-DEPTH ANALYSIS!	United States	1
4	J.Jill Inc	United States	1
5	Shenzhen Hemei Group Co Ltd	China	1
6	Mothercare plc	United Kingdom	1
7	RTW Retailwinds Inc	United States	1
8	Apex Global Brands Inc	United States	1
9	Restoque Comercio e Confecos de Roups SA	Brazil	1
10	TOM TAILOR Holding SE	Germany	1

FRISK® Stress Index - SIC classification: Women's clothing stores located in All Countries

Primary industry codes only Primary and secondary industry codes

Businesses From: All Businesses CLEAR

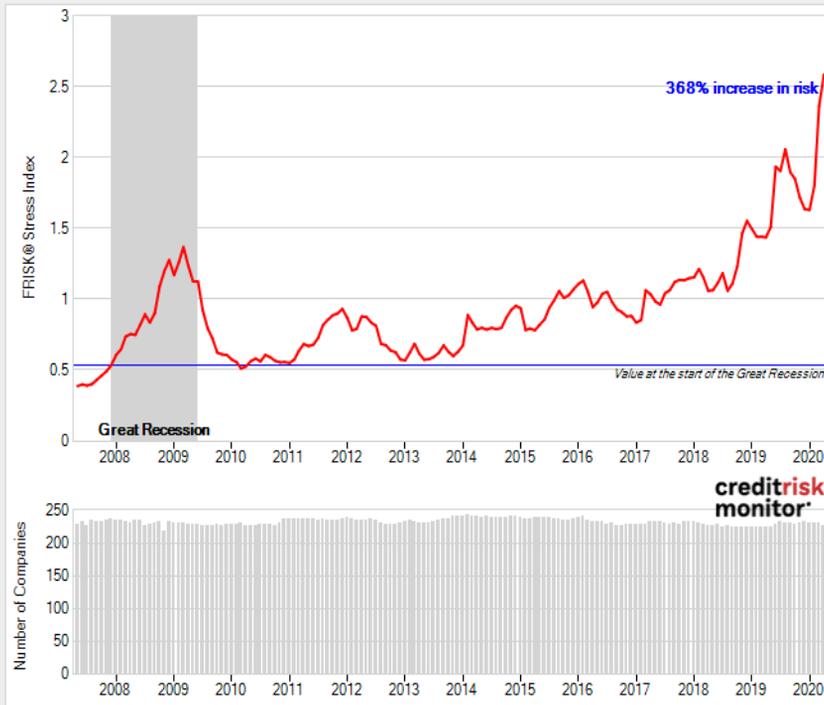
In Industry: SIC 5621: Women's clothing stores

Country: All Countries

UPDATE RESULTS

Scale: Auto

Total Companies in all months 355



The FRISK® Stress Index shows the collective probability of failure in a group of companies (such as an industry, country or portfolio) over the next 12 months. It is designed to show trends in risk level across groups of companies and is shown on a zero to 50 scale, with 50 being the most risky.

The average probability of failure for SIC code 5621 (Women's clothing stores) has increased 368% since 2007. J. Crew Group was among the weakest names in the industry as evidenced by its FRISK® score of 1.

[Request a Personalized Demo](#)

PEER ANALYSIS ON ALTERNATE SUPPLIERS AND CUSTOMERS

The Peer Analysis expands to provide a ranking of a company's competitors, which can help provide options for alternate suppliers or new customers

Peer Analysis: SIC classification: Women's clothing stores

Calendar Year/Quarter: 2019.3

Businesses in Peer Group: 806	Ranking Within Peer Group	Number Of Peers Ranked	Company Value	Peer Group Range		
				Low	Median	High
Credit Ratings						
Z-Score	164	173	-5.60	-227.33	3.21	40.97
Performance ratios:						
Net Sales (Thousands of U.S. Dollars)	15	37	625,637	0	484,706	4,625,000
Gross Margin % Of Sales	100	171	40.69	-0.72	43.75	75.61
Gross Margin % Of Sales -- TTM	137	179	33.33	-60.21	45.79	81.10
SGA % Of Sales	99	169	37.57	3.34	33.89	145.02
SGA % Of Sales -- TTM	92	177				
Operating Margin % Of Sales	100	178				
Operating Margin % Of Sales -- TTM	141	185				
EBITDA Margin Of Sales	75	103				
EBITDA Margin Of Sales -- TTM	95	113				
Net Profit Margin % Of Sales	123	178				
Net Profit Margin % Of Sales -- TTM	149	185				
Pre-tax Income % Of Sales	128	178				
Effective Tax Rate	104	179				
Depreciation % Of Prop/Plant/Equipment	56	166	10.40	0.00	17.17	978.23
Capital Expense % Of Prop/Plant/Equipment	47	124	7.07	0.02	9.33	949.43
Interest Coverage	74	90	0.85	-66.94	5.92	1,398.35
Interest Coverage -- TTM	89	103	0.24	-45.51	5.80	1,006.03
Liquidity ratios:						
Cash Ratio	167	187	0.03	0.00	0.26	24.81
Quick Ratio	166	172	0.08	-1.26	0.59	25.14
Current Ratio	182	187	0.67	0.12	1.51	47.05
Efficiency ratios:						
Accounts Receivable Turnover	33	174				
Days Sales Outstanding	45	178				
% of Inventory Financed by Vendors	62	161				
% of Inventory Financed by Vendors -- TTM	57	163				
Inventory Turnover	59	180				
Inventory Turnover -- TTM	53	181				
Days Sales in Inventory	59	170				
Inventory to Working Capital	171	181				
Accounts Payable Turnover	94	168				
Accounts Payable Turnover -- TTM	91	169	0.31	0.00	0.44	39.31
Leverage & debt coverage:						
Total Debt to Equity Ratio	160			0.00	0.49	13.70
Debt to Tangible Equity Ratio	149			0.00	0.50	19.22
Total Debt to Assets Ratio	171	171	1.08	0.00	0.23	1.08
Short-Term Debt % of Total Debt	25	154	12.58	0.00	41.28	100.00
Short-Term Debt % of Working Capital	152	157	-78.04	-3,495.74	29.10	13,947.50
Liabilities to Net Worth Ratio	165			0.03	1.24	22.81
Total Liabilities to Equity Ratio	176			0.03	1.15	19.18
TTM EBITDA to Total Debt	86	101	0.03	-2.89	0.30	67.33
Net Debt to TTM EBITDA	90	91	36.71	-61.34	2.22	41.26

Rank	Company Name
1	Buckle Inc
2	Cato Corp
3	Lululemon Athletica Inc
4	Zumiez Inc.
5	Ralph Lauren Corp

Rank	Company Name
1	Oxford Industries Inc
2	American Eagle Outfitters Inc
3	RTW Retailwinds Inc
4	Foot Locker, Inc.
5	Christopher & Banks Corporation

Green - Ranked in Upper Quartile of Peer Group
 White - Ranked in the Middle Two Quartiles of Peer Group
 Red - Ranked in Lower Quartile of Peer Group
 Orange - Confidential
 Grey - Data is Not Available

TTM = trailing 12 months
 N/A = Not Available

J. Crew demonstrated bottom quartile ranking in key financial ratios (shown in red) versus its industry peers.

QUARTERLY PERFORMANCE RATIOS

Despite comparable store sales growth, EBIT margins remained thin

Continuous net losses, poor interest coverage, and negative free cash flow

Performance Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	13 weeks 11/2/2019	13 weeks 8/3/2019	13 weeks 5/4/2019	13 weeks 2/2/2019	13 weeks 11/3/2018
Net Sales \$	\$625,637	\$588,829	\$578,506	\$733,771	\$622,200
% change	6.25%	1.78%	-21.16%	17.93%	5.89%
Gross Margin \$	\$254,542	\$209,446	\$213,777	\$164,417	\$238,438
% change	21.53%	-2.03%	30.02%	-31.04%	5.50%
% of sales	40.69%	35.57%	36.95%	22.41%	38.32%
change as % of incremental sales	122.52%	-41.95%	n/m	-66.34%	35.92%
SG&A \$	\$235,054	\$208,020	\$189,750	\$227,708	\$202,828
% change	13.00%	9.63%	-16.67%	12.27%	5.28%
% of sales	37.57%	35.33%	32.80%	31.03%	32.60%
change as % of incremental sales	73.45%	176.98%	n/m	22.30%	29.37%
Operating margin \$	\$11,479	(\$1,536)	\$22,109	(\$64,243)	\$32,663
% change	847.33%	-106.95%	134.41%	-296.68%	-2.04%
% of sales	1.83%	-0.26%	3.82%	-8.76%	5.25%
change as % of incremental sales	35.36%	-229.05%	n/m	-86.86%	-1.96%
EBITDA \$	\$31,326	\$19,139	\$42,962	(\$42,369)	\$55,197
% change	63.68%	-55.45%	201.40%	-176.76%	-4.98%
% of sales	5.01%	3.25%	7.43%	-5.77%	8.87%
change as % of incremental sales	33.11%	-230.78%	n/m	-87.45%	-8.35%
EBIT \$	\$11,011	(\$2,245)	\$21,395	(\$64,843)	\$31,263
% change	590.47%	-110.49%	133.00%	-307.41%	-3.93%
% of sales	1.76%	-0.38%	3.70%	-8.84%	5.02%
change as % of incremental sales	36.01%	-229.00%	n/m	-86.14%	-3.69%
Pre-tax income \$	(\$25,825)	(\$39,263)	(\$14,809)	(\$99,216)	(\$2,478)
% change	34.23%	-165.13%	85.07%	-3,903.87%	-134.22%
% of sales	-4.13%	-6.67%	-2.56%	-13.52%	-0.40%
change as % of incremental sales	36.51%	-236.89%	n/m	-86.71%	-4.10%
Net income (loss) \$	(\$19,857)	(\$44,222)	(\$16,230)	(\$74,364)	(\$5,696)
% change	55.10%	-172.47%	78.17%	-1,205.55%	6.53%
% of sales	-3.17%	-7.51%	-2.81%	-10.13%	-0.92%
change as % of incremental sales	66.19%	-271.16%	n/m	-61.55%	1.15%
Tax expense \$	(\$5,968)	\$4,959	\$1,421	(\$24,852)	\$3,218
Effective tax rate	23.11%	-12.63%	-9.60%	25.05%	-129.86%
Depreciation expense \$	\$19,032	\$20,101	\$20,282	\$20,643	\$22,132
% of sales	3.04%	3.41%	3.51%	2.81%	3.56%
% of capital expenses	147.24%	93.23%	112.70%	119.90%	134.84%
% of PP&E, net (annualized)	10.40%	10.78%	16.29%	33.58%	35.09%
Capital expenditures \$	\$12,926	\$21,560	\$17,997	\$17,217	\$16,413
% change	-40.05%	19.80%	4.53%	4.90%	37.61%
% of PP&E, net (annualized)	7.07%	11.56%	14.45%	28.00%	26.02%
% of working capital (annualized)	-17.07%	-31.43%	-40.43%	-117.57%	-542.44%
Interest coverage ratio	0.85	0.52	1.18	(0.42)	0.55
% change	64.49%	-56.03%	382.51%	-176.23%	-68.42%
Free cash flow \$	(\$16,390)	\$30,391	(\$145,994)	\$89,158	(\$122,049)
% change	-153.93%	120.82%	-263.75%	173.05%	-739.80%
Source:	10-Q 12/2/2019	10-Q 9/13/2019	10-Q 5/29/2019	10-K 3/20/2019	10-Q 11/29/2018

QUARTERLY LEVERAGE RATIOS

Negative tangible net worth impaired options for additional borrowing

Total debt to assets exceeded 100%, indicating extremely high financial leverage

Leverage Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	11/2/2019	8/3/2019	5/4/2019	2/2/2019	11/3/2018
Total debt \$	\$1,903,306	\$1,887,118	\$1,920,036	\$1,776,152	\$1,855,876
% change	0.86%	-1.71%	8.10%	-4.30%	6.98%
Stockholders' equity \$	(\$1,353,903)	(\$1,334,982)	(\$1,289,420)	(\$1,272,243)	(\$1,194,857)
% change	-1.42%	-3.53%	-1.35%	-6.48%	-0.43%
Tangible net worth \$	(\$1,759,339)	(\$1,741,661)	(\$1,697,437)	(\$1,681,540)	(\$1,605,979)
% change	-1.02%	-2.61%	-0.95%	-4.71%	-0.21%
Total assets \$	\$1,758,755	\$1,708,981	\$1,752,632	\$1,221,651	\$1,394,173
% change	2.91%	-2.49%	43.46%	-12.37%	12.55%
Total debt to assets ratio	1.08	1.10	1.10	1.45	1.33
% change	-1.99%	0.79%	-24.65%	9.22%	-4.95%
Tangible assets \$	\$1,353,319	\$1,302,302	\$1,344,615	\$812,354	\$983,051
% change	3.92%	-3.15%	65.52%	-17.36%	19.05%
Short-term debt \$	\$239,500	\$219,800	\$247,870	\$102,870	\$179,070
% change	8.96%	-11.32%	140.95%	-42.55%	229.54%
Short-term debt % of total debt	12.58%	11.65%	12.91%	5.79%	9.65%
% change	8.04%	-9.78%	122.90%	-39.97%	208.02%
Short-term debt % of working capital	-78.04%	-73.53%	-99.18%	-96.87%	-1,635.19%
% change	-6.14%	25.86%	-2.39%	94.08%	-298.88%
Total liabilities \$	\$3,112,658	\$3,043,963	\$3,042,052	\$2,493,894	\$2,589,030
% change	2.26%	0.06%	21.98%	-3.67%	6.61%
Total debt to EBITDA ratio (annualized)	15.19	24.65	11.17	n/a	8.41
% change	-38.38%	120.62%	n/a	n/a	12.59%
Source:	10-Q	10-Q	10-Q	10-K	10-Q
	11/2/2019	8/3/2019	5/29/2019	3/20/2019	11/29/2018

Double digit total debt to EBITDA ranked in the bottom quartile of retail industry peers

QUARTERLY LIQUIDITY RATIOS AND RATES OF RETURN

Working capital position collapsed

Meager cash, quick, and current ratios

Liquidity Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	11/2/2019	8/3/2019	5/4/2019	2/2/2019	11/3/2018
Current assets \$	\$624,585	\$550,602	\$584,458	\$562,570	\$727,091
% change	13.44%	-5.79%	3.89%	-22.63%	29.33%
% of short-term debt	260.79%	250.50%	235.79%	546.87%	406.04%
Current liabilities \$	\$931,462	\$849,534	\$834,377	\$668,767	\$738,042
% change	9.64%	1.82%	24.76%	-9.39%	28.25%
Working capital \$	(\$306,877)	(\$298,932)	(\$249,919)	(\$106,197)	(\$10,951)
% change	-2.66%	-19.61%	-135.34%	-869.75%	17.38%
% of sales (annualized)	-12.26%	-12.69%	-10.80%	-3.62%	-0.44%
Cash \$	\$28,956	\$27,173	\$30,236	\$25,738	\$31,860
% change	6.56%	-10.13%	17.48%	-19.22%	-8.30%
% of short-term debt	12.09%	12.36%	12.20%	25.02%	17.79%
Cash ratio	0.03	0.03	0.04	0.04	0.04
% change	-2.81%	-11.60%	-5.97%	-10.88%	-28.48%
Quick assets \$	\$73,114	\$69,232	\$86,680	\$66,080	n/a
% change	5.61%	-20.13%	31.17%	n/a	n/a
% of short-term debt	30.53%	31.50%	34.97%	64.24%	n/a
Quick ratio	0.08	0.08	0.10	0.10	n/a
% change	-3.68%	-21.56%	5.16%	n/a	n/a
Current ratio	0.67	0.65	0.70	0.84	0.99
% change	3.46%	-7.48%	-16.73%	-14.62%	0.84%
Source:	10-Q 12/2/2019	10-Q 9/13/2019	10-Q 5/29/2019	10-K 3/20/2019	10-Q 11/29/2018

Unable to generate any positive returns

Rate of Return - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	13 weeks 11/2/2019	13 weeks 8/3/2019	13 weeks 5/4/2019	13 weeks 2/2/2019	13 weeks 11/3/2018
Return on total assets	-1.15%	-2.56%	-1.09%	-5.69%	-0.43%
% change	55.18%	-134.10%	80.80%	-1,214.01%	14.55%
Return on tangible assets	-1.50%	-3.34%	-1.50%	-8.28%	-0.63%
% change	55.24%	-122.03%	81.83%	-1,215.31%	18.40%
Source:	10-Q 12/2/2019	10-Q 9/13/2019	10-Q 5/29/2019	10-K 3/20/2019	10-Q 11/29/2018

ANNUAL STATEMENT OF CASH FLOWS

Negative cash from operating activities

Statement of Cash Flows - Annual - Standardized

(Thousands of U.S. Dollars)

Period Ended	52 weeks 2/1/2019	53 weeks 2/3/2018	52 weeks 1/28/2017	52 weeks 1/30/2016	52 weeks 1/31/2015
Cash Flows from Operating Activities:					
Net income	(\$120,079)	(\$124,959)	(\$23,514)	(\$1,242,676)	(\$657,773)
Depreciation/depletion	88,028	101,288	109,503	103,966	93,458
Amortization	7,236	9,086	10,540	15,559	15,944
Deferred taxes	(15,177)	(123,276)	(5,140)	(151,232)	(75,015)
Non-cash Items	20,043	159,446	23,174	1,391,398	786,042
Changes in working capital	(49,331)	41,321	23,270	18,538	(4,538)
Total cash from operating activities	(69,280)	62,906	137,833	135,553	158,118
Cash Flows from Investing Activities:					
Capital expenditures	(52,736)	(39,678)	(80,140)	(103,657)	(127,874)
Other investing cash flow items, total	0	2,530	n/a	0	(4,817)
Total cash from investing activities	(52,736)	(37,148)	(80,140)	(103,657)	(132,691)
Cash Flows from Financing Activities:					
Financing cash flow items	(74)	(5,740)	(1,099)	(38,314)	(49,904)
Issuance/retirement of debt, net	55,130	(46,554)	(11,753)	(15,670)	(19,588)
Total cash from financing activities	55,056	(52,294)	(12,852)	(53,984)	(69,492)
Foreign exchange effects	(621)	1,376	(427)	(1,197)	(1,487)
Net change in cash	(67,581)	(25,160)	44,414	(23,285)	(45,552)
Net cash-beginning balance	107,066	132,226	87,812	111,097	156,649
Net cash-ending balance	\$39,485	\$107,066	\$132,226	\$87,812	\$111,097
Supplemental Disclosures:					
Cash interest paid	\$128,048	\$89,059	\$72,558	\$73,923	\$92,973
Cash taxes paid, supplemental	\$1,108	\$1,610	\$1,245	\$1,328	\$3,985
Auditor/Opinion:	KPMG LLP	KPMG LLP	KPMG LLP	KPMG LLP	KPMG LLP
	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified
Source:	10-K	10-K	10-K	10-K	10-K
	3/20/2019	3/27/2018	3/21/2017	3/17/2016	3/17/2015

NEWS ALERTS: A TIMELINE OF CONCERNING NEWS ITEMS

<p>Following J. Crew's fourth quarter earnings report, executive management admitted strategic missteps that comprised of misallocated spend on new brands and carrying excess inventory.</p>		
03/22/2019	CRMZ News Service	J. Crew Debt Drops After Company Admits Strategic Missteps
<p>J. Crew reached out to debt restructuring lawyers for a second time amid the retailer's unrelenting business challenges, excessive debt, and shrinking liquidity cushion.</p>		
03/29/2019	CRMZ News Service	J. Crew Is Turning To Debt Restructuring Lawyers Again, Sources Say
<p>Moody's Investor Services downgraded notes rating to Caa2, and changed their outlook from positive to developing. The rating change reflected high financial leverage, approaching maturities, the company's limited scale, and its end-market exposures to discretionary consumer expenditures.</p>		
05/03/2019	Moody's Investors Service	Moody's affirms J. Crew's CFR, downgrades notes rating to Caa2 and PDR to Caa2-PD
<p>J Crew. CEO stated in the first quarter conference call that gross margin declined 290 basis points due to inventory liquidation. The CFO also affirmed that quarterly inventory increased by 21% versus Q1 2018, despite limited sales growth; this would drive further margin dilution and adversely affect operating cash flows.</p>		
05/29/2019	CQ Transcriptions LLC	Q1 2019 J Crew Group Inc. Earnings Call - Final
<p>Q2 2019 financials show that gross profit decreased 7.3% year-over-year, operating income turned negative, and the net loss widened significantly. And despite considerable inventory growth, accounts payable declined, reflecting slippage in inventory financed by vendors.</p>		
09/19/2019	CRMZ News Service	J. Crew Group Inc. – updated financials available
<p>J. Crew received authorization from creditors on the Madewell spinoff to stabilize its balance sheet, however, market conditions for the IPO proved to be unfavorable and the process was halted.</p>		
12/02/2019	CRMZ News Service	Cleared to Spin Off Madewell, J. Crew Reports Widening Q3 Loss
<p>To implement a Transaction Support Agreement with creditors, J. Crew Group filed for Chapter 11 bankruptcy restructuring, which would entail most of the company's outstanding debt being converted into equity.</p>		
05/04/2020	PR Newswire	J. Crew files for bankruptcy protection

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