

CreditRiskMonitor’s warning of Neiman Marcus Group LTD LLC’s (“Neiman Marcus”) 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 Neiman Marcus Group LTD LLC for more than a year. We issued a special High Risk Report, dated Jan. 8, 2018 and [in-depth analysis](#) published Feb. 5, 2019, as conditions continued to deteriorate and become more troubling.

The company ultimately filed for bankruptcy on May 7, 2020.

Proposed unregistered offering of second lien notes to pay down term loans as well as fees and expenses on other debts.

Bond trustee and private equity firm sued over alleged illegal asset transfer of Mytheresa, which would reduce available collateral.

After no longer filing with the SEC, or "going dark," sources indicated that total EBITDA declined by 13% year-over-year.

Business Name	2019								2020			
	M	J	J	A	S	O	N	D	J	F	M	A
Neiman Marcus Group LTD LLC	1	1	1	1	1	1	1	1	1	1	1	1

Third quarter net sales declined 9%, EBIT fell by 20%, and net losses expanded by about 57% year-over-year.

Would permanently close all off-price retail stores and coronavirus would cause remaining locations to be shut effective immediately.

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

Neiman Marcus Group LLC

1618 Main St
DALLAS, TX 75201-4720 United States
Phone: (214) 743-7600

Filed for Bankruptcy on 5/7/2020
This company ceased filing statements with the SEC on 6/21/2019.
Case #20-32519, filed in the U.S. Bankruptcy Court for the Southern District of Texas
Mytheresa is not a part of the Chapter 11 proceedings and will continue to operate independently.
This is a Subsidiary, click [here](#) for the Parent Company

Management Discussion and Analysis History

Net cash used for our operating activities of \$135.4 million in year-to-date fiscal 2019 increased by \$348.1 million from net cash provided by operating activities of \$212.8 million in year-to-date fiscal 2018. This increase in net cash used for our operating activities was due primarily to (i) higher cash interest requirements due primarily to cash requirements for our Asset-Based Revolving Credit Facility, the Existing Term Loans and \$2,248.5 million of Extended Term Loans, (ii) higher cash interest requirements due primarily to cash requirements for our Asset-Based Revolving Credit Facility, the Existing Term Loans and \$2,248.5 million of Extended Term Loans, (iii) higher cash interest requirements due primarily to cash requirements for our Asset-Based Revolving Credit Facility, the Existing Term Loans and \$2,248.5 million of Extended Term Loans, and (iv) higher cash interest requirements due primarily to cash requirements for our Asset-Based Revolving Credit Facility, the Existing Term Loans and \$2,248.5 million of Extended Term Loans.

Prior to going dark, the MD&A provided several disclosures of increased cash usage, multiple layers to its debt stack, and that its protective interest rate swaps would expire in late 2020. Contact your account manager to discuss these important red flags.

COMPANY REPORT DETAIL

Neiman Marcus Group LTD LLC

HIGH RISK REPORT!

Phone: (214) 743-7600

1618 Main St
DALLAS, TX 75201-4720 United States

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Latest Financial Statements as of 4/27/2019

Business Summary

Neiman Marcus Group Ltd LLC is an Omni-channel fashion retailer. The Company offers a selection of women's and men's apparel, handbags, shoes, cosmetics and precious and designer jewelry from fashion designers, including Chanel, Gucci, Brunello Cucinelli, Tom Ford, Christian Louboutin, Valentino, Saint Laurent, Prada, Akris, David Yurman, Ermenegildo Zegna, Loro Piana, Brioni, Louis Vuitton, Goyard and Van Cleef & Arpels. It provides its products through three primary brands: Neiman Marcus, Bergdorf Goodman and MyTheresa. Bergdorf Goodman is a retailer in New York City. MyTheresa is a luxury retailer that offers an assortment of merchandise focused on luxury, first-season fashion. It also operates Last Call, an off-price fashion goods retailer. The Company also operates the Horchow brand, which offers luxury home furnishings and accessories.

Employees: 13,500 (as of 7/28/2018)

Incorporated: 4/22/2005

Federal Tax Id: 203509435

Credit Score History

Why are these scores different? FRISK® Score A

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	9	9	9	9	9	9	9	9	9	8	DBT				
Z"-Score	0.34	Z"															

*FRISK® Scores are month-end

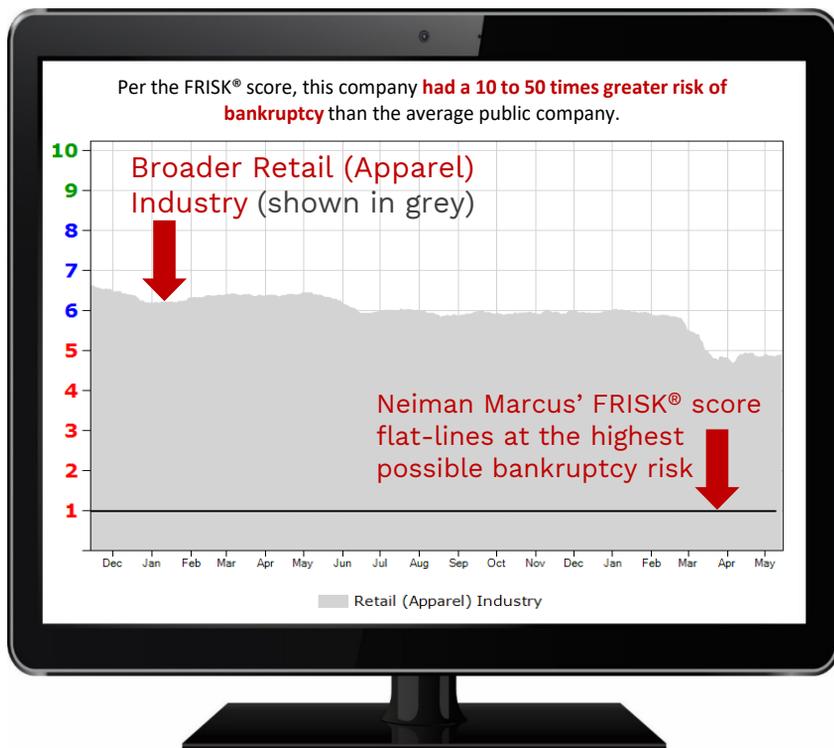
Agency Credit Ratings

Rating Agency	Long Term Rating	Outlook	Short Term Rating
Moody's	Caa3	Stable	SGL-3
Fitch	NR		NR

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

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 AND OTHER EVENTS



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.

In early February 2019, CreditRiskMonitor advised that trade creditors should be prepared for a potential bankruptcy restructuring. In addition to the FRISK® score warning, another key consideration was the company's weak trailing 12-month interest coverage ratio at a troubling 0.8x, after including its allocated expenditures for store remodeling and development at Hudson Yards in New York City.

Over the remaining span of 2019 and 2020, the company's negative and restrictive covenants disallowed for any additional borrowings. Rapidly burning through cash, unable to access equity, and receiving creditor pressures from the potential asset transfer of Mytheresa, Neiman Marcus had no meaningful options left available to sustain liquidity.

By March 2020, the coronavirus pandemic led management to close its entire store base. This unforeseen event deepened its ongoing cash flow deficit and consequently forced the company into default and a bankruptcy restructuring by May.

FRISK® STRESS INDEX

#	Business Name	Country	Current FRISK® score
1	J.C. Penney Company Inc HIGH RISK REPORT! IN-DEPTH ANALYSIS!	United States	1
2	Grupo Famsa SAB de CV	Mexico	1
3	Yi Hua Holdings Ltd	China	1
4	Neiman Marcus Group LTD LLC HIGH RISK REPORT!	United States	1
5	Daiwa Co., Ltd.	Japan	2
6	T.O. Holdings Co Ltd	Japan	2
7	Changchun Sinoenergy Corp	China	1
8	Nanjing Central Emporium Co., Ltd.	China	1
9	Hamashbir 365 Holdings Ltd	Israel	1
10	Harbin Churin Group Jointstock Co., Ltd.	China	2

FRISK® Stress Index - SIC classification: Department stores

See COVID-19 Impact on Frisk Scores around the world...

Primary industry codes only Primary and secondary industry codes

Businesses From: **CLEAR**

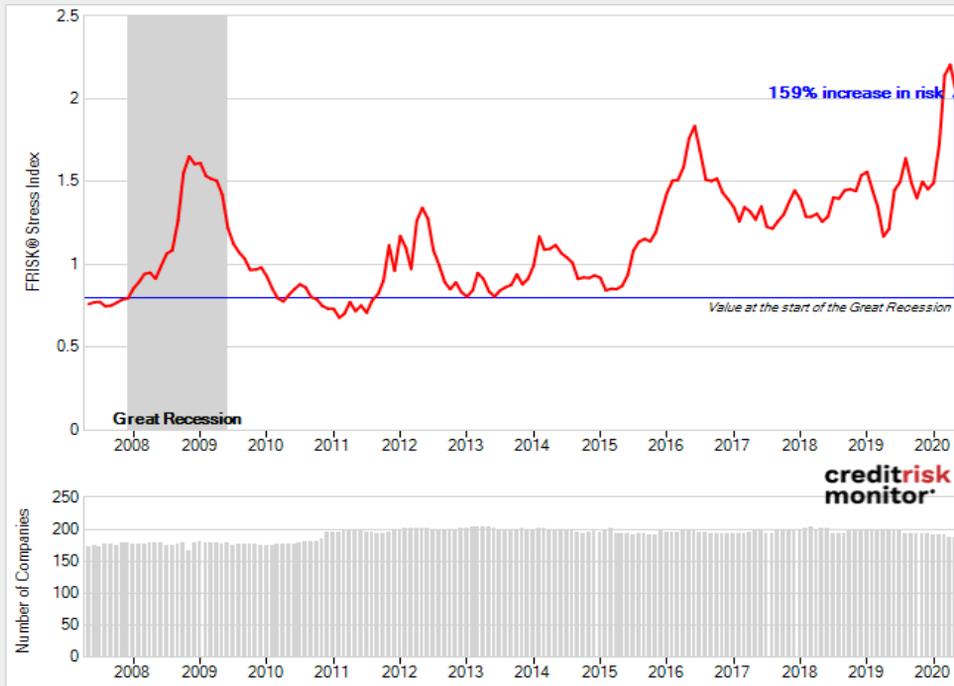
In Industry:

Country:

UPDATE RESULTS

Scale:

Total Companies in all months **276**



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 5311 (Department Stores) has increased 159% since 2007. Neiman Marcus was among the weakest names in the industry as evidenced by its FRISK® score of 1.

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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 Group: 734	Ranking Within Peer Group	Number Of Peers Ranked	Company Value	Peer Group Range		
				Low	Median	High
Credit Ratings						
Z-Score	184	247	0.34	-27.26	1.68	48.73
Performance ratios:						
Net Sales (Thousands of U.S. Dollars)	14	21	1,057,240	5,771	1,497,935	123,925,000
Gross Margin % Of Sales	86	253	35.85	-760.00	28.52	99.25
Gross Margin % Of Sales -- TTM	107	273	32.72	-161.90	28.57	99.23
SGA % Of Sales	162	252	24.46	2.42	20.74	42,940.00
SGA % Of Sales -- TTM	174	273	24.01	2.32	21.08	35,942.86
Operating Margin % Of Sales	144	258	2.00	15.46	1.72	120.08
Operating Margin % Of Sales -- TTM	205	277				
EBITDA Margin Of Sales	43	112				
EBITDA Margin Of Sales -- TTM	93	175				
Net Profit Margin % Of Sales	223	258				
Net Profit Margin % Of Sales -- TTM	242	277				
Pre-tax Income % Of Sales	225	258				
Effective Tax Rate	178	254				
Depreciation % Of Prop/Plant/Equipment	139	186				
Capital Expense % Of Prop/Plant/Equipment	140	210				
Interest Coverage	82	102	1.43	-21.11	6.27	622.90
Interest Coverage -- TTM	144	172	1.24	-149.08	7.53	1,656.67
Liquidity ratios:						
Cash Ratio	247	269				
Quick Ratio	235	256				
Current Ratio	45	269				
Efficiency ratios:						
Accounts Receivable Turnover	47	258				
Days Sales Outstanding	64	258				
% of Inventory Financed by Vendors	219	242				
% of Inventory Financed by Vendors -- TTM	221	245				
Inventory Turnover	195	266	2.63	0.00	5.38	720.61
Inventory Turnover -- TTM	210	268	2.84	0.00	5.61	437.82
Days Sales in Inventory	195	245	138.86	0.51	60.23	5,258.43
Inventory to Working Capital	89	265	1.55	-18.87	0.07	64.70
Accounts Payable Turnover	36	250	10.96	0.00	6.03	892.34
Accounts Payable Turnover -- TTM	38	252	10.93	0.00	6.01	646.69
Leverage & debt coverage:						
Total Debt to Equity Ratio	257	260	13.10	0.00	0.69	329.63
Debt to Tangible Equity Ratio		247		0.00	0.80	122.04
Total Debt to Assets Ratio	257	264	0.67	0.00	0.26	1.33
Short-Term Debt % of Total Debt	6	253	0.60	0.00	34.94	100.00
Short-Term Debt % of Working Capital	26	262	4.28	-3,490.16	0.39	5,995.54
Liabilities to Net Worth Ratio		253		0.02	1.68	153.58
Total Liabilities to Equity Ratio	261	266	18.52	0.02	1.55	500.98
TTM EBITDA to Total Debt	134	167	0.08	-1.89	0.21	494.89
Net Debt to TTM EBITDA	137	150	12.30	-11.18	2.69	1,358.66
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						

Rank	Company Name
1	Vera Bradley, Inc.
2	Ralph Lauren Corp
3	Buckle Inc
4	Cato Corp

Rank	Company Name
1	RTW Retailwinds Inc
2	J.Jill Inc
3	Francesca's Holdings Corp
4	Grupo Palacio de Hierro S.A.B. de C.V.

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

QUARTERLY PERFORMANCE RATIOS

Posted net sales declines year-over-year and recurring net losses

Poor interest coverage ratio and high cash burn rate

Performance Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	13 weeks 4/27/2019	13 weeks 1/26/2019	13 weeks 10/27/2018	13 weeks 7/28/2018	13 weeks 4/28/2018
Net Sales \$	\$1,057,240	\$1,394,120	\$1,104,391	\$1,132,943	\$1,166,270
% change	-24.16%	26.23%	-2.52%	-2.86%	-21.94%
Gross Margin \$	\$378,983	\$435,573	\$404,155	\$315,504	\$419,679
% change	-12.99%	7.77%	28.10%	-24.82%	-11.11%
% of sales	35.85%	31.24%	36.60%	27.85%	35.98%
change as % of incremental sales	n/m	10.84%	n/m	n/m	n/m
SG&A \$	\$258,608	\$309,223	\$276,761	\$281,316	\$280,223
% change	-16.37%	11.73%	-1.62%	0.39%	-12.95%
% of sales	24.46%	22.18%	25.06%	24.83%	24.03%
change as % of incremental sales	n/m	11.20%	n/m	n/m	n/m
Operating margin \$	\$41,211	\$43,490	\$43,487	(\$44,568)	\$51,117
% change	-5.24%	0.01%	197.57%	-187.19%	-14.67%
% of sales	3.90%	3.12%	3.94%	-3.93%	4.38%
change as % of incremental sales	n/m	0.00%	n/m	n/m	n/m
EBITDA \$	\$119,211	\$119,204	\$122,589	\$37,476	\$134,264
% change	0.01%	-2.76%	227.11%	-72.09%	-5.90%
% of sales	11.28%	8.55%	11.10%	3.31%	11.51%
change as % of incremental sales	n/m	-1.17%	n/m	n/m	n/m
EBIT \$	\$40,338	\$42,118	\$41,990	(\$45,449)	\$50,653
% change	-4.23%	0.30%	192.39%	-189.73%	-13.92%
% of sales	3.82%	3.02%	3.80%	-4.01%	4.34%
change as % of incremental sales	n/m	0.04%	n/m	n/m	n/m
Pre-tax income \$	(\$42,798)	(\$38,816)	(\$37,935)	(\$121,711)	(\$26,997)
% change	-10.26%	-2.32%	68.83%	-350.83%	-57.81%
% of sales	-4.05%	-2.78%	-3.43%	-10.74%	-2.31%
change as % of incremental sales	n/m	-0.30%	n/m	n/m	n/m
Net income (loss) \$	(\$31,183)	(\$29,006)	(\$28,171)	(\$75,303)	(\$19,881)
% change	-7.51%	-2.96%	62.59%	-278.77%	-105.34%
% of sales	-2.95%	-2.08%	-2.55%	-6.65%	-1.70%
change as % of incremental sales	n/m	-0.29%	n/m	n/m	n/m
Tax expense \$	(\$11,615)	(\$9,810)	(\$9,764)	(\$41,008)	(\$7,118)
Effective tax rate	27.14%	25.27%	25.74%	33.69%	26.36%
Depreciation expense \$	\$55,986	\$53,930	\$56,815	\$58,729	\$59,309
% of sales	5.30%	3.87%	5.14%	5.18%	5.09%
% of capital expenses	116.02%	116.08%	151.08%	90.57%	134.92%
% of PP&E, net (annualized)	14.57%	13.99%	14.60%	14.98%	15.19%
Capital expenditures \$	\$48,254	\$46,461	\$37,605	\$64,842	\$43,958
% change	3.86%	23.55%	-42.01%	47.51%	6.86%
% of PP&E, net (annualized)	12.56%	12.05%	9.66%	16.54%	11.26%
% of working capital (annualized)	32.12%	32.90%	28.19%	51.41%	32.86%
Interest coverage ratio	1.43	1.47	1.53	0.49	1.73
% change	-2.65%	-3.97%	212.13%	-71.58%	-7.96%
Free cash flow \$	(\$158,372)	\$106,666	(\$215,979)	\$19,605	(\$26,737)
% change	-248.47%	149.39%	-1,201.65%	173.33%	-112.64%
Source:	10-Q	10-Q	10-Q	10-K	10-Q
	6/11/2019	3/12/2019	12/6/2018	9/18/2018	6/11/2019

QUARTERLY LEVERAGE RATIOS

Unremitting negative tangible net worth over the last five fiscal quarters

Total debt to assets ratio steadily trended higher, indicating increased balance sheet risk

Leverage Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	4/27/2019	1/26/2019	10/27/2018	7/28/2018	4/28/2018
Total debt \$	\$4,940,915	\$4,762,208	\$4,857,893	\$4,652,578	\$4,666,996
% change	3.75%	-1.97%	4.41%	-0.31%	1.42%
Stockholders' equity \$	\$377,061	\$412,905	\$448,751	\$759,181	\$829,386
% change	-8.68%	-7.99%	-40.89%	-8.46%	-1.15%
Total debt to equity ratio	13.10	11.53	10.83	6.13	5.63
% change	13.62%	6.54%	76.64%	8.91%	2.60%
Tangible net worth \$	(\$3,969,080)	(\$3,956,138)	(\$3,943,787)	(\$3,859,991)	(\$3,825,285)
% change	-0.33%	-0.31%	-2.17%	-0.91%	0.25%
Total assets \$	\$7,359,000	\$7,266,309	\$7,462,477	\$7,545,903	\$7,649,220
% change	1.28%	-2.63%	-1.11%	-1.35%	0.29%
Total debt to assets ratio	0.67	0.66	0.65	0.62	0.61
% change	2.44%	0.68%	5.58%	1.07%	1.13%
Tangible assets \$	\$3,012,859	\$2,897,266	\$3,069,939	\$2,926,731	\$2,994,549
% change	3.99%	-5.62%	4.89%	-2.26%	1.40%
Short-term debt \$	\$29,426	\$29,426	\$29,426	\$29,426	\$29,426
Short-term debt % of total debt	0.60%	0.62%	0.61%	0.63%	0.63%
% change	-3.61%	2.01%	-4.24%	0.32%	-1.41%
Short-term debt % of working capital	4.28%	5.72%	4.78%	6.51%	5.28%
% change	-25.04%	19.45%	-26.48%	23.14%	-7.80%
Total liabilities \$	\$6,981,939	\$6,853,404	\$7,013,726	\$6,786,722	\$6,819,834
% change	1.88%	-2.29%	3.34%	-0.49%	0.47%
Total liabilities to equity ratio	18.52	16.60	15.63	8.94	8.22
% change	11.56%	6.20%	74.84%	8.72%	1.64%
Total debt to EBITDA ratio (annualized)	10.36	9.99	9.91	31.04	8.69
% change	3.75%	0.81%	-68.08%	257.16%	7.77%
Source:	10-Q	10-Q	10-Q	10-K	10-Q
	4/27/2019	1/26/2019	10/27/2018	7/28/2018	4/28/2018

Double-digit total debt to EBITDA ratio commensurate with extremely speculative borrower

QUARTERLY LIQUIDITY RATIOS AND RATES OF RETURN

Majority of working capital tied to merchandise inventory

Cash and quick ratios indicated liquidity deficiency

Liquidity Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	4/27/2019	1/26/2019	10/27/2018	7/28/2018	4/28/2018
Current assets \$	\$1,438,371	\$1,325,133	\$1,481,895	\$1,311,860	\$1,383,007
% change	8.55%	-10.58%	12.96%	-5.14%	1.79%
% of short-term debt	4,888.10%	4,503.27%	5,036.01%	4,458.17%	4,699.95%
Current liabilities \$	\$751,438	\$810,243	\$866,882	\$859,684	\$826,193
% change	-7.26%	-6.53%	0.84%	4.05%	-2.26%
Working capital \$	\$686,933	\$514,890	\$615,013	\$452,176	\$556,814
% change	33.41%	-16.28%	36.01%	-18.79%	8.46%
% of sales (annualized)	16.24%	9.23%	13.92%	9.98%	11.94%
Cash \$	\$38,579	\$41,338	\$37,732	\$38,510	\$38,851
% change	-6.67%	9.56%	-2.02%	-0.88%	8.56%
% of short-term debt	131.11%	140.48%	128.23%	130.87%	132.03%
Cash ratio	0.05	0.05	0.04	0.04	0.05
% change	0.59%	17.24%	-2.90%	-4.68%	11.11%
Quick assets \$	\$90,447	\$77,800	\$86,974	\$72,199	\$91,450
% change	16.26%	-10.55%	20.46%	-21.05%	17.17%
% of short-term debt	307.37%	264.39%	295.57%	245.36%	310.78%
Quick ratio	0.12	0.10	0.10	0.08	0.11
% change	25.42%	-4.29%	19.40%	-24.12%	19.94%
Current ratio	1.91	1.64	1.71	1.53	1.67
% change	17.04%	-4.33%	12.02%	-8.84%	4.15%
Source:	10-Q 6/11/2019	10-Q 3/12/2019	10-Q 12/6/2018	10-K 9/18/2018	10-Q 6/6/2018

Unable to generate any positive returns

Rate of Return - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	13 weeks 4/27/2019	13 weeks 1/26/2019	13 weeks 10/27/2018	13 weeks 7/28/2018	13 weeks 4/28/2018
Return on equity	-7.55%	-6.46%	-3.71%	-9.08%	-2.37%
% change	-16.84%	-74.19%	59.13%	-283.16%	-102.87%
Return on total assets	-0.43%	-0.39%	-0.38%	-0.99%	-0.26%
% change	-8.25%	-4.93%	62.12%	-280.75%	-105.40%
Return on tangible assets	-1.06%	-0.97%	-0.94%	-2.54%	-0.67%
% change	-8.54%	-3.47%	63.06%	-280.48%	-105.47%
Source:	10-Q 6/11/2019	10-Q 3/12/2019	10-Q 12/6/2018	10-K 9/18/2018	10-Q 6/11/2019

ANNUAL STATEMENT OF CASH FLOWS

Cash from operating activities turned negative

Statement of Cash Flows - Year-over-Year - Standardized - Year to Date

(Thousands of U.S. Dollars)

Period Ended	39 weeks 4/27/2019	39 weeks 4/28/2018	39 weeks 4/29/2017	39 weeks 4/30/2016	39 weeks 5/2/2015
				Reclassified	
				4/29/2017	
Cash Flows from Operating Activities:					
Net income	(\$88,360)	\$326,434	(\$165,456)	\$1,136	\$47,831
Depreciation/depletion	236,558	253,738	267,286	271,582	262,446
Deferred taxes	(974)	(418,611)	(99,880)	15,785	(49,207)
Non-cash Items	3,200	43,735	156,850	3,354	18,576
Changes in working capital	(285,789)	7,469	(228,938)	(144,275)	(156,833)
Total cash from operating activities	(135,365)	212,765	(70,138)	147,582	122,813
Cash Flows from Investing Activities:					
Capital expenditures	(132,320)	(109,754)	(161,486)	(231,993)	(183,016)
Other investing cash flow items, total	(17,200)	n/a	0	(896)	(181,727)
Total cash from investing activities	(149,520)	(109,754)	(161,486)	(232,889)	(364,743)
Cash Flows from Financing Activities:					
Financing cash flow items	(2,707)	(332)	(5,359)	0	(265)
Issuance/retirement of stock, net	(1,401)	(266)	n/a	n/a	n/a
Issuance/retirement of debt, net	289,070	(113,424)	225,073	85,746	127,930
Total cash from financing activities	284,962	(114,022)	219,714	85,746	127,665
Foreign exchange effects	(8)	623	3,682	2,869	n/a
Net change in cash	69	(10,388)	(8,228)	3,308	(114,265)
Net cash-beginning balance	38,510	49,239	61,843	72,974	196,476
Net cash-ending balance	\$38,579	\$38,851	\$53,615	\$76,282	\$82,211
Supplemental Disclosures:					
Cash interest paid	\$261,509	\$189,030	\$245,130	\$231,950	n/a
Cash taxes paid, supplemental	(\$6,617)	(\$3,713)	(\$699)	(\$16,106)	n/a
Source:	10-Q 6/11/2019	10-Q 6/6/2018	10-Q 6/13/2017	10-Q 6/13/2017	10-Q 6/12/2015

NEWS ALERTS: A TIMELINE OF CONCERNING NEWS ITEMS

<p>Moody's assigned a Caa2 rating to Neiman Marcus Group's senior secured term loan and Ca to its second and third lien notes; a transaction used to satisfy a distressed exchange.</p>		
05/20/2019	Moody's Investors Service	Moody's assigns Caa2 to Neiman's proposed senior secured term loan
<p>Brick and mortar sales collapsed and online sales stagnated, two major blows to the prospects of a recovery. SG&A deleveraging and higher coupon payments added to the retailer's losses as well.</p>		
06/11/2019	CRMZ News Service	Neiman Marcus posts a bigger loss and CEO 'not satisfied' with results
<p>Neiman Marcus announced the hiring of a new President and Chief Merchandising Officer, in the hopes of reinvigorating luxury merchandising offerings and the product mix.</p>		
09/03/2019	CRMZ News Service	Neiman Marcus Appoints Lana Todorovich as President and Chief Merchandising Officer
<p>Neiman Marcus had planned to lay off 100 corporate staff from its Dallas, Texas headquarters to save on operating costs; announcements of operational restructurings are a common red flag.</p>		
11/14/2019	CRMZ News Service	Neiman Marcus Axes Nearly 100 Jobs Amid Restructuring
<p>Despite reporting higher sales and expecting its cash position to improve, executive management disclosed in a private earnings call with creditors that operating margins had deteriorated even further.</p>		
12/18/2019	CRMZ News Service	Neiman Marcus Earnings Fall, But Cash Position Stabilizes
<p>Mass store closures ensued following the outbreak of the coronavirus pandemic and Neiman decided to skip its interest payment to Marble Ridge Capital LP. The company also reportedly made bankruptcy preparations.</p>		
04/16/2020	Reuters America	Luxury department store retailer Neiman Marcus Group skipped bond payment: letter
<p>Neiman Marcus entered into a restructuring support agreement with more than two-third of its lenders, aimed at reducing the company's unsustainable debt load. Creditors would agree to provide \$750 million as an exit package, with \$675 million classified as DIP financing.</p>		
05/07/2020	Dow Jones & Company, Inc.	Neiman Marcus, the Retailer to the Rich, Stumbles Into Bankruptcy

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