



CreditRiskMonitor’s warning of Tailored Brands, Inc.’s (“Tailored Brands”) 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 Tailored Brands (OTC: TLRDQ) for more than a year. **The company ultimately filed for bankruptcy on August 3, 2020.**

Net sales declined by 4.1%, operating income fell by 24.1%, and inventories grew by 7.7% versus the second quarter last year.

Net sales decreased by 10.3%, net losses nearly doubled versus last year and working capital positioning deteriorated.

Corporate subsidiary, Men's Warehouse, missed a \$6.1 million interest payment on bonds and would later default.

Business Name	2019					2020							
	A	S	O	N	D	J	F	M	A	M	J	J	A
Tailored Brands, Inc.	2	2	2	2	2	2	2	2	2	1	1	1	1

**BANKRUPT!**

Management closed stores due to the coronavirus pandemic, furloughed retail employees, and suspended its ecommerce operations.

Vice Chairman of the Board and Director, David Edwab, resigned from Tailored Brands 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: PROBABILITY OF BANKRUPTCY WITHIN 12 MONTHS

	FRISK®	FROM	TO
BEST	10	0.00%	0.12%
	9	0.12%	0.27%
	8	0.27%	0.34%
	7	0.34%	0.55%
	6	0.55%	0.87%
WORST	5	0.87%	1.40%
	4	1.40%	2.10%
	3	2.10%	4.00%
	2	4.00%	9.99%
	1	9.99%	50.00%

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

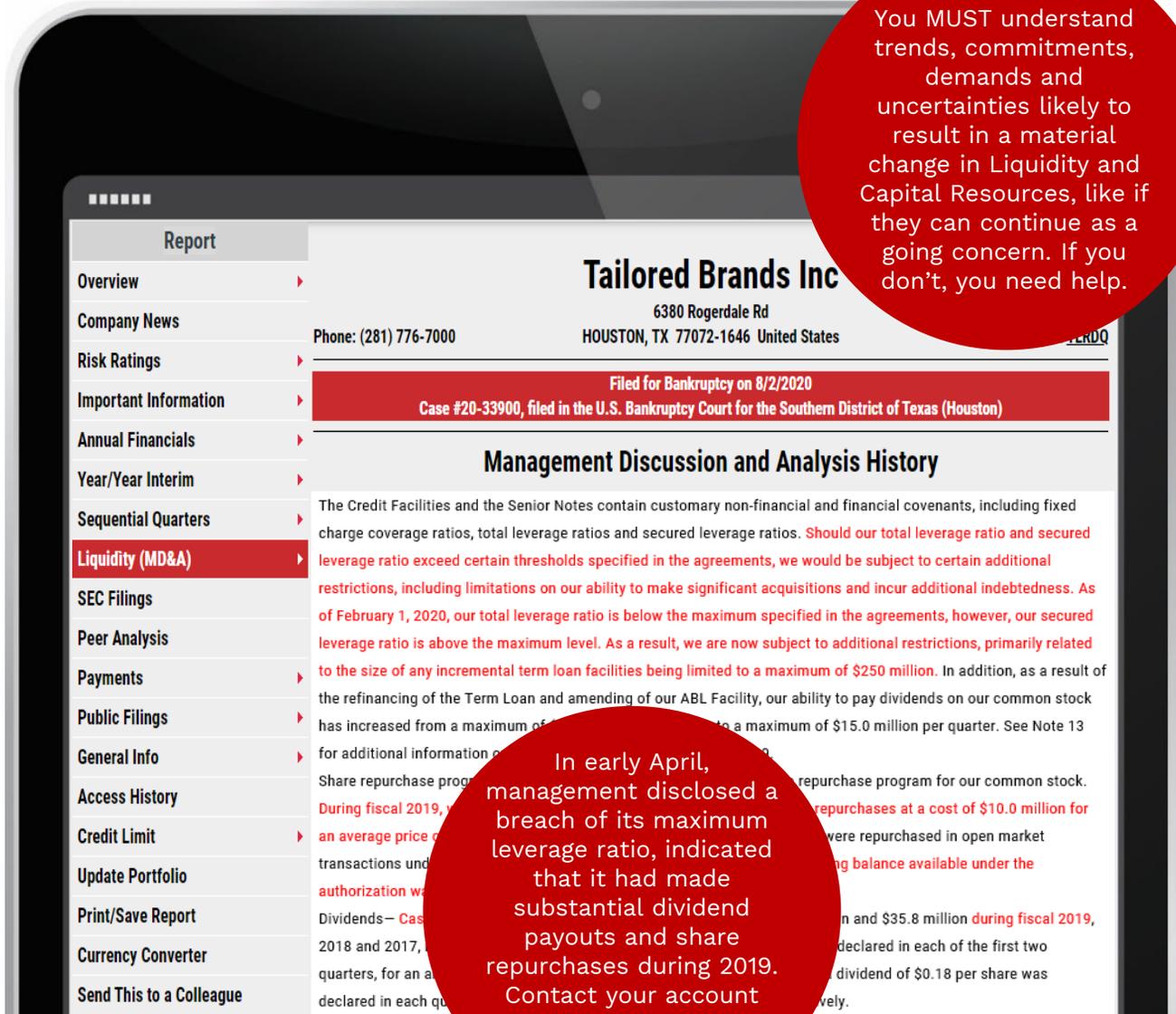
[Read more in Credit Research Foundation’s quarterly journal article, “Assessing Public Company Financial Risk by Crowdsourcing the Research of Credit Professionals”](#)

## 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.

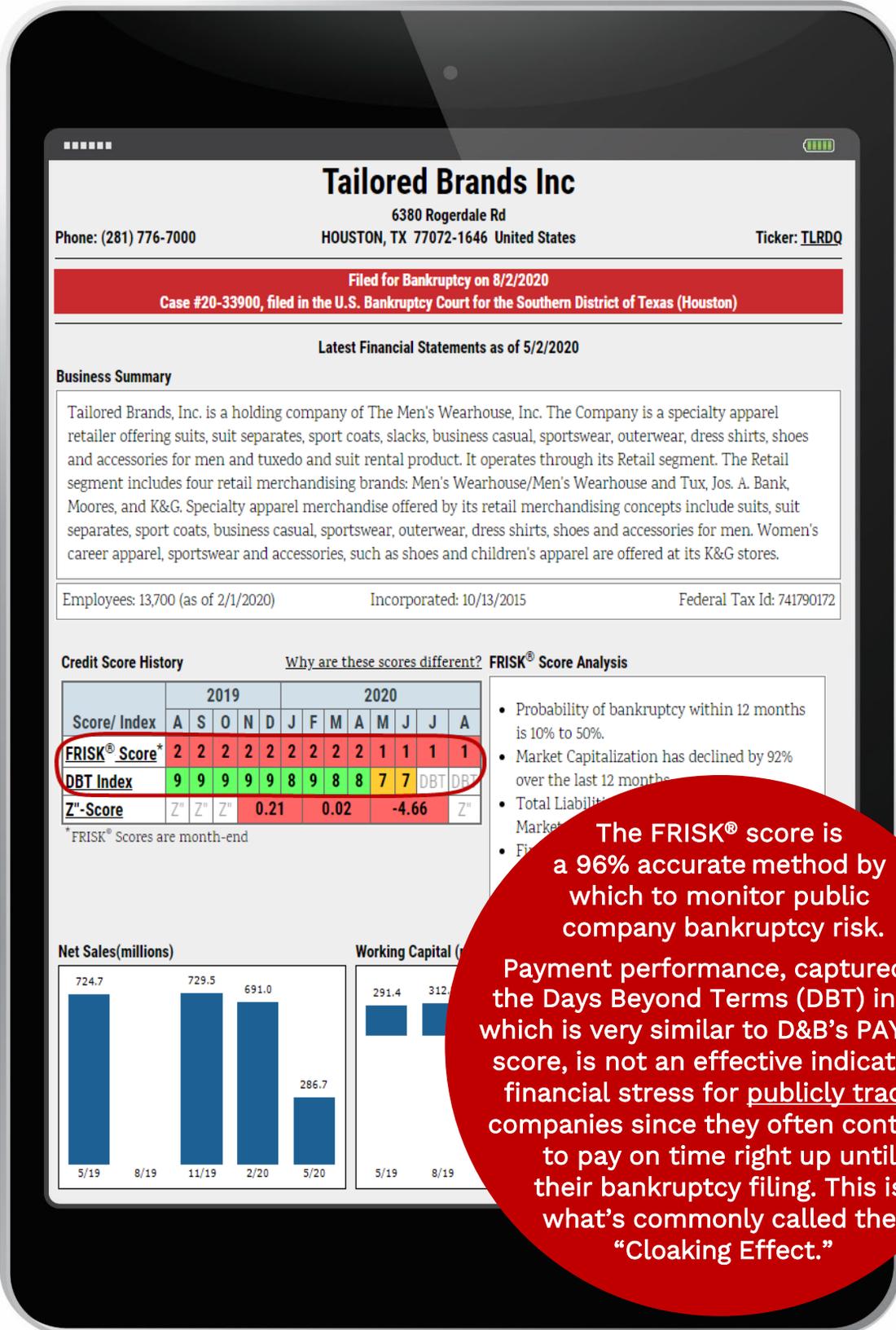
According to the Financial Accounting Standards Board (FASB), “MD&A should provide a balanced presentation that includes both positive and negative information about the topics discussed.”

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.



In early April, management disclosed a breach of its maximum leverage ratio, indicated that it had made substantial dividend payouts and share repurchases during 2019. Contact your account manager to discuss these important red flags.

# COMPANY REPORT DETAIL



## Tailored Brands Inc

6380 Rogerdale Rd

Phone: (281) 776-7000

HOUSTON, TX 77072-1646 United States

Ticker: **TLRDQ**

**Filed for Bankruptcy on 8/2/2020**  
**Case #20-33900, filed in the U.S. Bankruptcy Court for the Southern District of Texas (Houston)**

Latest Financial Statements as of 5/2/2020

### Business Summary

Tailored Brands, Inc. is a holding company of The Men's Wearhouse, Inc. The Company is a specialty apparel retailer offering suits, suit separates, sport coats, slacks, business casual, sportswear, outerwear, dress shirts, shoes and accessories for men and tuxedo and suit rental product. It operates through its Retail segment. The Retail segment includes four retail merchandising brands: Men's Wearhouse/Men's Wearhouse and Tux, Jos. A. Bank, Moores, and K&G. Specialty apparel merchandise offered by its retail merchandising concepts include suits, suit separates, sport coats, business casual, sportswear, outerwear, dress shirts, shoes and accessories for men. Women's career apparel, sportswear and accessories, such as shoes and children's apparel are offered at its K&G stores.

Employees: 13,700 (as of 2/1/2020)

Incorporated: 10/13/2015

Federal Tax Id: 741790172

### Credit Score History

[Why are these scores different?](#)

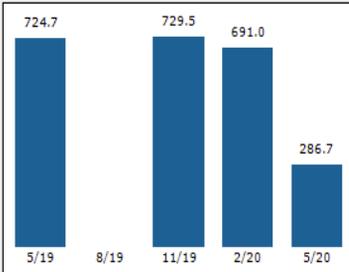
### FRISK® Score Analysis

Score/ Index	2019					2020							
	A	S	O	N	D	J	F	M	A	M	J	J	A
<b>FRISK® Score*</b>	2	2	2	2	2	2	2	2	2	1	1	1	1
<b>DBT Index</b>	9	9	9	9	9	8	9	8	8	7	7	DBT	DBT
<b>Z"-Score</b>	Z"	Z"	Z"	Z"	0.21	0.02	0.02	0.02	0.02	-4.66	-4.66	Z"	Z"

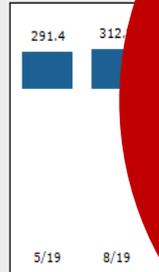
\*FRISK® Scores are month-end

- Probability of bankruptcy within 12 months is 10% to 50%.
- Market Capitalization has declined by 92% over the last 12 months.
- Total Liabilities to Market Capitalization ratio is 1.5x.
- Financial leverage is 1.5x.

### Net Sales(millions)

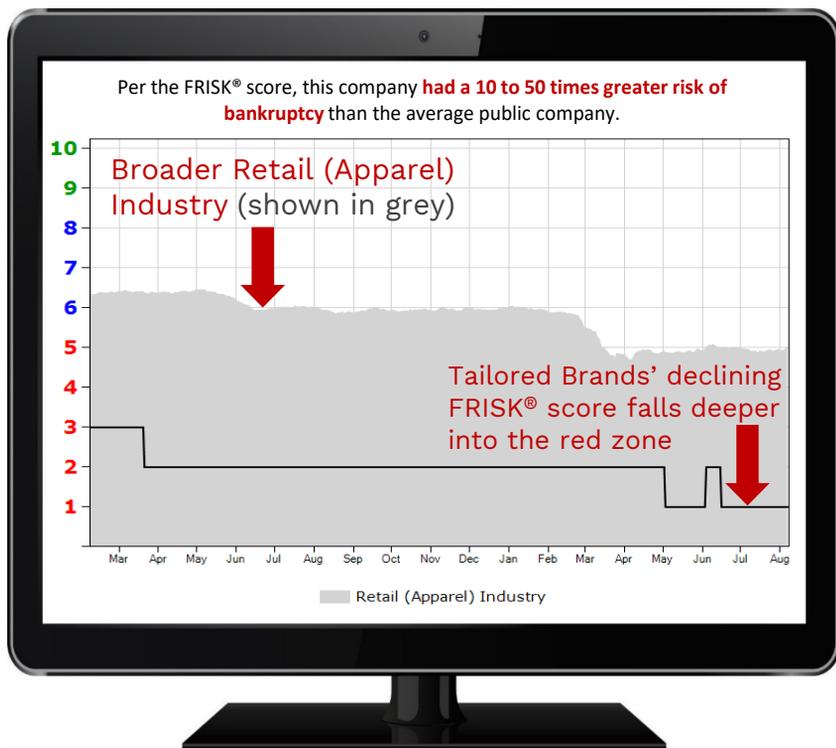


### Working Capital (millions)



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



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.**

## ADJUSTED MARKET CAP VOLATILITY



One of the inputs of the FRISK® score is a company's market cap volatility, adjusted for dividends, over the course of a year. Incorporating this information allows us to capture the "wisdom of markets" on a daily basis. This ensures our subscribers are getting the most up to date view of the risks they face since stocks tend to be more liquid and faster moving than bond prices and ratings.

# FRISK® STRESS INDEX

#	Business Name	Country	Current FRISK® score
1	<a href="#">Tailored Brands Inc</a>	United States	1
2	<a href="#">Destination XL Group Inc</a>	United States	1
3	<a href="#">Le Chateau Inc.</a>	Canada	1
4	<a href="#">Express, Inc.</a>	United States	2
5	<a href="#">Apex Global Brands Inc</a>	United States	2
6	<a href="#">Vince Holding Corp</a>	United States	2
7	<a href="#">Delta Apparel, Inc.</a>	United States	2
8	<a href="#">Francesca's Holdings Corp</a>	United States	3
9	<a href="#">Dicks Sporting Goods Inc</a>	United States	4
10	<a href="#">G-III Apparel Group, Ltd.</a>	United States	4

Primary industry codes only     Primary and secondary industry codes

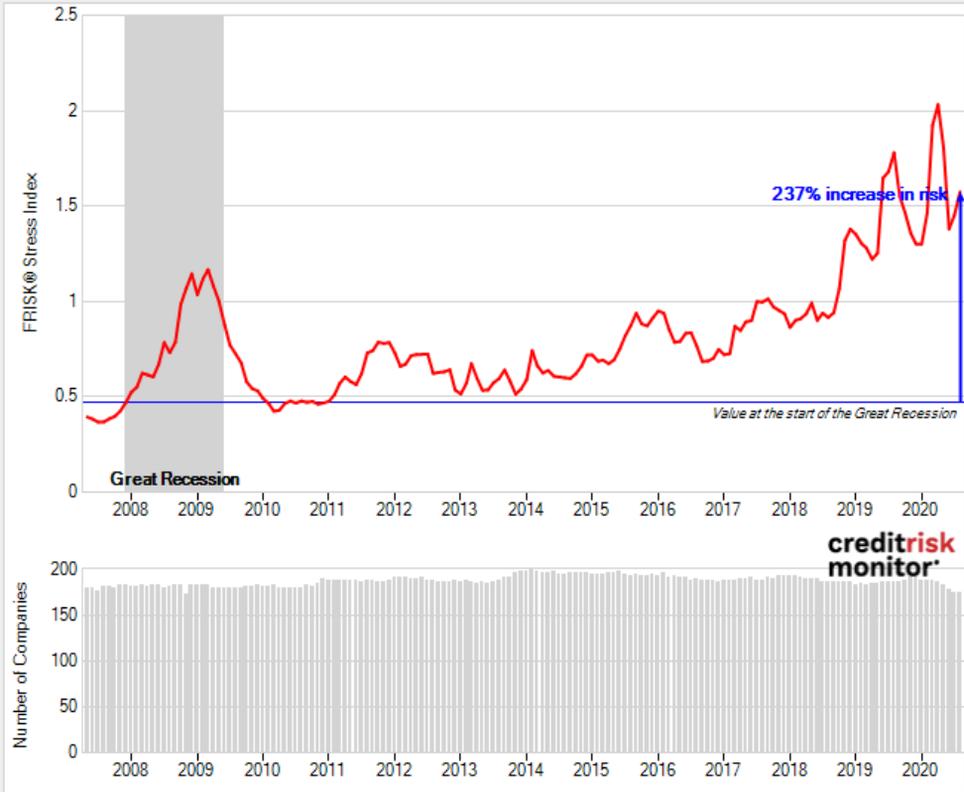
Businesses From:  CLEAR

In Industry:

Country:

UPDATE RESULTS

Scale:  Total Companies in all months: 279



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 5611 (Men's and boys' clothing and accessory stores) has increased 237% since 2007.**

Tailored Brands 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

Calendar Year/Quarter: 2020.1

Business in Peer Group: 553	Ranking Within Peer Group	Number Of Peers Ranked	Company Value	Peer Group Range		
				Low	Median	High
<b>Credit Ratings</b>						
Z-Score	120	125	-4.66	-19.42	3.51	15.40
<b>Performance ratios:</b>						
Net Sales (Thousands of U.S. Dollars)	12	24	286,703	4,034	248,489	2,428,000
Gross Margin % Of Sales	119	126	10.35	-92.01	44.74	94.67
Gross Margin % Of Sales -- TTM	102	128	33.66	7.64	46.18	74.50
SGA % Of Sales	105	125	60.18	1.96	41.03	147.42
SGA % Of Sales -- TTM	77	128	40.32	1.20	26.61	212.02
Operating Margin % Of Sales	128	132				
Operating Margin % Of Sales -- TTM	118	134				
EBITDA Margin Of Sales	71	74				
EBITDA Margin Of Sales -- TTM	104	108				
Net Profit Margin % Of Sales	129	132				
Net Profit Margin % Of Sales -- TTM	122	134				
Pre-tax Income % Of Sales	128	132				
Effective Tax Rate	48	129				
Depreciation % Of Prop/Plant/Equipment	20	122				
Capital Expense % Of Prop/Plant/Equipment	24	88	2.91	0.22	7.34	3,400.01
Interest Coverage	54	66	-13.16	-2,297.86	0.32	349.91
Interest Coverage -- TTM	88	99				
<b>Liquidity ratios:</b>						
Cash Ratio	105	134				
Quick Ratio	124	128				
Current Ratio	129	134				
<b>Efficiency ratios:</b>						
Accounts Receivable Turnover	26	128				
Days Sales Outstanding	32	132				
% of Inventory Financed by Vendors	77	122				
% of Inventory Financed by Vendors -- TTM	94	124	30.23	1.92	43.92	957.98
Inventory Turnover	104	131	1.44	0.00	2.14	24.36
Inventory Turnover -- TTM	95	131	1.92	0.00	2.61	24.36
Days Sales in Inventory	104	125	254.03	14.98	164.41	769.38
Inventory to Working Capital	126	131	-0.76	-19.86	0.78	123.80
Accounts Payable Turnover	73	127	4.75	0.00	5.32	57.29
Accounts Payable Turnover -- TTM	54	128	7.20	0.00	6.31	59.46
<b>Leverage &amp; debt coverage:</b>						
Total Debt to Equity Ratio		122		0.00	0.54	28.68
Debt to Tangible Equity Ratio		112		0.00	0.56	121.54
Total Debt to Assets Ratio		125	0.57	0.00	0.26	0.79
Short-Term Debt % of Total Debt	114	120	100.00	0.00	44.08	100.00
Short-Term Debt % of Working Capital	114	121	-148.31	-2,012.80	20.59	3,019.67
Liabilities to Net Worth Ratio		121		0.08	1.17	150.15
Total Liabilities to Equity Ratio		131		0.08	1.14	35.43
TTM EBITDA to Total Debt	87	100	-0.16	-37.67	0.31	8.58
Net Debt to TTM EBITDA		83		-46.38	1.34	51.50

Rank	Company Name
1	G-III Apparel Group, Ltd.
2	Buckle Inc
3	Zumiez Inc.
4	Lululemon Athletica Inc
5	Oxford Industries Inc

Rank	Company Name
1	Francesca's Holdings Corp
2	Express, Inc.
3	Zumiez Inc.
4	Ralph Lauren Corp
5	Grupo Palacio de Hierro S.A.B. de C.V.

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

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

# QUARTERLY PERFORMANCE RATIOS

Sequential quarter declines in sales and large net losses

Falling interest coverage and cumulatively negative free cash flow

## Performance Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 5/2/2020	3 mos 2/1/2020	3 mos 11/2/2019	6 mos 8/3/2019	3 mos 5/4/2019
<b>Net Sales \$</b>	<b>\$286,703</b>	<b>\$690,973</b>	<b>\$729,481</b>	<b>n/a</b>	<b>\$724,662</b>
% change	-58.51%	-5.28%	n/a	n/a	-0.73%
<b>Gross Margin \$</b>	<b>\$29,686</b>	<b>\$236,834</b>	<b>\$308,028</b>	<b>n/a</b>	<b>\$304,875</b>
% change	-87.47%	-23.11%	n/a	n/a	7.62%
% of sales	10.35%	34.28%	42.23%	n/a	42.07%
change as % of incremental sales	n/m	n/m	n/a	n/a	n/m
<b>SG&amp;A \$</b>	<b>\$172,529</b>	<b>\$260,333</b>	<b>\$255,384</b>	<b>n/a</b>	<b>\$271,287</b>
% change	-33.73%	1.94%	n/a	n/a	0.67%
% of sales	60.18%	37.68%	35.01%	n/a	37.44%
change as % of incremental sales	n/m	n/m	n/a	n/a	n/m
<b>Operating margin \$</b>	<b>(\$258,738)</b>	<b>(\$34,999)</b>	<b>\$45,467</b>	<b>n/a</b>	<b>\$29,004</b>
% change	-639.27%	-176.98%	n/a	n/a	117.98%
% of sales	-90.25%	-5.07%	6.23%	n/a	4.00%
change as % of incremental sales	n/m	n/m	n/a	n/a	n/m
<b>EBITDA \$</b>	<b>(\$233,227)</b>	<b>(\$7,219)</b>	<b>\$71,051</b>	<b>n/a</b>	<b>\$55,699</b>
% change	-3,130.74%	-110.16%	n/a	n/a	41.25%
% of sales	-81.35%	-1.04%	9.74%	n/a	7.69%
change as % of incremental sales	n/m	n/m	n/a	n/a	n/m
<b>EBIT \$</b>	<b>(\$258,738)</b>	<b>(\$34,999)</b>	<b>\$45,467</b>	<b>n/a</b>	<b>\$29,004</b>
% change	-639.27%	-176.98%	n/a	n/a	117.98%
% of sales	-90.25%	-5.07%	6.23%	n/a	4.00%
change as % of incremental sales	n/m	n/m	n/a	n/a	n/m
<b>Pre-tax income \$</b>	<b>(\$276,405)</b>	<b>(\$51,655)</b>	<b>\$28,042</b>	<b>n/a</b>	<b>\$10,437</b>
% change	-435.10%	-284.21%	n/a	n/a	331.27%
% of sales	-96.41%	-7.48%	3.84%	n/a	1.44%
change as % of incremental sales	n/m	n/m	n/a	n/a	n/m
<b>Net income (loss) \$</b>	<b>(\$269,888)</b>	<b>(\$34,094)</b>	<b>(\$89,590)</b>	<b>n/a</b>	<b>\$7,142</b>
% change	-691.60%	61.94%	n/a	n/a	14.86%
% of sales	-94.14%	-4.93%	-12.28%	n/a	0.99%
change as % of incremental sales	n/m	n/m	n/a	n/a	n/m
<b>Tax expense \$</b>	<b>(\$6,517)</b>	<b>(\$13,098)</b>	<b>\$254</b>	<b>n/a</b>	<b>\$3,957</b>
Effective tax rate	2.36%	25.36%	0.91%	n/a	37.91%
<b>Depreciation expense \$</b>	<b>\$25,411</b>	<b>\$27,780</b>	<b>\$25,584</b>	<b>n/a</b>	<b>\$26,595</b>
% of sales	8.86%	4.02%	3.51%	n/a	3.67%
% of capital expenses	282.25%	110.70%	105.21%	n/a	122.61%
% of PP&E, net (annualized)	8.22%	8.58%	7.71%	n/a	11.76%
<b>Capital expenditures \$</b>	<b>\$9,003</b>	<b>\$25,094</b>	<b>\$24,316</b>	<b>\$39,092</b>	<b>\$21,691</b>
% change	-64.12%	3.20%	n/a	n/a	-38.65%
% of PP&E, net (annualized)	2.91%	7.75%	7.33%	5.74%	9.59%
% of working capital (annualized)	-9.47%	45.16%	35.31%	25.88%	22.18%
<b>Interest coverage ratio</b>	<b>(13.16)</b>	<b>(0.43)</b>	<b>4.04</b>	<b>n/a</b>	<b>2.98</b>
% change	-2,958.41%	-110.64%	n/a	n/a	35.99%
<b>Free cash flow \$</b>	<b>(\$130,367)</b>	<b>\$8,985</b>	<b>\$7,923</b>	<b>(\$5,769)</b>	<b>(\$9,897)</b>
% change	-1,550.94%	13.40%	n/a	n/a	-204.22%
Source:	10-Q 7/27/2020	10-K 4/8/2020	10-Q 12/12/2019	10-Q 7/27/2020	10-Q 7/27/2020

\*Fiscal period end 5/4/2019 was subject to accounting restatements and 8/3/2019 was superseded, which affected performance and return ratio calculations.

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# QUARTERLY LEVERAGE RATIOS

Deleveraging was unsuccessful as total debt consistently exceeded \$1.1 billion

Shareholders' equity eroded due to impairments, losses on sale of businesses, and operating losses

## Leverage Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	5/2/2020	2/1/2020	11/2/2019	8/3/2019	5/4/2019
<b>Total debt \$</b>	<b>\$1,434,064</b>	<b>\$1,103,398</b>	<b>\$1,120,732</b>	<b>\$1,154,651</b>	<b>\$1,160,196</b>
% change	29.97%	-1.55%	-2.94%	-0.48%	-0.40%
<b>Stockholders' equity \$</b>	<b>(\$378,325)</b>	<b>(\$98,306)</b>	<b>(\$64,486)</b>	<b>\$4,563</b>	<b>(\$4,046)</b>
% change	-284.84%	-52.45%	-1,513.24%	212.78%	-211.43%
<b>Total debt to equity ratio</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>253.05</b>	<b>n/a</b>
<b>Tangible net worth \$</b>	<b>(\$405,221)</b>	<b>(\$294,420)</b>	<b>(\$290,768)</b>	<b>(\$230,029)</b>	<b>(\$239,624)</b>
% change	-37.63%	-1.26%	-26.40%	4.00%	-4.38%
<b>Total assets \$</b>	<b>\$2,500,415</b>	<b>\$2,418,959</b>	<b>\$2,540,391</b>	<b>\$2,674,698</b>	<b>\$2,765,453</b>
% change	3.37%	-4.78%	-5.02%	-3.28%	51.91%
<b>Total debt to assets ratio</b>	<b>0.57</b>	<b>0.46</b>	<b>0.44</b>	<b>0.43</b>	<b>0.42</b>
% change	25.74%	3.38%	2.20%	2.91%	-34.44%
<b>Tangible assets \$</b>	<b>\$2,473,519</b>	<b>\$2,222,845</b>	<b>\$2,314,109</b>	<b>\$2,440,106</b>	<b>\$2,529,875</b>
% change	11.28%	-3.94%	-5.16%	-3.55%	59.38%
<b>Short-term debt \$</b>	<b>\$1,434,064</b>	<b>\$9,000</b>	<b>\$9,000</b>	<b>\$9,000</b>	<b>\$9,000</b>
% change	15,834.04%	0.00%	0.00%	0.00%	-22.54%
<b>Short-term debt % of total debt</b>	<b>100.00%</b>	<b>0.82%</b>	<b>0.80%</b>	<b>0.78%</b>	<b>0.78%</b>
% change	12,159.41%	1.58%	3.01%	0.49%	-22.24%
<b>Short-term debt % of working capital</b>	<b>-148.31%</b>	<b>4.36%</b>	<b>3.78%</b>	<b>2.88%</b>	<b>3.09%</b>
% change	-3,501.03%	15.39%	31.36%	-6.84%	30.51%
<b>Total liabilities \$</b>	<b>\$2,878,740</b>	<b>\$2,517,265</b>	<b>\$2,604,877</b>	<b>\$2,670,135</b>	<b>\$2,769,499</b>
% change	14.36%	-3.36%	-2.44%	-3.59%	52.43%
<b>Total liabilities to equity ratio</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>585.17</b>	<b>n/a</b>
<b>Total debt to EBITDA ratio (annualized)</b>	<b>n/a</b>	<b>n/a</b>	<b>3.94</b>	<b>n/a</b>	<b>5.21</b>
% change	n/a	n/a	n/a	n/a	-29.49%
Source:			10-Q 12/12/2019	10-Q 9/12/2019	10-Q 6/13/2019

Total debt to assets ratio steadily increased from 42% to an exceedingly high level of 57%

# QUARTERLY LIQUIDITY RATIOS AND RATES OF RETURN

Net working capital position collapsed

Inadequate cash and quick ratios

## Liquidity Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	5/2/2020	2/1/2020	11/2/2019	8/3/2019	5/4/2019
<b>Current assets \$</b>	<b>\$1,161,443</b>	<b>\$835,115</b>	<b>\$902,369</b>	<b>\$995,486</b>	<b>\$1,034,688</b>
% change	39.08%	-7.45%	-9.35%	-3.79%	0.49%
% of short-term debt	80.99%	9,279.06%	10,026.32%	11,060.96%	11,496.53%
<b>Current liabilities \$</b>	<b>\$2,128,387</b>	<b>\$628,727</b>	<b>\$664,221</b>	<b>\$682,658</b>	<b>\$743,247</b>
% change	238.52%	-5.34%	-2.70%	-8.15%	38.00%
<b>Working capital \$</b>	<b>(\$966,944)</b>	<b>\$206,388</b>	<b>\$238,148</b>	<b>\$312,828</b>	<b>\$291,441</b>
% change	-568.51%	-13.34%	-23.87%	7.34%	-40.65%
% of sales (annualized)	-84.32%	7.47%	8.16%	n/a	10.05%
<b>Cash \$</b>	<b>\$244,170</b>	<b>\$14,420</b>	<b>\$21,193</b>	<b>\$19,476</b>	<b>\$29,749</b>
% change	1,593.27%	-31.96%	8.82%	-34.53%	-8.94%
% of short-term debt	17.03%	160.22%	235.48%	216.40%	330.54%
<b>Cash ratio</b>	<b>0.11</b>	<b>0.02</b>	<b>0.03</b>	<b>0.03</b>	<b>0.04</b>
% change	400.87%	-28.21%	11.93%	-28.75%	-34.10%
<b>Quick assets \$</b>	<b>\$257,412</b>	<b>\$54,393</b>	<b>\$63,249</b>	<b>\$84,652</b>	<b>\$110,372</b>
% change	373.24%	-14.00%	-25.28%	-23.30%	63.86%
% of short-term debt	17.95%	604.37%	702.77%	940.58%	1,226.36%
<b>Quick ratio</b>	<b>0.12</b>	<b>0.09</b>	<b>0.10</b>	<b>0.12</b>	<b>0.15</b>
% change	39.77%	-9.14%	-23.23%	-16.50%	18.71%
<b>Current ratio</b>	<b>0.55</b>	<b>1.33</b>	<b>1.36</b>	<b>1.46</b>	<b>1.39</b>
% change	-58.92%	-2.22%	-6.84%	4.75%	-27.18%
Source:	10-Q 7/27/2020	10-K 4/8/2020	10-Q 12/12/2019	10-Q 9/12/2019	10-Q 6/13/2019

Poor returns on tangible assets

## Rate of Return - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 5/2/2020	3 mos 2/1/2020	3 mos 11/2/2019	6 mos 8/3/2019	3 mos 5/4/2019
<b>Return on equity</b>	n/a	n/a	-1,963.40%	n/a	196.70%
% change	n/a	n/a	n/a	n/a	200.10%
<b>Return on total assets</b>	<b>-10.97%</b>	<b>-1.37%</b>	<b>-3.44%</b>	<b>0.00%</b>	<b>0.31%</b>
% change	-698.06%	59.98%	n/a	n/a	-7.07%
<b>Return on tangible assets</b>	<b>-11.49%</b>	<b>-1.50%</b>	<b>-3.77%</b>	<b>0.00%</b>	<b>0.35%</b>
% change	-664.75%	60.12%	n/a	n/a	-9.52%
Source:	10-Q 7/27/2020	10-K 4/8/2020	10-Q 12/12/2019	10-Q 7/27/2020	10-Q 7/27/2020

\*Fiscal period end 5/4/2019 was subject to accounting restatements and 8/3/2019 was superseded, which affected performance and return ratio calculations.

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# ANNUAL STATEMENT OF CASH FLOWS

Bottom line turned negative and operating cash flow shrank

Consecutive dividend distributions eroded cash cushion

## Statement of Cash Flows - Annual - Standardized

(Thousands of U.S. Dollars)

Period Ended	12 mos 2/1/2020	12 mos 2/2/2019	12 mos 2/3/2018	12 mos 1/28/2017	12 mos 1/30/2016
<b>Cash Flows from Operating Activities:</b>					
Net income	(\$82,276)	\$83,240	\$96,703	\$24,956	(\$1,026,719)
Depreciation/depletion	107,174	104,216	106,493	115,205	132,329
Deferred taxes	(13,461)	(8,009)	(5,763)	(23,988)	(184,841)
Non-cash Items	356,185	117,379	67,500	89,391	1,346,885
Changes in working capital	(267,981)	25,846	85,835	37,064	(135,957)
<b>Total cash from operating activities</b>	<b>99,641</b>	<b>322,672</b>	<b>350,768</b>	<b>242,628</b>	<b>131,697</b>
<b>Cash Flows from Investing Activities:</b>					
Capital expenditures	(88,502)	(82,286)	(94,958)	(99,694)	(115,498)
Other investing cash flow items, total	45,345	17,755	5,023	617	2,617
<b>Total cash from investing activities</b>	<b>(43,157)</b>	<b>(64,531)</b>	<b>(89,935)</b>	<b>(99,077)</b>	<b>(112,881)</b>
<b>Cash Flows from Financing Activities:</b>					
Financing cash flow items	(1,216)	(14,614)	(4,267)	(1,351)	(6,520)
<b>Total cash dividends paid</b>	<b>(28,071)</b>	<b>(36,946)</b>	<b>(35,761)</b>	<b>(35,240)</b>	<b>(34,980)</b>
Issuance/retirement of stock, net	(8,439)	6,649	1,903	2,189	2,697
Issuance/retirement of debt, net	(62,295)	(257,785)	(198,750)	(64,375)	(8,000)
<b>Total cash from financing activities</b>	<b>(100,021)</b>	<b>(302,696)</b>	<b>(236,875)</b>	<b>(98,777)</b>	<b>(46,803)</b>
Foreign exchange effects	2,526	(3,621)	8,760	(3,865)	(4,294)
<b>Net change in cash</b>	<b>(41,011)</b>	<b>(48,176)</b>	<b>32,718</b>	<b>40,909</b>	<b>(32,281)</b>
<b>Net cash-beginning balance</b>	<b>55,431</b>	<b>103,607</b>	<b>70,889</b>	<b>29,980</b>	<b>62,261</b>
<b>Net cash-ending balance</b>	<b>\$14,420</b>	<b>\$55,431</b>	<b>\$103,607</b>	<b>\$70,889</b>	<b>\$29,980</b>
<b>Supplemental Disclosures:</b>					
Cash interest paid	\$65,669	\$77,571	\$106,372	\$96,408	\$96,994
Cash taxes paid, supplemental	\$38,031	\$11,431	\$39,537	(\$39,682)	\$21,857
Auditor/Opinion:	Deloitte & Touche LLP <b>Unqualified</b>				
Source:	10-K 4/8/2020	10-K 4/10/2019	10-K 4/11/2018	10-K 3/24/2017	10-K 3/25/2016

Net cash-ending balance plunged year-over-year to \$14.4 million by year end

## NEWS ALERTS: A TIMELINE OF CONCERNING NEWS ITEMS

<p><b>Tailored Brands would pay out a quarterly cash dividend of \$8.75 million, which would eliminate approximately 30% of its cash and short-term investments, despite the fact that the company was already liquidity strained. This capital return program served against the interest of lenders, landlords, and merchandise vendors all of which had large outstanding balances.</b></p>		
06/24/2019	CRMZ News Service	Tailored Brands, Inc. Declares Quarterly Cash Dividend
<p><b>Scion Asset Management, a private investment firm, owned approximately 4.7% of Tailored Brands' common stock and wrote in a letter that the company should use proceeds from the sale of Corporate Apparel to retire shares. Management would follow their recommendation and squander another \$10 million of its cash and cash equivalents as opposed to sustaining liquidity or retiring debt.</b></p>		
08/19/2019	Business Wire	Scion Asset Management Urges Tailored Brands to Repurchase Shares with Sale Proceeds
<p><b>Tailored Brands announced the elimination of brand president positions for Men's Wearhouse, Jos. A. Bank, and Moores brands. Management layoffs and/or resignations in combination with financial stress are a common red flag prior to a company filing for bankruptcy.</b></p>		
12/11/2019	CRMZ News Service	Tailored Brands, Inc. Files (8-K) Disclosing Change in Directors or Principal Officers
<p><b>On March 16, Tailored Brands notified its administrative agent under its ABL Credit Facility that that it would be drawing down to maximize cash in light of the coronavirus pandemic. By March 19, the company had total borrowings of \$360 million and letters of credit of \$26.5 million, significantly increasing its total debt burden and financial leverage.</b></p>		
03/19/2020	CRMZ News Service	Tailored Brands, Inc. Files (8-K) Disclosing Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant, Other Events, and Financial Statements
<p><b>On April 1, the company drew down an additional \$25 million on its ABL Facility with the rationale to maximize its cash on hand. Following this transaction, however, only 26% of its borrowing base would be left available for future use; high reliance on external financing sources is an important red flag.</b></p>		
04/01/2020	CRMZ News Service	Tailored Brands, Inc. Files (8-K) Disclosing Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant, Other Events, and Financial Statements
<p><b>According to Bloomberg, Tailored Brands was considering a potential bankruptcy based on the coronavirus lockdown that pressured its suit and accessory sales. The company was actively working with Kirkland &amp; Ellis and investment bank PJT Partners Inc. for legal and financial counsel. The hiring of restructuring and/or turnaround firms are a common occurrence prior to bankruptcy filings.</b></p>		
06/08/2020	NewsAPI.org	Men's Warehouse Owner Weighs Bankruptcy Filing
<p><b>Tailored Brands filed for Chapter 11 in order to implement a Restructuring Support Agreement that had been agreed upon with more than 75% of senior lenders. The plan requested \$500 million in DIP ABL financing from existing lenders to be adjusted to \$400 million to cover emergence from bankruptcy. Total accounts payable outstanding prior to the filing was nearly \$250 million, largely comprised of unsecured debts owed to retail trade, wholesale trade, manufacturing, services, and real estate industries.</b></p>		
08/02/2020	Dow Jones & Company, Inc.	Men's Warehouse Parent Files for Bankruptcy

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