

Vince Holding Corp. looks to close rights offering after reaching term loan and ABL amendments

CAPITAL STRUCTURE AS OF 1Q17 (USDm)								
Instrument	Coupon	Floor	Face Amt Out	Maturity	Est. Cash Interest	Rating	LTM Leverage	FY17E Leverage
Senior Secured Revolver	LIBOR + 1.25%-1.75%		21.1	Jun-2020	0.7		-	-
Senior Secured Term Loan	Euro Dollar + 4.75%-5.00%	1.00%	45.0	Nov-2019	3.5	CCC- / Caa2	-	-
Total Debt			66.1		4.1			
Cash & Cash Equivalents			15.4					
Net Debt			50.7					
Market Cap			22.7					
Enterprise Value (EV)			73.5					
LTM Adj. EBITDA			(0.0)			EV / LTM Revenue		0.3x
FY17 E Adj. EBITDA			(13.5)			EV / FY17 Revenue		0.3x

Estimated Total Tax Receivable Agreement Obligation: USD 140.6m. The TRA expires on 31 December 2023

Sources: Company reports, company filings, CapIQ, DW estimates.

DW calculated adjusted EBITDA is used in the capital structure table and quick comps, except when noted

OVERVIEW

Vince Holding Corp. (VNCE) is a contemporary clothing fashion brand that offers premium-priced women's, men's and children's apparel, footwear, and handbags through luxury department stores, retail stores and an e-commerce website. Since 2015, the company has attempted to improve and reset its brand during a challenging retail environment, making strategic decisions and investments. To this point, the company has not been able to bear any fruit from the initiatives. The company has been burning cash consistently (USD 29.8m TTM cash burn), with thin liquidity and covenant compliance difficulties. In FY16, the company burned USD 43.9m cash, including a USD 29.7m cash payment to its sponsor, Sun Capital for its tax receivable agreement (TRA) obligation.

Vince has been negotiating remedies/liquidity solutions with its lenders and Sun Capital, which owns ~58% of its equity. On 5 July, Vince announced an [amendment on the credit agreement has been reached with both its ABL and term loan lending groups](#), waiving the net leverage ratio covenant requirement through 1Q19, which we previously expected the company's compliance to necessitate the use of further equity cures. The company also filed a Form S-3, for a USD 30m proposed rights offering. Although near-term liquidity needs and covenant compliance doubts are probably addressed in the near-term, VNCE still needs to address a deteriorating business. Given the challenging overall retail environment, and the company's balance sheet woes, we think visibility to a possible turnaround is unclear.

[Discussed in detail in our credit research report on 11 May](#), Vince provided a going-concern warning to investors and announced that it used a USD 6.2m equity cure (to increase EBITDA, dollar-for-dollar) to comply with its net leverage covenant relating to 4Q16. Subsequently, during May and June, the company utilized another USD 11.8m in specified equity contributions for its 1Q17 net leverage ratio covenant (3.25x maximum). As of 1Q17, Debtwire calculated TTM adjusted EBITDA was USD -0.04m.

On 18 May, Sun Capital agreed to provide a USD 30m backstop if the company were to commence a rights offering. In order to close the transaction, Vince was required to negotiate credit amendments for both its revolver and its term loan, acceptable to Sun Capital. Given the backstop by its sponsor, and the recent credit amendments satisfactory to Sun Capital, confidence in the successful close of the rights offering (which, although dilutes the equity further, keeps the company solvent) has increased. It's evident that Sun Capital believes in the brand through its desire to add to its ownership position. Still, with a high cash burn rate, we consider liquidity and not-so-distant maturities significant concerns. Besides, if the company were to fail to close the rights offering, the term loan amendment (conditioned on the rights offering) and waiver of the net leverage covenant, would not become effective. In that case, the company could default on its term loan.

VNCE's stock opened trading today at USD 0.46 per share, up slightly since our last report in May.

In 1Q17, net sales decreased 14.2% YoY to USD 58.0m, mainly attributable to a 20.9% decrease in wholesale segment sales, related to the elimination of the company's summer delivery. Comparable sales (which includes e-commerce) decreased 5.7%, due to a decrease in average order value. In 1Q17, SG&A increased to 58.2% of sales compared to 47.0% of sales, in 1Q16. The surge was due to increased costs from the remediation of its new systems, product development, marketing and new stores.

Management is focused on strengthening its direct-to-consumer business, in addition to potentially rationalizing its points of distribution in its wholesale business. The company has added back its pre-fall delivery in the second quarter, which was eliminated last year. VNCE is attempting to refine its off-price channel distribution, as it remains a relatively stronger area in an overall weak retail environment. To assist in initiatives on the cost side, management has engaged consulting firms. The company ended the quarter with 54 stores, up from 51 YoY.

CAPITAL STRUCTURE AND COVENANT COMPLIANCE ANALYSIS

As of 1Q17, the company had USD 66.1m in total debt, a USD 15.9 QoQ increase. VNCE has a USD 45m term loan due in November 2019 and USD 21.1m outstanding on its revolver due in June 2020, with USD 15.1m in availability. Bank of America is the admin agent on both instruments.

With the [22 June ABL amendment](#), the company must comply with a minimum revolver availability covenant of USD 5m or 12.5% of the loan cap and USD 6m or 15% of the loan cap, through 15 August and thereafter, respectively. The minimum revolver availability covenant takes the place of the previously existing springing EBITDA covenant and the interest rate on the revolver was increased by 50bps. The ABL amendment provides an additional USD 5m of borrowing capacity in exchange for the issuance of a letter of credit in the same amount (from BMO). Further, the letter of credit, and

BUSINESS DESCRIPTION

Vince (VNCE) is a leading contemporary fashion brand known its modern effortless style and luxury essentials. The women's line under the Vince brand includes seasonal collections of luxurious cashmere sweaters and silk blouses, leather and suede leggings and jackets, dresses, denim, pants, tanks and t-shirts, handbags and outerwear.

RECENT COVERAGE & USEFUL LINKS

[Click here for the Excel model](#)

[Click Here for Debtwire Coverage](#)

ISSUER SUMMARY

Country	United States
Universe	Distressed
Sector	Retail
Total Assets (millions)	USD 234.3
Total Debt (millions)	USD 66.1
Issuer Rating	CCC- / Caa2
Ticker	VNCE
Share Price	USD 0.46
Market Cap (millions)	USD 22.7

Source: Company filings

LIQUIDITY as of 1Q17 USDm

Cash & Cash Equivalents	15.4
Credit Facility Availability	15.1
Total Liquidity	30.5

FINANCIAL SUMMARY

USDm	FY15	FY16	TTM 1Q17
Revenue	302.5	268.2	258.6
Adj. EBITDA	38.3	5.4	(0.0)
Adj. EBITDA Margin	12.7%	2.0%	-
Operating Cash Flow	51.6	(29.7)	(17.4)
Capex	17.6	14.3	12.4
Free Cash Flow	34.0	(43.9)	(29.8)
Debt/Adj. EBITDA	1.6x	9.4x	-
Adj. EBITDA/Int Exp	10.0x	1.8x	-

Source: Company filings, Debtwire Adj. EBITDA

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borrowing base, may be increased by an additional USD 5m. Vince is required to pay down USD 15m of the outstanding debt under the ABL upon the completion of the proposed rights offering, which would create an ~ equal amount of borrowing capacity under the facility after the paydown.

With the recent term loan amendment to waive the consolidated net total leverage ratio covenant requirement through 1Q19, our substantial doubts for the company to comply are alleviated in the near-term. The term loan amendment is subject to the condition that USD 9m of the proceeds from the rights offering will be used to pay down debt under the term loan. The interest rate on the term loan will be increased by 2%. Additionally, the company is subject to additional amortization payments.

LIQUIDITY

As of 1Q17, total liquidity was USD 30.5m, consisting of USD 15.4m cash and USD 15.1m in ABL availability. Considering a cash burn of USD 21.5m in 1Q17 and USD 29.8m TTM, liquidity is weak. With very limited liquidity, its minimum availability covenant on the revolver (described above) and our base case estimation of a ~USD 27m pre-working capital cash burn in FY17, we believe the company is likely reliant on the closure of a rights offering to fund its expected continued cash burn. Any funds received from a rights offering would also provide additional cash for operations. In its recent 10-Q management noted that the company's recent performance has already had a negative effect on its relationship with vendors and prompted accelerated terms, in some cases. To that end, at this stage in Vince's deterioration, we believe working capital management may increasingly be a strain on the company.

VALUATION AND HYPOTHETICAL LIQUIDATION ANALYSIS

We have valued VNCE with an asset-based model. The company does not own any real estate. The term loan recovery scenarios have deteriorated since our last report, due to the increase in ABL debt, which has a first lien interest in inventory and accounts receivable assets. In our hypothetical liquidation analysis, considering the current capital structure, the USD 21.1m in revolver debt receives a full recovery, with some breathing room. The USD 45m term loan receives a ~79% recovery in a base case, and a 146% to 20% recovery in a high-to-low case scenario. This leaves no value for equity, unless there is a significant turnaround in the business, going forward.

HYPOTHETICAL LIQUIDATION ANALYSIS

ADDITIONAL DATA

Balance Sheet		Assumed Recovery			Liquidation Value		
USDm	1Q17	Low	Base	High	Low	Base	High
Current Assets							
Cash and Cash Equivalents	15.4	100%	100%	100%	15.4	15.4	15.4
Trade Receivables Net	20.3	20%	30%	40%	4.1	6.1	8.1
Inventories (Net)	32.2	10%	30%	50%	3.2	9.7	16.1
Prepaid Expenses and Other Current Assets	2.9	0%	10%	20%	0.0	0.3	0.6
Total Current Assets	70.8				22.7	31.4	40.2
Non Current Assets							
Property, Plant and Equipment, Net	42.0	25%	45%	65%	10.5	18.9	27.3
Deferred Income Taxes and Other Assets	0.0	0%	0%	0%	0.0	0.0	0.0
Goodwill	41.4	0%	0%	0%	0.0	0.0	0.0
Intangible Assets, Net	77.5	0%	15%	35%	0.0	11.6	27.1
Other Assets	2.5	0%	15%	35%	0.0	0.4	0.9
Total Assets	234.3				33.2	62.3	95.5
		Recovery on Assets			14%	27%	41%

Total Debt	66.1
General Unsecureds	191.2
Total Liabilities	257.3

Waterfall (Liquidation Scenario)	Recovery Rates			
	Low	Base	High	
Admin cost (% of asset value)	9%			
Amount Out @ 1Q17				
Revolver	21.1	142.8%	268.4%	411.3%
Term Loan	45.0	20.1%	79.1%	146.2%
General Unsecureds	191.2	0.0%	0.0%	10.9%
Equity-Market Cap	22.7	0.0%	0.0%	0.0%
Remaining, after paying				
Admin cost (% of asset value)	30.2	56.7	86.9	
Revolver	9.1	35.6	65.8	
Term Loan	(35.9)	(9.4)	20.8	
General Unsecureds	(227.1)	(200.6)	(170.4)	
Equity-Market Cap	(249.9)	(223.3)	(193.1)	

For the Fiscal Period Ending@	Business Segments				
	Q1 Apr-30-2016	Q2 Jul-30-2016	Q3 Oct-29-2016	Q4 Jan-28-2017	Q1 Apr-29-2017
Revenues					
Wholesale	44.8	39.6	51.2	34.4	35.4
Direct-To-Consumer	22.9	21.1	24.8	29.4	22.6
Total Revenues	67.6	60.7	76.0	63.9	58.0
Operating Profit Before Tax					
Wholesale	10.3	10.7	18.4	7.7	9.0
Direct-To-Consumer	1.7	-0.3	1.0	-1.1	-1.3
Unallocated Corporate	-15.5	-	-	-	-15.9
Segment Adjustment	-	-	-	-16.4	-
Corporate	-	-14.7	-13.3	-	-
Total Operating Profit Before Tax	-3.5	-4.3	6.1	-9.9	-8.2

Source: CapIQ

For the Fiscal Period Ending@	Industry Specific Data			
	12 months Jan-31-2015	12 months Jan-30-2016	12 months Jan-28-2017	3 months Apr-29-2017
Retail Specific Data				
Stores at Beginning	28.0	37.0	48.0	54.0
Stores Opened	9.0	11.0	6.0	0.0
Total Stores	37.0	48.0	54.0	54.0
Total Same Store Sales Growth	12.6%	4.2%	-16.2%	-5.7%
Gross Margin	49.0%	43.8%	45.8%	44.1%
Operating Margin	20.6%	5.2%	-24.1%	-14.1%
Retail Revenues	81.0	101.3	98.1	22.6
Wholesale Revenues	259.4	201.2	170.1	35.4

Source: CapIQ

Minimum Excess Availability Covenant		
Must Maintain Greater of:		
	Of total Loan Cap	USDm
Through 15 August 2017	12.5%	5
From and after 15 August 2017	15%	6

Source: SEC Filings

CASH FLOW (BURN) MODEL

Cash Flow (Burn) Model

Case Selector **Base Case**

USD 000's	Historical Data								Projection Period				
	FY14	FY15	1Q16	2Q16	3Q16	4Q16	FY16	1Q17	2Q17	3Q17	4Q17	FY17	FY18
	1/30/2015	1/30/2016	4/30/2016	7/30/2016	10/29/2016	1/28/2017	4/30/2017	7/30/2017	10/29/2017	1/28/2018	1/28/2019		
Net Sales	340,396.00	302,457.00	67,645.00	60,702.00	75,973.00	63,879.00	268,199.00	58,045.00	54,631.80	68,375.70	57,491.10	238,543.60	225,423.70
% yoy growth		-11.1%					-11.3%	-14.2%	-10.0%	-10.0%	-10.0%	-11.1%	-5.5%
Cost of Products Sold	173,567.00	169,941.00	39,387.00	33,315.00	38,015.00	34,663.00	145,380.00	32,454.00	30,047.49	37,606.64	31,620.11	131,728.23	121,728.80
% of sales	51.0%	56.2%	58.2%	54.9%	50.0%	54.3%	54.2%	55.9%	55.0%	55.0%	55.0%	55.2%	54.0%
Gross Profit	166,829.00	132,516.00	28,258.00	27,387.00	37,958.00	29,216.00	122,819.00	25,591.00	24,584.31	30,769.07	25,871.00	106,815.37	103,694.90
% margin	49.0%	43.8%	41.8%	45.1%	50.0%	45.7%	45.8%	44.1%	45.0%	45.0%	45.0%	44.8%	46.0%
Selling, General and Administrative Expenses	96,579.00	116,790.00	31,806.00	31,642.00	31,895.00	39,087.00	134,430.00	33,784.00	32,232.76	34,871.61	31,620.11	132,508.47	123,983.04
% of sales	28.4%	38.6%	47.0%	52.1%	42.0%	61.2%	50.1%	58.2%	59.0%	51.0%	55.0%	55.5%	55.0%
Impairment of goodwill and indefinite-lived intangible asset	0.00	0.00	0.00	0.00	0.00	53,061.00	53,061.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Income (Loss)	70,250.00	15,726.00	(3,548.00)	(4,255.00)	6,063.00	(62,932.00)	(64,672.00)	(8,193.00)	(7,648.45)	(4,102.54)	(5,749.11)	(25,693.10)	(20,288.13)
% margin	20.6%	5.2%	-5.2%	-7.0%	8.0%	-98.5%	-24.1%	-14.1%	-14.0%	-6.0%	-10.0%	-10.8%	-9.0%
Debtwire Adj. EBITDA Calculation:													
(+) D&A	5,267.00	8,350.00	1,902.00	2,083.00	2,218.00	2,481.00	8,684.00	2,415.00	2,415.00	2,415.00	2,415.00	9,660.00	9,660.00
% of sales	1.5%	2.8%	2.8%	3.4%	2.9%	3.9%	3.2%	4.2%	4.4%	3.5%	4.2%	4.0%	4.3%
(+) Other Non-recurring Costs/Adjustments	571.00	13,002.00	2,622.00	1,106.00	1,588.00	54,695.00	60,011.00	1,643.00	0.00	0.00	0.00	1,643.00	1,643.00
(+) Share Based Comp	1,896.00	1,259.00	514.00	231.00	638.00	-39.00	1,344.00	219.00	219.00	219.00	219.00	876.00	876.00
Adj. EBITDA	77,984.00	38,337.00	1,490.00	(835.00)	10,507.00	(5,795.00)	5,367.00	(3,916.00)	(5,014.45)	(1,468.54)	(3,115.11)	(13,514.10)	(8,109.13)
% margin	22.9%	12.7%	2.2%	-1.4%	13.8%	-9.1%	2.0%	-6.7%	-9.2%	-2.1%	-5.4%	-5.7%	-3.6%
Tax Receivable Agreement Calculation:													
Beginning TRA Obligation Balance							140,618.00					2,788.00	137,830.00
TRA Payment from Previous Year Tax												2,788.00	2,788.00
Ending TRA Obligation Balance												137,830.00	135,042.00
Free Cash Flow Calculation:													
(-) Cash Interest Expense	8,737.00	3,838.00	924.00	545.00	638.00	845.00	2,952.00	295.00	1,035.68	1,035.68	1,035.68	3,402.04	3,402.04
(-) Capital Expenditures	19,699.00	17,591.00	3,709.00	5,607.00	3,361.00	1,610.00	14,287.00	1,785.00	1,785.00	1,785.00	1,785.00	7,140.00	6,500.00
% of Sales	5.8%	5.8%	5.5%	9.2%	4.4%	2.5%	5.3%	3.1%	3.3%	2.6%	3.1%	3.0%	2.9%
(-) TRA Payments on 85% of Tax Savings	3,199.00		22,258.00	0.00	4.00	7,438.00	29,700.00	0.00	0.00	0.00	2,788.00	2,788.00	2,788.00
Adj. EBITDA-int. exp.-capex-taxes/TRA (exc. NWC)	46,349.00	16,908.00	(25,401.00)	(6,987.00)	6,504.00	(15,688.00)	(41,572.00)	(5,996.00)	(7,835.13)	(4,289.22)	(8,723.79)	(26,844.14)	(20,799.17)
Beginning Cash									15,391.00	7,555.87	3,266.65		(5,457.14)
(+) Adj. EBITDAX-int. exp.-capex-TRA/taxes									(7,835.13)	(4,289.22)	(8,723.79)		(20,799.17)
Ending Cash (deficiency) before Revolver Drawdown and/or Rights Offering Proceeds									7,555.87	3,266.65	(5,457.14)		(26,256.31)

COMPARABLE COMPANY ANALYSIS

USDm	Company Comp Set										
	Market Cap	LTM Net Debt	Enterprise Value	LTM Revenue	LTM EBITDA	EV/EBITDA LTM	LTM EBITDA Margin %	NTM Revenue (Capital IQ)	NTM EBITDA (Capital IQ)	NTM EV/Forward Revenue (Capital IQ)	NTM TEV/Forward EBITDA (Capital IQ)
Vera Bradley, Inc. (NasdaqGS:VRA)	323.9	(83.9)	240.1	476.9	53.3	4.5x	11.2%	462.3	45.4	0.5x	5.3x
Oxford Industries, Inc. (NYSE:OXM)	1,043.1	86.7	1,129.8	1,038.7	135.2	8.4x	13.0%	1,102.2	142.7	1.0x	7.9x
New York & Company, Inc. (NYSE:NWY)	91.8	(63.2)	28.6	922.9	23.2	1.2x	2.5%	-	-	-	-
Bebe Stores, Inc. (NasdaqCM:BEBE)	50.4	(26.8)	23.7	349.8	(29.6)	nm	nm	-	-	-	-
Vince Holding Corp (NYSE:VNCE)	22.7	50.7	73.5	258,599	(0.0)	nm	nm	244.9	(13.5)	0.3x	nm

Summary Statistics	Market Cap	LTM Net Debt	Enterprise Value	LTM Revenue	LTM EBITDA	EV/EBITDA LTM	LTM EBITDA Margin %	NTM Revenue (Capital IQ)	NTM EBITDA (Capital IQ)	NTM EV/Forward Revenue (Capital IQ)	NTM TEV/Forward EBITDA (Capital IQ)
Peer Mean	377.3	(21.8)	355.6	697.1	45.5	4.7x	8.9%	782.2	94.1	0.8x	6.6x

Source: Debtwire, CapIQ

FINANCIAL SUMMARY (ANNUAL)

Income Statement			
For the Fiscal Period Ending ²	12 months Jan-31-2015	12 months Jan-30-2016	12 months Jan-28-2017
Currency	USD	USD	USD
Units	Thousands	Thousands	Thousands
Revenues			
Net Sales	340,396.0	302,457.0	268,199.0
Expenses			
Cost of Products Sold	(173,567.0)	(169,941.0)	(145,380.0)
Selling, General and Administrative Expenses	(96,579.0)	(116,790.0)	(134,430.0)
Impairment of Goodwill and Indefinite-lived Intangible Assets	-	-	(53,061.0)
Interest Expense, Net	(9,698.0)	(5,680.0)	(3,932.0)
Other Expense/income Net	(835.0)	(1,733.0)	(329.0)
Earnings before Taxes	59,717.0	8,313.0	(68,933.0)
Taxes and Other Expenses			
Provision for Income Tax	(23,994.0)	(3,214.0)	(93,726.0)
Earnings of Discontinued Operations	-	-	-
Net Income (Loss)	35,723.0	5,099.0	(162,659.0)
Supplementary Info			
Gross Profit/loss	166,829.0	132,516.0	122,819.0
Operating Income (Loss)	70,250.0	15,726.0	(64,672.0)
Basic EPS - Continuing Operations	1.0	0.1	(3.5)
Basic EPS - Discontinued Operations	-	-	-
Basic Earnings Per Share – Total	1.0	0.1	-
Diluted EPS - Continuing Operations	0.9	0.1	(3.5)
Diluted EPS - Discontinued Operations	-	-	-
Diluted Earnings Per Share – Total	0.9	0.1	-

FINANCIAL SUMMARY (ANNUAL)

Balance Sheet			
Balance Sheet as of:	Jan-31-2015	Jan-30-2016	Jan-28-2017
Currency	USD	USD	USD
Units	Thousands	Thousands	Thousands
Current Assets			
Cash and Cash Equivalents	112.0	6,230.0	20,978.0
Trade Receivables Net	33,797.0	9,400.0	10,336.0
Other Receivables	-	-	-
Inventories (Net)	37,419.0	36,576.0	38,529.0
Prepaid Expenses and Other Current Assets	9,812.0	8,027.0	4,768.0
Current Assets of Discontinued Operations	-	-	-
Total Current Assets	81,140.0	60,233.0	74,611.0
Non Current Assets			
Land	-	-	-
Buildings and Improvements	-	-	-
Construction-in-process	-	-	-
Machinery, Equipment	-	-	-
Capitalized Software	-	-	-
Accumulated Depreciation	-	-	-
Property, Plant and Equipment, Net	28,349.0	37,769.0	42,945.0
Deferred Income Taxes and Other Assets	95,769.0	92,774.0	2,791.0
Goodwill	63,746.0	63,746.0	41,435.0
Intangible Assets, Net	109,644.0	109,046.0	77,698.0
Long-term Assets of Discontinued Operations	-	-	-
Other Assets	-	-	-
Total Assets	378,648.0	363,568.0	239,480.0
Current Liabilities			
Accounts Payable	29,118.0	28,719.0	37,022.0
Other Accrued Expenses	27,992.0	37,174.0	9,992.0
Accrued Salaries and Employee Benefits	7,380.0	5,755.0	3,427.0
Short-term Borrowings	-	-	-
Current Liabilities of Discontinued Operations	-	-	-
Total Current Liabilities	64,490.0	71,648.0	50,441.0
Non Current Liabilities			
Long-term Debt	84,450.0	57,615.0	48,298.0
Deferred Income Taxes and Other	-	-	-
Other Liabilities	146,063.0	140,838.0	137,830.0
Long-term Liabilities of Discontinued Operation	-	-	-
Deferred Rent	11,676.0	14,965.0	16,892.0
Shareholders' Equity			
Common Stock - Par Value	367.0	368.0	(13,981.0)
Additional Paid in Capital	1,011,244.0	1,012,677.0	-
Accumulated Deficit	(939,577.0)	(934,478.0)	-
Accumulated Other Comprehensive Loss	(65.0)	(65.0)	-
Total Shareholders Equity	71,969.0	78,502.0	(13,981.0)
Total Liabilities & Shareholders Equity	378,648.0	363,568.0	239,480.0

FINANCIAL SUMMARY (ANNUAL)

Cash Flow			
For the Fiscal Period Ending	12 months Jan-31-2015	12 months Jan-30-2016	12 months Jan-28-2017
Currency	USD	USD	USD
Units	Thousands	Thousands	Thousands
Operating Activities			
Net Income	35,723.0	5,099.0	(162,659.0)
Depreciation and Amortization	5,267.0	8,350.0	8,684.0
Impairment of Property and Equipment	-	-	2,082.0
Impairment of Goodwill and Indefinite Lived Intangible Assets	-	-	53,061.0
Share-based Compensation Expense	1,896.0	1,259.0	1,344.0
Provision for Inventories	3,719.0	16,263.0	839.0
Deferred Income Taxes	23,248.0	2,745.0	93,444.0
Others	1,532.0	1,634.0	701.0
Other Assets/Liabilities	742.0	1,093.0	(25.0)
Deferred Rents	3,045.0	1,723.0	413.0
Receivables, Net	6,401.0	24,397.0	(936.0)
Inventories	(7,182.0)	(15,420.0)	(2,792.0)
Accounts Payable and Accrued Expenses	3,066.0	1,044.0	(24,414.0)
Prepaid Expenses and Other Current Assets	2,809.0	3,441.0	598.0
Cash Flow from Operating Activities	80,266.0	51,628.0	(29,660.0)
Investing Activities			
Payment for Capital Expenditures	(19,699.0)	(17,591.0)	(14,287.0)
Cash Flow from Investing Activities	(19,699.0)	(17,591.0)	(14,287.0)
Financing Activities			
Repayment of Borrowings Under the Term Loan Facility	(105,000.0)	(20,000.0)	-
Repayment of Borrowings Under the Revolving Credit Facility	(27,500.0)	(123,127.0)	(191,167.0)
Proceeds from Borrowings Under the Revolving Credit Facility	50,500.0	115,127.0	181,367.0
Proceeds from Common Stock Issuance, Net of Transaction Costs	-	-	63,773.0
Proceeds from Stock Option Exercises and Issuances of Common Stock Under Employee Stock Purchase Plan	175.0	175.0	4,722.0
Fees Paid for Revolving Credit Facilities	(114.0)	(94.0)	-
Cash Flow from Financing Activities	(81,939.0)	(27,919.0)	58,695.0
Other Adjustments			
Cash Flow Net Changes in Cash	(21,372.0)	6,118.0	14,748.0
OCF-capex	60,567.0	34,037.0	(43,947.0)

Source: CapIQ

FINANCIAL SUMMARY (QUARTERLY)

Income Statement						
For the Fiscal Period Ending	3 months Apr-30-2016	3 months Jul-30-2016	3 months Oct-29-2016	3 months Jan-28-2017	3 months Apr-29-2017	TTM Apr-29-2017
Currency	USD	USD	USD	USD	USD	USD
Units	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands
Revenues						
Net Sales	67,645.0	60,702.0	75,973.0	63,879.0	58,045.0	258,599.0
Expenses						
Cost of Products Sold	(39,387.0)	(33,315.0)	(38,015.0)	(34,663.0)	(32,454.0)	(138,447.0)
Selling, General and Administrative Expenses	(31,806.0)	(31,642.0)	(31,895.0)	(39,087.0)	(33,784.0)	(136,408.0)
Impairment of Goodwill and Indefinite-lived Intangible Assets	-	-	-	(53,061.0)	-	(53,061.0)
Interest Expense, Net	(881.0)	(1,005.0)	(1,023.0)	(1,023.0)	(1,044.0)	(4,095.0)
Other Expense/income Net	(160.0)	(28.0)	(191.0)	50.0	(1.0)	(170.0)
Earnings before Taxes	(4,589.0)	(5,288.0)	4,849.0	(63,905.0)	(9,238.0)	(73,582.0)
Taxes and Other Expenses						
Provision for Income Tax	2,665.0	3,321.0	(1,469.0)	(98,243.0)	(52.0)	(96,443.0)
Net Income (Loss)	(1,924.0)	(1,967.0)	3,380.0	(162,148.0)	(9,290.0)	(170,025.0)
Supplementary Info						
Gross Profit/loss	28,258.0	27,387.0	37,958.0	29,216.0	25,591.0	120,152.0
Operating Income (Loss)	(3,548.0)	(4,255.0)	6,063.0	(62,932.0)	(8,193.0)	(69,317.0)
Basic EPS - Continuing Operations	(0.1)	(0.0)	0.1	(3.3)	(0.2)	(3.4)
Diluted EPS - Continuing Operations	(0.1)	(0.0)	0.1	(3.3)	(0.2)	(3.4)

FINANCIAL SUMMARY (QUARTERLY)

Balance Sheet					
Balance Sheet as of:	Apr-30-2016	Jul-30-2016	Oct-29-2016	Jan-28-2017	Apr-29-2017
Currency	USD	USD	USD	USD	USD
Units	Thousands	Thousands	Thousands	Thousands	Thousands
Current Assets					
Cash and Cash Equivalents	21,563.0	21,347.0	20,705.0	20,978.0	15,391.0
Trade Receivables Net	17,152.0	21,040.0	16,613.0	10,336.0	20,292.0
Inventories (Net)	23,367.0	34,681.0	34,420.0	38,529.0	32,213.0
Prepaid Expenses and Other Current Assets	10,863.0	10,953.0	8,736.0	4,768.0	2,868.0
Total Current Assets	72,945.0	88,021.0	80,474.0	74,611.0	70,764.0
Non Current Assets					
Property, Plant and Equipment, Net	39,836.0	43,865.0	46,097.0	42,945.0	42,017.0
Deferred Income Taxes and Other Assets	94,830.0	97,946.0	97,429.0	-	-
Goodwill	63,746.0	63,746.0	63,746.0	41,435.0	41,435.0
Intangible Assets, Net	108,896.0	108,747.0	108,597.0	77,698.0	77,548.0
Other Assets	-	-	-	2,791.0	2,518.0
Total Assets	380,253.0	402,325.0	396,343.0	239,480.0	234,282.0
Current Liabilities					
Accounts Payable	20,956.0	33,297.0	23,790.0	37,022.0	25,016.0
Other Accrued Expenses	13,898.0	12,543.0	13,226.0	9,992.0	10,739.0
Accrued Salaries and Employee Benefits	2,358.0	4,543.0	2,738.0	3,427.0	2,671.0
Total Current Liabilities	37,212.0	50,383.0	39,754.0	50,441.0	38,426.0
Non Current Liabilities					
Long-term Debt	42,613.0	52,798.0	50,736.0	48,298.0	64,395.0
Other Liabilities	140,854.0	140,854.0	140,843.0	137,830.0	137,830.0
Deferred Rent	16,217.0	16,667.0	16,795.0	16,892.0	16,670.0
Shareholders' Equity					
Common Stock - Par Value	490.0	490.0	494.0	494.0	494.0
Additional Paid in Capital	1,079,334.0	1,079,567.0	1,082,775.0	1,082,727.0	1,083,043.0
Accumulated Deficit	(936,402.0)	(938,369.0)	(934,989.0)	(1,097,137.0)	(1,106,511.0)
Accumulated Other Comprehensive Loss	(65.0)	(65.0)	(65.0)	(65.0)	(65.0)
Total Shareholders Equity	143,357.0	141,623.0	148,215.0	(13,981.0)	(23,039.0)
Total Liabilities & Shareholders Equity	380,253.0	402,325.0	396,343.0	239,480.0	234,282.0

FINANCIAL SUMMARY (QUARTERLY)

Cash Flow						
For the Fiscal Period Ending	3 months Apr-30-2016	6 months Jul-30-2016	9 months Oct-29-2016	12 months Jan-28-2017	3 months Apr-29-2017	TTM Apr-29-2017
Currency	USD	USD	USD	USD	USD	USD
Units	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands
Operating Activities						
Net Income	(1,924.0)	(3,891.0)	(511.0)	(162,659.0)	(9,290.0)	(170,025.0)
Depreciation and Amortization	1,902.0	3,985.0	6,203.0	8,684.0	2,415.0	9,197.0
Impairment of Property and Equipment	0.0	0.0	0.0	2,082.0	0.0	2,082.0
Impairment of Goodwill and Indefinite Lived Intangible Assets	0.0	0.0	0.0	53,061.0	0.0	53,061.0
Share-based Compensation Expense	514.0	745.0	1,383.0	1,344.0	219.0	1,049.0
Provision for Inventories	388.0	1,238.0	815.0	839.0	0.0	451.0
Deferred Income Taxes	(2,714.0)	(6,078.0)	(4,710.0)	93,444.0	0.0	96,158.0
Others	129.0	296.0	456.0	701.0	162.0	734.0
Other Assets/liabilities	17.0	59.0	185.0	(25.0)	18.0	(24.0)
Deferred Rents	428.0	470.0	596.0	413.0	(225.0)	(240.0)
Receivables, Net	(7,752.0)	(11,640.0)	(7,213.0)	(936.0)	(9,956.0)	(3,140.0)
Inventories	12,821.0	657.0	1,341.0	(2,792.0)	6,316.0	(9,297.0)
Accounts Payable and Accrued Expenses	(34,391.0)	(21,338.0)	(32,706.0)	(24,414.0)	(11,352.0)	(1,375.0)
Prepaid Expenses and Other Current Assets	(1,414.0)	(1,098.0)	9.0	598.0	1,942.0	3,954.0
Cash Flow from Operating Activities	(31,996.0)	(36,595.0)	(34,152.0)	(29,660.0)	(19,751.0)	(17,415.0)
Investing Activities						
Payment for Capital Expenditures	(3,709.0)	(9,316.0)	(12,677.0)	(14,287.0)	(1,785.0)	(12,363.0)
Cash Flow from Investing Activities	(3,709.0)	(9,316.0)	(12,677.0)	(14,287.0)	(1,785.0)	(12,363.0)
Financing Activities						
Repayment of Borrowings Under the Revolving Credit Facility	(61,073.0)	(83,247.0)	(125,767.0)	(191,167.0)	(105,147.0)	(235,241.0)
Proceeds from Borrowings Under the Revolving Credit Facility	46,073.0	78,270.0	118,567.0	181,367.0	121,083.0	256,377.0
Proceeds from Common Stock Issuance, Net of Certain Transaction Costs	63,883.0	63,848.0	63,773.0	63,773.0	0.0	(110.0)
Stock Options Exercise	0.0	2,157.0	0.0	0.0	0.0	0.0
Proceeds from Stock Option Exercises and Issuances of Common Stock Under Employee Stock Purchase Plan	2,155.0	0.0	4,731.0	4,722.0	13.0	2,580.0
Cash Flow from Financing Activities	51,038.0	61,028.0	61,304.0	58,695.0	15,949.0	23,606.0
Other Adjustments						
Cash Flow Net Changes in Cash	15,333.0	15,117.0	14,475.0	14,748.0	(5,587.0)	(6,172.0)

Source: CapIQ

OCF-capex	(35,705.0)	(45,911.0)	(46,829.0)	(43,947.0)	(21,536.0)	(29,778.0)
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