



## PRESS RELEASE

### **Fashion brand TOM TAILOR lays foundations for further enhancing its successful positioning in the casual lifestyle segment**

- **Tom Tailor GmbH (TOM TAILOR) retains its long-term strategic investor with extensive industry experience following its complete takeover by Fosun International Limited**
- **Based on the milestones it has already achieved, TOM TAILOR will implement its development plan by taking specific strategic and operational measures**
- **The TOM TAILOR brand's product portfolio puts it in an ideal position to benefit from the mega-trend of "casualisation", which is being reinforced by COVID-19**
- **Financing structure secured and prolonged until September 2024**

**Hamburg, 23<sup>rd</sup> September 2020.** Fosun International Limited (Fosun) has closed the purchase agreement to acquire 100 percent of the shares in Tom Tailor GmbH on September 17<sup>th</sup>. The deal enables the TOM TAILOR fashion brand to continue counting on the long-term support of its existing investor.

"Since first becoming a shareholder in 2014, Fosun has been a reliable partner in its commitment to TOM TAILOR – and has always believed in the brand and continued to invest in it, even in particularly challenging times," said Gernot Lenz, CEO of Tom Tailor GmbH. "The knowledge and experience we have gained together over the past six years make Fosun the ideal partner to lead TOM TAILOR successfully into the future after the crisis triggered by coronavirus."

Fosun will continue to provide Tom Tailor GmbH with intensive financial and strategic support. This strategic investment should create clear added value for the TOM TAILOR brand and Fosun and open up further growth opportunities in the medium to long term.

"Fosun is committed to making long-term strategic investments in companies that offer high-quality products and services to families around the world," explained Xu Xiaoliang, Co-CEO of Fosun International. "As one of Central Europe's best known fashion brands, TOM TAILOR has developed a solid market base, benefits from an extremely high level of trust among consumers and trading partners, and has a fully developed supply chain and logistics system. We therefore firmly believe that Tom Tailor GmbH will become an even more capable and more profitable partner for us."

Given the TOM TAILOR brand's solid financial performance before the COVID-19 crisis, management is confident that Tom Tailor GmbH will successfully master its current and future challenges and will be able to build on the growth recorded in 2019 no later than 2022.



With an owner that is focused on the long term and with financing secured until September 2024, TOM TAILOR is able to continue implementing its operational and strategic goals. The additional financing facility of 100M € which became necessary following the Corona lockdown has been paid out on September 22<sup>nd</sup>. The loan is backed by a State and Federal guarantee provided by Germany, the Free and Hanseatic City of Hamburg and the state of North Rhine-Westphalia. “With the completion of the legal and financial restructuring steps we can now fully focus on the continuation of TOM TAILOR’s success story,” said Christian Werner, CFO of Tom Tailor GmbH.

### **Targeted measures aimed at enhancing product and brand performance**

One of the key strategic pillars will be continued investments in product quality and a higher share of sustainable items and materials. At the same time, the number of collections and selling seasons in TOM TAILOR showrooms will be optimized effective January 2021. This will further strengthen the core business with existing wholesale partners. The TOM TAILOR brand’s product portfolio puts it in an ideal position to benefit from the mega-trend of “casualisation”, which is being reinforced by COVID-19.

The company will also continue to push its digitalisation along the entire value chain. This applies to both, product development and sales processes as well as the expansion of the online business via the company’s own TOM TAILOR e-shop and its collaboration with online retailers. In marketing and customer relationship management, the plan is to invest even more in social media and other digital channels. These efforts will result in an increased focus on emotionality, clear imagery and storytelling to communicate the TOM TAILOR brand DNA to consumers more effectively and to further enhance the brand’s desirability. To increase brand equity, the company will continue its strategy of reducing markdowns across its own channels. Growth will also be stepped up in Southeastern Europe from 2021 onwards with the opening of additional retail stores combined with the introduction of an online presence in relevant local languages.

By pursuing a consistent efficiency programme to improve processes and structures along TOM TAILOR’s entire value chain, the company is aiming to overcome the impact of the COVID-19 pandemic and further optimise its cost structures. In this context, TOM TAILOR will reduce its workforce in Germany by approximately 70 employees. The program has been agreed with the workers council and will be implemented by the end of September 2020.

The clarified ownership structure and financing arrangements enable Tom Tailor GmbH to build on a solid foundation for further development. Despite the continuing challenges, this stability provides all of the company’s stakeholders – particularly its trading partners, suppliers, financing partners, and, of course, its employees – with the required reliability to successfully develop the business going forward.



### **About Tom Tailor GmbH**

Tom Tailor GmbH is an internationally active, vertically oriented fashion company that focuses on so-called casual wear and offers it in the medium price segment. An extensive range of fashion accessories expands the product portfolio. The company thus covers the various core segments of the fashion market. The TOM TAILOR brand is sold through the retail and wholesale segments, i.e. both through the company's own mono-label stores and through retail partners. As of 30 June 2020, these include 454 TOM TAILOR stores, 175 franchise stores, 2,575 shop-in-shops and 7,649 multi-label outlets. In addition, the collections are sold via the company's own online shop and via major e-commerce platforms. The TOM TAILOR brand is thus present in over 30 countries.

The executive management of Tom Tailor GmbH consists of Gernot Lenz (CEO) and Christian Werner (CFO). Marcus Brüning has joined the executive management team on an interim basis in the role of Chief Restructuring Officer (CRO) to implement the efficiency programme.

Information is also available at [www.tom-tailor-group.com](http://www.tom-tailor-group.com).

### **Contact for investors and media**

E-mail: [tom.tailor@silvestergroup.com](mailto:tom.tailor@silvestergroup.com)