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TOM TAILOR fashion brand secures guarantee commitment for additional financing of EUR 100 million

Hamburg (ots) -

- **Future of the TOM TAILOR fashion brand with its approx. 3,400 employees safeguarded through agreement in principle on additional long-term financing with a EUR 100 million government guarantee**
- **Existing financing to be extended until September 2024**
- **TOM TAILOR brand to be developed actively by investing in product quality, customer loyalty measures, expansion of the online business and targeted internationalisation**
- **Launch of an efficiency programme to compensate for mid-term effects of the COVID-19 crisis on revenue and earnings**

Tom Tailor GmbH today announced that an additional EUR 100 million revolving credit facility for the company will safeguard the active further development of the TOM TAILOR fashion brand. The financing is laid out until 30 September 2024, and has been secured with a guarantee provided by the Federal Republic of Germany, the Free and Hanseatic City of Hamburg and the Federal State of North Rhine-Westphalia ("Bund-Länder-Garantie") and will be furnished by the existing consortium of banks. In addition, the existing financing for TOM TAILOR will be extended until September 2024.

This will enable TOM TAILOR to actively develop its business with its approximately 3,400 employees and further strengthen its long-standing trading partner and supplier relations. "TOM TAILOR as a fashion brand and Tom Tailor GmbH are ready for a kick-start, and we intend to make good use of this opportunity," said Gernot Lenz, Managing Director of Tom Tailor GmbH and CEO of the TOM TAILOR Group. Specific cornerstones have already been defined for the further development of the TOM TAILOR brand once the COVID-19-related closures have been lifted.

The brand attractiveness will be enhanced by targeted investments into product quality, especially accelerating sustainability activities. By adopting an integrated customer centric approach and targeted Marketing- and CRM-activities, the customer lifetime value will be further increased. Pushing growth in the online business will be another focal point in the future. Furthermore, an international expansion outside the core markets is planned. The successful growth trajectory is to be continued in Southeastern Europe in particular. An extensive efficiency programme will be implemented in the coming months in response to the effects the COVID-19 pandemic on revenue and earnings in the current financial year and in 2021. "Recent weeks have shown us once again what our strong teams are capable of in extreme situations, combined with strong dedication, agility and entrepreneurship. This makes us very confident for the months ahead," said Gernot Lenz. Thanks to the additional long-term financing secured, the management of Tom Tailor GmbH is convinced that it will be able to build on the growth recorded in 2019.

The crisis triggered by the COVID-19 pandemic has dealt a particularly severe blow to the TOM TAILOR Group in 2020 to date. "Like everyone else in the fashion industry, the TOM TAILOR Group has been hit very hard by the present crisis. Since the first quarter of 2020, we have fought day and night to secure the continuation and financing of all business units of the TOM TAILOR Group," explained Christian Werner, CFO of TOM TAILOR Group and Managing Director of Tom Tailor GmbH. "Today, we unfortunately learned that Bonita GmbH does not qualify for sufficient financing and guarantees." In light of this and due to its impending illiquidity, Bonita GmbH will today apply for the opening of Chapter 11-like protective shield proceedings under its own administration. The insolvency of TOM TAILOR Holding SE is also inevitable due to its intragroup obligations towards Bonita GmbH. The Management Board of the company has therefore decided to file for insolvency with the competent Hamburg Local Court. "Tom Tailor GmbH, and hence the TOM TAILOR brand, are not affected by this application and especially considering the additional funding can further develop the operating business as planned. The protective shield proceedings give BONITA the opportunity to continue its ongoing restructuring activities", said Christian Werner.

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 at 31 March 2020, these include 453 TOM TAILOR stores, 178 franchise stores, 2,581 shop-in-shops and 7,432 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.

Pressekontakt:

Informationen auch unter www.tom-tailor-group.com

Kontakt für Investoren und Medien
E-Mail: tom.tailor@silvestergroup.com

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