



# Tailored Brands, Inc.

Morgan Stanley Conference | Introduction to Tailored Brands

December 3, 2024



TAILORED BRANDS

# Disclaimer

Tailored Brands, Inc. (the “Company”) makes, from time to time, public presentations and may provide materials, including those found on our website, that contain forward-looking information. The information in the materials and on our website do not constitute an offer to sell, a solicitation of an offer to buy, or a recommendation of any security by Tailored Brands or its subsidiaries. In those presentations and on our website, the Company uses words such as, but not limited to, “expects,” “anticipates,” “envisions,” “targets,” “goals,” “projects,” “intends,” “plans,” “believes,” “seeks,” “estimates,” “guidance,” “may,” “projections,” and “business outlook,” variations of such words and similar expressions are intended to identify such forward-looking statements. The forward-looking statements are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. Any forward-looking statements that we make are not guarantees of future performance and actual results may differ materially from those in such forward-looking statements as a result of various factors. Factors that might cause or contribute to such differences include, but are not limited to: actions or inactions by governmental entities; domestic and international macro-economic conditions; inflation or deflation; the loss of, or changes in, key employees; success, or lack thereof, in formulating or executing our internal strategies and operating plans including our e-commerce and digital strategies and new store and new market expansion plans; cost reduction initiatives and revenue enhancement strategies; changes to our capital allocation policy; changes in demand for our retail clothing or rental products, including changes in apparel trends and changing consumer preferences; market trends in the retail or rental business; customer confidence and spending patterns; changes in traffic trends in our stores; customer acceptance of our merchandise strategies; retaining the value of our brands and protecting our trademarks and other proprietary rights; performance issues with key suppliers; disruptions in our supply chain; severe weather; regional or national civil unrest or acts of civil disobedience; public health crises, including COVID-19 outbreaks; foreign currency fluctuations; government export and import policies and international trade agreements, including the enactment of duties or tariffs; advertising or marketing activities of competitors; the impact of cybersecurity threats or data breaches; legal proceedings and the impact of climate change and other corporate responsibility issues.

Forward-looking statements are intended to convey the Company’s expectations about the future and speak only as of the date they are made. We undertake no obligation to publicly update or revise any forward-looking statements that may be made from time to time, whether as a result of new information, future developments or otherwise, except as required by applicable law. This discussion is provided as permitted by the Private Securities Litigation Reform Act of 1995, and all written or oral forward-looking statements that are made by or attributable to us are expressly qualified in their entirety by the cautionary statements contained or referenced in this section.

## Non-GAAP Financial Measures

In addition to the Company’s results determined in accordance with GAAP, we believe the following non-GAAP financial measures are useful in evaluating our performance. We use EBITDA, Adjusted EBITDA, and free cash flow to monitor and evaluate the performance of our business and believe the presentation of these measures enhances investors’ ability to analyze trends in our business and evaluate our performance relative to other companies in our industry. These non-GAAP financial measures are not meant to be considered as indicators of our financial performance in isolation from or as a substitute for our financial information prepared in accordance with GAAP and should be read only in conjunction with financial information presented on a GAAP basis.

# Who we are

# Our Purpose & Values

We help people love the way they look and feel for their most important moments.

## Customer-First

We put customers at the center of every decision

## Win Together

We win as a team and make a difference in our communities

## Better Every Day

We strive for excellence and continuous improvement

## Everyone is Welcome

We value differences and know they make us better

## Act with Integrity

We show up with courage to always do the right thing

# Tailored Brands At-A-Glance

## Business highlights

- ✓ Portfolio of four banners including Men’s Wearhouse (“TMW”), Jos. A. Bank (JAB), K&G, and Moores has enabled TBI to become a U.S. market leader in dresswear rental and tailored menswear
- ✓ Men’s Wearhouse was founded in 1973 and Tailored Brands (“TBI” or “the Company”), a holding company for the collection of brands, was created in 2016. The Company is a leading omni-channel specialty retailer of menswear with a presence in both the U.S. and Canada
- ✓ Highly profitable retail, rental and custom business
- ✓ Offers a wide range of products, including suits, sportswear, dress shirts and accessories, featuring in-house and designer brands at accessible prices
- ✓ Strong design and direct sourcing model allows for efficient production and distribution of goods with high-end services of custom tailoring and rentals including robust reverse logistic capabilities

Growth & profitability at scale

**\$2.6bn**  
FY 2023  
Total Revenue

**15.5%**  
FY 2023 Adjusted  
EBITDA Margin

Brand strength

**#1**  
Position in tailored clothing<sup>1</sup>

**#1**  
Position in rental market<sup>1,2</sup>

**76%**  
TMW brand Awareness<sup>3</sup>

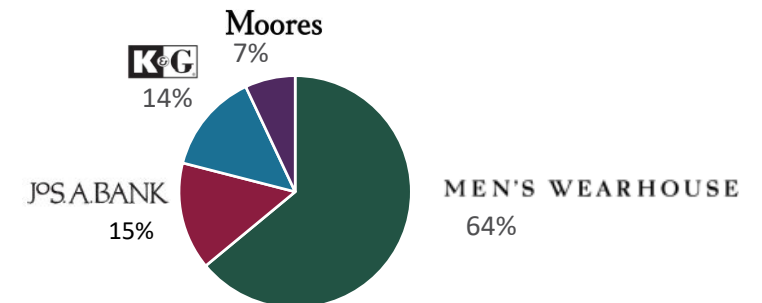
Loyalty and recurring revenue

**1.5x**  
Avg TMW Customer Trips per year<sup>4</sup>





**16%**  
% of Second Trip<sup>5</sup>

*Opportunity to grow repeat purchase rate*

Business mix



# Strength In A Diversified Portfolio Of Leading Banners

	 <b>Largest specialty retailer of men's apparel in the U.S.</b>	 <b>Vertical specialty menswear store</b>	 <b>Our Canadian specialty retailer of men's apparel</b>	 <b>One-stop affordable shop for men, women and kids</b>
Overview	<ul style="list-style-type: none"> <li>Founded in 1973, TMW is a <b>leading player</b> in men's apparel</li> <li>A <b>unique combination of retail, rental and custom</b> with legendary service               <ul style="list-style-type: none"> <li>#1 position in tailored clothing</li> <li>#1 position in rental market</li> <li>#3 position in dress shirts</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Founded in 1905 and acquired by TMW in 2014, <b>offers upscale and classic professional apparel at a reasonable price</b></li> <li>Operating stores nationwide, with expert staff at each location to ensure quality service and high customer satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Founded in 1988 and acquired by TMW in 1999, a <b>leading player in Canadian men's apparel</b></li> <li>A <b>unique combination of retail, rental and custom</b></li> <li>Designer brands are a key offering, including Joseph Abboud, Kenneth Cole, and Calvin Klein</li> </ul>	<ul style="list-style-type: none"> <li>Founded in 1989 and acquired by TMW in 1999, K&amp;G offers a <b>wide selection of designer brands offered at compelling price points</b></li> <li>Leading shopping destination for brand name apparel, footwear, and accessories</li> </ul>
Brand Type	<ul style="list-style-type: none"> <li><b>Portfolio of brands</b></li> </ul>	<ul style="list-style-type: none"> <li><b>Single (Owned) Brand</b></li> </ul>	<ul style="list-style-type: none"> <li><b>Portfolio of Brands</b></li> </ul>	<ul style="list-style-type: none"> <li><b>Designer Discount</b></li> </ul>
Footprint <sup>1</sup>	<ul style="list-style-type: none"> <li><b>636 stores</b> nationwide</li> <li>Regional strip and specialty retail shopping centers</li> <li>eCommerce</li> </ul>	<ul style="list-style-type: none"> <li><b>188 stores</b> nationwide</li> <li>Specialty retail centers</li> <li>eCommerce</li> </ul>	<ul style="list-style-type: none"> <li><b>108 stores</b> throughout Canada</li> <li>Regional strip and specialty retail shopping centers</li> <li>eCommerce</li> </ul>	<ul style="list-style-type: none"> <li><b>81 stores</b> with strength in the Southeast region</li> <li><b>"Destination" stores</b></li> <li>Second generation strip shopping centers close to major highways</li> </ul>
Target Customers	<ul style="list-style-type: none"> <li><b>Broad customer base spanning generations</b></li> <li>Wants style advice and help in pulling a look together</li> <li>Size inclusivity from XS to Big and Tall</li> <li>Skews to national and private brands</li> </ul>	<ul style="list-style-type: none"> <li><b>Traditional, classic professional</b></li> <li>Seeking quality at a reasonable price</li> <li>Classic styling with a broad suit, sportswear, and tuxedo offering</li> </ul>	<ul style="list-style-type: none"> <li><b>Broad customer base spanning generations</b></li> <li>Wants style advice and help in pulling a look together</li> <li>Size inclusivity from XS to Big and Tall</li> <li>Skews to national and private brands</li> </ul>	<ul style="list-style-type: none"> <li><b>Price sensitive customers across men, women, children</b></li> <li>Value-oriented super store approach</li> <li>Quality, current- season at value price points</li> </ul>

# Our Strategy House

We help people love the way they look and feel for their most important moments

## PEOPLE AND CULTURE

We will evolve and innovate to ensure our people are the fabric of our success

### CUSTOMER-OBSESSED

We will evolve and innovate to know and inspire our customers better than anyone else

- Build a world-class **marketing engine**
- **Hyper-localize** the customer experience
- Evolve our **customer service** to 'legendary' status

### RETAIL REVOLUTION

We will evolve and innovate to serve as the best menswear retailer in North America

- Expand market share in tailored and rental, and accelerate "**every wear**"
- Ignite our **digital capabilities**
- Transform store fleet with **new locations and innovative formats**

### OPERATIONAL EXCELLENCE

We will evolve and innovate to deliver value through continuous improvement

- **Optimize capital** allocation strategies and **improve** net working capital
- Advance **supply chain and direct sourcing** capabilities
- Elevate **data analytics** to guide strategic decision-making

## TECHNOLOGY FOUNDATION

We will evolve and innovate to deliver value for our customers through exceptional application of technology

# Where we've been

# Our Journey to Legendary



FY19A

FY20A

FY21A

FY22A

FY23A

- Focused on capital preservation
- Managed liquidity, cash and solvency

- Emerged from bankruptcy
- Navigated the pandemic
- Closed 400+ stores

- **New Board and Management**
- Developed our going forward strategy
- Stabilized the business

- Year of the Wedding
- Refreshed our purpose and values
- Implemented strategy and revamped the business

- Optimized the strategy
- Navigated a difficult retail environment
- Opened 8 new stores

Revenue	\$2.9B	\$1.1B	\$2.1B	\$2.8B	\$2.6B
Adj. EBITDA	\$281M	(\$369M)	\$216M	\$477M	\$406M
Adj. EBITDA Margin	9.7%	NM	10.1%	16.8%	15.5%
FCF Conversion	4% <sup>(1)</sup>	NM	111% <sup>(1)</sup>	54% <sup>(1)</sup>	48% <sup>(1)</sup>
Net Debt	\$1,089M <sup>(2)</sup>	\$691M <sup>(2)</sup>	\$405M <sup>(2)</sup>	\$150M <sup>(2)</sup>	(\$104M) <sup>(2)</sup>

<sup>1</sup> Free Cash Flow Conversion = (Cash Flow from Operations + proceeds from Sales of Property and Equipment – Capex) / Adjusted EBITDA

<sup>2</sup> Net Debt = Total Debt (excluding Convertible Notes) - Cash and Cash Equivalents

Note: Adjusted Non-GAAP view excludes certain items, such as non-cash stock compensation expense. These adjustments eliminate certain items that are not indicative of core business results. FY23 includes a 53<sup>rd</sup> week

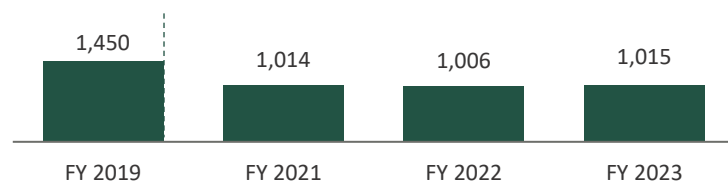
# FY23 vs. FY19 P&L Optimization

- Significant progress made in Gross Margin (pricing architecture and footprint optimization) and Store Expenses
- Foundational investments in Supply Chain, Human Capital and Information Technology

	As % of Sales	FY23A	FY19A	Change	Impact
<b>Margin</b>	Gross Margin	46.5%	41.2%	+535 bps	✓
<b>Expense</b>	SG&A	33.9%	36.2%	-230 bps	✓
<b>Profit</b>	Adjusted EBITDA Margin	15.5%	9.7%	+575 bps	✓

# Optimized Store Footprint And Value Transformation Reflect Success Of Strategy

### Store count

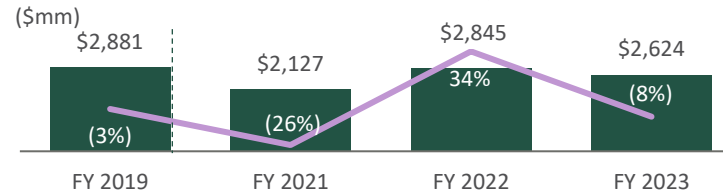


% 4-Wall Adjusted EBITDA Positive<sup>1</sup>:

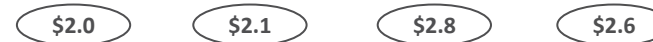


Store footprint optimization with **100% of stores 4-wall Adjusted EBITDA positive<sup>1</sup>**

### Sales and YoY sales growth

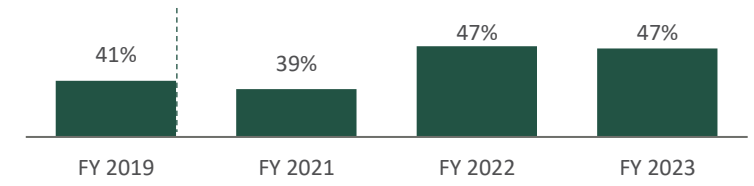


Sales per store:



Tailored Brands has stabilized and **continued to drive performance across all banners**

### Gross margin

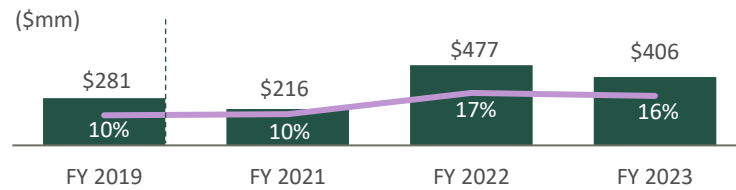


Gross profit per store (\$mm):



Gross margin improvement driven by **simplified pricing architecture and direct sourcing advantages**

### Adjusted EBITDA and Adjusted EBITDA margin

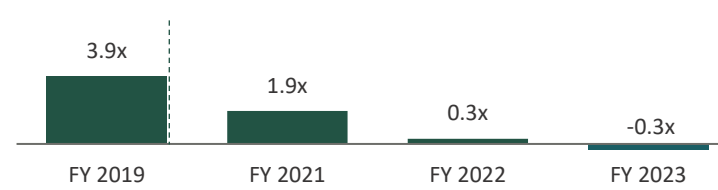


Adjusted EBITDA per store:



Generating Adjusted EBITDA margin by **focusing on effective pricing and cost management strategies**

### Net leverage<sup>2</sup>

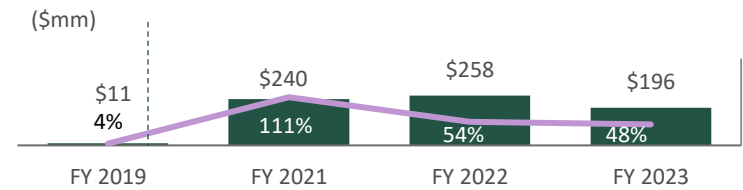


Corporate Ratings:

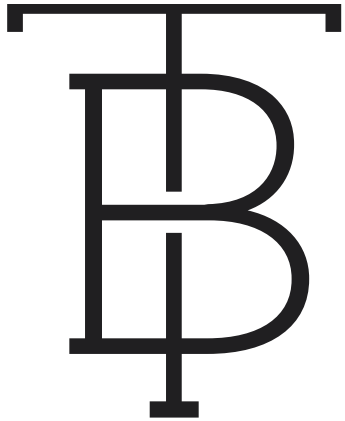


Increase in net leverage driven by proactively adding new **Term Loan in FY24, offset by a higher cash balance**

### Free Cash Flow<sup>3</sup> and FCF conversion<sup>4</sup>



**FCF generation driven by strong performance** with rightsized store count



TAILORED BRANDS