

RETAIL

US department store chain Neiman Marcus Group emerges from Chapter 11 bankruptcy, eliminating \$4B+ in debt

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Sunset-hued silk caftan from Tom Ford available at Neiman Marcus. Image credit: Neiman Marcus

By LUXURY DAILY NEWS SERVICE

Neiman Marcus Holding Company Inc., formerly known as Neiman Marcus Group Ltd. LLC, has emerged from voluntary Chapter 11 protection after completing its restructuring process and implementing its plan of reorganization.

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The passage from saluted Sept. 4 by the U.S. Bankruptcy Court for the Southern District of Texas, Houston Division.

"While the unprecedented business disruption caused by COVID-19 has presented many challenges, it has also given us the opportunity to reimagine our platform and improve our business," said Geoffroy van Raemdonck, CEO of **Neiman Marcus Group**, in a statement.

"We emerge from Chapter 11 as a stronger, more innovative retailer, brand partner and employer," he said.

Retail detail

The Dallas, TX-based retailer, which owns department store brands such as **Neiman Marcus** and **Bergdorf Goodman**, emerges with new creditors and equity shareholders and without the \$4 billion-plus in existing debt and more than \$200 million of annual cash interest expense.

"Our new owners, which include PIMCO, Davidson Kempner Capital Management, and Sixth Street, understand the value of our brands and the opportunity for growth," Mr. van Raemdonck said. "They are also strongly committed to supporting our company on sustainability issues where we intend to be a leader within the industry."

The new owners are funding a \$750 million exit financing package that fully refinances the debtor-in-possession (DIP) loan and provides significant additional liquidity for the business.

Neiman Marcus Holding Co. has also secured a \$125 million FILO facility led by Pathlight, the proceeds of which refinance existing debt and will provide liquidity to support the department store chain's ongoing operations and strategic efforts.

The exit term loan financing and FILO facility are in addition to the liquidity provided by the \$900 million ABL led by Bank of America and a consortium of commercial banks, the company said.

With the support of its new shareholders and funds available from the exit financing, FILO facility and ABL facility, Neiman Marcus Holding Co. expects work on a long-term strategy for the company.

"At the conclusion of this process, I remain profoundly impressed by the strength of Neiman Marcus and Bergdorf Goodman, the commitment of our associates, the unwavering support of our brand partners, and the loyalty of our customers," Mr. van Raemdonck said.

Neiman Marcus Group now has a new board of directors.

On the board are Geoffroy van Raemdonck, who serves as CEO of Neiman Marcus Group; Meka Millstone-Shroff, who serves as a strategic operating advisor and board member to a variety of companies, including serving as an independent director on the boards of Party City and Nanit; and Pauline Brown, who most recently served as the Chairman of North America for LVMH Mot Hennessy Louis Vuitton and served on the boards of L Capital and several LVMH subsidiaries, including Donna Karan, Marc Jacobs, and Fresh Cosmetics.

Also on the board are Pamela Edwards, who most recently served as chief financial officer of the Mast Global and Victoria's Secret divisions of L Brands, the multi-brand specialty retailer; Kris Miller, who most recently served as the chief strategy officer for ecommerce platform eBay from 2014-2020; and Scott D. Vogel, who is the managing member at Vogel Partners LLC.

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