

Upmarket US retailer Neiman Marcus files for bankruptcy

US luxury department store chain Neiman Marcus filed for Chapter 11 bankruptcy on Thursday.



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Neiman Marcus is the largest US retailer to file for bankruptcy since the coronavirus outbreak, and the second major US retailer to file during the pandemic, following [J. Crew's filing](#) earlier this week.

According to [CNBC](#), Neiman Marcus had been struggling with competition from online rivals and dwindling cash before the outbreak. The [NY Times](#) adds that the company took on an untenable amount of debt as part of two leveraged buyouts by private-equity firms, and that it did not respond quickly enough to changes in shopping habits.

The health crisis exacerbated its problems, forcing it to furlough most of its 14,000 workers and close its 43 Neiman Marcus stores. About 10 stores have been reopened for curbside pickup as some US states have relaxed lockdown orders, reports [CBS News](#).



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6 Aug 2019



The high-end department store chain reported nearly \$5bn in annual sales, according to its most recent public financial statement.

Geoffroy van Raemdonck, chairman and chief executive officer of Neiman Marcus Group stated, "Prior to Covid-19, Neiman Marcus Group was making solid progress on our journey to long-term profitable and sustainable growth ... However, like most businesses today, we are facing unprecedented disruption caused by the Covid-19 pandemic, which has placed inexorable pressure on our business."



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29 Apr 2020



As part of the bankruptcy filing, Neiman Marcus has secured \$675m in financing from creditors to keep operating during the restructuring, holding over two-thirds of the company's debt.

"The binding agreement from our creditors gives us additional liquidity to operate the business during the pandemic and the financial flexibility to accelerate our transformation. We will emerge a far stronger company," said van Raemdonck.

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