

Neiman Marcus Group Accelerates Digital Capabilities with Intended Acquisition of Stylyze

Investments, Strong Q3 Results, Strategic Business Decisions Continue to Strengthen Company as Integrated Luxury Retail Leader

DALLAS, June 15, 2021 /PRNewswire/ -- Today, Neiman Marcus Group ("NMG" or the "Company") announced its intent to acquire Stylyze, Inc., the first of several future digital investments and building out of technology capabilities. The Seattle-based, women-founded and -led technology company is a machine learning SaaS platform that offers product attribution data and curated content to power relevant shopping experiences across the customer journey. Acquiring Stylyze will strengthen NMG's ability to build a differentiated luxury experience and is intended to be part of an over half-billion dollars in planned gross investment over the next three years by NMG to support the Company's integrated luxury retail strategy.

"Over the past year, we've been strengthening the foundation of our business. We knew the rebound was coming, and we've been experiencing the return of luxury as it accelerates. NMG is perfectly positioned to capture the growing interest of luxury customers as we develop essential digital capabilities that ensure we drive profitable and sustainable growth," said Geoffroy van Raemdonck, Chief Executive Officer, Neiman Marcus Group. "By acquiring Stylyze, we will be able to advance our strategy of integrated luxury, building long-term relationships with our luxury customers that create emotional value and high lifetime value potential. This allows us to deepen our relationship with our customers through the use of technology."

Powered by data and machine learning across all three customer channels, NMG has already implemented technology and digital solutions from over 25 companies to enhance and elevate the luxury customer experience. NMG will continue to explore opportunities to further its integrated luxury retail focus through acquisitions, partnerships, and building out digital capabilities internally.

POSITIVE BUSINESS MOMENTUM

Post-financial restructuring, NMG is able to make strategic investments, like the acquisition of Stylyze, because of its renewed financial flexibility. The Company had, at the end of April, total outstanding debt of \$1.1 billion vs. \$5.1 billion the prior year. NMG currently has available liquidity of over \$850 million vs. \$132 million a year ago and has no borrowings outstanding on a \$900 million revolver.

"Neiman Marcus Group's more than \$850 million in liquidity gives the company the capability to remain flexible and agile during this time and strategically invest in the business. NMG is stronger than ever – supported by ample liquidity giving the Company the agility we've needed to support the recent double- and triple-digit growth, as compared to 2019, for our top luxury brands," said van Raemdonck. "We are capitalizing on our momentum and reimagining how we look at omnichannel. We're focused on creating an integrated luxury retail experience that spans our premium store footprint, largest U.S. luxury e-Commerce platform, and our differentiated remote-selling channel powered by our clienteling tool, CONNECT."

During NMG's fiscal third quarter (February – April), March and April comparable sales were relatively flat to FY19 (pre-pandemic). Results during the quarter were generally ahead of plan and showed signs that the business has begun to return to pre-pandemic levels with a strong e-commerce business, accounting for approximately 35 percent of revenue.

INVESTING IN DIGITAL EXCELLENCE

NMG began its strategic partnership with Stylyze in 2018. Stylyze's products and capabilities are currently an important component of the Company's remote-selling platform and industry-leading clienteling tool, CONNECT. NMG's selling associates use the platform to engage digitally with their clients and provide them with the white glove service the luxury retailer is known for – especially when it comes to personalized looks. Since the launch of CONNECT, selling associates have completed over 5,000,000 engagement sessions and placed hundreds of thousands of orders on the platform – a testament to the success of personalized, remote-selling.

"We could not be more thrilled for the opportunity to join forces with such an esteemed industry leader that brings together the best customers, brands, and selling channels," said Kristen Miller, CEO and Co-founder of Stylyze. "Our company and team have been working with NMG for over three years, and we are ready to rapidly power, accelerate, and elevate unique and distinct digitally-enabled service models."

"This is one of many examples of how we are building our digital ecosystem that will enable differentiated 'only at NMG' luxury experiences for customers," said Bob Kupbens, Executive Vice President, Chief Product and Technology Officer, Neiman Marcus Group. "Customers today are looking for seamless and unique experiences that improve their shopping journey when it comes to discovering and engaging with fashion. We have a shared alignment with Stylyze and are excited to bring their technology and stellar team on board."

While Stylyze's technology currently supports NMG's remote-selling platform and digital selling, the Company plans to explore integrating its functionality into additional digital tools, including e-Commerce, mobile apps, messaging channels like text message, chat, and phone calls, and other engagement channels.

The acquisition transaction would be expected to close in the first quarter of Fiscal Year 2022, subject to customary closing conditions.

About Neiman Marcus Group

Neiman Marcus Group is a relationship business. We lead with love in everything we do for our customers, associates, brand partners, and communities. Our strategy of integrated luxury retail is about creating long-term relationships, and it's this connection that creates emotional and high lifetime value potential with our customers. Through the expertise of our 3,000+ selling associates, we deliver across our three channels of in-store, e-Commerce, and remote-selling. Investments in data and technology allow us to scale a personalized luxury experience. Our brands include Neiman Marcus, Bergdorf Goodman, Neiman Marcus Last Call, and Horchow. For more information, visit <http://www.neimanmarcusgroup.com>.

Forward-Looking Statements

Neiman Marcus Group has included statements in this press release that constitute "forward-looking statements." As a general matter, forward-looking statements are those focused on future or anticipated events or trends, expectations and beliefs including, among other things, the Company's expectations with respect to the actions described herein. Such statements are intended to be identified by using words such as "believe," "expect," "intend," "estimate," "anticipate," "will," "project," "plan" and similar expressions in connection with any discussion of future operating or financial performance. Any forward-looking statements are and will be based upon the Company's then-current expectations, estimates and assumptions regarding future events and are applicable only as of the dates of such statements. Readers are cautioned not to put undue reliance on such forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those projected in this press release for numerous reasons, including factors outside the Company's control. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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For further information: John Walls, Director, Corporate Communications, Neiman Marcus Group, +1-512-221-8434, john_walls@neimanmarcus.com

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