UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended July 29, 2017 or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 1-16097

TAILORED BRANDS, INC.
(Exact Name of Registrant as Specified in its Charter)

Texas (State or Other Jurisdiction of Incorporation or Organization)	**47-4908760** (I.R.S. Employer Identification Number)
6380 Rogerdale Road **Houston, Texas** (Address of Principal Executive Offices)	**77072-1624** (Zip Code)

(281) 776-7000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒. No ☐.

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒. No ☐.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒		Accelerated filer ☐
Non-accelerated filer ☐	(Do not check if a smaller reporting company)	Smaller reporting company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).Yes ☐. No ☒.

The number of shares of common stock of the Registrant, par value $.01 per share, outstanding at August 26, 2017 was 49,195,390.

REPORT INDEX

Forward-Looking Statements

Certain information included in this report or in other materials we have filed or will file with the Securities and Exchange Commission ("SEC") (as well as information included in oral statements or other written statements made or to be made by us) contains or may contain forward-looking statements (as defined in the Private Securities Litigation Reform Act of 1995), including, but not limited to, statements regarding our future financial performance and financial condition. Words such as "expects," "anticipates," "envisions," "targets," "goals," "projects," "intends," "plans," "believes," "seeks," "estimates," variations of such words and similar expressions are intended to identify such forward-looking statements. Forward-looking statements reflect our current views regarding certain events that could affect our financial condition or results of operations and may include, but are not limited to, references to future sales, comparable sales, margins, costs, earnings, number and costs of store openings, closings, remodels, relocations and expansions, capital expenditures, potential acquisitions, synergies from acquisitions, business strategies, demand for clothing or rental product, market trends in the retail and corporate apparel clothing business, currency fluctuations, inflation and various political, legal, regulatory, social, economic and business trends. Forward-looking statements are based upon management's current beliefs or expectations and are inherently subject to significant business, economic and competitive risks, uncertainties and contingencies and third party approvals, many of which are beyond our control.

Any forward-looking statements that we make herein and in future reports 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 by governmental entities; domestic and international macro-economic conditions; inflation or deflation; the loss of, or changes in, key personnel; success, or lack thereof, in formulating or executing our internal strategies and operating plans including new store and new market expansion plans, cost reduction initiatives, store rationalization plans, profit improvement plans, revenue enhancement strategies; the impact of the termination of our tuxedo rental license agreement with Macy's; changes in demand for clothing or rental product; market trends in the retail business; customer confidence and spending patterns; changes in traffic trends in our stores; customer acceptance of our merchandise strategies; performance issues with key suppliers; disruptions in our supply chain; severe weather; foreign currency fluctuations; government export and import policies; advertising or marketing activities of competitors; and legal proceedings. Please also see "Item 1A. Risk Factors" in Part I of our Annual Report on Form 10-K for the year ended January 28, 2017, as the same may be updated from time to time in our subsequent filings with the SEC, for a more complete discussion of these and other factors that might affect our performance and financial results.

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. However, any further disclosures made on related subjects in our subsequent reports on Forms 10-K, 10-Q and 8-K should be consulted. This discussion is provided as permitted by the Private Securites 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.

PART I – FINANCIAL INFORMATION

ITEM 1 – CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

TAILORED BRANDS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)
(Unaudited)

	July 29, 2017	July 30, 2016	January 28, 2017
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	$ 112,741	$ 11,430	$ 70,889
Accounts receivable, net	71,900	84,348	65,714
Inventories	944,783	1,023,603	955,512
Other current assets	55,432	81,113	73,602
Total current assets	1,184,856	1,200,494	1,165,717
PROPERTY AND EQUIPMENT, net	459,530	510,520	484,165
RENTAL PRODUCT, net	139,397	171,469	152,610
GOODWILL	119,880	118,307	117,026
INTANGIBLE ASSETS, net	170,113	174,752	171,659
OTHER ASSETS	5,948	9,012	6,695
TOTAL ASSETS	$2,079,724	$2,184,554	$2,097,872
LIABILITIES AND SHAREHOLDERS' DEFICIT			
CURRENT LIABILITIES:			
Accounts payable	$ 140,156	$ 169,820	$ 177,380
Accrued expenses and other current liabilities	276,616	295,707	267,899
Income taxes payable	6,310	1,150	1,262
Current portion of long-term debt	8,750	14,000	13,379
Total current liabilities	431,832	480,677	459,920
LONG-TERM DEBT, net	1,532,255	1,600,402	1,582,150
DEFERRED TAXES, net AND OTHER LIABILITIES	162,313	192,125	163,420
Total liabilities	2,126,400	2,273,204	2,205,490
COMMITMENTS AND CONTINGENCIES			
SHAREHOLDERS' DEFICIT:			
Preferred stock	—	—	—
Common stock	491	486	487
Capital in excess of par	478,174	461,143	470,801
Accumulated deficit	(497,160)	(519,068)	(538,823)
Accumulated other comprehensive loss	(28,181)	(31,211)	(40,083)
Total shareholders' deficit	(46,676)	(88,650)	(107,618)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT	$2,079,724	$2,184,554	$2,097,872

See Notes to Condensed Consolidated Financial Statements.

TAILORED BRANDS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
(In thousands, except per share data)
(Unaudited)

	For the Three Months Ended		For the Six Months Ended	
	July 29, 2017	July 30, 2016	July 29, 2017	July 30, 2016
Net sales:				
Retail clothing product	$ 594,994	$ 615,946	$1,178,579	$1,231,614
Rental services	151,978	165,009	246,798	264,840
Alteration and other services	46,026	49,226	92,926	99,969
Total retail sales	792,998	830,181	1,518,303	1,596,423
Corporate apparel clothing product	57,760	79,503	115,361	142,083
Total net sales	850,758	909,684	1,633,664	1,738,506
Cost of sales:				
Retail clothing product	248,630	277,882	501,509	548,237
Rental services	23,957	27,101	40,125	42,985
Alteration and other services	35,076	34,409	69,548	70,559
Occupancy costs	103,326	108,615	208,415	218,750
Total retail cost of sales	410,989	448,007	819,597	880,531
Corporate apparel clothing product	43,073	51,373	84,931	95,830
Total cost of sales	454,062	499,380	904,528	976,361
Gross margin:				
Retail clothing product	346,364	338,064	677,070	683,377
Rental services	128,021	137,908	206,673	221,855
Alteration and other services	10,950	14,817	23,378	29,410
Occupancy costs	(103,326)	(108,615)	(208,415)	(218,750)
Total retail gross margin	382,009	382,174	698,706	715,892
Corporate apparel clothing product	14,687	28,130	30,430	46,253
Total gross margin	396,696	410,304	729,136	762,145
Advertising expense	39,888	44,963	82,140	92,891
Selling, general and administrative expenses	248,343	305,709	507,529	578,628
Operating income	108,465	59,632	139,467	90,626
Interest income	98	37	165	50
Interest expense	(25,167)	(25,876)	(50,788)	(52,377)
Gain (loss) on extinguishment of debt, net	3,281	(71)	3,996	(71)
Earnings before income taxes	86,677	33,722	92,840	38,228
Provision for income taxes	28,206	8,747	32,530	11,616
Net earnings	$ 58,471	$ 24,975	$ 60,310	$ 26,612
Net earnings per common share allocated to common shareholders:				
Basic	$ 1.19	$ 0.51	$ 1.23	$ 0.55
Diluted	$ 1.19	$ 0.51	$ 1.23	$ 0.55
Weighted-average common shares outstanding:				
Basic	49,107	48,609	48,958	48,527
Diluted	49,172	48,639	49,162	48,630
Cash dividends declared per common share	$ 0.18	$ 0.18	$ 0.36	$ 0.36

See Notes to Condensed Consolidated Financial Statements.

TAILORED BRANDS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)
(Unaudited)

	For the Three Months Ended		For the Six Months Ended	
	July 29, 2017	July 30, 2016	July 29, 2017	July 30, 2016
Net earnings	$ 58,471	$ 24,975	$ 60,310	$26,612
Currency translation adjustments	14,773	(19,600)	16,114	(3,171)
Unrealized (loss) gain on cash flow hedges, net of tax	(746)	206	(4,212)	446
Comprehensive income	$ 72,498	$ 5,581	$ 72,212	$23,887

See Notes to Condensed Consolidated Financial Statements.

TAILORED BRANDS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	For the Six Months Ended	
	July 29, 2017	July 30, 2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings	$ 60,310	$ 26,612
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	53,407	60,275
Rental product amortization	21,205	23,176
(Gain) loss on extinguishment of debt, net	(3,996)	71
Amortization of deferred financing costs and discount on long-term debt	3,661	3,798
Loss on disposition of assets	1,381	49
Asset impairment charges	2,867	3,864
Share-based compensation	8,095	8,739
Deferred tax (benefit) expense	(242)	1,890
Deferred rent expense and other	309	(637)
Changes in operating assets and liabilities:		
Accounts receivable	(4,832)	(22,955)
Inventories	15,701	(2,223)
Rental product	(8,521)	(35,952)
Other assets	16,112	64,513
Accounts payable, accrued expenses and other current liabilities	(28,444)	(29,412)
Income taxes payable	4,964	1,150
Other liabilities	(1,448)	(2,654)
Net cash provided by operating activities	140,529	100,304
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(33,973)	(55,912)
Acquisition of business, net of cash	(457)	—
Proceeds from sales of property and equipment	2,157	605
Net cash used in investing activities	(32,273)	(55,307)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on term loan	(8,129)	(38,951)
Proceeds from asset-based revolving credit facility	181,550	305,549
Payments on asset-based revolving credit facility	(181,550)	(305,549)
Repurchase and retirement of senior notes	(45,167)	(5,546)
Cash dividends paid	(18,033)	(17,676)
Proceeds from issuance of common stock	927	932
Tax payments related to vested deferred stock units	(1,644)	(1,258)
Net cash used in financing activities	(72,046)	(62,499)
Effect of exchange rate changes	5,642	(1,048)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	41,852	(18,550)
Balance at beginning of period	70,889	29,980
Balance at end of period	$ 112,741	$ 11,430

See Notes to Condensed Consolidated Financial Statements.

TAILORED BRANDS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Significant Accounting Policies

Basis of Presentation — The condensed consolidated financial statements herein include the accounts of Tailored Brands, Inc. and its subsidiaries (the "Company") and have been prepared without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"). As applicable under such regulations, certain information and footnote disclosures have been condensed or omitted. We believe the presentation and disclosures herein are adequate to make the information not misleading, and the condensed consolidated financial statements reflect all elimination entries and normal recurring adjustments which are necessary for a fair presentation of the financial position, results of operations and cash flows at the dates and for the periods presented. Certain prior period amounts have been reclassified to conform to the current period presentation.

Our business results historically have fluctuated throughout the year and, as a result, the operating results of the interim periods presented are not necessarily indicative of the results that may be achieved for the full year. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and accompanying notes included in our Annual Report on Form 10-K for the year ended January 28, 2017.

Unless the context otherwise requires, "Company", "we", "us" and "our" refer to Tailored Brands, Inc. and its subsidiaries.

The preparation of the condensed consolidated financial statements in conformity with accounting principles generally accepted in the United States ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts and related disclosures. Actual amounts could differ from those estimates.

Recent Accounting Pronouncements — We have considered all new accounting pronouncements and have concluded there are no new pronouncements that may have a material impact on our financial position, results of operations, or cash flows, based on current information, except for those listed below.

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, *Leases.* ASU 2016-02 increases transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The main difference between previous U.S. GAAP and ASU 2016-02 is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous U.S. GAAP. ASU 2016-02 is effective for public companies for annual reporting periods beginning after December 15, 2018, and interim periods within those fiscal years. Early adoption of ASU 2016-02 is permitted. The guidance is required to be adopted using the modified retrospective approach. We are currently evaluating the impact ASU 2016-02 will have on our financial position, results of operations and cash flows but expect that it will result in a significant increase in our long-term assets and liabilities given we have a significant number of leases.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers,* to clarify the principles used to recognize revenue for all entities. In August 2015, the FASB issued ASU No. 2015-14 which deferred the effective date of ASU 2014-09 by one year. As a result of this deferral, ASU 2014-09 is effective for annual and interim periods beginning after December 15, 2017 and early adoption is permitted for annual reporting periods beginning after December 15, 2016. The guidance allows for either a full retrospective or a modified retrospective transition method. Based on our preliminary assessment, we determined that the adoption of ASU 2014-09 will impact the timing of revenue recognition related to our customer loyalty program and gift cards. Upon adoption, for our customer loyalty program, we will no longer use the incremental cost method approach, rather we will use a deferred revenue model. For income from breakage of gift cards, which is currently recognized as a reduction of selling, general and administrative expenses ("SG&A") when the redemption of the gift card is remote, the new guidance requires classification within net sales with breakage recognized proportionately over the expected redemption period. Additionally, under the new guidance, we expect to recognize allowances for estimated sales returns on a gross basis rather than net basis on the consolidated balance sheets. We are continuing our assessment for ASU 2014-09, which may identify other impacts, and evaluating the transition methods for adoption and additional disclosure requirements.

TAILORED BRANDS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

2. Termination of Tuxedo Rental License Agreement with Macy's

During the first quarter of fiscal 2017, we reached an agreement with Macy's to wind down operations under the tuxedo rental license agreement established between Macy's and The Men's Wearhouse, Inc. ("The Men's Wearhouse") in 2015. The winding down of our tuxedo shops within Macy's is complete and all tuxedo shops within Macy's closed in the second quarter of 2017.

As a result of the agreement, during the first quarter of fiscal 2017, we incurred $17.2 million of termination-related costs, of which $14.6 million are cash charges. These costs include $12.3 million related to contract termination, $1.4 million of rental product write-offs, $1.2 million of asset impairment charges and $2.3 million of other costs, all of which relate to our retail segment. Of the $17.2 million in termination-related costs, $15.8 million is recorded in SG&A and $1.4 million is included in cost of sales in the condensed consolidated statement of earnings. At July 29, 2017, $1.7 million of such costs are included in accrued expenses and other current liabilities in the condensed consolidated balance sheet.

3. Restructuring and Other Charges

During the fourth quarter of fiscal 2015, we began implementing initiatives intended to reduce costs and improve operating performance. These initiatives included a store rationalization program as well as a profit improvement program to drive operating efficiencies and improve our expense structure. These programs were substantially completed in fiscal 2016 and resulted in the closure of 75 Jos. A. Bank full line stores, the closure of 56 factory and outlet stores at Jos. A. Bank and Men's Wearhouse and the closure of 102 Men's Wearhouse and Tux stores.

TAILORED BRANDS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

No charges were incurred under these initiatives for the three and six months ended July 29, 2017. A summary of the charges incurred in the three and six months ended July 30, 2016 incurred under these initiatives since inception is presented in the table below (amounts in thousands):

	For the Three Months Ended July 30, 2016	For the Six Months Ended July 30, 2016
Lease termination costs	$ 26,446	$ 28,337
Store asset impairment charges and accelerated depreciation, net of deferred rent	1,164	3,174
Consulting costs	6,825	11,777
Severance and employee-related costs	406	4,162
Other costs	174	726
Total pre-tax restructuring and other charges[1]	$ 35,015	$ 48,176

[1] Consists of $36.4 million in SG&A offset by a $1.4 million reduction in cost of sales for the three months ended July 30, 2016. Of the total amount recorded for the three months ended July 30, 2016, $27.9 million relates to our retail segment and $7.1 million relates to shared services. Consists of $49.4 million included in SG&A offset by a $1.2 million reduction in cost of sales for the six months ended July 30, 2016. Of the total amount recorded for the six months ended July 30, 2016, $33.6 million relates to our retail segment and $14.6 million relates to shared services.

The following table is a rollforward of amounts included in accrued expenses and other current liabilities in the condensed consolidated balance sheet related to the pre-tax restructuring and other charges (amounts in thousands):

	Severance and Employee-Related Costs	Lease Termination Costs	Consulting Costs	Other Costs	Total
Beginning Balance, January 28, 2017	$ 986	$ 4,834	$ 60	$ 25	$ 5,905
Charges, excluding non-cash items	—	—	—	—	—
Payments	(504)	(3,434)	(60)	(25)	(4,023)
Ending Balance, July 29, 2017	$ 482	$ 1,400	$ —	$ —	$ 1,882

In addition to the restructuring costs described above, for the three months ended July 30, 2016, we incurred integration and other costs related to Jos. A. Bank totaling $2.0 million, of which $1.5 million are included in SG&A and $0.5 million are included in cost of sales in the condensed consolidated statement of earnings.

For the six months ended July 30, 2016, we incurred integration and other costs related to Jos. A. Bank totaling $5.6 million, of which $4.6 million are included in SG&A and $1.0 million are included in cost of sales in the condensed consolidated statement of earnings.

4. Earnings Per Share

Basic earnings per common share allocated to common shareholders is computed by dividing net earnings by the weighted-average common shares outstanding during the period. Diluted earnings per common share reflect the more dilutive earnings per common share amount calculated using the treasury stock method or the two-class method. For the three and six months ended July 29, 2017, the treasury stock method is used to calculate diluted earnings per common share while the two-class method was used for the three and six months ended July 30, 2016.

Basic and diluted earnings per common share allocated to common shareholders are computed using the actual net earnings allocated to common shareholders and the actual weighted-average common shares outstanding rather than the rounded numbers presented within our condensed consolidated statement of earnings and the accompanying notes. As a result, it may not be possible to recalculate earnings per common share allocated to common shareholders in our condensed consolidated statement of earnings and the accompanying notes. The following table sets forth the computation of basic and diluted earnings per common share allocated to common shareholders (in thousands, except per share amounts):

	For the Three Months Ended		For the Six Months Ended	
	July 29, 2017	July 30, 2016	July 29, 2017	July 30, 2016
Numerator				
Net earnings	$ 58,471	$ 24,975	$60,310	$ 26,612
Net earnings allocated to participating securities (restricted stock and deferred stock units)	—	(31)	—	(31)
Net earnings allocated to common shareholders	$ 58,471	$ 24,944	$60,310	$ 26,581
Denominator				
Basic weighted-average common shares outstanding	49,107	48,609	48,958	48,527
Dilutive effect of share-based awards	65	30	204	103
Diluted weighted-average common shares outstanding	49,172	48,639	49,162	48,630
Net earnings per common share allocated to common shareholders:				
Basic	$ 1.19	$ 0.51	$ 1.23	$ 0.55
Diluted	$ 1.19	$ 0.51	$ 1.23	$ 0.55

For the three and six months ended July 29, 2017, 2.5 million and 2.0 million anti-dilutive shares of common stock were excluded from the calculation of diluted earnings per common share, respectively. For the three and six months ended July 30, 2016, 2.0 million and 1.6 million anti-dilutive shares of common stock were excluded from the calculation of diluted earnings per common share, respectively.

5. Debt

In 2014, The Men's Wearhouse entered into a term loan credit agreement that provides for a senior secured term loan in the aggregate principal amount of $1.1 billion (the "Term Loan") and a $500.0 million asset-based revolving credit agreement (the "ABL Facility", and together with the Term Loan, the "Credit Facilities") with certain of our U.S. subsidiaries and Moores the Suit People Inc., one of our Canadian subsidiaries, as co-borrowers. Proceeds from the Term Loan were reduced by an $11.0 million original issue discount ("OID"), which is presented as a reduction of the outstanding balance on the Term Loan on the balance sheet and will be amortized to interest expense over the contractual life of the Term Loan. In addition, in 2014, The Men's Wearhouse issued $600.0 million in aggregate principal amount of 7.00% Senior Notes due 2022 (the "Senior Notes").

The Credit Facilities and the Senior Notes contain customary non-financial and financial covenants, including fixed charge coverage ratios, total leverage ratios and secured leverage ratios, as well as a restriction on our ability to pay dividends on our common stock in excess of $10.0 million per quarter. Since entering into these financing arrangements, our total leverage ratio and secured leverage ratio have been above the maximums specified in the agreements, which was anticipated when we entered into these arrangements. As a result, we were subject to certain additional restrictions, including limitations on our ability to make significant acquisitions and incur additional indebtedness. As of July 29, 2017, our total leverage ratio and secured leverage ratio were below the maximums specified in the agreements but these ratios may increase above the maximums specified in the agreements during the remainder of fiscal 2017. Currently, we believe our total leverage ratio and secured leverage ratio will remain below the maximums specified in the agreements during fiscal 2018 and beyond, which will result in the elimination of these additional restrictions. In addition, in accordance with the terms of the Credit Facilities, we made a mandatory excess cash flow prepayment offer of $4.6 million to the Term

TAILORED BRANDS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Loan lenders prior to April 28, 2017. On May 2, 2017, the entire $4.6 million prepayment was made together with normal principal and interest payments on the Term Loan.

Credit Facilities

The Term Loan is guaranteed, jointly and severally, by Tailored Brands, Inc. and certain of our U.S. subsidiaries and will mature in June 2021. The interest rate on the Term Loan is based on 1-month LIBOR, which was approximately 1.23% at July 29, 2017, plus the applicable margin which is currently 3.50%, resulting in a total interest rate of 4.73%. In January 2015, we entered into an interest rate swap agreement, in which the variable rate payments due under a portion of the Term Loan were exchanged for a fixed rate. In April 2017, we entered into an additional interest rate swap agreement to exchange variable rate payments under a portion of the Term Loan for a fixed rate. At July 29, 2017, the total notional amount under our interest rate swaps is $540.0 million. See Note 14 for additional information on our interest rate swaps.

In 2015, The Men's Wearhouse entered into Incremental Facility Agreement No. 1 (the "Incremental Agreement") resulting in a refinancing of $400.0 million aggregate principal amount of the Term Loan from a variable rate to a fixed rate of 5.0% per annum. The Incremental Agreement did not impact the total amount borrowed under the Term Loan, the maturity date of the Term Loan, or collateral and guarantees under the Term Loan.

As a result of our interest rate swaps and the Incremental Agreement, we have converted a significant portion of the variable interest rate under the Term Loan to a fixed rate and, as of July 29, 2017, the Term Loan had a weighted average interest rate of 5.14%.

The ABL Facility provides for a senior secured revolving credit facility of $500.0 million, with possible future increases to $650.0 million under an expansion feature that matures in June 2019, and is guaranteed, jointly and severally, by Tailored Brands, Inc. and certain of our U.S. subsidiaries. The ABL Facility has several borrowing and interest rate options including the following indices: (i) adjusted LIBOR, (ii) Canadian Dollar Offered Rate ("CDOR") rate, (iii) Canadian prime rate or (iv) an alternate base rate (equal to the greater of the prime rate, the federal funds effective rate plus 0.5% or adjusted LIBOR for a one-month period plus 1.0%). Advances under the ABL Facility bear interest at a rate per annum using the applicable indices plus a varying interest rate margin of up to 2.00%. The ABL Facility also provides for fees applicable to amounts available to be drawn under outstanding letters of credit which range from 1.50% to 2.00%, and a fee on unused commitments which ranges from 0.25% to 0.375%. As of July 29, 2017, there were no borrowings outstanding under the ABL Facility. During the six months ended July 29, 2017, the maximum borrowing outstanding under the ABL Facility was $34.7 million.

We utilize letters of credit primarily as collateral for workers compensation claims and to secure inventory purchases. At July 29, 2017, letters of credit totaling approximately $33.4 million were issued and outstanding. Borrowings available under the ABL Facility as of July 29, 2017 were $466.6 million.

Senior Notes

The Senior Notes are guaranteed, jointly and severally, on an unsecured basis by Tailored Brands, Inc. and certain of our U.S. subsidiaries. The Senior Notes and the related guarantees are senior unsecured obligations of the Company and the guarantors, respectively, and will rank equally with all of the Company's and each guarantor's present and future senior indebtedness. The Senior Notes will mature in July 2022. Interest on the Senior Notes is payable in January and July of each year.

Long-Term Debt

During the second quarter of 2017, we repurchased and retired $42.6 million in face value of Senior Notes through open market transactions, which were consummated via borrowings on our ABL Facility. As a result, we recorded a net gain on extinguishment totaling $3.3 million, which is included as a separate line in the condensed consolidated statement of

TAILORED BRANDS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

earnings. The net gain on extinguishment reflects a $4.0 million gain upon repurchase partially offset by the elimination of unamortized deferred financing costs totaling $0.7 million related to the Senior Notes.

For the six months ended July 29, 2017, as a result of the repurchase and retirement of a total of $50.0 million in face value of Senior Notes and our excess cash flow prepayment, we recorded a net gain on extinguishment totaling $4.0 million, which reflects a $4.8 million gain upon repurchase partially offset by the elimination of unamortized deferred financing costs of $0.8 million, which is included as a separate line in the condensed consolidated statement of earnings.

The following table provides details on our long-term debt as of July 29, 2017, July 30, 2016 and January 28, 2017 (in thousands):

	July 29, 2017	July 30, 2016	January 28, 2017
Term Loan (net of unamortized OID of $3.6 million at July 29, 2017, $4.6 million at July 30, 2016, and $4.1 million at January 28, 2017)	$ 1,035,030	$ 1,045,686	$ 1,042,660
Senior Notes	525,000	593,500	575,000
Less: Deferred financing costs related to the Term Loan and Senior Notes	(19,025)	(24,784)	(22,131)
Total long-term debt, net	1,541,005	1,614,402	1,595,529
Current portion of long-term debt	(8,750)	(14,000)	(13,379)
Total long-term debt, net of current portion	$ 1,532,255	$ 1,600,402	$ 1,582,150

6. Supplemental Cash Flows

Supplemental disclosure of cash flow information is as follows (in thousands):

	For the Six Months Ended	
	July 29, 2017	July 30, 2016
Cash paid for interest	$ 51,052	$ 48,746
Cash paid (refunded) for income taxes, net	$ 14,591	$ (52,547)

We had unpaid capital expenditure purchases included in accounts payable and accrued expenses and other current liabilities of approximately $6.9 million and $11.8 million at July 29, 2017 and July 30, 2016, respectively. Capital expenditure purchases are recorded as cash outflows from investing activities in the condensed consolidated statement of cash flows in the period they are paid. Cash dividends declared of $9.4 million and $9.0 million at July 29, 2017 and July 30, 2016, respectively, are included in accrued expenses and other current liabilities.

7. Inventories

The following table provides details on our inventories as of July 29, 2017, July 30, 2016 and January 28, 2017 (in thousands):

	July 29, 2017	July 30, 2016	January 28, 2017
Finished goods	$ 841,101	$ 929,428	$ 846,585
Raw materials and merchandise components	103,682	94,175	108,927
Total inventories	$ 944,783	$ 1,023,603	$ 955,512

8. Income Taxes

Our effective income tax rate increased to 32.5% for the second quarter of 2017 from 25.9% for the second quarter of 2016 primarily due to higher U.S. income as compared to income earned in foreign jurisdictions this year compared to last year.

TAILORED BRANDS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Our effective income tax rate increased to 35.0% for the first six months of 2017 from 30.4% for the first six months of 2016 primarily due to higher U.S. income as compared to income earned in foreign jurisdictions this year compared to last year. In addition, the effective income tax rate for the first six months of 2017 was impacted by $2.2 million of tax deficiencies related to the vesting of stock-based awards resulting from the adoption of new accounting guidance related to stock-based compensation. See Note 11 for additional information.

Additionally, we are currently undergoing several federal, foreign and state audits; however, we currently do not believe these audits will result in any material charge to tax expense in the future.

9. Other Current Assets, Accrued Expenses and Other Current Liabilities and Deferred Taxes, net and Other Liabilities

Other current assets consist of the following (in thousands):

	July 29, 2017	July 30, 2016	January 28, 2017
Prepaid expenses	$ 45,718	$ 47,088	$ 47,057
Tax receivable	2,428	21,037	15,794
Other	7,286	12,988	10,751
Total other current assets	$ 55,432	$ 81,113	$ 73,602

Accrued expenses and other current liabilities consist of the following (in thousands):

	July 29, 2017	July 30, 2016	January 28, 2017
Accrued salary, bonus, sabbatical, vacation and other benefits	$ 61,431	$ 64,580	$ 72,589
Customer deposits, prepayments and refunds payable	54,043	47,993	28,384
Unredeemed gift cards	36,245	36,217	40,865
Sales, value added, payroll, property and other taxes payable	33,472	34,589	31,188
Accrued workers compensation and medical costs	27,009	30,786	31,609
Accrued interest	12,477	16,067	15,457
Accrued dividends	10,456	9,307	9,842
Loyalty program reward certificates	9,226	9,963	9,840
Accrued royalties	4,515	7,545	3,720
Lease termination and other store closure costs	3,135	20,918	4,834
Other	24,607	17,742	19,571
Total accrued expenses and other current liabilities	$276,616	$295,707	$ 267,899

Deferred taxes, net and other liabilities consist of the following (in thousands):

	July 29, 2017	July 30, 2016	January 28, 2017
Deferred and other income tax liabilities, net	$ 90,957	$ 115,735	$ 92,079
Deferred rent and landlord incentives	60,467	63,367	61,215
Unfavorable lease liabilities	3,760	6,141	4,693
Other	7,129	6,882	5,433
Total deferred taxes, net and other liabilities	$ 162,313	$ 192,125	$ 163,420

TAILORED BRANDS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

10. Accumulated Other Comprehensive (Loss) Income

The following table summarizes the components of accumulated other comprehensive (loss) income for the six months ended July 29, 2017 (in thousands and net of tax):

	Foreign Currency Translation	Cash Flow Hedges	Pension Plan	Total
BALANCE— January 28, 2017	(40,205)	(82)	204	(40,083)
Other comprehensive income (loss) before reclassifications	16,114	(5,482)	—	10,632
Amounts reclassified from accumulated other comprehensive loss	—	1,270	—	1,270
Net current-period other comprehensive income (loss)	16,114	(4,212)	—	11,902
BALANCE— July 29, 2017	$ (24,091)	$(4,294)	$ 204	$(28,181)

The following table summarizes the components of accumulated other comprehensive (loss) income for the six months ended July 30, 2016 (in thousands and net of tax):

	Foreign Currency Translation	Cash Flow Hedges	Pension Plan	Total
BALANCE— January 30, 2016	$ (26,659)	$(2,007)	$ 180	$(28,486)
Other comprehensive loss before reclassifications	(3,171)	(276)	—	(3,447)
Amounts reclassified from accumulated other comprehensive loss	—	722	—	722
Net current-period other comprehensive (loss) income	(3,171)	446	—	(2,725)
BALANCE— July 30, 2016	$ (29,830)	$(1,561)	$ 180	$(31,211)

Amounts reclassified from other comprehensive (loss) income for the six months ended July 29, 2017 relate to changes in the fair value of our interest rate swaps which is recorded within interest expense in the condensed consolidated statement of earnings and changes in the fair value of cash flow hedges related to inventory purchases, which is recorded within cost of sales in the condensed consolidated statement of earnings. Amounts reclassified from other comprehensive (loss) income for the six months ended July 30, 2016 relate to changes in the fair value of our interest rate swap, which is recorded within interest expense in the condensed consolidated statement of earnings.

11. Share-Based Compensation Plans

For a discussion of our share-based compensation plans, refer to Note 13 in our Annual Report on Form 10-K for the fiscal year ended January 28, 2017.

During the first quarter of fiscal 2017, we adopted ASU No. 2016-09, *Compensation-Stock Compensation.* ASU 2016-09 simplifies several aspects of the accounting for share-based payment transactions, including income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. The recognition of excess tax benefits and deficiencies related to the vesting of stock-based awards in the statement of earnings and presentation of excess tax benefits on the statement of cash flows were adopted prospectively, with no adjustments made to prior periods. See Note 8 for additional information. In addition, upon adoption, we did not change our policy on accounting for forfeitures, which is to estimate the number of awards expected to be forfeited and adjusting the estimate as needed. Overall, the adoption of ASU 2016-09 did not have a material impact on our financial statements.

TAILORED BRANDS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Non-Vested Deferred Stock Units, Performance Units and Restricted Stock

The following table summarizes the activity of time-based and performance-based (collectively, "DSUs") awards for the six months ended July 29, 2017:

	Units		Weighted-Average Grant-Date Fair Value	
	Time-Based	Performance-Based	Time-Based	Performance-Based
Non-Vested at January 28, 2017	1,061,965	523,948	$24.31	$ 28.28
Granted	428,881	507,528	11.35	11.36
Vested[1]	(449,248)	—	25.49	—
Forfeited	(26,193)	(737)	23.85	54.26
Non-Vested at July 29, 2017	1,015,405	1,030,739	$18.31	$ 19.93

(1) Includes 123,050 shares relinquished for tax payments related to vested DSUs for the six months ended July 29, 2017.

The following table summarizes the activity of restricted stock for the six months ended July 29, 2017:

	Shares	Weighted-Average Grant-Date Fair Value
Non-Vested at January 28, 2017	36,878	$ 15.56
Granted	—	—
Vested	(36,878)	15.56
Forfeited	—	—
Non-Vested at July 29, 2017	—	$ —

Restricted stock awards receive non-forfeitable dividends, if any, when and if paid to shareholders of record at the payment date.

As of July 29, 2017, we have unrecognized compensation expense related to non-vested DSUs of approximately $24.1 million, which is expected to be recognized over a weighted-average period of 1.7 years.

Stock Options

The following table summarizes the activity of stock options for the six months ended July 29, 2017:

	Number of Shares	Weighted-Average Exercise Price
Outstanding at January 28, 2017	1,194,690	$ 29.70
Granted	550,804	11.36
Exercised	—	—
Forfeited	(1,553)	52.27
Expired	(40,243)	41.23
Outstanding at July 29, 2017	1,703,698	$ 23.48
Exercisable at July 29, 2017	726,137	$ 33.22

TAILORED BRANDS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

The weighted-average grant date fair value of the 550,804 stock options granted during the six months ended July 29, 2017 was $3.80 per share. The following table summarizes the weighted-average assumptions used to fair value the stock options at the date of grant using the Black-Scholes option model for the six months ended July 29, 2017:

	For the Six Months Ended July 29, 2017
Risk-free interest rates	1.76%
Expected lives	5.0 years
Dividend yield	4.68%
Expected volatility	55.12%

As of July 29, 2017, we have unrecognized compensation expense related to non-vested stock options of approximately $4.2 million, which is expected to be recognized over a weighted-average period of 1.5 years.

Cash Settled Awards

During the second quarter of 2017, we granted stock-based awards to certain employees, which vest over a period of three years, and will be settled in cash ("cash settled awards"). The fair value of the cash settled awards at each reporting period is based on the price of our common stock and includes a market condition. The fair value of the cash settled awards will be remeasured at each reporting period until the awards are settled. Cash settled awards are classified as liabilities in the condensed consolidated balance sheets. At July 29, 2017, the liability associated with the cash settled awards was $0.9 million with $0.5 million recorded in accrued expenses and other current liabilities and $0.4 million recorded in other liabilities in the condensed consolidated balance sheets.

The following table summarizes the activity of cash settled awards for the six months ended July 29, 2017 (in thousands):

	Cash Settled Awards
Non-Vested at January 28, 2017	$ —
Granted	8,184
Vested	—
Forfeited	(31)
Non-Vested at July 29, 2017	$ 8,153

Share-Based Compensation Expense

Share-based compensation expense recognized for the three and six months ended July 29, 2017 was $4.2 million and $9.0 million, respectively. Share-based compensation expense recognized for the three and six months ended July 30, 2016 was $4.6 million and $8.7 million, respectively.

TAILORED BRANDS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

12. Goodwill and Other Intangible Assets

Goodwill

Goodwill allocated to our reportable segments and changes in the net carrying amount of goodwill for the six months ended July 29, 2017 are as follows (in thousands):

	Retail	Corporate Apparel	Total
Balance at January 28, 2017	$94,511	$ 22,515	$117,026
Goodwill of acquired business	—	695	695
Translation adjustment	1,173	986	2,159
Balance at July 29, 2017	$95,684	$ 24,196	$119,880

The goodwill of acquired business resulted from an immaterial acquisition by our United Kingdom ("UK") based operations. Goodwill is evaluated for impairment at least annually. A more frequent evaluation is performed if events or circumstances indicate that impairment could have occurred. Such events or circumstances could include, but are not limited to, new significant negative industry or economic trends, unanticipated changes in the competitive environment, decisions to significantly modify or dispose of operations and a significant sustained decline in the market price of our stock. No impairment evaluation was considered necessary during the first six months ended July 29, 2017.

Intangible Assets

The gross carrying amount and accumulated amortization of our identifiable intangible assets are as follows (in thousands):

	July 29, 2017	July 30, 2016	January 28, 2017
Amortizable intangible assets:			
Carrying amount:			
Trademarks, tradenames and franchise agreements	$ 16,076	$ 16,097	$ 15,966
Favorable leases	13,475	14,381	13,826
Customer relationships	26,630	26,862	25,483
Total carrying amount	56,181	57,340	55,275
Accumulated amortization:			
Trademarks, tradenames and franchise agreements	(10,302)	(9,886)	(10,055)
Favorable leases	(4,481)	(3,529)	(3,961)
Customer relationships	(15,534)	(13,432)	(13,804)
Total accumulated amortization	(30,317)	(26,847)	(27,820)
Total amortizable intangible assets, net	25,864	30,493	27,455
Indefinite-lived intangible assets:			
Trademarks and tradename	144,249	144,259	144,204
Total intangible assets, net	$170,113	$174,752	$ 171,659

Pre-tax amortization expense associated with intangible assets subject to amortization totaled $1.0 million and $2.1 million for the three and six months ended July 29, 2017. Pre-tax amortization expense associated with intangible assets subject to amortization totaled $1.2 million and $2.5 million for the three and six months ended and July 30, 2016. Pre-tax amortization associated with intangible assets subject to amortization at July 29, 2017 is estimated to be $2.1 million for the remainder of fiscal 2017, $3.8 million for fiscal 2018, $3.6 million for fiscal 2019, $3.4 million for fiscal 2020 and $3.3 million for fiscal 2021.

TAILORED BRANDS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

13. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The authoritative guidance for fair value measurements establishes a three-tier fair value hierarchy, categorizing the inputs used to measure fair value. The hierarchy can be described as follows: Level 1- observable inputs such as quoted prices in active markets; Level 2- inputs other than the quoted prices in active markets that are observable either directly or indirectly; and Level 3- unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Assets and Liabilities that are Measured at Fair Value on a Recurring Basis

	Fair Value Measurements at Reporting Date Using			
(in thousands)	Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
July 29, 2017—				
Assets:				
Derivative financial instruments	$ —	$ 3	$ —	$ 3
Liabilities:				
Derivative financial instruments	$ —	$ 6,170	$ —	$6,170
January 28, 2017—				
Assets:				
Derivative financial instruments	$ —	$ 460	$ —	$ 460
Liabilities:				
Derivative financial instruments	$ —	$ 2,413	$ —	$2,413
July 30, 2016—				
Assets:				
Derivative financial instruments	$ —	$ 1,734	$ —	$1,734
Liabilities:				
Derivative financial instruments	$ —	$ 2,557	$ —	$2,557

Derivative financial instruments are comprised of (1) foreign currency forward exchange contracts primarily entered into to minimize our foreign currency exposure related to forecasted purchases of certain inventories denominated in a currency different from the operating entity's functional currency, (2) foreign currency forward exchange contracts primarily entered into to minimize our foreign currency exposure related to forecasted revenues from our UK operations denominated in a currency different from the UK's functional currency and (3) interest rate swap agreements to minimize our exposure to interest rate changes on our outstanding indebtedness. These derivative financial instruments are recorded in the condensed consolidated balance sheets at fair value based upon observable market inputs. Derivative financial instruments in an asset position are included within other current assets in the condensed consolidated balance sheets. Derivative financial instruments in a liability position are included within accrued expenses and other current liabilities or noncurrent liabilities in the condensed consolidated balance sheets. See Note 14 for further information regarding our derivative instruments.

Assets and Liabilities that are Measured at Fair Value on a Non-Recurring Basis

Long-lived assets, such as property and equipment, goodwill and identifiable intangibles, are periodically evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be

TAILORED BRANDS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

recoverable. If the asset carrying amount exceeds its fair value, an impairment charge is recognized in the amount by which the carrying amount exceeds the fair value of the asset.

During the six months ended July 29, 2017, we incurred $2.9 million of asset impairment charges, which is included within SG&A expenses in our condensed consolidated statement of earnings, primarily related to underperforming stores as well as long-lived assets related to our tuxedo rental license agreement with Macy's. We estimated the fair value of the long-lived assets based on an income approach using projected future cash flows discounted using a weighted-average cost of capital analysis that reflects current market conditions, which we classify as Level 3 within the fair value hierarchy.

Fair Value of Financial Instruments

Our financial instruments consist of cash, accounts receivable, accounts payable, accrued expenses and other current liabilities and long-term debt. Management estimates that, as of July 29, 2017, July 30, 2016, and January 28, 2017, the carrying value of our financial instruments other than long-term debt approximated their fair value due to the highly liquid or short-term nature of these instruments.

The fair values of our Term Loan were valued based upon observable market data provided by a third party for similar types of debt, which we classify as a Level 2 input within the fair value hierarchy. The fair value of our Senior Notes is based on quoted prices in active markets, which we classify as a Level 1 input within the fair value hierarchy. The table below shows the fair value and carrying value of our long-term debt, including current portion (in thousands):

	July 29, 2017		July 30, 2016		January 28, 2017	
	Carrying Amount[(1)]	Estimated Fair Value	Carrying Amount[(1)]	Estimated Fair Value	Carrying Amount[(1)]	Estimated Fair Value
Long-term debt, including current portion	$1,541,005	$1,465,502	$1,614,402	$1,555,785	$1,595,529	$1,556,200

[(1)] The carrying value of the long-term debt, including current portion is net of deferred financing costs of $19.0 million, $24.8 million and $22.1 million as of July 29, 2017, July 30, 2016 and January 28, 2017, respectively.

14. Derivative Financial Instruments

As discussed in Note 5, in January 2015, we entered into an interest rate swap agreement on an initial notional amount of $520.0 million that matures in August 2018 with periodic interest settlements. At July 29, 2017, the notional amount totaled $260.0 million. Under this interest rate swap agreement, we receive a floating rate based on 3-month LIBOR and pay a fixed rate of 5.03% (including the applicable margin of 3.50%) on the outstanding notional amount. We have designated the interest rate swap as a cash flow hedge of the variability of interest payments under the Term Loan due to changes in the LIBOR benchmark interest rate.

In addition, in April 2017, we entered into an interest rate swap agreement on an initial notional amount of $260.0 million that matures in June 2021 with periodic interest settlements. At July 29, 2017, the notional amount totaled $280.0 million. Under this interest rate swap agreement, we receive a floating rate based on 1-month LIBOR and pay a fixed rate of 5.56% (including the applicable margin of 3.50%) on the outstanding notional amount. We have designated the interest rate swap as a cash flow hedge of the variability of interest payments under the Term Loan due to changes in the LIBOR benchmark interest rate.

At July 29, 2017, the fair value of the interest rate swaps was a liability of $4.3 million with $2.7 million recorded in accrued expenses and other current liabilities and $1.6 million in other liabilities in our condensed consolidated balance sheet. The effective portion of the swaps is reported as a component of accumulated other comprehensive (loss) income. There was no hedge ineffectiveness at July 29, 2017. Changes in fair value are reclassified from accumulated other comprehensive (loss) income into earnings in the same period that the hedged item affects earnings.

Over the next 12 months, $2.7 million of the effective portion of the interest rate swaps is expected to be reclassified from accumulated other comprehensive (loss) income into earnings within interest expense. If, at any time, either interest rate swap is determined to be ineffective, in whole or in part, due to changes in the interest rate swap or underlying debt agreements, the fair value of the portion of the interest rate swap determined to be ineffective will be recognized as a gain or loss in the statement of earnings for the applicable period.

Also, we have entered into derivative instruments to hedge our foreign exchange risk, specifically related to the British pound and Euro. We have designated these instruments as cash flow hedges of the variability in exchange rates for those foreign currencies. At July 29, 2017, the fair value of these cash flow hedges was a liability of $1.2 million recorded in accrued expenses and other current liabilities in our condensed consolidated balance sheet. The effective portion of the hedges is reported as a component of accumulated other comprehensive (loss) income. Hedge ineffectiveness at July 29, 2017 was immaterial. Changes in fair value are reclassified from accumulated other comprehensive (loss) income into earnings in the same period that the hedged item affects earnings. Over the next 12 months, $1.7 million of the effective portion of the cash flow hedges is expected to be reclassified from accumulated other comprehensive (loss) income into earnings within cost of sales.

In addition, we are exposed to market risk associated with foreign currency exchange rate fluctuations as a result of our direct sourcing programs and our operations in foreign countries. As a result, from time to time, we may enter into derivative instruments to hedge our foreign exchange risk. We have not elected to apply hedge accounting to these derivative instruments. At July 29, 2017, the fair value of our derivative instruments was a liability of $0.7 million included in accrued expenses and other current liabilities in our condensed consolidated balance sheet.

For the three and six months ended July 29, 2017, we recognized net pre-tax losses of $0.8 million and $0.6 million, respectively, in cost of sales in the condensed consolidated statement of earnings for our derivative financial instruments not designated as cash flow hedges. For the three and six months ended July 30, 2016, we recognized net pre-tax gains of $2.7 million and $1.8 million, respectively, in cost of sales in the condensed consolidated statement of earnings for our derivative financial instruments not designated as cash flow hedges.

15. Segment Reporting

Our operations are conducted in two reportable segments, retail and corporate apparel, based on the way we manage, evaluate and internally report our business activities.

The retail segment includes the results from our four retail merchandising brands: Men's Wearhouse/Men's Wearhouse and Tux, Jos. A. Bank, Moores Clothing for Men ("Moores") and K&G. These four brands are operating segments that have been aggregated into the retail reportable segment. MW Cleaners is also aggregated in the retail segment as these operations have not had a significant effect on our revenues or expenses. Specialty apparel merchandise offered by our four retail merchandising concepts include suits, suit separates, sport coats, slacks, business casual, denim, sportswear, outerwear, dress shirts, shoes and accessories for men. Women's career and casual apparel, sportswear and accessories, including shoes, and children's apparel is offered at most of our K&G stores. Rental product is offered at our Men's Wearhouse/Men's Wearhouse and Tux, Jos. A. Bank and Moores retail stores.

The corporate apparel segment includes the results from our corporate apparel and uniform operations conducted by Dimensions, Alexandra, and Yaffy in the UK and Twin Hill in the U.S., which provide corporate apparel uniforms and workwear to workforces.

We measure segment profitability based on operating income, defined as income before interest expense, interest income, gain (loss) on extinguishment of debt, net and income taxes, before shared service expenses. Shared service expenses include costs incurred and directed primarily by our corporate offices that are not allocated to segments.

TAILORED BRANDS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Additional net sales information is as follows (in thousands):

	For the Three Months Ended		For the Six Months Ended	
	July 29, 2017	July 30, 2016	July 29, 2017	July 30, 2016
Net sales:				
MW[(1)]	$ 458,751	$ 482,895	$ 878,818	$ 924,541
Jos. A. Bank	174,325	186,040	341,553	364,490
K&G	85,811	86,374	174,494	181,133
Moores	65,312	66,454	106,125	109,683
MW Cleaners	8,799	8,418	17,313	16,576
Total retail segment	792,998	830,181	1,518,303	1,596,423
Total corporate apparel segment	57,760	79,503	115,361	142,083
Total net sales	$ 850,758	$ 909,684	$1,633,664	$1,738,506

(1) MW includes Men's Wearhouse, Men's Wearhouse and Tux, tuxedo shops within Macy's and Joseph Abboud.

The following table sets forth supplemental products and services sales information for the Company (in thousands):

	For the Three Months Ended		For the Six Months Ended	
	July 29, 2017	July 30, 2016	July 29, 2017	July 30, 2016
Net sales:				
Men's tailored clothing product	$ 341,182	$ 349,226	$ 673,812	$ 698,754
Men's non-tailored clothing product	234,093	246,154	462,792	488,087
Women's clothing product	18,100	18,468	37,927	40,314
Other	1,619	2,098	4,048	4,459
Total retail clothing product	594,994	615,946	1,178,579	1,231,614
Rental services	151,978	165,009	246,798	264,840
Alteration services	37,227	40,808	75,613	83,393
Retail dry cleaning services	8,799	8,418	17,313	16,576
Total alteration and other services	46,026	49,226	92,926	99,969
Corporate apparel clothing product	57,760	79,503	115,361	142,083
Total net sales	$ 850,758	$ 909,684	$1,633,664	$1,738,506

Operating income by reportable segment, shared service expense, and the reconciliation to earnings before income taxes is as follows (in thousands):

	For the Three Months Ended		For the Six Months Ended	
	July 29, 2017	July 30, 2016	July 29, 2017	July 30, 2016
Operating income:				
Retail	$ 155,221	$ 101,227	$ 228,646	$ 181,102
Corporate apparel	2,103	11,920	4,078	13,974
Shared service expense	(48,859)	(53,515)	(93,257)	(104,450)
Operating income	108,465	59,632	139,467	90,626
Interest income	98	37	165	50
Interest expense	(25,167)	(25,876)	(50,788)	(52,377)
Gain (loss) on extinguishment of debt, net	3,281	(71)	3,996	(71)
Earnings before income taxes	$ 86,677	$ 33,722	$ 92,840	$ 38,228

16. Legal Matters

On March 29, 2016, a putative class action lawsuit was filed against the Company and its Chief Executive Officer, Douglas S. Ewert, in the United States District Court for the Southern District of Texas (Case No. 4:16-cv-00838). The complaint attempts to allege claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 on behalf of a putative class of persons who purchased or otherwise acquired the Company's securities between June 18, 2014 and December 9, 2015 (the "Class Period"). On May 26, 2017, Lead Plaintiff Strathclyde Pension Fund filed an Amended Complaint alleging that during the Class Period Defendants omitted facts about the Company's Jos. A. Bank's business, financial status, and operations, the omission of which rendered Defendants' statements about the Jos. A. Bank business false or misleading. The amended complaint also named Jon W. Kimmins, the Company's former Chief Financial Officer, and Mary Beth Blake, the Company's current Brand President, Jos. A. Bank, as additional named defendants. We believe that the claims are without merit and are defending the lawsuit vigorously. The range of loss, if any, is not reasonably estimable at this time. We do not currently believe, however, that it will have a material adverse effect on our financial position, results of operations or cash flows.

On February 17, 2016, Anthony Oliver filed a putative class action lawsuit against our Men's Wearhouse subsidiary in the United States District Court for the Central District of California (Case No. 2:16-cv-01100). The complaint attempts to allege claims under the Telephone Consumer Protection Act. In particular the complaint alleges that the Company sent unsolicited text messages to cellular telephones beginning October 1, 2013 to the present day. After we demonstrated that the Company had the plaintiff's permission to send him texts, the plaintiff filed an amended complaint alleging the Company sent text messages exceeding the number plaintiff had agreed to receive each week. The parties filed cross-motions for summary judgment and the case is stayed pending the Court's decision on those motions. We believe that the claims are without merit and intend to defend the lawsuit vigorously. The range of loss, if any, is not reasonably estimable at this time. We do not currently believe, however, that it will have a material adverse effect on our financial position, results of operations or cash flows.

On August 2, 2017, two American Airlines employees filed a putative class action lawsuit against our Twin Hill subsidiary in the United States District Court for the Northern District of Illinois (Case No. 1:17-cv-05648). The complaint attempts to allege claims for strict liability and negligence based on allegedly defective uniforms Twin Hill supplied to American Airlines for its employees. We believe that any lawsuit filed on the basis of the safety of the Twin Hill uniforms supplied to American Airlines is without merit, and we intend to contest this action vigorously. Twin Hill has substantial and convincing evidence of the uniforms' safety and fitness for their intended purpose and we believe that there is no evidence linking any of the plaintiffs' alleged injuries to our uniforms. The range of loss, if any, is not reasonably estimable at this time. We do not currently believe, however, that it will have a material adverse effect on our financial position, results of operations or cash flows.

In addition, we are involved in various routine legal proceedings, including ongoing litigation, incidental to the conduct of our business. Management does not believe that any of these matters will have a material adverse effect on our financial position, results of operations or cash flows.

TAILORED BRANDS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

17. Condensed Consolidating Information

As discussed in Note 5, The Men's Wearhouse (the "Issuer") issued $600.0 million in aggregate principal amount of 7.00% Senior Notes. The Senior Notes are guaranteed jointly and severally, on an unsecured basis by Tailored Brands, Inc. (the "Parent") and certain of our U.S. subsidiaries (the "Guarantors"). Our foreign subsidiaries (collectively, the "Non-Guarantors") are not guarantors of the Senior Notes. Each of the Guarantors is 100% owned and all guarantees are joint and several. In addition, the guarantees are full and unconditional except for certain automatic release provisions related to the Guarantors.

These automatic release provisions are considered customary and include the sale or other disposition of all or substantially all of the assets or all of the capital stock of any subsidiary guarantor, the release or discharge of a guarantor's guarantee of the obligations under the Term Loan other than a release or discharge through payment thereon, the designation in accordance with the Indenture of a guarantor as an unrestricted subsidiary or the satisfaction of the requirements for defeasance or discharge of the Senior Notes as provided for in the Indenture.

The tables in the following pages present the condensed consolidating financial information for the Parent, the Issuer, the Guarantors and the Non-Guarantors, together with eliminations, as of and for the periods indicated. The consolidating financial information may not necessarily be indicative of the financial positions, results of operations or cash flows had the Issuer, Guarantors and Non-Guarantors operated as independent entities.

TAILORED BRANDS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Tailored Brands, Inc.
Condensed Consolidating Balance Sheet
July 29, 2017
(in thousands)

	Tailored Brands, Inc.	The Men's Wearhouse, Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
ASSETS						
CURRENT ASSETS:						
Cash and cash equivalents	$ —	$ 13,482	$ 1,924	$ 97,335	$ —	$ 112,741
Accounts receivable, net	7,380	18,103	430,884	102,613	(487,080)	71,900
Inventories	—	186,831	403,875	354,077	—	944,783
Other current assets	7,310	204,477	26,431	9,346	(192,132)	55,432
Total current assets	14,690	422,893	863,114	563,371	(679,212)	1,184,856
Property and equipment, net	—	218,122	204,641	36,767	—	459,530
Rental product, net	—	116,525	4,894	17,978	—	139,397
Goodwill	—	6,160	68,510	45,210	—	119,880
Intangible assets, net	—	24	156,307	13,782	—	170,113
Investments in subsidiaries	(16,512)	1,436,555	—	—	(1,420,043)	—
Other assets	—	4,790	897	6,861	(6,600)	5,948
Total assets	$ (1,822)	$ 2,205,069	$1,298,363	$ 683,969	$(2,105,855)	$2,079,724
LIABILITIES AND SHAREHOLDERS' (DEFICIT) EQUITY						
CURRENT LIABILITIES:						
Accounts payable	$ 26,528	$ 480,565	$ 60,420	$ 59,723	$ (487,080)	$ 140,156
Accrued expenses and other current liabilities	17,967	119,314	113,058	217,443	(184,856)	282,926
Current portion of long-term debt	—	8,750	—	—	—	8,750
Total current liabilities	44,495	608,629	173,478	277,166	(671,936)	431,832
Long-term debt, net	—	1,532,255	—	—	—	1,532,255
Deferred taxes, net and other liabilities	359	80,697	84,509	10,624	(13,876)	162,313
Shareholders' (deficit) equity	(46,676)	(16,512)	1,040,376	396,179	(1,420,043)	(46,676)
Total liabilities and shareholders' (deficit) equity	$ (1,822)	$ 2,205,069	$1,298,363	$ 683,969	$(2,105,855)	$2,079,724

TAILORED BRANDS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Tailored Brands, Inc.
Condensed Consolidating Balance Sheet
July 30, 2016
(in thousands)

	Tailored Brands, Inc.	The Men's Wearhouse, Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
ASSETS						
CURRENT ASSETS:						
Cash and cash equivalents	$ —	$ 1,245	$ 1,813	$ 8,372	$ —	$ 11,430
Accounts receivable, net	7,373	18,217	256,591	28,754	(226,587)	84,348
Inventories	—	198,656	686,178	138,769	—	1,023,603
Other current assets	3,562	18,087	52,709	44,082	(37,327)	81,113
Total current assets	10,935	236,205	997,291	219,977	(263,914)	1,200,494
Property and equipment, net	—	254,315	219,595	36,610	—	510,520
Rental product, net	—	142,198	11,066	18,205	—	171,469
Goodwill	—	6,160	68,510	43,637	—	118,307
Intangible assets, net	—	132	158,351	16,269	—	174,752
Investments in subsidiaries	(82,294)	1,394,831	—	—	(1,312,537)	—
Other assets	1,498	6,457	935	7,922	(7,800)	9,012
Total assets	$(69,861)	$ 2,040,298	$1,455,748	$ 342,620	$(1,584,251)	$2,184,554
LIABILITIES AND SHAREHOLDERS' (DEFICIT) EQUITY						
CURRENT LIABILITIES:						
Accounts payable	$ 7,008	$ 247,569	$ 98,318	$ 43,512	$ (226,587)	$ 169,820
Accrued expenses and other current liabilities	9,431	193,497	109,835	21,421	(37,327)	296,857
Current portion of long-term debt	—	14,000	—	—	—	14,000
Total current liabilities	16,439	455,066	208,153	64,933	(263,914)	480,677
Long-term debt, net	—	1,600,402	—	—	—	1,600,402
Deferred taxes, net and other liabilities	2,350	67,124	119,773	10,678	(7,800)	192,125
Shareholders' (deficit) equity	(88,650)	(82,294)	1,127,822	267,009	(1,312,537)	(88,650)
Total liabilities and shareholders' (deficit) equity	$(69,861)	$ 2,040,298	$1,455,748	$ 342,620	$(1,584,251)	$2,184,554

TAILORED BRANDS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Tailored Brands, Inc.
Condensed Consolidating Balance Sheet
January 28, 2017
(in thousands)

	Tailored Brands, Inc.	The Men's Wearhouse, Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
ASSETS						
CURRENT ASSETS:						
Cash and cash equivalents	$ —	$ 1,002	$ 1,881	$ 68,006	$ —	$ 70,889
Accounts receivable, net	7,376	15,499	476,742	56,777	(490,680)	65,714
Inventories	—	230,264	438,167	287,081	—	955,512
Other current assets	12,773	134,225	28,436	8,448	(110,280)	73,602
Total current assets	20,149	380,990	945,226	420,312	(600,960)	1,165,717
Property and equipment, net	—	232,090	216,248	35,827	—	484,165
Rental product, net	—	131,287	3,369	17,954	—	152,610
Goodwill	—	6,160	68,510	42,356	—	117,026
Intangible assets, net	—	78	157,270	14,311	—	171,659
Investments in subsidiaries	(109,788)	1,425,622	—	—	(1,315,834)	—
Other assets	—	5,615	959	7,321	(7,200)	6,695
Total assets	$ (89,639)	$ 2,181,842	$1,391,582	$ 538,081	$(1,923,994)	$2,097,872
LIABILITIES AND SHAREHOLDERS' (DEFICIT) EQUITY						
CURRENT LIABILITIES:						
Accounts payable	$ 15,352	$ 509,572	$ 82,337	$ 60,799	$ (490,680)	$ 177,380
Accrued expenses and other current liabilities	2,627	111,617	129,420	135,777	(110,280)	269,161
Current portion of long-term debt	—	13,379	—	—	—	13,379
Total current liabilities	17,979	634,568	211,757	196,576	(600,960)	459,920
Long-term debt, net	—	1,582,150	—	—	—	1,582,150
Deferred taxes, net and other liabilities	—	74,912	85,477	10,231	(7,200)	163,420
Shareholders' (deficit) equity	(107,618)	(109,788)	1,094,348	331,274	(1,315,834)	(107,618)
Total liabilities and shareholders' (deficit) equity	$ (89,639)	$ 2,181,842	$1,391,582	$ 538,081	$(1,923,994)	$2,097,872

TAILORED BRANDS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Tailored Brands, Inc.
Condensed Consolidating Statement of Earnings (Loss)
(in thousands)

	Tailored Brands, Inc.	The Men's Wearhouse, Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Three Months Ended July 29, 2017						
Net sales	$ —	$ 457,870	$ 369,476	135,125	$(111,713)	$ 850,758
Cost of sales	—	208,789	265,051	91,935	(111,713)	454,062
Gross margin	—	249,081	104,425	43,190	—	396,696
Operating expenses	779	134,389	138,023	28,904	(13,864)	288,231
Operating (loss) income	(779)	114,692	(33,598)	14,286	13,864	108,465
Other income and expenses, net	—	—	14,138	(274)	(13,864)	—
Interest income	242	1,689	1,909	93	(3,835)	98
Interest expense	—	(27,018)	(206)	(1,778)	3,835	(25,167)
Gain on extinguishment of debt, net	—	3,281	—	—	—	3,281
(Loss) earnings before income taxes	(537)	92,644	(17,757)	12,327	—	86,677
(Benefit) provision for income taxes	(167)	30,215	(6,205)	4,363	—	28,206
(Loss) earnings before equity in net income of subsidiaries	(370)	62,429	(11,552)	7,964	—	58,471
Equity in earnings of subsidiaries	58,841	(3,588)	—	—	(55,253)	—
Net earnings (loss)	$ 58,471	$ 58,841	$ (11,552)	$ 7,964	$ (55,253)	$ 58,471
Comprehensive income (loss)	$ 72,498	$ 58,544	$ (11,552)	$ 22,288	$ (69,280)	$ 72,498
Three Months Ended July 30, 2016						
Net sales	$ —	$ 481,585	$ 431,149	$ 112,816	$(115,866)	$ 909,684
Cost of sales	—	226,104	325,754	63,388	(115,866)	499,380
Gross margin	—	255,481	105,395	49,428	—	410,304
Operating expenses	863	157,776	176,067	30,881	(14,915)	350,672
Operating (loss) income	(863)	97,705	(70,672)	18,547	14,915	59,632
Other income and expenses, net	—	—	14,915	—	(14,915)	—
Interest income	—	5	580	32	(580)	37
Interest expense	(5)	(26,355)	—	(96)	580	(25,876)
Loss on extinguishment of debt	—	(71)	—	—	—	(71)
(Loss) earnings before income taxes	(868)	71,284	(55,177)	18,483	—	33,722
(Benefit) provision for income taxes	(221)	17,608	(13,736)	5,096	—	8,747
(Loss) earnings before equity in net income of subsidiaries	(647)	53,676	(41,441)	13,387	—	24,975
Equity in earnings of subsidiaries	25,622	(28,054)	—	—	2,432	—
Net (loss) earnings	$ 24,975	$ 25,622	$ (41,441)	$ 13,387	$ 2,432	$ 24,975
Comprehensive (loss) income	$ 5,581	$ 25,828	$ (41,441)	$ (6,213)	$ 21,826	$ 5,581

TAILORED BRANDS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Tailored Brands, Inc.
Condensed Consolidating Statement of Earnings (Loss)
(in thousands)

	Tailored Brands, Inc.	The Men's Wearhouse, Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Six Months Ended July 29, 2017						
Net sales	$ —	$ 876,795	$ 741,740	$ 270,383	$(255,254)	$1,633,664
Cost of sales	—	421,288	543,682	194,812	(255,254)	904,528
Gross margin	—	455,507	198,058	75,571	—	729,136
Operating expenses	1,682	290,172	271,555	54,856	(28,596)	589,669
Operating (loss) income	(1,682)	165,335	(73,497)	20,715	28,596	139,467
Other income and expenses, net	—	—	28,870	(274)	(28,596)	—
Interest income	352	2,991	3,581	155	(6,914)	165
Interest expense	—	(54,212)	(320)	(3,170)	6,914	(50,788)
Gain on extinguishment of debt, net	—	3,996	—	—	—	3,996
(Loss) earnings before income taxes	(1,330)	118,110	(41,366)	17,426	—	92,840
Provision (benefit) for income taxes	1,778	38,684	(13,957)	6,025	—	32,530
(Loss) earnings before equity in net income of subsidiaries	(3,108)	79,426	(27,409)	11,401	—	60,310
Equity in earnings of subsidiaries	63,418	(16,008)	—	—	(47,410)	—
Net earnings (loss)	$ 60,310	$ 63,418	$ (27,409)	$ 11,401	$ (47,410)	$ 60,310
Comprehensive (loss) income	$ 72,212	$ 61,464	$ (27,409)	$ 25,257	$ (59,312)	$ 72,212
Six Months Ended July 30, 2016						
Net sales	$ —	$ 922,083	$ 834,376	$ 209,586	$(227,539)	$1,738,506
Cost of sales	—	446,651	631,148	126,101	(227,539)	976,361
Gross margin	—	475,432	203,228	83,485	—	762,145
Operating expenses	1,580	306,263	332,980	59,296	(28,600)	671,519
Operating (loss) income	(1,580)	169,169	(129,752)	24,189	28,600	90,626
Other income and expenses, net	—	—	28,600	—	(28,600)	—
Interest income	2	10	876	40	(878)	50
Interest expense	(5)	(53,042)	—	(208)	878	(52,377)
Loss on extinguishment of debt, net	—	(71)	—	—	—	(71)
(Loss) earnings before income taxes	(1,583)	116,066	(100,276)	24,021	—	38,228
(Benefit) provision for income taxes	(424)	32,152	(26,781)	6,669	—	11,616
(Loss) earnings before equity in net income of subsidiaries	(1,159)	83,914	(73,495)	17,352	—	26,612
Equity in earnings (loss) of subsidiaries	27,771	(56,143)	—	—	28,372	—
Net earnings (loss)	26,612	27,771	(73,495)	17,352	28,372	26,612
Comprehensive income (loss)	$ 23,887	$ 28,217	$ (73,495)	$ 14,181	$ 31,097	$ 23,887

TAILORED BRANDS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Tailored Brands, Inc.
Condensed Consolidating Statement of Cash Flows
For the Six Months Ended July 29, 2017
(in thousands)

	Tailored Brands, Inc.	The Men's Wearhouse, Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net cash provided by (used in) operating activities	$ 18,750	$ 288,017	$ 17,196	$ (165,401)	$ (18,033)	$ 140,529
CASH FLOWS FROM INVESTING ACTIVITIES:						
Capital expenditures	—	(11,384)	(19,310)	(3,279)	—	(33,973)
Acquisition of business, net of cash	—	—	—	(457)	—	(457)
Intercompany activities	—	(192,824)	—	—	192,824	—
Proceeds from sale of property and equipment	—	—	2,157	—	—	2,157
Net cash used in investing activities	—	(204,208)	(17,153)	(3,736)	192,824	(32,273)
CASH FLOWS FROM FINANCING ACTIVITIES:						
Payments on term loan	—	(8,129)	—	—	—	(8,129)
Proceeds from asset-based revolving credit facility	—	181,550	—	—	—	181,550
Payments on asset-based revolving credit facility	—	(181,550)	—	—	—	(181,550)
Repurchase and retirement of senior notes	—	(45,167)	—	—	—	(45,167)
Intercompany activities	—	(18,033)	—	192,824	(174,791)	—
Cash dividends paid	(18,033)	—	—	—	—	(18,033)
Proceeds from issuance of common stock	927	—	—	—	—	927
Tax payments related to vested deferred stock units	(1,644)	—	—	—	—	(1,644)
Net cash (used in) provided by financing activities	(18,750)	(71,329)	—	192,824	(174,791)	(72,046)
Effect of exchange rate changes	—	—	—	5,642	—	5,642
Increase in cash and cash equivalents	—	12,480	43	29,329	—	41,852
Cash and cash equivalents at beginning of period	—	1,002	1,881	68,006	—	70,889
Cash and cash equivalents at end of period	$ —	$ 13,482	$ 1,924	$ 97,335	$ —	$ 112,741

TAILORED BRANDS, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Tailored Brands, Inc.
Condensed Consolidating Statement of Cash Flows
For the Six Months Ended July 30, 2016
(in thousands)

	Tailored Brands, Inc.	The Men's Wearhouse, Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net cash provided by operating activities	$ 18,002	$ 55,289	$ 22,725	$ 21,964	$ (17,676)	$ 100,304
CASH FLOWS FROM INVESTING ACTIVITIES:						
Capital expenditures	—	(29,922)	(23,753)	(2,237)	—	(55,912)
Intercompany activities	—	37,327	—	—	(37,327)	—
Proceeds from sale of property and equipment	—	—	598	7	—	605
Net cash provided by (used in) investing activities	—	7,405	(23,155)	(2,230)	(37,327)	(55,307)
CASH FLOWS FROM FINANCING ACTIVITIES:						
Payments on term loan	—	(38,951)	—	—	—	(38,951)
Proceeds from asset-based revolving credit facility	—	302,500	—	3,049	—	305,549
Payments on asset-based revolving credit facility	—	(302,500)	—	(3,049)	—	(305,549)
Repurchase and retirement of senior notes	—	(5,546)	—	—	—	(5,546)
Intercompany activities	—	(17,676)	—	(37,327)	55,003	—
Cash dividends paid	(17,676)	—	—	—	—	(17,676)
Proceeds from issuance of common stock	932	—	—	—	—	932
Tax payments related to vested deferred stock units	(1,258)	—	—	—	—	(1,258)
Net cash used in financing activities	(18,002)	(62,173)	—	(37,327)	55,003	(62,499)
Effect of exchange rate changes	—	—	—	(1,048)	—	(1,048)
Increase (decrease) in cash and cash equivalents	—	521	(430)	(18,641)	—	(18,550)
Cash and cash equivalents at beginning of period	—	724	2,243	27,013	—	29,980
Cash and cash equivalents at end of period	$ —	$ 1,245	$ 1,813	$ 8,372	$ —	$ 11,430

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

We encourage you to read this "Management's Discussion and Analysis of Financial Condition and Results of Operations" ("MD&A") in conjunction with the corresponding section included in our Annual Report on Form 10-K for the year ended January 28, 2017. References herein to years are to our 52-week or 53-week fiscal year, which ends on the Saturday nearest January 31 in the following calendar year. For example, references to "2017" mean the 53-week fiscal year ending February 3, 2018.

Executive Overview

Background

We are a leading authority on helping men dress for work, special occasions and everyday life. We serve our customers through an expansive omni-channel network that includes over 1,400 locations in the United States ("U.S.") and Canada as well as our branded e-commerce websites. Our operations are conducted in two reportable segments, retail and corporate apparel, based on the way we manage, evaluate and internally report our business activities. Refer to Note 15 of Notes to Condensed Consolidated Financial Statements and the discussion included in "Results of Operations" below for additional information and disclosures regarding our reportable segments.

Second Quarter Discussion

We saw improved trends in our comparable sales across all retail brands in the second quarter of 2017. We delivered greater profitability in the second quarter of 2017 compared to the second quarter of 2016 as a result of our focus on disciplined cost management and a more efficient operating structure. However, while we have several growth initiatives underway to increase transactions and comparable sales, the retail environment remains challenging.

We are executing our plan to innovate the best men's specialty retailer of the future. Our custom suit business continues to grow and exemplifies our unique ability to deliver exclusivity, personalization and fit at unsurpassed value and convenience. We are advancing our omni-channel capabilities with new services such as guided shopping, which makes it easy for men to find the perfect look. In addition, we are reaching our customers across all channels to let them know what we stand for – helping men love how they look.

We remain focused on operational excellence and fiscal discipline. Our rationalized store footprint and more efficient expense structure enable us to generate strong cash flow that we are deploying towards capital investment, dividend payment and debt reduction.

Key operating metrics for the quarter ended July 29, 2017 include:

- Net sales decreased 6.5% primarily due to the impact of last year's store closures.
- Comparable sales increased 7.8% at Jos. A. Bank and 0.3% at Moores while comparable sales decreased 2.2% at Men's Wearhouse and 1.7% at K&G. Overall, comparable sales for our retail segment increased 0.1%.
- Operating income was $108.5 million for the second quarter of 2017 compared to operating income of $59.6 million in the second quarter of 2016.
- Diluted earnings per share of $1.19 for the second quarter of 2017 compared to diluted earnings per share of $0.51 in the second quarter of 2016.

Key liquidity metrics for the six months ended July 29, 2017 include:

- Cash and cash equivalents at the end of the second quarter of 2017 were $112.7 million, an increase of $101.3 million compared to the end of the second quarter of 2016.
- Cash provided by operating activities was $140.5 million for the first six months of 2017 compared to $100.3 million for the first six months of 2016.
- Capital expenditures were $34.0 million for the first six months of fiscal 2017 compared to $55.9 million for the first six months of fiscal 2016.
- We repaid $8.1 million on our term loan, repurchased and retired $50.0 million in face value of senior notes and had no borrowings outstanding on our revolving credit facility as of July 29, 2017.
- Dividends paid totaled $18.0 million for the six months ended July 29, 2017.

Items Affecting Comparability of Results

The comparability of our results has been impacted by certain items, including costs to terminate our tuxedo rental license agreement with Macy's, restructuring and other costs consisting of costs related to our profit improvement and store rationalization programs and integration costs for Jos. A. Bank. A summary of the effect of these items on pretax income for each applicable period is presented below (dollars in millions):

	For the Three Months Ended		For the Six Months Ended	
	July 29, 2017	July 30, 2016	July 29, 2017	July 30, 2016
Costs to terminate Macy's agreement [1]	$ —	$ —	$ 17.2	$ —
Restructuring and other charges [2]	—	35.0	—	48.2
Integration costs related to Jos. A. Bank [3]	—	2.0	—	5.6
Purchase accounting related charges for Jos. A. Bank	—	—	—	(0.6)
Other	—	2.4	—	2.7
Total [4]	$ —	$ 39.4	$ 17.2	$ 55.9

(1) See Note 2 to the condensed consolidated financial statements for additional information.

(2) See Note 3 to the condensed consolidated financial statements for additional information.

(3) For the three months ended July 30, 2016, integration costs related to Jos. A. Bank included $0.3 million of severance costs. For the six months ended July 30, 2016, integration costs related to Jos. A. Bank included $2.0 million of severance costs.

(4) For the three months ended July 30, 2016, consists of $40.2 million included in selling, general and administrative expenses ("SG&A") offset by a $0.8 million reduction in cost of sales. For the six months ended July 29, 2017, $15.8 million is included in SG&A and $1.4 million is included in cost of sales. For the six months ended July 30, 2016, consists of $56.6 million included in SG&A offset by a $0.7 million reduction in cost of sales.

Store Data

The following table presents information with respect to retail apparel stores and tuxedo shops within Macy's stores in operation during each of the respective fiscal periods:

	For the Three Months Ended		For the Six Months Ended		For the Year Ended
	July 29, 2017	July 30, 2016	July 29, 2017	July 30, 2016	January 28, 2017
Open at beginning of period:	1,663	1,846	1,667	1,724	1,724
Opened [1]	1	7	2	147	178
Closed [2]	(180)	(86)	(185)	(104)	(235)
Open at end of the period	1,484	1,767	1,484	1,767	1,667
Men's Wearhouse [3]	718	710	718	710	716
Men's Wearhouse and Tux	54	135	54	135	58
Tuxedo shops @ Macy's	—	150	—	150	170
Jos. A. Bank [4]	496	557	496	557	506
Moores	126	126	126	126	126
K&G	90	89	90	89	91
	1,484	1,767	1,484	1,767	1,667

(1) Includes 138 and 158 tuxedo shops within Macy's stores opened in the six months ended July 30, 2016 and in the year ended January 28, 2017, respectively.

(2) All 170 tuxedo shops within Macy's stores were closed in the three months ended July 29, 2017.

(3) Includes one Joseph Abboud store.

(4) Excludes franchise stores.

During the second quarter of 2017, we opened one Men's Wearhouse store and closed 180 stores (all 170 tuxedo shops within Macy's stores, seven Jos. A. Bank stores, two Men's Wearhouse and Tux stores and one K&G store).

Seasonality

Our sales and net earnings are subject to seasonal fluctuations. Our rental service revenues are heavily concentrated in the second and third quarters (prom and wedding season) while the fourth quarter is the seasonal low point. In addition, Jos. A. Bank has generally experienced increased customer traffic during the holiday season and its increased marketing efforts during the holiday season have generally resulted in significantly larger sales and net earnings generated in the fourth quarter, as compared to the other three quarters. With respect to corporate apparel sales and operating results, seasonal fluctuations are not significant but the acquisition of new customers or existing customer decisions to rebrand or revise their corporate wear programs can cause significant variations in period results. Because of these fluctuations, results for any quarter are not necessarily indicative of the results that may be achieved for the full year.

Results of Operations

For the Three Months Ended July 29, 2017 Compared to the Three Months Ended July 30, 2016

The following table sets forth our results of operations expressed as a percentage of net sales for the periods indicated:

	For the Three Months Ended[(1)]	
	July 29, 2017	July 30, 2016
Net sales:		
Retail clothing product	69.9 %	67.7 %
Rental services	17.9	18.1
Alteration and other services	5.4	5.4
Total retail sales	93.2	91.3
Corporate apparel clothing product	6.8	8.7
Total net sales	100.0 %	100.0 %
Cost of sales[(2)]:		
Retail clothing product	41.8	45.1
Rental services	15.8	16.4
Alteration and other services	76.2	69.9
Occupancy costs	13.0	13.1
Total retail cost of sales	51.8	54.0
Corporate apparel clothing product	74.6	64.6
Total cost of sales	53.4	54.9
Gross margin[(2)]:		
Retail clothing product	58.2	54.9
Rental services	84.2	83.6
Alteration and other services	23.8	30.1
Occupancy costs	(13.0)	(13.1)
Total retail gross margin	48.2	46.0
Corporate apparel clothing product	25.4	35.4
Total gross margin	46.6	45.1
Advertising expense	4.7	4.9
Selling, general and administrative expenses	29.2	33.6
Operating income	12.7	6.6
Interest income	0.0	0.0
Interest expense	(3.0)	(2.8)
Gain (loss) on extinguishment of debt, net	0.4	(0.0)
Earnings before income taxes	10.2	3.7
Provision for income taxes	3.3	1.0
Net earnings	6.9 %	2.7 %

(1) Percentage line items may not sum to totals due to the effect of rounding.

(2) Calculated as a percentage of related sales.

Net Sales

Total net sales decreased $58.9 million, or 6.5%, to $850.8 million for the second quarter of 2017 as compared to the second quarter of 2016.

Total retail sales decreased $37.2 million, or 4.5%, to $793.0 million for the second quarter of 2017 as compared to the second quarter of 2016 primarily due to a $21.0 million decrease in clothing product revenues primarily reflecting the impact of last year's store closures, a $13.0 million decrease in rental service revenues and a $3.2 million decrease in alteration and other services revenues. The net decrease is attributable to the following:

(in millions)	Amount Attributed to
$ (9.6)	2.2% decrease in comparable sales at Men's Wearhouse.
11.8	7.8% increase in comparable sales at Jos. A. Bank.
(1.4)	1.7% decrease in comparable sales at K&G.
0.2	0.3% increase in comparable sales at Moores[(1)].
(33.1)	Decrease in non-comparable sales (primarily due to closed stores).
(1.4)	Decrease in net sales resulting from change in U.S./Canadian dollar exchange rate.
(3.7)	Other (primarily decrease in alteration revenues).
$ (37.2)	Decrease in total retail sales.

(1) Comparable sales percentages for Moores are calculated using Canadian dollars.

Comparable sales is defined as net sales from stores open at least twelve months at period end and includes e-commerce sales. We operate our business using an omni-channel approach and do not differentiate e-commerce sales from our other channels.

The decrease in comparable sales at Men's Wearhouse resulted primarily from a decrease in transactions and a slight decrease in units per transaction partially offset by an increase in average unit retail (net selling prices). The increase at Jos. A. Bank resulted primarily from an increase in transactions and units per transaction that more than offset a decrease in average unit retail. The decrease at K&G resulted from lower transactions partially offset by an increase in units per transaction and average unit retail. The increase at Moores resulted from increases in both average unit retail and transactions that more than offset a decrease in units per transaction. At Men's Wearhouse, rental service comparable sales decreased 2.1% primarily due to a decrease in unit rentals as well as a slight decrease in rental rates.

Total corporate apparel clothing product sales decreased $21.7 million for the second quarter of 2017 as compared to the second quarter of 2016 primarily due to anniversarying last year's rollout of a large new uniform program as well as the impact of a weaker British pound this year compared to last year of approximately $3.7 million.

Gross Margin

Procurement and distribution costs are included in determining our retail and corporate apparel clothing product gross margins. Our gross margin may not be comparable to other specialty retailers, as some companies exclude costs related to their distribution network from cost of sales while others, like us, include all or a portion of such costs in cost of sales and exclude them from SG&A expenses. Distribution costs are not included in determining our rental services gross margin but are included in SG&A expenses.

Our total gross margin decreased $13.6 million, or 3.3%, to $396.7 million in the second quarter of 2017 as compared to the second quarter of 2016 primarily as a result of lower corporate apparel net sales. Total retail segment gross margin decreased $0.2 million in the second quarter of 2017 compared to same period last year.

For the retail segment, total gross margin as a percentage of related sales increased to 48.2% in the second quarter of 2017 from 46.0% in the second quarter of 2016 primarily as a result of anniversarying lower gross margins in last year's second quarter, driven by clearance activity in preparation of our closing of our factory/outlet stores.

Occupancy costs decreased $5.3 million primarily due to our store rationalization efforts. Occupancy costs as a percentage of retail sales, which is relatively constant on a per store basis and includes store related rent, common area maintenance, utilities, repairs and maintenance, security, property taxes and depreciation, decreased to 13.0% for the second quarter of 2017 from 13.1% for the second quarter of 2016.

Corporate apparel gross margin decreased $13.4 million, or 47.8%, in the second quarter of 2017. For the corporate apparel segment, total gross margin as a percentage of related sales decreased to 25.4% in the second quarter of 2017 from 35.4% in the second quarter of 2016 primarily due to the impact of last year's rollout of a large new uniform program as well as the impact of unfavorable currency fluctuations on previously negotiated pricing arrangements with our United Kingdom ("UK") customers.

Advertising Expense

Advertising expense decreased to $39.9 million in the second quarter of 2017 from $45.0 million in the second quarter of 2016, a decrease of $5.1 million, or 11.3%. The decrease in advertising expense was driven primarily by reductions in television advertising reflecting a mix shift to digital advertising, as well as the timing of marketing campaigns that will launch later in 2017. As a percentage of total net sales, advertising expense decreased to 4.7% in the second quarter of 2017 from 4.9% in the second quarter of 2016.

Selling, General and Administrative Expenses

SG&A expenses decreased to $248.3 million in the second quarter of 2017 from $305.7 million in the second quarter of 2016, a decrease of $57.4 million, or 18.8%. As a percentage of total net sales, these expenses decreased to 29.2% in the second quarter of 2017 from 33.6% in the second quarter of 2016. The components of this 4.4% net decrease in SG&A expenses as a percentage of total net sales and the related dollar changes were as follows:

%	in millions	Attributed to
(4.4)	$ (40.2)	Decrease in restructuring, integration and other items as a percentage of sales from 4.4% in fiscal 2016 to 0.0% in fiscal 2017. For fiscal 2017, we incurred no such costs. For fiscal 2016, these costs totaled $40.2 million related primarily to restructuring and other costs including our store rationalization and profit improvement programs.
(0.4)	(10.9)	Store salaries decreased $10.9 million primarily due to our store rationalization efforts and decreased as a percentage of sales to 12.0% in the second quarter of 2017 from 12.4% in the second quarter of 2016.
0.4	(6.3)	Increase in other SG&A expenses as a percentage of sales to 17.1% in the second quarter of 2017 from 16.7% in the second quarter of 2016 primarily due to deleveraging from lower sales. Other SG&A expenses decreased $6.3 million primarily due to decreases in employee-related benefit costs as well as decreases in store-related costs resulting from our store rationalization efforts.
(4.4)	**$ (57.4)**	**Total**

In the retail segment, SG&A expenses as a percentage of related net sales decreased to 23.6% in the second quarter of 2017 from 28.5% in the second quarter of 2016. SG&A expenses decreased $49.2 million primarily due to decreases in store-related costs resulting from our store rationalization efforts as well as the impact of last year's lease termination costs.

In the corporate apparel segment, SG&A expenses as a percentage of related net sales increased to 21.2% in the second quarter of 2017 from 19.8% in the second quarter of 2016 primarily due to deleveraging from lower sales. Corporate apparel segment SG&A expenses decreased $3.5 million.

Shared service expenses represent costs not specifically related to the operations of our business segments and are included in SG&A. Shared service SG&A expenses as a percentage of total net sales decreased to 5.7% in the second quarter of 2017 from 5.9% in the second quarter of 2016. Shared service SG&A expenses decreased $4.7 million primarily due to decreases in costs associated with last year's profit improvement program.

Provision for Income Tax

Our effective income tax rate increased to 32.5% for the second quarter of 2017 from 25.9% for the second quarter of 2016 primarily due to higher U.S. income as compared to income earned in foreign jurisdictions this year compared to last year.

For the second quarters of 2017 and 2016, the statutory tax rates in Canada and the UK were approximately 26% and 20%, respectively. For the second quarter of 2017 and 2016, tax expense for our operations in foreign jurisdictions totaled $4.4 million and $5.1 million, respectively.

Our income tax expense and effective income tax rate in future periods may be impacted by many factors, including our geographic mix of earnings and changes in tax laws. Currently, we expect our effective tax rate in future periods to be lower than the statutory U.S. combined federal and state tax rate based on the expected geographic mix of earnings. In addition, if our financial results in fiscal 2017 generate a loss or certain deferred tax liabilities decrease, we may need to establish a valuation allowance on our U.S. deferred tax assets, which could have a material impact on our financial condition and results of operations. Lastly, we are currently undergoing several federal, foreign and state audits; however, we currently do not believe these audits will result in any material change to tax expense in the future.

Net Earnings

Net earnings were $58.5 million for the second quarter of 2017 compared with net earnings of $25.0 million for the second quarter of 2016.

For the Six Months Ended July 29, 2017 Compared to the Six Months Ended July 30, 2016

The following table sets forth our results of operations expressed as a percentage of net sales for the periods indicated:

	For the Six Months Ended(1)	
	July 29, 2017	July 30, 2016
Net sales:		
Retail clothing product	72.1 %	70.8 %
Rental services	15.1	15.2
Alteration and other services	5.7	5.8
Total retail sales	92.9	91.8
Corporate apparel clothing product	7.1	8.2
Total net sales	100.0 %	100.0 %
Cost of sales(2):		
Retail clothing product	42.6	44.5
Rental services	16.3	16.2
Alteration and other services	74.8	70.6
Occupancy costs	13.7	13.7
Total retail cost of sales	54.0	55.2
Corporate apparel clothing product	73.6	67.5
Total cost of sales	55.4	56.2
Gross margin(2):		
Retail clothing product	57.4	55.5
Rental services	83.7	83.8
Alteration and other services	25.2	29.4
Occupancy costs	(13.7)	(13.7)
Total retail gross margin	46.0	44.8
Corporate apparel clothing product	26.4	32.5
Total gross margin	44.6	43.8
Advertising expense	5.0	5.3
Selling, general and administrative expenses	31.1	33.3
Operating income	8.5	5.2
Interest income	0.0	0.0
Interest expense	(3.1)	(3.0)
Gain (loss) on extinguishment of debt, net	0.2	(0.0)
Earnings before income taxes	5.7	2.2
Provision for income taxes	2.0	0.7
Net earnings	3.7 %	1.5 %

(1) Percentage line items may not sum to totals due to the effect of rounding.

(2) Calculated as a percentage of related sales.

Net Sales

Total net sales decreased $104.8 million, or 6.0%, to $1,633.7 million for the first six months of 2017 as compared to the first six months of 2016.

Total retail sales decreased $78.1 million, or 4.9%, to $1,518.3 million for the first six months of 2017 as compared to the first six months of 2016 due to a $53.0 million decrease in clothing product revenues primarily reflecting the impact of last year's store closures, an $18.0 million decrease in rental services revenue and a $7.0 million decrease in alteration and other services revenues. The decrease in total retail sales is further described below:

(in millions)	Amount Attributed to
$ (22.3)	2.6% decrease in comparable sales at Men's Wearhouse.
17.0	5.7% increase in comparable sales at Jos. A. Bank.
(8.0)	4.7% decrease in comparable sales at K&G.
(2.0)	1.9% decrease in comparable sales at Moores[(1)].
(53.9)	Decrease in non-comparable sales (primarily due to closed stores).
(1.8)	Decrease in net sales resulting from change in U.S./Canadian dollar exchange rate.
(7.1)	Other (primarily decrease in alteration revenues).
$ (78.1)	Decrease in total retail sales.

(1) Comparable sales percentages for Moores are calculated using Canadian dollars.

Comparable sales is defined as net sales from stores open at least twelve months at period end and includes e-commerce sales. We operate our business using an omni-channel approach and do not differentiate e-commerce sales from our other channels.

The decrease in comparable sales at Men's Wearhouse resulted primarily from a decrease in transactions and a slight decrease in units per transaction partially offset by an increase in average unit retail. The increase at Jos. A. Bank resulted primarily from an increase in transactions and units per transaction that more than offset a decrease in average unit retail. The decrease at K&G resulted from lower transactions partially offset by an increase in units per transaction and average unit retail. The decrease at Moores resulted from a decrease in units per transaction partially offset by a slight increase in average unit retail while transactions were essentially flat. At Men's Wearhouse, rental service comparable sales decreased 1.6% primarily due to a decrease in unit rentals as well as a slight decrease in rental rates.

Total corporate apparel clothing product sales decreased $26.7 million for the first six months of 2017 as compared to the first six months of 2016 primarily due to anniversarying last year's rollout of a large new uniform program as well as the impact of a weaker British pound this year compared to last year of approximately $10.6 million.

Gross Margin

Procurement and distribution costs are included in determining our retail and corporate apparel clothing product gross margins. Our gross margin may not be comparable to other specialty retailers, as some companies exclude costs related to their distribution network from cost of sales while others, like us, include all or a portion of such costs in cost of sales and exclude them from SG&A expenses. Distribution costs are not included in determining our rental services gross margin but are included in SG&A expenses.

Our total gross margin decreased $33.0 million, or 4.3%, to $729.1 million in the first six months of 2017 as compared to the first six months of 2016. Total retail segment gross margin decreased $17.2 million, or 2.4%, in the first six months of 2017 compared to the same period last year primarily due to lower sales across our retail brands.

For the retail segment, total gross margin as a percentage of retail sales increased to 46.0% in the first six months of 2017 from 44.8% in the first six months of 2016 driven primarily as a result of anniversarying lower gross margins in last year's second quarter, driven by clearance activity in preparation of our closing of our factory/outlet stores.

Occupancy costs decreased $10.3 million primarily due to our store rationalization efforts. Occupancy costs as a percentage of retail sales, which is relatively constant on a per store basis and includes store related rent, common area maintenance, utilities, repairs and maintenance, security, property taxes and depreciation, was flat at 13.7% for both the first six months of 2017 and 2016.

Corporate apparel gross margin decreased $15.8 million, or 34.2%, in the first six months of 2017 as compared to the first six months of 2016. For the corporate apparel segment, total gross margin as a percentage of related sales decreased to 26.4% in the first six months of 2017 from 32.5% in the first six months of 2016 primarily due to the impact of last year's rollout of a large new uniform program as well as the impact of unfavorable currency fluctuations on previously negotiated pricing arrangements with our UK customers.

Advertising Expense

Advertising expense decreased to $82.1 million in the first six months of 2017 from $92.9 million in the first six months of 2016, a decrease of $10.8 million, or 11.6%. The decrease in advertising expense was driven primarily by reductions in television advertising reflecting a mix shift to digital advertising, as well as the timing of marketing campaigns that will launch later in 2017. As a percentage of total net sales, advertising expense was 5.0% in the first six months of 2017 compared to 5.3% in the first six months of 2016.

Selling, General and Administrative Expenses

SG&A expenses decreased to $507.5 million in the first six months of 2017 from $578.6 million in the first six months of 2016, a decrease of $71.1 million or 12.3%. As a percentage of total net sales, these expenses decreased to 31.1% in the first six months of 2017 from 33.3% in the first six months of 2016. The components of this 2.2% decrease in SG&A expenses as a percentage of total net sales and the related dollar changes were as follows:

%	in millions	Attributed to
(2.3)	$ (40.8)	Decrease in restructuring, integration and other items as a percentage of sales to 1.0% in the first six months of 2017 from 3.3% in the first six months of 2016. For the first six months of 2017, these costs totaled $15.8 million related to costs to terminate the Macy's agreement. For the first six months of 2016, these costs totaled $56.6 million related primarily to restructuring and other costs.
(0.2)	(16.7)	Store salaries decreased $16.7 million primarily due to our store rationalization efforts and decreased as a percentage of sales to 12.7% in the first six months of 2017 from 12.9% in the first six months of 2016.
0.3	(13.6)	Increase in other SG&A expenses as a percentage of sales to 17.4% in the first six months of 2017 from 17.1% in the first six months of 2016 primarily due to deleveraging from lower sales. Other SG&A expenses decreased $13.6 million primarily due to decreases in employee-related benefit costs as well as decreases in store-related costs resulting from our store rationalization efforts.
(2.2)	**$ (71.1)**	**Total**

In the retail segment, SG&A expenses as a percentage of related net sales decreased to 25.6% in the first six months of 2017 from 27.7% in the first six months of 2016. SG&A expenses decreased $54.1 million primarily due to decreases in store-related costs resulting from our store rationalization efforts as well as the impact of last year's lease termination costs partially offset by costs to terminate the Macy's agreement in 2017.

In the corporate apparel segment, SG&A expenses as a percentage of related net sales increased to 22.2% in the first six months of 2017 from 22.1% in the first six months of 2016 primarily due to deleverage from lower sales. Corporate apparel segment SG&A expenses decreased $5.8 million.

Shared service expenses represent costs not specifically related to the operations of our business segments and are included in SG&A. Shared service SG&A expenses as a percentage of total net sales decreased to 5.7% in the first six months of 2017 from 6.0% in the first six months of 2016. Shared service SG&A expenses decreased $11.2 million primarily due to decreases in costs associated with last year's profit improvement program.

Provision for Income Tax

Our effective income tax rate increased to 35.0% for the first six months of 2017 from 30.4% for the first six months of 2016 primarily as a result of $2.2 million of tax deficiencies related to the vesting of stock-based awards resulting from the adoption of new accounting guidance related to stock-based compensation.

For the first six months of 2017 and 2016, the statutory tax rates in Canada and the UK were approximately 26% and 20%, respectively. For the first six months of 2017 and 2016, tax expense for our operations in foreign jurisdictions totaled $6.0 million and $6.6 million, respectively.

Our income tax expense and effective income tax rate in future periods may be impacted by many factors, including our geographic mix of earnings and changes in tax laws. Currently, we expect our effective tax rate in future periods to be lower than the statutory U.S. combined federal and state tax rate based on the expected geographic mix of earnings. In addition, if our financial results in fiscal 2017 generate a loss or certain deferred tax liabilities decrease, we may need to establish a valuation allowance on our U.S. deferred tax assets, which could have a material impact on our financial condition and results of operations. Lastly, we are currently undergoing several federal, foreign and state audits; however, we currently do not believe these audits will result in any material change to tax expense in the future.

Net Earnings

Net earnings were $60.3 million for the first six months of 2017 compared with net earnings of $26.6 million for the first six months of 2016.

Liquidity and Capital Resources

At July 29, 2017, July 30, 2016 and January 28, 2017, cash and cash equivalents totaled $112.7 million, $11.4 million and $70.9 million, respectively, and working capital totaled $753.0 million, $719.8 million and $705.8 million, respectively. Our primary sources of working capital are cash flows from operations and available borrowings under our financing arrangements, as described below.

In 2014, The Men's Wearhouse entered into a term loan credit agreement that provides for a senior secured term loan in the aggregate principal amount of $1.1 billion (the "Term Loan") and a $500.0 million asset-based revolving credit agreement (the "ABL Facility", and together with the Term Loan, the "Credit Facilities") with certain of our U.S. subsidiaries and Moores the Suit People Inc., one of our Canadian subsidiaries, as co-borrowers. In addition, in 2014, The Men's Wearhouse issued $600.0 million in aggregate principal amount of 7.00% Senior Notes due 2022 (the "Senior Notes").

The Credit Facilities and the Senior Notes contain customary non-financial and financial covenants, including fixed charge coverage ratios, total leverage ratios and secured leverage ratios, as well as a restriction on our ability to pay dividends on our common stock in excess of $10.0 million per quarter. Since entering into these financing arrangements, our total leverage ratio and secured leverage ratio have been above the maximums specified in the agreements, which was anticipated when we entered into these arrangements. As a result, we were subject to certain additional restrictions, including limitations on our ability to make significant acquisitions and incur additional indebtedness. As of July 29, 2017, our total leverage ratio and secured leverage ratio were below the maximums specified in the agreements but these ratios may increase above the maximums specified in the agreements during the remainder of fiscal 2017. Currently, we believe our total leverage ratio and secured leverage ratio will remain below the maximums specified in the agreements during fiscal 2018 and beyond, which will result in the elimination of these additional restrictions.

The Term Loan is guaranteed, jointly and severally, by Tailored Brands, Inc. and certain of our U.S. subsidiaries and will mature in June 2021. The interest rate on the Term Loan is based on 1-month LIBOR, which was approximately 1.23% at July 29, 2017, plus the applicable margin which is currently 3.50%, resulting in a total interest rate of 4.73%. In January 2015, we entered into an interest rate swap agreement, in which the variable rate payments due under a portion of the Term Loan were exchanged for a fixed rate. In April 2017, we entered into an additional interest rate swap agreement to exchange variable rate payments under a portion of the Term Loan for a fixed rate. At July 29, 2017, the total notional amount under our interest rate swaps is $540.0 million.

In 2015, The Men's Wearhouse entered into Incremental Facility Agreement No. 1 (the "Incremental Agreement") resulting in a refinancing of $400.0 million aggregate principal amount of the Term Loan from a variable rate to a fixed rate of 5.0% per annum. The Incremental Agreement did not impact the total amount borrowed under the Term Loan, the maturity date of the Term Loan, or collateral and guarantees under the Term Loan.

As a result of our interest rate swaps and the Incremental Agreement, we have converted a significant portion of the variable interest rate under the Term Loan to a fixed rate and, as of July 29, 2017, the Term Loan had a weighted average interest rate of 5.14%.

The ABL Facility provides for a senior secured revolving credit facility of $500.0 million, with possible future increases to $650.0 million under an expansion feature that matures in June 2019, and is guaranteed, jointly and severally, by Tailored Brands, Inc. and certain of our U.S. subsidiaries. The ABL Facility has several borrowing and interest rate options including the following indices: (i) adjusted LIBOR, (ii) Canadian Dollar Offered Rate ("CDOR") rate, (iii) Canadian prime rate or (iv) an alternate base rate (equal to the greater of the prime rate, the federal funds effective rate plus 0.5% or adjusted LIBOR for a one-month period plus 1.0%). Advances under the ABL Facility bear interest at a rate per annum using the applicable indices plus a varying interest rate margin of up to 2.00%. The ABL Facility also provides for fees applicable to amounts available to be drawn under outstanding letters of credit which range from 1.50% to 2.00%, and a fee on unused commitments which ranges from 0.25% to 0.375%. As of July 29, 2017, there were no borrowings outstanding under the ABL Facility.

We utilize letters of credit primarily as collateral for workers compensation claims and to secure inventory purchases. At July 29, 2017, letters of credit totaling approximately $33.4 million were issued and outstanding. Borrowings available under the ABL Facility as of July 29, 2017 were $466.6 million.

The obligations under the Credit Facilities are secured on a senior basis by a first priority lien on substantially all of the assets of the Company, certain of its U.S. subsidiaries and, in the case of the ABL Facility, Moores The Suit People Inc. The Credit Facilities and the related guarantees and security interests granted thereunder are senior secured obligations of, and will rank equally with all present and future senior indebtedness of the Company, the co-borrowers and the respective guarantors.

The Senior Notes are guaranteed, jointly and severally, on an unsecured basis by Tailored Brands, Inc. and certain of our U.S. subsidiaries. The Senior Notes will mature in July 2022. Interest on the Senior Notes is payable in January and July of each year.

Cash Flow Activities

Operating activities — Net cash provided by operating activities was $140.5 million and $100.3 million for the first six months of 2017 and 2016, respectively. The $40.2 million increase was driven by higher net earnings compared to last year as well as a planned reduction in rental product purchases and a decrease in inventory purchases, primarily resulting from our store rationalization efforts, partially offset by a decrease in other assets related to prior year income tax refunds.

Investing activities — Net cash used in investing activities was $32.3 million and $55.3 million for the first six months of 2017 and 2016, respectively. The $23.0 million decrease was driven by a decrease in capital expenditures primarily due to the prior year opening of tuxedo shops within Macy's and last year's distribution center expansion project.

Financing activities — Net cash used in financing activities was $72.0 million and $62.5 million for the first six months of 2017 and 2016, respectively. The $9.5 million increase primarily reflects the impact of additional debt repayments this year compared to last year.

Share repurchase program — In March 2013, the Board of Directors (the "Board") approved a share repurchase program for our common stock. At July 29, 2017, the remaining balance available under the Board's authorization was $48.0 million. During the first six months of 2017 and 2016, no shares were repurchased in open market transactions under the Board's authorization.

Dividends — Cash dividends paid were approximately $18.0 million and $17.7 million for the first six months of 2017 and 2016, respectively. During each of the quarters ended July 29, 2017 and July 30, 2016, we declared quarterly dividends of $0.18 per share.

Future Sources and Uses of Cash

Our primary uses of cash are to finance working capital requirements of our operations and to repay our indebtedness. In addition, we will use cash to fund capital expenditures, income taxes, dividend payments, operating leases and various other commitments and obligations, as they arise.

During the course of the first six months of 2017, we borrowed and repaid amounts under our ABL Facility with the maximum borrowing outstanding at any point in time totaling $34.7 million.

Capital expenditures are anticipated to be approximately $90.0 million for 2017. This amount includes the anticipated costs to open four Men's Wearhouse stores and to relocate or remodel approximately 10 to 15 stores. The balance of the capital expenditures for 2017 will be used for store refreshes, point-of-sale and other computer equipment and systems, distribution facilities and investment in other corporate assets.

Current and future domestic and global economic conditions could negatively affect our future operating results as well as our existing cash and cash equivalents balances. In addition, conditions in the financial markets could limit our access to further capital resources, if needed, and could increase associated costs. We believe based on our current business plan that our existing cash and cash flows from operations and availability under our ABL Facility will be sufficient to fund our operating cash requirements, repayment of current indebtedness and capital expenditures.

Contractual Obligations

There have been no material changes to our contractual obligations as discussed in our Annual Report on Form 10-K for the fiscal year ended January 28, 2017. As a result of the termination of the tuxedo rental license agreement with Macy's, our total other contractual obligations decreased by $114.9 million.

Critical Accounting Policies and Estimates

The preparation of our condensed consolidated financial statements requires the appropriate application of accounting policies in accordance with generally accepted accounting principles. In many instances, this also requires management to make estimates and assumptions about future events that affect the amounts and disclosures included in our financial statements. We base our estimates on historical experience and various assumptions that we believe are reasonable under our current business model. However, because future events and conditions and their effects cannot be determined with certainty, actual results will differ from our estimates and such differences could be material to our financial statements. There have been no significant changes to our critical accounting policies and estimates as discussed in our Annual Report on Form 10-K for the fiscal year ended January 28, 2017.

ITEM 3 - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risks relating to our operations result primarily from changes in foreign currency exchange rates and changes in interest rates.

We are exposed to market risk associated with foreign currency exchange rate fluctuations as a result of our direct sourcing programs and our operations in foreign countries. In connection with our direct sourcing programs, we may enter into merchandise purchase commitments that are denominated in a currency different from the functional currency of the operating entity. Our risk management policy is to hedge a portion of forecasted merchandise purchases for our direct sourcing programs that bear foreign exchange risk using foreign exchange forward contracts. In addition, we have entered into derivative instruments to hedge our foreign exchange risk, specifically related to the British pound and Euro.

As the foreign exchange forward contracts are with financial institutions, we are exposed to credit risk in the event of nonperformance by these parties but due to the creditworthiness of these major financial institutions, full performance is anticipated.

As discussed in Note 5 and Note 14 of the Notes to the Condensed Consolidated Financial Statements, we have undertaken steps to mitigate our exposure to changes in interest rates on our indebtedness. As of July 29, 2017, 94% of our total debt was at a fixed rate with the remainder at a variable rate. As a result, we believe our interest rate risk is substantially mitigated. At July 29, 2017, the effect of one percentage point change in interest rates would result in an approximate $1.0 million change in annual interest expense on our Term Loan.

ITEM 4 - CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company's management, with the participation of the Company's principal executive officer ("CEO") and principal financial officer ("CFO"), evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Based on this evaluation, the CEO and CFO have concluded that, as of the end of such period, the Company's disclosure controls and procedures were effective to ensure information that is required to be disclosed by the Company in the reports it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to the Company's management, including the CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Controls over Financial Reporting

There were no changes in the Company's internal control over financial reporting that occurred during the fiscal second quarter ended July 29, 2017 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1 — LEGAL PROCEEDINGS

For a description of our legal proceedings, see Note 16 of the Notes to the Condensed Consolidated Financial Statements of this Quarterly Report on Form 10-Q.

ITEM 6 — EXHIBITS

Exhibits filed with this quarterly report on Form 10-Q are incorporated herein by reference as set forth in the Index to Exhibits on page 45.

EXHIBIT INDEX

Exhibit Number		Exhibit Index
10.1	—	Tailored Brands, Inc. 2016 Long-Term Incentive Plan, as amended (incorporated by reference from Appendix A to the Company's proxy statement on Schedule 14A relating to the 2017 Annual Meeting of Shareholders of the Company filed with the Commission on May 4, 2017 (File No. 1-16097)).
10.2	—	Tailored Brands, Inc. Amended and Restated Senior Executive Change in Control Severance Plan (filed herewith).
31.1	—	Certification of Periodic Report Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by the Chief Executive Officer (filed herewith).
31.2	—	Certification of Periodic Report Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by the Chief Financial Officer (filed herewith).
32.1	—	Certification of Periodic Report Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 by the Chief Executive Officer (furnished herewith). †
32.2	—	Certification of Periodic Report Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 by the Chief Financial Officer (furnished herewith). †
101.1	—	The following financial information from Tailored Brands, Inc.'s Quarterly Report on Form 10-Q for the three and six months ended July 29, 2017 formatted in XBRL (Extensible Business Reporting Language) and filed electronically herewith: (i) the Condensed Consolidated Balance Sheets; (ii) the Condensed Consolidated Statements of Earnings; (iii) the Condensed Consolidated Statements of Comprehensive Income; (iv) the Condensed Consolidated Statements of Cash Flows; and (v) the Notes to Condensed Consolidated Financial Statements.

† This exhibit will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. Such exhibit shall not be deemed incorporated into any filing under the Securities Act of 1933, as amended or the Securities Exchange Act of 1934, as amended.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant, Tailored Brands, Inc., has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: September 7, 2017 TAILORED BRANDS, INC.

By /s/ JACK P. CALANDRA
Jack P. Calandra
Executive Vice President, Chief Financial Officer
and Treasurer

Exhibit 10.2

TAILORED BRANDS, INC.
AMENDED AND RESTATED
SENIOR EXECUTIVE
CHANGE IN CONTROL SEVERANCE PLAN

(Adopted Effective September 1, 2017)

TAILORED BRANDS, INC.
AMENDED AND RESTATED
SENIOR EXECUTIVE
CHANGE IN CONTROL SEVERANCE PLAN

(Adopted Effective September 1, 2017)

WHEREAS, Tailored Brands, Inc., a corporation organized and existing under the laws of the State of Texas (the "***Company***"), recognizes that one of its most valuable assets is its Senior Executives;

WHEREAS, effective September 8, 2016, the Company established the Tailored Brands, Inc. Senior Executive Change in Control Severance Plan (the "***Plan***") to provide certain severance benefits in the event that the employment of the Senior Executives of the Company is involuntarily terminated in certain circumstances in conjunction with a Change in Control of the Company;

WHEREAS, the Plan was intended to replace the Change of Control Agreements entered into between The Men's Wearhouse, Inc. and its Senior Executives;

WHEREAS, the Company wishes to amend and restate the Plan to add certain provisions to clarify the treatment under the Plan of certain awards made to Senior Executives under the Company's long-term incentive plans;

NOW, THEREFORE, the Company hereby adopts the amended and restated Plan as set forth in this document effective as of September 1, 2017.

TABLE OF CONTENTS

TABLE OF CONTENTS
(continued)

TABLE OF CONTENTS
(continued)

1. ADOPTION AND OBJECTIVE

1.1 Adoption. Tailored Brands, Inc., a Texas corporation, hereby adopts, assumes and establishes this plan for its Senior Executives to be known as the "Tailored Brands, Inc. Amended and Restated Senior Executive Change in Control Severance Plan" (as it may be amended from time to time, the "***Plan***").

1.2 Objective. The Plan is designed to attract and retain the Senior Executives of the Company and the Company's Affiliates and to reward such employees by providing replacement income and certain benefits if such individuals' employment with the Company and the Company's Affiliates is terminated in certain circumstances after a Change in Control.

1.3 Purpose. The Plan is intended to constitute the type of arrangement identified as a "severance pay arrangement" within the meaning of Section 3(2)(B)(i) of ERISA, as further elaborated in regulations promulgated by the Secretary of Labor at Title 29, Code of Federal Regulations, § 2510.3-2(b), which is subject to ERISA. No Executive shall have a vested right to the benefits under the Plan. The benefits paid by the Plan are not intended as deferred compensation nor is the Plan intended to be an "employee pension benefit plan or "pension plan" as those terms are defined in Section 3(2) of ERISA.

2. DEFINITIONS

As used in the Plan, the following terms and phrases shall have the meanings set forth below:

2.1 "***Accrued Obligations***" means the portion of the Base Salary accrued but unpaid through the Termination Date and compensation for earned but unused vacation time, in each case to the extent not theretofore paid.

2.2 "***Affiliate***" and "***Affiliates***" mean, when used with respect to any entity, individual, or other person, any other entity, individual, or other person which, directly or indirectly, through one or more intermediaries controls, or is controlled by, or is under common control with such entity, individual or person.

2.3 ***"Assets"*** means assets of any kind owned by the Company, including but not limited to securities of the Company's direct and indirect subsidiaries.

2.4 "***Base Salary***" means an Executive's base salary as in effect immediately before the occurrence of the Change in Control or as the Executive's salary may be increased from time to time after that occurrence.

2.5 "***Benchmark Bonus***" means an Executive's target or maximum bonus potential for the year preceding a Change in Control.

2.6 "***Beneficial Owner***" shall have the meaning ascribed to the term in Rule 13d-3 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended, or any successor act.

2.7 "***Benefit Plans***" means any bonus, incentive, profit sharing, performance, savings, retirement or pension policy, plan, program or arrangement, including, but not limited to, any deferred compensation, supplemental executive retirement or other retirement income, stock option, stock purchase, stock appreciation, restricted stock, deferred stock unit, employee stock ownership or similar policy, plan, program or arrangement of the Company (or any substitute or alternative plan) or any employee welfare benefit plan (within the meaning of Section 3(1) or ERISA) maintained by the Company.

2.8 "***Board of Directors***" means the Board of Directors of the Company.

2.9 "***Change in Control***" means the occurrence of any of the following events during the Term of the Plan:

(a) the individuals who are Incumbent Directors cease for any reason to constitute a majority of the members of the Board of Directors;

(b) the consummation of a Merger of the Company with another Entity, *unless*:

(1) the individuals and Entities who were the Beneficial Owners of the Voting Securities of the Company outstanding immediately prior to such Merger own, directly or indirectly, more than 50 percent of the combined voting power of the Voting Securities of either the surviving Entity or the parent of the surviving Entity outstanding immediately after such Merger in substantially the same proportions, as to each other, as their ownership of the Company's Voting Securities immediately prior to such Merger; and

(2) the individuals who comprise the Board of Directors immediately prior to such Merger constitute a majority of the board of directors or other governing body of either the surviving Entity or the parent of the surviving Entity;

(c) any Person, other than a Specified Owner, becomes a Beneficial Owner, directly or indirectly, of securities of the Company representing 30 percent or more of the combined voting power of the Company's then outstanding Voting Securities;

(d) a sale, transfer, lease or other disposition of all or substantially all of the A ssets is consummated (an "***Asset Sale***"), *unless*:

(1) the individuals and Entities who were the Beneficial Owners of the Voting Securities of the Company immediately prior to such Asset Sale own, directly or indirectly, more than 50 percent of the combined voting power of the Voting Securities of the Entity that acquires such Assets in such Asset Sale or its parent immediately after such Asset Sale in substantially the same proportions as

their ownership of the Company's Voting Securities immediately prior to such Asset Sale; and

(2) the individuals who comprise the Board of Directors immediately prior to such Asset Sale constitute a majority of the board of directors or other governing body of either the Entity that acquired such Assets in such Asset Sale or its parent;

provided, further, that for purposes hereof, the consummation of a Merger of a Wholly-Owned Subsidiary with another Entity (other than an Entity in which the Company owns, directly or indirectly, a majority of the voting and equity interests) if the gross revenues of such Wholly-Owned Subsidiary (including the Entities wholly-owned directly or indirectly by such Wholly-Owned Subsidiary) for the twelve-month period immediately preceding the month in which the Merger occurs equal or exceed 30 percent of the consolidated gross revenues reported by the Company on the Company's consolidated financial statements for such period; or

(e) The shareholders of the Company approve a plan of complete liquidation or dissolution of the Company.

2.10 "***Code***" means the Internal Revenue Code of 1986, as amended, or any successor act.

2.11 "***Committee***" means, prior to a Change in Control, the Compensation Committee of the Board of Directors. After a Change in Control, "*Committee*" means (a) the individuals (not fewer than three (3) in number) who, on the date six months prior to the Change in Control constitute the Compensation Committee of the Board of Directors, plus, (b) in the event that fewer than three (3) individuals are available from the group specified in clause (a) above for any reason, such individuals as may be appointed by the individual or individuals so available (including for this purpose any individual or individuals previously so appointed under this clause (b)); *provided*, *however,* that the maximum number of individuals constituting the Committee after a Change in Control shall not exceed six (6).

2.12 "***Company***" means Tailored Brands, Inc., a Texas corporation, and any Successor by merger or otherwise.

2.13 "***Disability***" means the absence of the Executive from the Executive's duties with the Company on a full-time basis for 90 calendar days as a result of incapacity due to mental or physical illness that is determined to be total and permanent by a physician selected by the Company or its insurers, and acceptable to the Executive or the Executive's legal representatives; provided, however, that if there is a definition of disability used in an employment agreement between the Company and the Executive, then the definition of Disability herein shall be the same as that used in such employment agreement.

2.14 "***Effective Date***" means September 8, 2016, the date as of which the Plan was initially adopted.

2.15 "***Eligible Individual***" means an employee of the Employer designated as a "Senior Executive" in the records of the Employer, including but not limited to the Chief Executive Officer, the President, Brand Presidents, an Executive Vice President or Senior Vice President of an Employer.

2.16 "***Employer***" means the Company or any Affiliate that adopts the Plan pursuant to the provisions of Section 9.

2.17 "***Entity***" means any corporation, partnership, association, joint-stock company, limited liability company, trust, unincorporated organization or other business entity.

2.18 "***ERISA***" means the Employee Retirement Income Security Act of 1974, as amended, or any successor act.

2.19 "***Executive***" means an individual who is eligible to participate in the Plan under the provisions of Section 3.

2.20 "***Expiration Date***" shall have the meaning specified in the definition of the phrase " *Term of the Plan*".

2.21 **"*Fiscal Year*"** means the fiscal year of the Company.

2.22 **"Incumbent Director"** means:

(a) a member of the Board of Directors on the Effective Date; or

(b) an individual:

(1) who becomes a member of the Board of Directors after the Effective Date;

(2) whose appointment or election by the Board of Directors or nomination for election by the Company's shareholders is approved or recommended by a vote of at least two-thirds of the then serving Incumbent Directors (as defined herein); and

(3) whose initial assumption of service on the Board of Directors is not in connection with an actual or threatened election contest.

2.23 "***Merger***" means a merger, consolidation or similar transaction.

2.24 "***Notice of Termination***" shall mean the notice contemplated by Section 5.1 hereof which shall indicate the specific termination provision in the Plan relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated.

2.25 "***Person***" shall have the meaning ascribed to the term in Section 3(a)(9) of the Securities Exchange Act of 1934, as amended, or any successor act, and used in Sections 13(d) and 14(d) thereof, including a "group" as defined in Section 13(d) thereof, except that the term shall not include (a) the Company, the Employer or any of their Affiliates, (b) a trustee or other fiduciary holding Company securities under an employee benefit plan of the Company or any of its Affiliates, (c) an underwriter temporarily holding securities pursuant to an offering of those securities or (d) a corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of stock of the Company.

2.26 "***Renewal Date***" shall have the meaning specified in the definition of the phrase " *Term of the Plan*."

2.27 "***Section 409A***" means section 409A of the Code and the rules and regulations issued thereunder by the Internal Revenue Service and the Department of Treasury.

2.28 **"*Separation From Service*"** means an Executive's termination of employment with the Company or Employer, provided that such termination constitutes a separation from service within the meaning ascribed to such term under Section 409A.

2.29 ***"Specified Employee"*** means an Executive who, as of the date of his Separation from Service, is deemed to be a "specified employee" within the meaning ascribed to that term under Section 409A.

2.30 **"*Specified Owner*"** means any of the following:

(a) the Company;

(b) an Affiliate of the Company;

(c) an employee benefit plan (or related trust) sponsored or maintained by the Company or any Affiliate of the Company;

(d) a Person that becomes a Beneficial Owner of the Company's outstanding Voting Securities representing 30 percent or more of the combined voting power of the Company's then outstanding Voting Securities as a result of the acquisition of securities directly from the Company and/or its Affiliates; or

(e) a Person that becomes a Beneficial Owner of the Company's outstanding Voting Securities representing 30 percent or more of the combined voting power of the Company's then outstanding Voting Securities as a result of a Merger if the individuals and Entities who were the Beneficial Owners of the Voting Securities of the Company outstanding immediately prior to such Merger own, directly or indirectly, at least 50 percent of the combined voting power of the Voting Securities of any of the Company, the surviving Entity or the parent of the Company or the surviving Entity outstanding immediately after such Merger in substantially the same proportions as their ownership of the Voting Securities of the Company outstanding immediately prior to such Merger.

2.31 "***Successor***" means a person with or into which the Company shall have been merged or consolidated or to which the Company shall have transferred its assets as an entirety or substantially as an entirety.

2.32 "***Term of the Plan***" means the period commencing on the Effective Date and ending on the earliest of:

(a) the last day of the three-year period beginning on the Effective Date if no Change in Control shall have occurred during that three-year period (such last day being the "***Expiration Date***");

(b) if a Change in Control shall have occurred during (i) the three-year period beginning on the Effective Date or (ii) any period for which the Term of the Plan shall have been automatically extended pursuant to the second sentence of this definition, the last day of the two-year period beginning on the date on which the Change in Control occurred; or

(c) the date on which the Plan is terminated by the Board of Directors as provided in Section 9.

After the expiration of the time period described in subsection (a) of this definition and in the absence of a Change in Control (as described in subsection (b) of this definition) the Term of the Plan shall be automatically extended for successive two-year periods beginning on the day immediately following the Expiration Date (the beginning date of each successive two-year period being a "***Renewal Date***"), unless, not later than 18 months prior to the Expiration Date or applicable Renewal Date, the Committee shall give notice to Executives that the Term of the Plan will not be extended.

2.33 "***Termination Date***" means the date as of which an Executive incurs a Separation From Service determined in accordance with the provisions of Section 5.

2.34 "***Termination for Cause***" shall have occurred if, after a Change in Control, the Executive shall have committed: (a) gross negligence or willful misconduct in connection with the Executive's duties or in the course of Executive's employment with the Company or any Wholly-Owned Subsidiary, (b) an act of fraud, embezzlement or theft in connection with the Executive's duties or in the course of Executive's employment with the Company or any Wholly-Owned Subsidiary, (c) intentional wrongful damage to property (other than of a *de minimis* nature) of the Company or any Wholly-Owned Subsidiary, (d) intentional wrongful disclosure of secret processes or confidential information of the Company or any Wholly-Owned Subsidiary which the Executive believes or reasonably should believe will have a material adverse effect on the Company, or (e) an act leading to a conviction of a felony, or a misdemeanor involving moral turpitude. For purposes of the Plan, an act, or failure to act, on the part of the Executive shall be deemed "*intentional*" only if done, or not done, by the Executive not in good faith and without a reasonable belief that his or her action or inaction was in the best interest of the Company. Any Termination for Cause requires a resolution duly adopted by the affirmative vote of not less than three-quarters of the members of the Board of Directors then in office and eligible to vote at a meeting of the Board of Directors called and held for such purpose, after reasonable notice to the Executive and an opportunity for the Executive, together with his or her counsel, to be heard, finding that, in the good faith opinion of the Board of Directors, the Executive had committed an act set forth above and specifying the particulars thereof in detail. Nothing herein shall limit the right of the Executive or his or her legal representatives to contest the validity or propriety of any such determination.

2.35 "***Termination for Good Reason***" shall mean the occurrence if any of the following on or after a Change in Control: (a) a material reduction in Executive's status, title, position or responsibilities, (b) a reduction in Executive's Base Salary, (c) a reduction in the Executive's target and/or maximum bonus potential to an amount less than the Executive's Benchmark Bonus or revision to the bonus plan in any manner that materially adversely affects the Executive's ability to achieve the maximum annual bonus potential, (d) a mandatory relocation of Executive's employment with the Company more than fifty (50) miles from the office of the Company where the Executive was principally employed and stationed immediately prior to the Change in Control, except for travel reasonably required in the performance of Executive's duties and responsibilities, (e) any material changes to the Benefit Plans, paid vacation days or any other non-contractual benefits that were provided to the Executive by the Company immediately before the occurrence of the Change in Control, or (f) any failure to honor any provision of any employment agreement with the Executive or failure to honor any provision of this Plan, including termination of such employment agreement (unless notice of that termination is given to the Executive as set forth in Section 5.1) or effective notice of an election to terminate at the end of the term or the extended term of such employment agreement.

2.36 "***Termination of Employment***" means the termination of an individual's employment relationship with the Company during the Term of the Plan (whether by the individual or the Company or automatically upon the individual's death or Disability) after the occurrence of a Change in Control.

For purposes of this definition, an individual's employment shall be deemed to have been terminated after a Change in Control, if (a) a Change in Control occurs and (b) (i) the individual incurs a termination of employment by the Company which is not a Termination for Cause prior to a Change in Control and such termination was at the request or direction of a Person who has entered into an agreement with the Company, the consummation of which would constitute a Change in Control; (ii) the individual terminates his or her employment in a manner that constitutes a Termination for Good Reason prior to a Change in Control and the circumstance or event which constitutes the Termination for Good Reason occurs at the request or direction of a Person who has entered into an agreement with the Company, the consummation of which would constitute a Change in Control; or (iii) the individual incurs a termination of employment by the Company which is not a Termination for Cause or the individual terminates his or her employment in a manner that constitutes a Termination for Good Reason and such termination or the circumstance or event which constitutes the Termination for Good Reason is otherwise in connection with or in anticipation of a Change in Control. For purposes of any determination regarding the applicability of the immediately preceding sentence, any position taken by the Executive shall be presumed to be correct unless the Company establishes to the Committee by clear and convincing evidence that such position is not correct.

2.37 "***Voting Securities***" means the outstanding securities entitled to vote generally in the election of directors or other governing body.

2.38 "***Wholly-Owned Subsidiary***" means an Entity that is, directly or indirectly, wholly owned by the Company.

3. ELIGIBILITY

The Company shall notify an Eligible Individual of his eligibility to participate in the Plan by furnishing him a written notification of participation.

Notwithstanding any other provision of the Plan, the Committee may discontinue an individual's participation in the Plan at any time by providing him written notice (the "***Notice***") that he shall no longer participate in the Plan, provided, however, that a Change in Control has not occurred and the discontinuation of the individual's participation in the Plan is not taken in anticipation of a Change in Control. If a Change in Control occurs within 12 months after the date the Notice is provided then there shall be a rebuttable presumption that the discontinuation of the individual's participation in the Plan was taken in anticipation of a Change in Control unless the Company rebuts such presumption by clear and convincing evidence.

Participation in the Plan shall supercede and be in lieu of any and all agreements and rights that the Executive has under any prior change in control agreements between the Executive and the Company or The Men's Wearhouse, Inc. and/or Executive's participation in The Men's Wearhouse, Inc. Change in Control Severance Plan or the Tailored Brands, Inc. Vice President Change in Control Severance Plan. Participation in the Plan does not affect existing employment arrangements with the Company, if any, unless a Change in Control occurs before the expiration of the term of this Plan. In the absence of any employment agreement, the Executive's employment shall continue to be "at will".

4. BENEFITS

4.1 Vesting of Equity Based Compensation Following Termination of Employment. If an Executive incurs a Termination of Employment, the Executive is entitled to the following benefits (except to the extent limited by Section 4.3):

(a) all options to acquire Voting Securities of the Company granted to an Executive prior to September 1, 2014 and continued to be held by the Executive immediately prior to a Change in Control shall become fully exercisable, notwithstanding the terms of the relevant stock option agreements and regardless of whether or not the vesting conditions set forth in the relevant stock option agreements have been satisfied in full, and shall be exercisable for the period set forth in such stock option agreement;

(b) all restrictions on any restricted Voting Securities of the Company granted to an Executive prior to September 1, 2014 which have not vested prior to a Change in Control shall be removed and the securities shall be freely transferable, notwithstanding the terms of the relevant restricted stock or securities agreements and regardless of whether the conditions set forth in the relevant restricted stock or securities agreements have been satisfied in full;

(c) if an Executive's employment is terminated by the Company other than as a result of the occurrence of an event of Termination for Cause or by an Executive after the occurrence of an event of Termination for Good Reason, all options to acquire Voting Securities of the Company granted to an Executive on or after September 1, 2014 and continued to be held by the Executive immediately prior to a Change in Control shall become fully exercisable, notwithstanding the terms of the relevant stock option agreements and regardless of whether or not the vesting conditions set forth in the relevant stock option agreements have been satisfied in full, and shall be exercisable for the period set forth in such stock option agreement;

(d) if an Executive's employment is terminated by the Company other than as a result of the occurrence of an event of Termination for Cause or by an Executive after the occurrence of an event of Termination for Good Reason, all restrictions on any restricted Voting Securities of the Company granted to an Executive on or after September 1, 2014 which have not vested prior to a Change in Control shall be removed and the securities shall be freely transferable, notwithstanding the terms of the relevant restricted stock or securities agreements and regardless of whether the conditions set forth in the relevant restricted stock or securities agreements have been satisfied in full;

(e) if an Executive's employment is terminated by the Company other than as a result of the occurrence of an event of Termination for Cause or by an Executive after the occurrence of an event of Termination for Good Reason, notwithstanding the terms of the relevant deferred stock unit award agreement and regardless of whether the conditions set forth in the relevant deferred stock unit award agreement have been satisfied in full, all restrictions on any deferred stock units granted to an Executive which have not vested and are held by the Executive prior to a Change in Control shall lapse and the Company shall issue to the Executive one share of the Voting Securities of the Company in exchange for each such deferred stock unit and pay any dividend equivalents associated with such deferred stock units, (x) on the date of the Executive's Separation from Service if the Executive is not a Specified Employee or (y) on the date that is six months following the Executive's Separation from Service if the Executive is a Specified Employee;

(f) if an Executive's employment is terminated by the Company other than as a result of the occurrence of an event of Termination for Cause or by an Executive after the occurrence of an event of Termination for Good Reason, notwithstanding the terms of the relevant performance unit award agreement and regardless of whether the conditions set forth in the relevant performance unit award agreement have been satisfied in full, all restrictions on any performance units granted to an Executive on December 12, 2016, which have not vested and are held by the Executive prior to a Change in Control shall lapse and the Company shall issue to the Executive one share of the Voting Securities of the Company in exchange for each such performance unit and pay any dividend equivalents associated with such performance units, (x) on the date of the Executive's Separation from Service if the Executive is not a Specified Employee or (y) on the date that is six months following the Executive's Separation from Service if the Executive is a Specified Employee; and

(g) all other awards granted to an Executive under one of the Company's long-term incentive plans that are not specifically covered under any of the preceding provisions of this Section 4.1 shall be governed by the terms of the relevant award agreements and the vesting conditions set forth in such agreements.

4.2 Benefits Following Termination of Employment. If an Executive's employment by the Company is terminated (whether by the Executive or the Company or automatically upon the Executive's death or Disability) after the occurrence of a Change in Control, the Executive is entitled to the following benefits (except to the extent limited by Section 4.3):

(a) ***Termination for Cause or Without Good Reason***. If an Executive's employment is terminated by the Company as a result of the occurrence of an event of Termination for Cause or by an Executive before the occurrence of an event of Termination for Good Reason, then the Company will pay the Executive (A) the Accrued Obligations within 30 days after the Termination Date and (B) any other amounts or benefits provided under any plan, policy, practice, program, contract or arrangement of or provided by the Company, including, but not limited to, the Benefit Plans, which shall be governed by the terms thereof (except as explicitly modified by this Plan).

(b) ***Termination as a Result of Executive's Death***. If an Executive's employment is automatically terminated as a result of the Executive's death, then the Company will pay to the Executive's estate or beneficiaries, as applicable, (A) the Accrued Obligations within 30 days after the date of the Executive's death and (B) any other amounts or benefits provided under any plan, policy, practice, program, contract or arrangement of or provided by the Company, including, but not limited to, the Benefit Plans, which shall be governed by the terms thereof (except as explicitly modified by this Plan).

(c) ***Termination as a Result of Executive's Disability***. If an Executive's employment is automatically terminated as a result of the Executive's Disability, then the Company will pay to the Executive, as applicable, (A) the Accrued Obligations within 30 days after the Termination Date and (B) any other amounts or benefits provided under any plan, policy, practice, program, contract or arrangement of or provided by the Company, including, but not limited to, the Benefit Plans, which shall be governed by the terms thereof (except as explicitly modified by this Plan).

(d) ***Termination Without Cause or For Good Reason***. If an Executive's employment is terminated by the Company other than as a result of the occurrence of an event of Termination for Cause or by an Executive after the occurrence of an event of Termination for Good Reason, then the Executive is entitled to the following:

(1) the Company will pay to the Executive the Accrued Obligations within 30 days after the Termination Date;

(2) the Company will pay to the Executive an amount equal to two (2) times the sum of (A) the amount (including any deferred portion thereof) of the Base Salary for the Fiscal Year in which the Termination Date occurs or for the immediately preceding Fiscal Year, whichever is higher; and (B) an amount equal

to the greater of (a) the Executive's target bonus for the Fiscal Year in which the Termination Date occurs and (b) the Executive's target bonus for the Fiscal Year immediately preceding the Fiscal Year in which the Termination Date occurs; provided, that (x) if the Change in Control giving rise to the payments in this Section 4.2(d)(2) constitutes a "change in control" within the meaning of Section 409A, the Company shall pay to the Executive these amounts within 30 days after the Termination Date or (y) if such Change in Control does not constitute a "change in control" within the meaning of Section 409A, the Company shall pay the amounts specified in this Section 4.2(d)(2) in equal installments over 24 months following the Termination Date in accordance with the customary payroll practices of the Company as if Executive was employed at the time, commencing on the first Company payroll date immediately following the 38th day after the Termination Date (the "***First Payment Date***"), and any installment that would have otherwise been paid pursuant to the customary payroll practices of the Company prior to the First Payment Date shall instead be accumulated and paid on the First Payment Date;

(3) The Company shall pay to the Executive, within 30 days after the Termination Date, an amount equal to the product of (A) the total monthly basic life insurance premium (both the portion paid by the Company and the portion paid by the Executive) applicable to the Executive's basic life insurance coverage on his Termination Date and (B) 24; provided, that, if a conversion option is applicable under the Company's group life insurance program, the Executive may, at his option, convert his basic life insurance coverage to an individual policy after his Termination Date by completing the forms required by the Company;

(4) the Company (at its sole expense) shall take the following actions:

(A) throughout the period beginning on the Termination Date and ending on the first to occur of the second anniversary of the Termination Date, or the date on which the Executive becomes employed on a full-time basis by another person (the "***Coverage Period*")**, the Company shall maintain in effect, and not materially reduce the benefits provided by the Company's group health plan in which the Executive was a participant immediately before the Termination Date; and

(B) the Company shall arrange for the Executive's uninterrupted participation throughout the Coverage Period in the Company's group health plan in which the Executive was a participant immediately before the Termination Date;

provided that if the Executive's participation after the Termination Date in such group health plan is not permitted by the terms of that plan, then throughout the Coverage Period, the Company (at its sole expense) shall provide the Executive with substantially the same benefits that were provided to the Executive by that plan immediately before the Termination Date. If the Executive is a Specified Employee and the benefits specified in this Section 4.2(d)(4) are taxable to the Executive and not otherwise exempt from Section 409A, the following provisions shall apply to the reimbursement or provision of such benefits. Any amounts to which the Executive would otherwise be entitled under this Section 4.2(d)(4) during the first six months following the date of the Executive's Termination Date shall be accumulated and paid to the Executive on the date that is six months following the Termination Date. The Executive shall be eligible for reimbursement for covered welfare expenses, or for the provision of such benefits on an in-kind basis, during the Coverage Period. The amount of such welfare benefit expenses eligible for reimbursement or the in-kind benefits provided under this Section 4.2(d)(4), during the Executive's taxable year will not affect the expenses eligible for reimbursement, or the in-kind benefits to be provided, in any other taxable year (with the exception of applicable lifetime maximums applicable to medical expenses or medical benefits described in section 105(b) of the Code). The Company shall reimburse an eligible welfare benefit expense that is not a nontaxable insured benefit on or before the last day of the Executive's taxable year following the taxable year in which the expense was incurred. The Executive's right to reimbursement or direct provision of benefits under this Section 4.2(d)(4) is not subject to liquidation or exchange for another benefit; and

(5) the Executive shall be entitled to any other amounts or benefits provided under any plan, policy, practice, program, contract or arrangement of or provided by the Company, including, but not limited to, the Benefit Plans, which shall be governed by the terms thereof (except as explicitly modified by this Plan).

(6) Each payment required to be made to Executive pursuant to Section 4.2 shall be made by check drawn on an account of the Company or the Successor at a bank located in the United States of America.

4.3 Limitation on Benefits Payable. Notwithstanding anything herein to the contrary, in the event that the Company's then current independent registered public accounting firm (the "***Accounting Firm***") shall determine that any payment or distribution of any type to or for the Executive's benefit made by the Company, by any of its affiliates, by any person who acquires ownership or effective control of the Company or ownership of a substantial portion of the Company's assets (within the meaning of Section 280G of the Code and the regulations thereunder) or by any affiliate of such person, whether paid or payable or distributed or distributable pursuant to the terms of the Plan or otherwise (collectively, the "***Total Payments***"), would be subject to the excise tax imposed by Section 4999 of Code or any interest or penalties with respect to such excise tax (such excise tax, together with any such interest or penalties, are collectively referred to as the "***Excise Tax***"), then the Accounting Firm shall determine whether such payments or distributions or benefits shall be reduced to such lesser amount as would result in no portion of such payments or distributions or benefits being subject to the Excise Tax. Such reduction shall occur if and only to the extent that it would result in the Executive retaining, on an after-tax basis (taking into account federal, state and local income taxes, employment, social security and Medicare taxes, the imposition of the Excise Tax and all other taxes, determined by applying the highest marginal rate under Section 1 of the Code and under state and local laws which applied (or is likely to apply) to the Executive's taxable income for the tax year in which the transaction which causes the application of Section 280G of the Code occurs, or such other rate(s) as the Accounting Firm determines to be likely to apply to the Executive in the relevant tax year(s) in which any of the Total Payments is expected to be made) a larger amount as a result of such reduction than the Executive would receive, on a similar after tax basis, if the Executive received all of the Total Payments. If the Accounting Firm determines that the Executive would not retain a larger amount on an after-tax basis if the Total Payments were so reduced, then the Executive shall retain all of the Total Payments. If the Total Payments are to be reduced, the reduction shall occur in the following order: (1) reduction of cash payments for which the full amount is treated as a "parachute payment" (as defined under Section 280G of the Code and the regulations thereunder); (2) cancellation of accelerated vesting (or, if necessary, payment) of cash awards for which the full amount is not treated as a parachute payment; (3) reduction of any continued employee benefits; and (4) cancellation or reduction of any accelerated vesting of equity awards. In selecting the equity awards (if any) for which vesting will be cancelled or reduced under clause (4) of the preceding sentence, awards shall be selected in a manner that maximizes the after-tax aggregate amount of reduced Total Payments provided to the Executive, provided that if (and only if) necessary in order to avoid the imposition of an additional tax under Section 409A, awards instead shall be selected in the reverse order of the date of grant. If two or more equity awards are granted on the same date, each award will be reduced on a pro-rata basis. The Executive and the Company shall furnish such documentation and documents as may be necessary for the Accounting Firm to perform the requisite Section 280G of the Code computations and analysis, and the Accounting Firm shall provide a written report of its determinations, hereunder, including detailed supporting calculations. If the Accounting Firm determines that aggregate Total Payments should be reduced as described above, it shall promptly notify the Executive and the Company to that effect. In the absence of manifest error, all determinations made by the Accounting Firm under this Section 6(i) shall be binding on the Executive and the Company and shall be made as soon as reasonably practicable and in no event later than thirty (30) days following the later of the Executive's date of termination of employment or the date of the transaction which causes the application of Section 280G of the Code. The Company shall bear all costs, fees and expenses of the Accounting Firm.

To the extent requested by the Executive, the Company shall cooperate with the Executive in good faith in valuing, and the Accounting Firm shall take into account the value of, services to be provided by the Executive (including the Executive agreeing to refrain from performing services pursuant to a covenant not to compete) before, on or after the date of the transaction which causes the application of Section 280G of the Code such that payments in respect of such services may be considered to be "reasonable compensation" within the meaning of Q&A-9 and Q&A-40 to Q&A-44 of the final regulations under Section 280G of the Code and/or exempt from the definition of the term "parachute payment" within the meaning of Q&A-2(a) of such final regulations in accordance with Q&A-5(a) of such final regulations.

If it is ultimately determined (by IRS private letter ruling or closing agreement, court decision or otherwise) that the Executive's Total Payments were reduced by too much or by too little in order to accomplish the purpose of this Section 4.3, the Executive and the Company shall promptly cooperate to correct such underpayment or overpayment in a manner consistent with the purpose of this Section 4.3.

4.4 Tax Year. If a payment under Section 4.2 or any other provision of the Plan is payable during a period that includes more than one taxable year the Executive shall have no right to specify the taxable year during which such payment shall be made.

4.5 Other Employment Arrangements. Notwithstanding anything contained in this Plan to the contrary, if following the commencement of any discussion with a third person (but excluding any discussions with an investment banker, attorney, accountant or other advisor engaged by the Company) that ultimately results in a Change in Control, (i) the Executive's employment with the Company is terminated, (ii) the Executive's duties are materially changed or the Executive's status and position with the Company is materially diminished, (iii) the Executive's Base Salary is reduced, or (iv) the Executive's annual bonus potential is reduced to an amount less than the Benchmark Bonus, then for all purposes of the Plan, such Change in Control shall be deemed to have occurred on the date immediately prior to the date of such termination, change, diminution, or reduction, and (x) any payments and benefits payable under any employment agreement between the Company and the Executive shall be paid in accordance with the terms thereof and (y) the Executive shall be entitled to receive any additional payments and benefits provided for herein or otherwise hereunder, in the manner set forth in the Plan. In the event Executive is a Specified Employee on his Termination Date, for purposes of this Section 4.5, his right to payment and form of payment under his employment agreement will be considered fixed on his Termination Date and payable under his employment agreement, even if such payments have not actually commenced as of the Change in Control. For the avoidance of doubt, any payment made or benefit provided or to be provided under any employment agreement between the Company and the Executive that is duplicative of any payment made or to be made, or benefit provided or to be provided, under the Plan, shall reduce on a dollar for dollar basis the payment to be made or benefit to be provided under the Plan; provided, however, that in the event that the payment shall be delayed pursuant to Section 409A as further described in Section 4.2(d)(2), then any payment made or benefit provided or to be provided under the Plan that is duplicative of any payment made or to be made, or benefit provided or to be provided, under any employment agreement between the Company and the Executive, shall reduce on a dollar for dollar basis the payment to be made or benefit to be provided under such employment agreement.

4.6 Legal Fees. If a Change in Control shall have occurred before the expiration of the Term of the Plan, then, upon demand by the Executive made to the Company, the Company shall reimburse the Executive for the reasonable expenses (including attorneys' fees and expenses) incurred by the Executive in enforcing or seeking to enforce, in good faith, the payment of any amount or other benefit to which the Executive shall have become entitled pursuant to the Plan. Such payments under this Section 4.6 shall be made within ten (10) business days after the delivery of the Executive's written request for the payment accompanied by such evidence of fees and expenses incurred as the Company may reasonably require. The fees or expenses that are subject to reimbursement pursuant to this Section 4.6 shall not be limited as a result of when the fees or expenses are incurred. The amounts of fees and expenses that are eligible for reimbursement pursuant to this Section 4.6 during a given taxable year of the Executive shall not affect the amount of fees and expenses eligible for reimbursement in any other taxable year of the Executive. The right to reimbursement pursuant to this Section 4.6 is not subject to liquidation or exchange for another benefit. The Executive shall repay to the Company any expenses reimbursed by the Company pursuant to this Section 4.6 if a court of competent jurisdiction shall have determined by a final, non-appealable order, that the expenses to be repaid were incurred solely by reason of the Executive not acting in good faith in incurring such expenses.

5. TERMINATION PROCEDURES

5.1 Notice of Termination. After a Change in Control and during the Term of the Plan, any purported termination of the Executive's employment by the Company or the Executive, or any determination of Disability, shall be communicated by notice to the other party that shall indicate the specific paragraph of Section 4.2 pursuant to which the Executive is to receive benefits as a result of the termination. If the notice states that the Executive's employment by the Company has been automatically terminated as a result of the Executive's Disability, the notice shall (a) specifically describe the basis for the determination of the Executive's Disability, and (b) state the date of the determination of the Executive's Disability and the date of the termination of his employment, which date shall be not more than ten (10) days before the date such notice is given. If the notice is from the Company and states that the Executive's employment by the Company is terminated by the Company as a result of the occurrence of Termination for Cause, the notice shall specifically describe the action or inaction of the Executive that the Company believes constitutes Termination for Cause and shall be accompanied by a certified copy of the resolution satisfying the requirements of Section 2.34. If the notice is from the Executive and states that the Executive's employment by the Company is terminated by the Executive as a result of the occurrence of Termination for Good Reason, the notice shall specifically describe the action or inaction of the Company that the Executive believes constitutes Termination for Good Reason and shall be given by the Executive to the Company within ninety (90) days following the Executive's knowledge of the initial condition which the Executive believes constitutes an Event of Termination for Good Reason. Each notice given pursuant to this Section 5.1 (other than a notice stating that the Executive's employment by the Company has been automatically terminated as a result of the Executive's Disability) shall state a date, which shall be not fewer than thirty (30) days nor more than sixty (60) days after the date such notice is given, on which the termination of the Executive's employment by the Company is effective and if the notice is given by the Executive with respect to Termination for Good Reason, the Company shall have the opportunity to remedy the action or inaction that constitutes the Termination for Good Reason prior to the Termination Date stated in the notice and upon the Company doing so the notice shall be deemed withdrawn. No purported termination of the Executive's employment by the Company after a Change in Control and during the Term of the Plan shall be effective unless the Company complies with the procedures set forth in this Section 5.1.

5.2 Dispute Concerning Termination. If within fifteen (15) days after any Notice of Termination is given, or, if later, prior to the Termination Date (as determined without regard to this Section 5.2), the party receiving such Notice of Termination notifies the other party that a dispute exists concerning the termination, the Termination Date shall be extended until the earlier of (a) the date on which the Term of the Plan ends or (b) the date on which the dispute is finally resolved, either by mutual written agreement of the parties or by a final judgment, order or decree of an arbitrator or a court of competent jurisdiction (which is not appealable or with respect to which the time for appeal therefrom has expired and no appeal has been perfected); provided, however, that the Termination Date shall be extended by a notice of dispute given by the Executive only if such notice is given in good faith and the Executive pursues the resolution of such dispute with reasonable diligence.

6. WITHHOLDING

The Company may withhold from any benefits paid under the Plan all income, employment, and other taxes required to be withheld under applicable law.

7. DEATH OF EXECUTIVE

If an Executive dies after his Termination Date but before the Executive receives full payment of the benefits to which he is entitled, any unpaid benefits will be paid to the Executive's surviving spouse, or if the Executive does not have a surviving spouse, to the Executive's estate.

8. AMENDMENT AND TERMINATION

Subject to the restrictions set forth in this Section 8, the Board of Directors may amend or terminate the Plan at any time. After a Change in Control occurs, the Plan may not be terminated or amended in any manner that would negatively affect an Executive's rights under the Plan. Further, the Board of Directors may not amend or terminate the Plan in anticipation of a Change in Control in any manner that would negatively affect an Executive's rights under the Plan. If a Change in Control occurs within 12 months after the date the Board of Directors amends or terminates the Plan then there shall be a rebuttable presumption that the amendment or termination of the Plan was made in anticipation of a Change in Control and shall not be effective in any manner that would negatively affect an Executive's rights under the Plan unless the Company rebuts such presumption by clear and convincing evidence.

9. ADOPTION OF PLAN BY AFFILIATES

(a) With the written approval of the Committee, any entity that is an Affiliate may adopt the Plan by appropriate action of its board of directors or noncorporate counterpart, as evidenced by a written instrument executed by an authorized officer of such entity or an executed adoption agreement (approved by the board of directors or noncorporate counterpart of the Affiliate), agreeing to be bound by all the terms, conditions and limitations of the Plan and providing all information required by the Committee.

(b) The provisions of the Plan shall apply separately and equally to each adopting Affiliate in the same manner as is expressly provided for the Company, except that the power to appoint the Committee and the power to amend or terminate the Plan shall be exercised by the Company.

(c) For purposes of the Code and ERISA, the Plan as adopted by the Affiliates shall constitute a single plan rather than a separate plan of each Affiliate.

10. DISPUTED PAYMENTS AND FAILURES TO PAY

If the Company fails to make a payment in whole or in part as of the payment deadline specified in the Plan, either intentionally or unintentionally, other than with the express or implied consent of the Executive, the Executive shall make prompt and reasonable good faith efforts to collect the remaining portion of the payment. The Company shall pay any such unpaid benefits due to the Executive, together with interest on the unpaid benefits from the date of the payment deadline specified in the Plan at an annual rate equal to 120 percent of the applicable Federal rate provided for in section 1274(d) of the Code, within ten (10) business days of discovering that the additional monies are due and payable.

The Company shall hold harmless and indemnify the Executive on a fully grossed-up after tax basis from and against (i) any and all taxes imposed under Section 409A (and any comparable state statutes) by any taxing authority as a result of the Company's failure to comply with this Section 10 and all penalties and interest with respect to the Company's failure to comply with this Section 10, and (ii) all expenses (including reasonable attorneys', accountants', and experts' fees and expenses) incurred by the Executive due to a tax audit or litigation addressing the existence or amount of a tax liability described in clause (i); and (iii) the amount of additional taxes (including penalties and interest) imposed upon the Executive due to the Company's payment of the initial taxes penalties, interest and expenses described in clauses (i) and (ii).

The Company shall make a payment to reimburse the Executive in an amount equal to all federal, state and local taxes imposed upon the Eligible Individual that are described in clauses (i) and (iii) of the foregoing paragraph of this Section 10, including the amount of additional taxes imposed upon the Executive due to the Company's payment of the initial taxes on such amounts, by the end of the Executive's taxable year next following the Executive's taxable year in which the Executive remits the related taxes to the taxing authority. The Company shall make a payment to reimburse the Executive in an amount equal to all expenses and other amounts incurred due to a tax audit or litigation addressing the existence or amount of a tax liability pursuant to clause (ii) of the foregoing paragraph of this Section 10, by the end of Executive's taxable year following the Executive's taxable year in which the taxes that are the subject of the audit or litigation are remitted to the taxing authority, or where as a result of such audit or litigation no taxes are remitted, the end of the Executive's taxable year following the Executive's taxable year in which the audit is completed or there is a final and nonappealable settlement or other resolution of the litigation.

11. Forfeiture for Cause

11.1 Forfeiture Determination. Notwithstanding any other provision of the Plan, if a determination is made as provided in Section 11.2 (a "***Forfeiture Determination***") that (a) the Executive, before or after the termination of the Executive's employment with the Company and all Affiliates, (i) committed fraud, embezzlement, theft, felony or an act of dishonesty (as defined below) in the course of his employment by the Company or an Affiliate, (ii) knowingly caused or assisted in causing the publicly released financial statements of the Company to be misstated or the Company or a subsidiary of the Company to engage in criminal misconduct, (iii) disclosed trade secrets of the Company or an Affiliate or (iv) violated the terms of any noncompetition, non-disclosure or similar agreement with respect to the Company or any Affiliate to which the Executive is a party; and (b) in the case of the actions described in clause (i), (iii) and (iv), such action materially and adversely affected the Company, then at or after the time such Forfeiture Determination is made the Board of Directors, in good faith, if such Forfeiture Determination is made prior to a Change in Control, or, as determined by a final, non-appealable order of a court of competent jurisdiction, if such Forfeiture Determination is made after a Change in Control, as a fair and equitable forfeiture to reflect the harm done to the Company and a reduction of the benefit bestowed on the Executive had the facts existing at the time the benefit was bestowed that led to the Forfeiture Determination been known to the Company at the time the benefit was bestowed, may determine that some or all (x) benefits payable or to be provided, or previously paid or provided, under the Plan to the Executive (including any payment previously paid to the Executive under Section 4.2 or legal expense reimbursement payment under Section 4.6), (y) cash bonuses paid on or after the Effective Date by the Company to the Executive under any plan, program, policy, practice, contract or agreement of the Company or (z) equity awards granted to the Executive under any plan, program, policy, practice, contract or agreement of the Company that vested on or after the Effective Date, will be forfeited to the Company on such terms as determined by the Board of Directors or the final, non-appealable order of a court of competent jurisdiction. For purposes of Section 11, an "***act of dishonesty***" shall require a material breach by Executive of his duties, obligations or undertakings owed to or on behalf of the Company, as determined by the Board. In determining whether a matter materially and adversely affects the Company, the Board shall be entitled to consider all relevant factors and exercise business judgment in making such determination, including but not limited to the financial consequences, adverse reputational consequences or legal consequences to the Company and/or its subsidiaries, individually or taken as a whole, as a result of such action.

11.2 Decision-Making Authority. A Forfeiture Determination for purposes of Section 11.1 shall be made (a) before the occurrence of a Change in Control, by a majority vote of the Board of Directors and (b) on or after the occurrence of a Change in Control, by the final, non-appealable order of a court of competent jurisdiction. The findings and decision of the Board of Directors with respect to a Forfeiture Determination made before the occurrence of a Change in Control, including those regarding the acts of the Executive and the damage done to the Company, will be final for all purposes absent a showing by clear and convincing evidence of manifest error by, or a lack of good faith on the part of, the Board of Directors; provided, that, any disagreements as to whether the Board lacked good faith or its decision resulted from manifest error shall be subject to resolution in accordance with Section 13.7 hereof. No decision of the Board of Directors, however, will affect the finality of the discharge of the Executive by the Company or an Affiliate.

12. ADMINISTRATION OF THE PLAN

12.1 Plan Administrator. The general administration of the Plan on behalf of the Company (as plan administrator under Section 3(16)(A) of ERISA) shall be placed with the Committee. The Committee shall have the full discretionary power and authority to construe, interpret and administer the Plan, to make eligibility determinations, to correct deficiencies in the Plan and to supply omissions. All decisions, actions and interpretations of the Committee shall be final, binding and conclusive upon the parties.

12.2 Accounts and Records. The Committee shall maintain such accounts and records regarding the fiscal and other transactions of the Plan and such other data as may be required to carry out its function under the Plan and to comply with applicable laws. The Plan Administrator shall prepare and file as required by law or regulation all reports, forms, documents, and other items required by ERISA, the Code and other relevant statutes, each as amended from time to time, and all regulations thereunder.

12.3 Unfunded Status of Plan. The Plan shall be "unfunded" for the purposes of ERISA and the Code and the benefits and payments to be paid under the plan shall be paid out of the general assets of the Company as and when payable under the Plan. All Executives shall be solely unsecured creditors of the Company. If the Company decides in its sole discretion to establish any advance reserve on its books against the future expense of the potential payments hereunder, or, if the Company decides in its sole discretion to fund a trust under the Plan, such reserve or trust shall not under any circumstances be deemed to be an asset of the Plan.

13. MISCELLANEOUS

13.1 Plan Not an Employment Contract. The adoption and maintenance of the Plan is not a contract between the Company and its employees that gives any employee the right to be retained in its employment. Likewise, it is not intended to interfere with the rights of an Employer to terminate an employee's employment at any time with or without notice and with or without cause or to interfere with an employee's right to terminate his employment at any time.

13.2 Alienation Prohibited. No benefits hereunder shall be subject to anticipation or assignment by an Executive, to attachment by, interference with, or control of any creditor of an Executive, or to being taken or reached by any legal or equitable process in satisfaction of any debt or liability of an Executive prior to its actual receipt by the Executive. Any attempted conveyance, transfer, assignment, mortgage, pledge, or encumbrance of the benefits hereunder prior to payment thereof shall be void.

13.3 Number and Gender. As used in the Plan, unless the context otherwise expressly requires to the contrary, references to the singular include the plural, and vice versa; references to the masculine include the feminine and neuter; references to "including" mean "including (without limitation)"; and references to Sections and clauses mean the sections and clauses of the Plan.

13.4 Headings. The headings of Sections herein are included solely for convenience, and if there is any conflict between such headings and the text of the Plan, the text shall control.

13.5 Severability. Each provision of the Plan may be severed. If any provision is determined to be invalid or unenforceable, that determination shall not affect the validity or enforceability of any other provision.

13.6 Binding Effect. The Plan shall be binding upon any successor of the Company. Further, the Board of Directors shall not authorize a Change in Control that is a merger or a sale transaction unless the purchaser or the Company's successor agrees to take such actions as are necessary to cause all Executives to be paid or provided all benefits due under the terms of the Plan as in effect immediately prior to the Change in Control.

13.7 Claims Procedure. All claims by an Executive for benefits under the Plan shall be directed to and determined by the Committee and shall be in writing. Any denial by the Committee of a claim for benefits under the Plan shall be delivered to the Executive in writing within thirty (30) days after written notice of the claim is provided to the Company in accordance with Section 13.10 and shall set forth the specific reasons for the denial, the specific provisions of the Plan relied upon, a description of any additional material or information necessary for the Executive to perfect the claim (explaining why such material or information is needed) and shall advise the Executive of the right to appeal the decision and the procedure for doing so. The Committee shall afford a reasonable opportunity to the Executive for a review of the decision denying a claim and shall further allow the Executive to appeal to the Committee a decision of the Committee after notification by the Committee that the Executive's claim has been denied. All appeals shall be made by the following procedure:

(a) Executive shall file with the Committee a notice appealing the denial. Such notice shall be filed within sixty (60) days of notification by the Committee of the claim denial, shall be made in writing, and shall set forth all of the facts upon which the appeal is based. Appeals not timely filed shall be barred.

(b) A determination of an appealed claim shall be delivered to Executive within ninety (90) days of after written notification of the appeal is received by the Committee in accordance with Section 13.10 and shall be accompanied by a written statement as to the reason or reasons therefor, the specific provisions of the Plan relied upon, a statement that the Executive is entitled to receive, upon request and free of charge, reasonable access to (and copies of) all documents, records and other information relevant to the claim and a statement of the Executive's right to bring a civil action under Section 502(a) of ERISA.

13.8 No Mitigation. The Company agrees that if the Executive's employment with the Company terminates during the Term of the Plan, the Executive is not required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive by the Company pursuant to the Plan. Further, except as expressly provided otherwise herein, the amount of any payment or benefit provided for in the Plan shall not be reduced by any compensation earned by the Executive as the result of employment by another employer, by retirement benefits, by offset against any amount claimed to be owed by the Executive to the Company, or otherwise.

13.9 Other Amounts Due. Except as expressly provided otherwise herein, the payments and benefits provided for in the Plan are in addition to and not in lieu of amounts and benefits that are earned by an Executive prior to his Termination Date. The Company shall pay an Executive any compensation earned through the Termination Date but not previously paid to the Executive. Further the Executive shall be entitled to any other amounts or benefits due the Executive in accordance with any contract, plan, program or policy of the Company or any of its Affiliates. Amounts that the Executive is entitled to receive under any plan, program, contract or policy of the Company or any of its Affiliates at or subsequent to the Executive's

Termination Date shall be payable or otherwise provided in accordance with such plan, program, contract or policy, except as expressly modified herein.

13.10 Notices. For the purpose of the Plan, notices and all other communications provided for in the Plan shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States registered mail, return receipt requested, postage prepaid, addressed, if to the Executive, to the residential address listed on the Executive's notification of participation and, if to the Company, to 6100 Stevenson Blvd, Fremont, California 94538, directed to the attention of the General Counsel of the Company, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon actual receipt.

13.11 Governing Law. To the extent legally required, the Code and ERISA shall govern the Plan and, if any provision hereof is in violation of any applicable requirement thereof, the Company reserves the right to retroactively amend the Plan to comply therewith. To the extent not governed by the Code and ERISA, the provisions of the Plan shall be governed by the laws of the State of Texas, without reference to rules relating to conflicts of law.

13.12 Compliance With Section 409A. The Company intends that any amounts or benefits payable or provided under the Plan shall comply with Section 409A so as not to subject Executive to the payment of the tax, interest and any tax penalty which may be imposed under Section 409A. The provisions of the Plan shall be interpreted and administered in a manner that complies with Section 409A. The Company will not take any action or omit to take any action that would expose any payment or benefit to Executive to additional tax under Section 409A. In furtherance thereof, to the extent that any provision hereof would otherwise result in Executive being subject to payment of tax, interest and tax penalty under Section 409A, the Company agrees to amend the Plan in a manner that brings the Plan into compliance with Section 409A and preserves to the maximum extent possible economic value to the relevant payment or benefit under the Plan to Executive. Each payment in a series of payments or installments hereunder shall be treated as a separate payment for purposes of Section 409A. To the extent that a reimbursement amount is subject to Section 409A, the Company will pay Executive the reimbursement amount due, if any, in any event before the last day of Executive's taxable year following the taxable year in which the expense was incurred. Executive's rights to any reimbursements are not subject to liquidation or exchange for another benefit. The amount of expense reimbursements for which Executive is eligible during any taxable year will not affect the amount of any expense reimbursements for which Executive is eligible in any other taxable year. Notwithstanding anything contained herein to the contrary, (i) in no event shall the Termination Date occur until Executive experiences a Separation from Service and the date upon which Separation from Service takes place shall be the "***Termination Date***" and (ii) in the event Executive is a Specified employee as of the date of his separation from service, amounts and benefits that are properly treatable as deferred compensation (within the meaning of Section 409A, and after taking into account all exclusions applicable to such payment under Section 409A) that would otherwise be payable or provided hereunder shall not be made prior to the first business day after the earlier of (x) the expiration of six months from the date of Executive's Separation from Service for any reason other than death or (ii) the date of Executive's death (such first business day, the "***Delayed Payment Date***"). On the Delayed

Payment Date, the Company shall pay to Executive or, if has died, to his estate, in a single cash lump sum, an amount equal to the aggregate amount of all payments delayed pursuant to the preceding sentence with interest for the period commencing on the date of the Executive's Termination Date until the date of payment of such amounts, calculated using an interest rate of eight percent (8%) per annum (the "***Interest Amount***").

IN WITNESS WHEREOF, the Company has caused the Plan, as amended and restated, to be executed by its duly authorized officer effective as of September 1, 2017.

TAILORED BRANDS, INC.

By: /s/ DOUGLAS S. EWERT
Name: Douglas S. Ewert
Title: Chief Executive Officer

Exhibit 31.1

Certifications

I, Douglas S. Ewert, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Tailored Brands, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15 (e) and 15d-15 (e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: September 7, 2017

By /s/ DOUGLAS S. EWERT
Douglas S. Ewert
Chief Executive Officer

Exhibit 31.2

Certifications

I, Jack P. Calandra, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Tailored Brands, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15 (e) and 15d-15 (e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: September 7, 2017

By /s/ JACK P. CALANDRA
Jack P. Calandra
Executive Vice President, Chief Financial Officer
and Treasurer

Exhibit 32.1

Certification Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of The Sarbanes-Oxley Act of 2002

Not Filed Pursuant to the Securities Exchange Act of 1934

In connection with the Quarterly Report of Tailored Brands, Inc. (the "Company") on Form 10-Q for the period ending July 29, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Douglas S. Ewert, Chief Executive Officer of the Company, certify, pursuant to 18 U. S. C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirement of Section 13(a) or 15 (d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: September 7, 2017

By /s/ DOUGLAS S. EWERT
Douglas S. Ewert
Chief Executive Officer

Exhibit 32.2

Certification Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of The Sarbanes-Oxley Act of 2002

Not Filed Pursuant to the Securities Exchange Act of 1934

In connection with the Quarterly Report of Tailored Brands, Inc. (the "Company") on Form 10-Q for the period ending July 29, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jack P. Calandra, Chief Financial Officer of the Company, certify, pursuant to 18 U. S. C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirement of Section 13(a) or 15 (d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: September 7, 2017

By /s/ JACK P. CALANDRA
Jack P. Calandra
Executive Vice President, Chief Financial Officer
and Treasurer