



CreditRiskMonitor's warning of Francesca's Holdings Corp.'s ("Francesca's Holdings") bankruptcy risk was determined by a combination of factors:

Monthly Average FRISK [®] Score.....	Page 2
The FRISK [®] Score Components.....	3
Management Discussion and Analysis.....	4
Company Report Detail.....	5
FRISK [®] Deep Dive and Adjusted Market Cap Volatility.....	6
FRISK [®] Stress Index.....	7
Peer Analysis on Alternate Suppliers and Customers.....	8
Quarterly Performance Ratios.....	9
Quarterly Leverage Ratios.....	10
Quarterly Liquidity Ratios and Rates of Return.....	11
Year Over Year Statement of Cash Flows.....	12
News Alerts: A Timeline of Concerning News Items.....	13

About This Report/Contact CreditRiskMonitor [®]	14

MONTHLY AVERAGE FRISK® SCORE

CreditRiskMonitor's FRISK® score had been warning of financial stress at Francesca's Holdings (OTC: FRANQ) for more than a year. The company ultimately filed for bankruptcy on Dec. 3, 2020.

Francesca's Holdings hired a new CEO to replace an interim position; executive management changes need to be monitored carefully.

Its auditor, Ernst & Young, issued a going concern opinion due to sales and cash flow risks related to the COVID-19 pandemic.

Q1 seasonally adjusted revenue declined by 50% YOY and operating losses increased substantially to more than \$35 million.

Business Name	2020											
	J	F	M	A	M	J	J	A	S	O	N	D
Francesca's Holdings Corp.	3	3	2	2	3	3	3	3	1	1	1	1

BANKRUPT!

COVID-19 forces the company to temporarily close all of its store locations, which caused net sales to plummet.

Due to extremely challenging conditions, a variety of potential strategic alternatives were being reviewed.

The FRISK® score is 96% accurate* in predicting the risk of corporate failure/bankruptcy over a 12-month horizon. All FRISK® scores are recalculated every night for each subsequent 12-month period.

FRISK® SCORE: PROBABILITY OF BANKRUPTCY WITHIN 12 MONTHS

	FRISK®	FROM	TO
BEST	10	0.00%	0.12%
	9	0.12%	0.27%
	8	0.27%	0.34%
	7	0.34%	0.55%
	6	0.55%	0.87%
WORST	5	0.87%	1.40%
	4	1.40%	2.10%
	3	2.10%	4.00%
	2	4.00%	9.99%
	1	9.99%	50.00%

While the risk of bankruptcy varies at each FRISK® score, 96% of public companies that eventually go bankrupt enter the FRISK® "red zone" prior to filing. A FRISK® score of 5 or less is an important warning sign.

*FRISK® score accuracy of 96% is based on backtesting of U.S. public companies; results may vary by country.

THE FRISK® SCORE COMPONENTS

At the core of the CreditRiskMonitor® process is our 96% accurate FRISK® score, which indicates a company's level of financial stress on a scale of 1 to 10, based on the probability of bankruptcy over a 12-month horizon. When available, the FRISK® score incorporates a number of powerful risk indicators including:

A “Merton” type model using stock market capitalization and volatility

Financial ratios, including those used in the Altman Z”-Score Model

Bond agency ratings from Moody’s, Fitch, & DBRS Morningstar

Crowdsourced CreditRiskMonitor® Usage Data

[Crowdsourcing](#) has enhanced the accuracy and timeliness of the FRISK® score. We collect and analyze data patterns from thousands of CreditRiskMonitor® subscribers, including professionals from more than 35% of the Fortune 1000 and other large corporations worldwide.

The crowdsourcing advantage is even more powerful in our FRISK® score since many of the professionals who use our service are credit managers:

- Credit managers control one of the largest sources of working capital going into a company
- They are not held to the same “Fair Disclosure” restrictions that prevent non-disclosed information sharing on public companies
- Credit managers use a variety of non-public information sources such as their own company’s management and sales representatives to be alerted to concerns in a public company’s performance
- It is commonly known credit managers confidentially share information with other credit managers, thus collectively, their behavior helps to provide advanced insight to financial problems in public companies

[Read more in Credit Research Foundation’s quarterly journal article, “Assessing Public Company Financial Risk by Crowdsourcing the Research of Credit Professionals”](#)

DO NOT MISS THIS – MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

Making misleading or fraudulent statements in an MD&A is against the law – and Sarbanes-Oxley subjects CEOs and CFOs to heavy fines or even jail time for doing so. A vital feature of the CreditRiskMonitor service is the ability to quickly access a Company’s Management Discussion and Analysis (MD&A) history. Let it sink in: there are no two people in the world with better knowledge of a company’s liquidity risk than the CEO and CFO. More than any credit manager. More than any trade group. And they’re personally liable if they’re lying.

According to the Financial Accounting Standards Board (FASB), “MD&A should provide a balanced presentation that includes both positive and negative information about the topics discussed.”

Report

- Overview
- Company News
- Risk Ratings
- Important Information
- Annual Financials
- Year/Year Interim
- Sequential Quarters
- Liquidity (MD&A)**
- SEC Filings
- Peer Analysis
- Payments
- Public Filings
- General Info
- Access History
- Credit Limit
- Update Portfolio
- Print/Save Report
- Currency Converter
- Send This to a Colleague

Francesca's Holdings Co
8760 Clay Rd
HOUSTON, TX 77080-1859 United States
Phone: (713) 864-1358

Filed for Bankruptcy on 12/3/2020
Case #20-13076, filed in the U.S. Bankruptcy Court for the District of Delaware

Management Discussion and Analysis History

The inclusion of a going concern qualification in the report of our independent registered public accountant on our financial statements for the fiscal year ended February 1, 2020 has resulted in violation of certain covenants under our Amended ABL Credit Agreement and Term Loan Credit Agreement. On May 1, 2020, we entered into a letter agreement (the "JPM Letter Agreement") in connection with our Amended ABL Credit Agreement and a letter agreement (the "Tiger Letter Agreement") in connection with our Term Loan Credit Agreement, in each case, to obtain a waiver from our lenders of any default or event of default arising from our failure to (i) deliver annual audited consolidated financial statements for the fiscal year ended February 1, 2020 without a "going concern" or a like qualification or exception and (ii) pay rent on leased locations for the months of April, May and June, 2020. The JPM Letter Agreement and Tiger Letter Agreement contain certain covenants, including that, in the case of the JPM Letter Agreement, we are required to use the entire net proceeds of any sale of assets, including those sold under the CARES Act to repay certain outstanding borrowings under the JPM Letter Agreement, and that no loans will be made under the ABL Credit Agreement if the amount of cash and cash equivalents on hand is less than \$3.0 million. See Item 9B of this Annual Report for more information. If we are unable to meet our financial covenants or if we have an event of default under the ABL Credit Agreement or Term Loan Credit Agreement, our lenders could instruct the administrative agent to take certain actions, including, declaring the principal of and accrued interest on the loans under the ABL Credit Agreement and Term Loan Credit Agreement to be in default and terminating all remaining commitments and obligations under the ABL Credit Agreement and Term Loan Credit Agreement.

Francesca's Holdings received a going concern opinion that violated its credit agreement covenants about 10 months in advance of its bankruptcy filing. Contact your account manager to discuss these important red flags.

You MUST understand trends, commitments, demands and uncertainties likely to result in a material change in Liquidity and Capital Resources, like if they can continue as a going concern. If you don't, you need help.

COMPANY REPORT DETAIL

Francesca's Holdings Corp

8760 Clay Rd

Phone: (713) 864-1358

HOUSTON, TX 77080-1859 United States

Ticker: **FRANO**

Filed for Bankruptcy on 12/3/2020
Case #20-13076, filed in the U.S. Bankruptcy Court for the District of Delaware

Latest Financial Statements as of 8/1/2020

Business Summary

Francesca's Holdings Corporation is a holding company. The Company is a specialty retailer, which operates a chain of boutiques across the United States. The Company offers a mix of apparel, jewelry, accessories and gifts. The Company offers apparel, such as dresses, fashion tops, sweaters, cardigans and wraps, bottoms, outerwear and jackets, tees and tanks, and intimates. The Company provides jewelry, such as necklaces, earrings, bracelets and rings. The Company offers accessories, such as handbags, clutches, wallets, shoes, belts, hats, scarves, sunglasses, watches, beauty and hair accessories. The Company provides gifts, such as fragrance, candles, bath and body, home accessories, books, wall art, nail polish and miscellaneous items. The Company also serves its customers through www.francescas.com, its e-commerce Website.

(Source: 10-K)

Employees: 1,159 (as of 2/1/2020)

Incorporated: 4/13/2007

Federal Tax Id: 208874704

Credit Score History

[Why are these scores different?](#)

Auditor Information

Score/ Index	2020												2021
	J	F	M	A	M	J	J	A	S	O	N	D	J
FRISK® Score*	3	3	2	2	3	3	3	3	1	1	1	1	F
DBT Index	8	9	8	6	5	7	9	9	8	8	9	8	DBT
Z"-Score	0.79	0.31	-0.54	-1.53	Z"	Z"	Z"	Z"	Z"	Z"	Z"	Z"	Z"

*FRISK® Scores are month-end

Last Audit: 2/1/2020

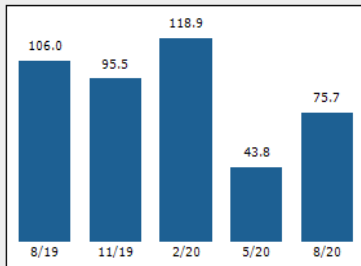
Auditors: Ernst & Young

Opinion:

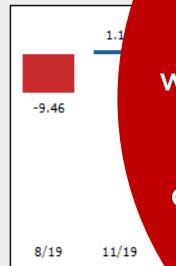
The FRISK® score is a 96% accurate method by which to monitor public company bankruptcy risk.

Payment performance, captured by the Days Beyond Terms (DBT) index, which is very similar to D&B's PAYDEX® score, is not an effective indicator of financial stress for publicly traded companies since they often continue to pay on time right up until their bankruptcy filing. This is what's commonly called the "Cloaking Effect."

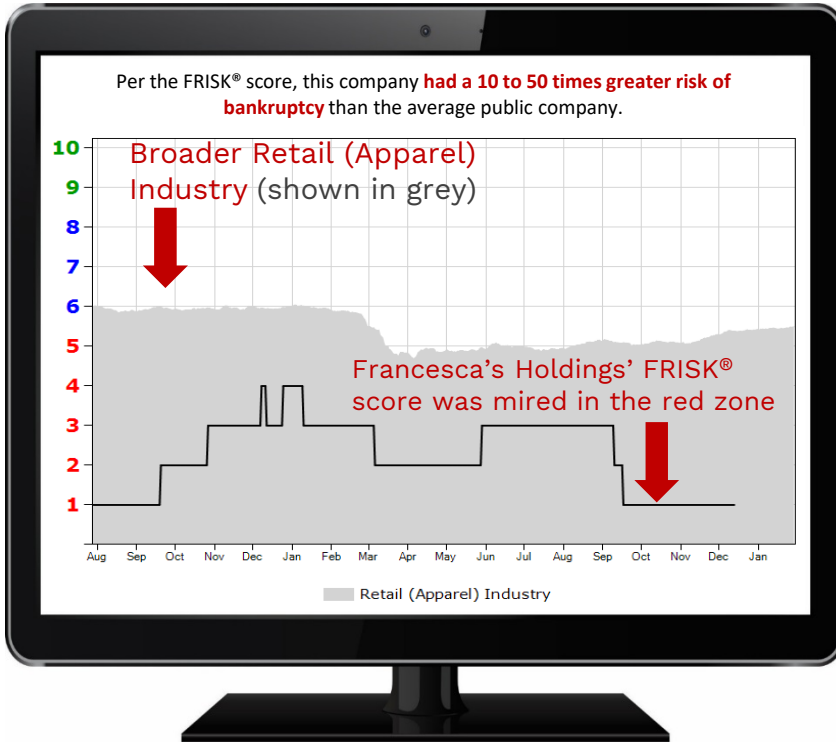
Net Sales(millions)



Working Capital



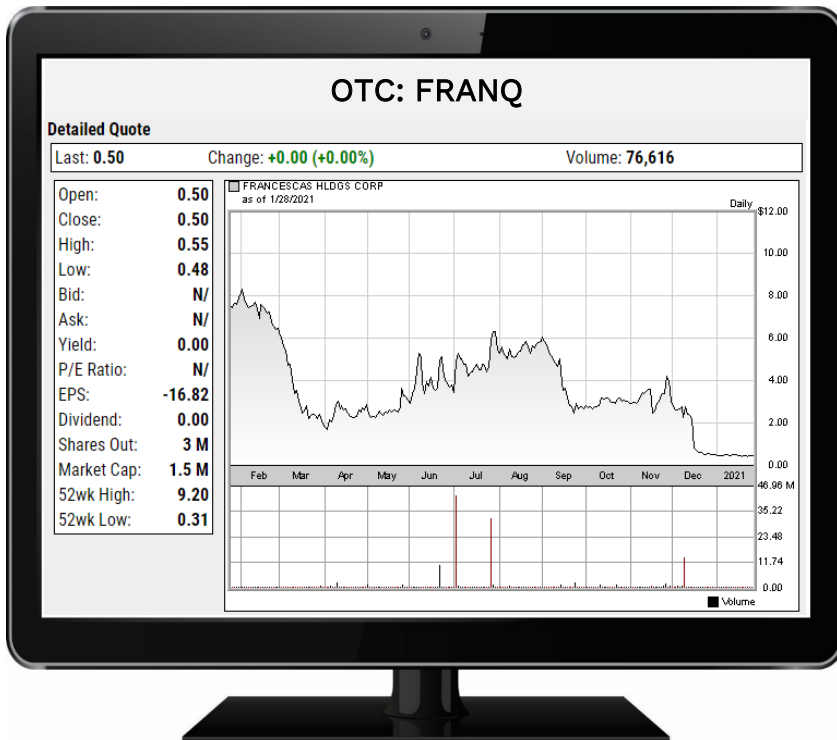
FRISK® DEEP DIVE



The FRISK® score relative to the broader Retail (Apparel) industry raised an additional red flag signaling heightened risk relative to peers, as well...

MAKING IMMEDIATE ATTENTION REQUIRED.

ADJUSTED MARKET CAP VOLATILITY



One of the inputs of the FRISK® score is a company's market cap volatility, adjusted for dividends, over the course of a year. Incorporating this information allows us to capture the "wisdom of markets" on a daily basis. This ensures our subscribers are getting the most up to date view of the risks they face since stocks tend to be more liquid and faster moving than bond prices and ratings.

FRISK® STRESS INDEX

#	Business Name	Country	Current FRISK® score
1	Restoque Comercio e Confecos de Roups SA	Brazil	1
2	Mosaic Brands Ltd	Australia	2
3	Francesca's Holdings Corp	United States	1
4	Christopher & Banks Corporation	United States	1
5	J.Jill Inc	United States	2
6	Rnb Retail and Brands AB (publ)	Sweden	2
7	Ichikura Co Ltd	Japan	1
8	TXM SA w restrukturyzacji	Poland	2
9	Chico's FAS, Inc.	United States	3
10	Palemo Holdings Co Ltd	Japan	3

Primary industry codes only Primary and secondary industry codes

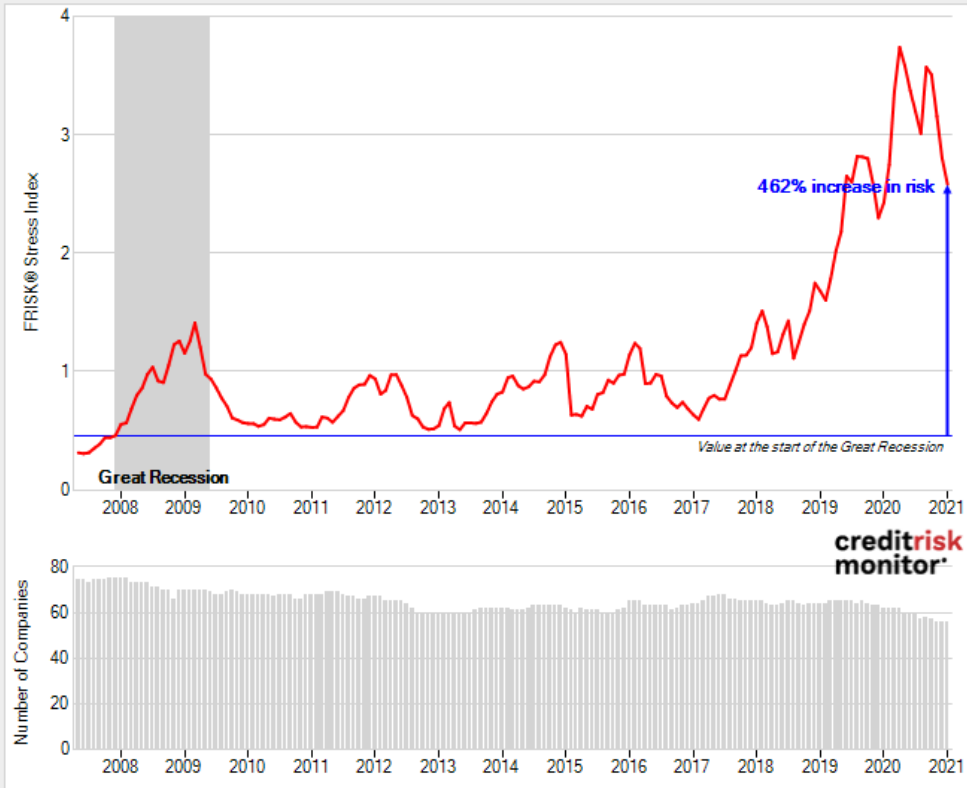
Businesses From: CLEAR

In Industry:

Country:

UPDATE RESULTS

Scale: Total Companies in all months 106



The FRISK® Stress Index shows the collective probability of failure in a group of companies (such as an industry, country or portfolio) over the next 12 months. It is designed to show trends in risk level across groups of companies and is shown on a zero to 50 scale, with 50 being the most risky.

The average probability of failure for SIC code 5621 (Women's clothing stores) has increased 462% since 2007. Francesca's Holdings was among the weakest names in the industry as evidenced by its FRISK® score of 1.

[Request a Personalized Demo](#)

PEER ANALYSIS ON ALTERNATE SUPPLIERS AND CUSTOMERS

The Peer Analysis expands to provide a ranking of a company's competitors, which can help provide options for alternate suppliers or new customers

Peer Group: 862	Ranking Within Peer Group	Number Of Peers Ranked	Company Value	Peer Group Range		
				Low	Median	High
Credit Ratings						
Z-Score	155	179	-1.53	-1,998.50	2.61	27.25
Performance ratios:						
Net Sales (Thousands of U.S. Dollars)	26	34	75,723	0	259,647	3,407,000
Gross Margin % Of Sales	168	189	17.52	-307.69	43.23	85.03
Gross Margin % Of Sales -- TTM	164	192	26.68	-140.35	45.70	79.59
SGA % Of Sales	66	185	34.36	0.82	43.87	10,457.14
SGA % Of Sales -- TTM	109	189	40.05	1.27	35.58	318.44
Operating Margin % Of Sales	113	192	-16.84	-23,359.18	-7.86	111.65
Operating Margin % Of Sales -- TTM	167	195	-19.10	-300.10	-0.26	23.68
EBITDA Margin Of Sales	69	102				
EBITDA Margin Of Sales -- TTM	107	117				
Net Profit Margin % Of Sales	125	192				
Net Profit Margin % Of Sales -- TTM	157	195				
Pre-tax Income % Of Sales	113	192				
Effective Tax Rate	11	192				
Depreciation % Of Prop/Plant/Equipment	27	180				
Capital Expense % Of Prop/Plant/Equipment	23	136				
Interest Coverage	86	94				
Interest Coverage -- TTM	107	112	-25.31	-307.47	3.73	145.72
Liquidity ratios:						
Cash Ratio	149	187	0.19	0.00	0.43	10.20
Quick Ratio	139	172	0.34	-0.80	0.72	10.95
Current Ratio	174	187	0.64	0.18	1.49	21.05
Efficiency ratios:						
Accounts Receivable Turnover	70	181	14.88	-2.13	10.54	1,111.91
Days Sales Outstanding	84	192	24.54	-171.21	29.78	58,712.86
% of Inventory Financed by Vendors	16	164	120.46	1.82	40.48	565.40
% of Inventory Financed by Vendors -- TTM	32	175				
Inventory Turnover	9	189				
Inventory Turnover -- TTM	10	189				
Days Sales in Inventory	9	186				
Inventory to Working Capital	171	179				
Accounts Payable Turnover	29	180				
Accounts Payable Turnover -- TTM	23	180				
Leverage & debt coverage:						
Total Debt to Equity Ratio	91	162				
Debt to Tangible Equity Ratio	83	151	0.85	0.00	0.64	39.29
Total Debt to Assets Ratio	13	176	0.04	0.00	0.29	2.44
Short-Term Debt % of Total Debt	154	166	100.00	0.91	46.43	100.00
Short-Term Debt % of Working Capital	162	166	-31.05	-12,681.71	28.47	2,355.48
Liabilities to Net Worth Ratio	157	162	20.50	0.05	1.43	105.41
Total Liabilities to Equity Ratio	170	173	20.50	0.05	1.30	105.41
TTM EBITDA to Total Debt	106	107	-3.68	-3.71	0.19	3.98
Net Debt to TTM EBITDA		77		-12.46	2.02	678.14
Green - Ranked in Upper Quartile of Peer Group White - Ranked in the Middle Two Quartiles of Peer Group Red - Ranked in Lower Quartile of Peer Group Orange - Confidential Grey - Data is Not Available						
TTM = trailing 12 months N/A = Not Available						

Francesca's Holdings demonstrated bottom quartile ranking in key financial ratios (shown in red) versus its industry peers.

QUARTERLY PERFORMANCE RATIOS

Operating and net losses in all but one of the last five fiscal quarters

Poor interest coverage ratio & poor free cash flow

Performance Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	13 weeks 8/1/2020	13 weeks 5/2/2020	13 weeks 2/1/2020	13 weeks 11/2/2019	13 weeks 8/3/2019
Net Sales \$	\$75,723	\$43,753	\$118,936	\$95,503	\$105,972
% change	73.07%	-63.21%	24.54%	-9.88%	21.63%
Gross Margin \$	\$13,270	(\$2,871)	\$41,188	\$37,518	\$40,503
% change	562.21%	-106.97%	9.78%	-7.37%	33.55%
% of sales	17.52%	-6.56%	34.63%	39.28%	38.22%
change as % of incremental sales	50.49%	n/m	15.66%	n/m	53.99%
SG&A \$	\$26,018	\$24,951	\$42,359	\$40,401	\$39,124
% change	4.28%	-41.10%	4.85%	3.26%	-2.18%
% of sales	34.36%	57.03%	35.62%	42.30%	36.92%
change as % of incremental sales	3.34%	n/m	8.36%	n/m	-4.62%
Operating margin \$	(\$12,748)	(\$35,294)	(\$11,486)	(\$4,239)	\$1,379
% change	63.88%	-207.28%	-170.96%	-407.40%	114.27%
% of sales	-16.84%	-80.67%	-9.66%	-4.44%	1.30%
change as % of incremental sales	70.52%	n/m	-30.93%	n/m	58.61%
EBITDA \$	(\$8,566)	(\$30,468)	(\$6,677)	\$1,032	\$7,173
% change	71.89%	-356.31%	-747.00%	-85.61%	290.32%
% of sales	-11.31%	-69.64%	-5.61%	1.08%	6.77%
change as % of incremental sales	68.51%	n/m	-32.90%	n/m	58.06%
EBIT \$	(\$12,723)	(\$35,235)	(\$11,429)	(\$4,346)	\$1,638
% change	63.89%	-208.29%	-162.98%	-365.32%	117.14%
% of sales	-16.80%	-80.53%	-9.61%	-4.55%	1.55%
change as % of incremental sales	70.42%	n/m	-30.23%	n/m	59.38%
Pre-tax income \$	(\$13,180)	(\$35,664)	(\$11,914)	(\$4,740)	\$1,486
% change	63.04%	-199.35%	-151.35%	-418.98%	115.28%
% of sales	-17.41%	-81.51%	-10.02%	-4.96%	1.40%
change as % of incremental sales	70.33%	n/m	-30.61%	n/m	59.49%
Net income (loss) \$	(\$17,160)	(\$15,342)	(\$11,548)	(\$5,135)	\$1,812
% change	-11.85%	-32.85%	-124.89%	-383.39%	117.85%
% of sales	-22.66%	-35.07%	-9.71%	-5.38%	1.71%
change as % of incremental sales	-5.69%	n/m	-27.37%	n/m	63.46%
Tax expense \$	\$3,980	(\$9,622)	(\$366)	\$395	(\$326)
Effective tax rate	-30.20%	26.98%	3.07%	-8.33%	-21.94%
Depreciation expense \$	\$4,157	\$4,767	\$4,752	\$5,378	\$5,535
% of sales	5.49%	10.90%	4.00%	5.63%	5.22%
% of capital expenses	496.06%	991.06%	1,532.90%	-7,367.12%	732.14%
% of PP&E, net (annualized)	7.01%	7.57%	6.99%	7.47%	7.51%
Capital expenditures \$	\$838	\$481	\$310	(\$73)	\$756
% change	74.22%	55.16%	524.66%	-109.66%	-71.10%
% of PP&E, net (annualized)	1.41%	0.76%	0.46%	-0.10%	1.03%
% of working capital (annualized)	-11.28%	-10.80%	-17.56%	7.06%	-24.30%
Interest coverage ratio	(18.74)	(71.02)	(13.77)	2.62	47.19
% change	73.61%	-415.88%	-625.60%	-94.45%	316.61%
Free cash flow \$	\$7,779	(\$8,515)	\$6,730	(\$9,518)	\$4,644
% change	191.36%	-226.52%	170.71%	-304.95%	275.84%
Source:	10-Q 9/15/2020	10-Q 7/28/2020	10-K 5/1/2020	10-Q 12/11/2019	10-Q 9/10/2019

QUARTERLY LEVERAGE RATIOS

Shareholders' equity experienced rapid and incessant deterioration over the last five quarters

Short-term debt increased from zero to 100% of total debt, indicative of potential covenant violations

Leverage Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	8/1/2020	5/2/2020	2/1/2020	11/2/2019	8/3/2019
Total debt \$	\$12,146	\$14,041	\$8,936	\$18,904	\$10,000
% change	-13.50%	57.13%	-52.73%	89.04%	0.00%
Stockholders' equity \$	\$14,348	\$31,395	\$46,526	\$57,940	\$62,977
% change	-54.30%	-32.52%	-19.70%	-8.00%	3.00%
Total debt to equity ratio	0.85	0.45	0.19	0.33	0.16
% change	89.29%	132.80%	-41.13%	105.48%	-2.87%
Tangible net worth \$	\$14,348	\$31,395	\$46,526	\$57,940	\$62,977
% change	-54.30%	-32.52%	-19.70%	-8.00%	3.00%
Total debt to tangible net worth	0.85	0.45	0.19	0.33	0.16
% change	89.29%	132.80%	-41.13%	105.48%	-2.87%
Total assets \$	\$308,448	\$323,211	\$328,608	\$373,781	\$368,016
% change	-4.57%	-1.64%	-12.09%	1.57%	-0.63%
Total debt to assets ratio	0.04	0.04	0.03	0.05	0.03
% change	-9.22%	59.56%	-46.25%	86.03%	0.74%
Tangible assets \$	\$308,448	\$323,211	\$328,608	\$373,781	\$368,016
% change	-4.57%	-1.64%	-12.09%	1.57%	-0.63%
Short-term debt \$	\$12,146	\$14,041	\$8,936	n/a	n/a
% change	-13.50%	57.13%	n/a	n/a	n/a
Short-term debt % of total debt	100.00%	100.00%	100.00%	n/a	n/a
Short-term debt % of working capital	-31.05%	-69.18%	-58.34%	n/a	n/a
% change	55.12%	-18.58%	n/a	n/a	n/a
Total liabilities \$	\$294,100	\$291,816	\$282,082	\$315,841	\$305,039
% change	0.78%	3.45%	-10.69%	3.54%	-1.35%
Total liabilities to equity ratio	20.50	9.30	6.06	5.45	4.84
% change	120.52%	53.31%	11.22%	12.54%	-4.21%
Total liabilities to tangible net worth ratio	20.50	9.30	6.06	5.45	4.84
% change	120.52%	53.31%	11.22%	12.54%	-4.21%
Total debt to EBITDA ratio (annualized)	n/a	n/a	n/a	4.58	0.35
% change	n/a	n/a	n/a	1,214.06%	n/a
Source:	10-K	10-Q	10-Q		
	5/1/2020	12/11/2019	9/10/2019		

Total liabilities to equity increased from moderate to extremely elevated levels

QUARTERLY LIQUIDITY RATIOS AND RATES OF RETURN

Unstable working capital position

Meager cash and quick ratios

Liquidity Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	8/1/2020	5/2/2020	2/1/2020	11/2/2019	8/3/2019
Current assets \$	\$68,784	\$76,858	\$65,543	\$86,453	\$71,650
% change	-10.51%	17.26%	-24.19%	20.66%	4.78%
% of short-term debt	566.31%	547.38%	733.47%	n/a	n/a
Current liabilities \$	\$107,906	\$97,155	\$80,860	\$85,262	\$81,108
% change	11.07%	20.15%	-5.16%	5.12%	-3.23%
Working capital \$	(\$39,122)	(\$20,297)	(\$15,317)	\$1,191	(\$9,458)
% change	-92.75%	-32.51%	-1,386.06%	112.59%	38.72%
% of sales (annualized)	-12.92%	-11.60%	-3.22%	0.31%	-2.23%
Cash \$	\$20,204	\$14,324	\$17,839	\$21,154	\$21,962
% change	41.05%	-19.70%	-15.67%	-3.68%	25.77%
% of short-term debt	166.34%	102.02%	199.63%	n/a	n/a
Cash ratio	0.19	0.15	0.22	0.25	0.27
% change	27.00%	-33.18%	-11.08%	-8.38%	30.00%
Quick assets \$	\$36,892	\$38,361	\$21,582	\$26,446	\$29,949
% change	-3.83%	77.75%	-18.39%	-11.70%	19.59%
% of short-term debt	303.74%	273.21%	241.52%	n/a	n/a
Quick ratio	0.34	0.39	0.27	0.31	0.37
% change	-13.40%	47.92%	-13.96%	-15.98%	23.56%
Current ratio	0.64	0.79	0.81	1.01	0.88
% change	-19.43%	-2.41%	-20.06%	14.78%	8.27%
Source:	10-Q 9/15/2020	10-Q 7/28/2020	10-K 5/1/2020	10-Q 12/11/2019	10-Q 9/10/2019

Constantly poor returns on equity and assets

Rate of Return - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	13 weeks 8/1/2020	13 weeks 5/2/2020	13 weeks 2/1/2020	13 weeks 11/2/2019	13 weeks 8/3/2019
Return on equity	-54.66%	-32.98%	-19.93%	-8.15%	2.96%
% change	-65.76%	-65.45%	-144.44%	-375.15%	121.43%
Return on net tangible equity	-54.66%	-32.98%	-19.93%	-8.15%	2.96%
% change	-65.76%	-65.45%	-144.44%	-375.15%	121.43%
Return on total assets	-5.43%	-4.71%	-3.29%	-1.38%	0.49%
% change	-15.42%	-43.16%	-137.50%	-382.09%	112.66%
Return on tangible assets	-5.43%	-4.71%	-3.29%	-1.38%	0.49%
% change	-15.42%	-43.16%	-137.50%	-382.09%	112.66%
Source:	10-Q 9/15/2020	10-Q 7/28/2020	10-K 5/1/2020	10-Q 12/11/2019	10-Q 9/10/2019

YEAR OVER YEAR STATEMENT OF CASH FLOWS

Operating cash flow substantially declined

Net losses steepened compared to the prior year

Statement of Cash Flows - Year-over-Year - Standardized - Year-over-Year
(Thousands of U.S. Dollars)

Period Ended	26 weeks 8/1/2020	26 weeks 8/3/2019	26 weeks 8/4/2018	26 weeks 7/29/2017	26 weeks 7/30/2016
Cash Flows from Operating Activities:					
Net income	(\$32,502)	(\$8,337)	(\$3,431)	\$11,596	\$17,672
Depreciation/depletion	8,924	11,320	12,105	10,310	9,482
Deferred taxes	n/a	0	1,473	(497)	(1,315)
Non-cash Items	28,963	98	1,231	2,755	(708)
Changes in working capital	(4,802)	2,294	(442)	(15,710)	333
Total cash from operating activities	583	5,375	10,936	8,454	25,464
Cash Flows from Investing Activities:					
Capital expenditures	(1,319)	(3,372)	(14,436)	(12,890)	(11,149)
Other investing cash flow items, total	101	n/a	n/a	0	8
Total cash from investing activities	(1,218)	(3,372)	(14,436)	(12,890)	(11,141)
Cash Flows from Financing Activities:					
Financing cash flow items	0	(144)	(497)	(142)	6
Issuance/retirement of stock, net	n/a	0	(3,980)	(15,326)	(44,532)
Issuance/retirement of debt, net	3,000	0	n/a	n/a	n/a
Total cash from financing activities	3,000	(144)	(4,477)	(15,468)	(44,526)
Net change in cash	2,365	1,859	(7,977)	(19,904)	(30,203)
Net cash-beginning balance	17,839	20,103	31,331	53,202	56,224
Net cash-ending balance	\$20,204	\$21,962	\$23,354	\$33,298	\$26,021
Supplemental Disclosures:					
Cash interest paid	\$537	\$330	\$77	\$97	\$95
Cash taxes paid, supplemental	\$126	(\$8,601)	\$226	\$23,742	\$9,175
Source:	10-Q 9/15/2020	10-Q 9/10/2019	10-Q 9/12/2018	10-Q 9/6/2017	10-Q 9/7/2016

NEWS ALERTS: A TIMELINE OF CONCERNING NEWS ITEMS

<p>Q2 2019 filing – operating and net losses sustained similar to the same year last year. Additionally, working capital shrank from \$29.4 million to only \$1 million, which indicated that liquidity was waning.</p>		
12/12/2019	CRMZ News Service	Francesca’s Holdings Corp – updated financials available
<p>Francesca’s Holdings indicated that it would close all of its stores in response to the COVID-19 pandemic and that it would postpone the announcement of its fourth quarter and fully year fiscal 2020 earnings; delayed earnings results can often be an indication of financial stress.</p>		
03/20/2020	Globe Newswire	Francesca’s Provides A Business Update on COVID-19
<p>The Company indicated that it would temporarily furlough substantially all of its corporate and boutique employees, reduce salaries, suspense payment on all accounts payable for physical store locations, would defer rent, and limit investment spending.</p>		
05/01/2020	Globe Newswire	Francesca’s Reports Fourth Quarter and Fiscal Year 2019 Financial Results and Proves Update on COVID-19 Pandemic Response.
<p>In addition to the aforementioned Going Concern opinion, the Company indicated that comparable sales would decreased in the range of 11% to 16% and that gross margin pressures were expected to accelerate due to promotions in attempt to move through excess inventory. It was also stated that quarterly and annual guidance may not be provided in future periods.</p>		
07/28/2020	Globe Newswire	Francesca’s Proves Business Update and Second Quarter Outlook; Reports Final First Quarter Fiscal Year 2020 Financial Results
<p>The company announced its Chapter 11 bankruptcy filing. Some of its largest unsecured creditors included merchandise trade vendors and its landlords.</p>		
12/03/2020	Globe Newswire	Francesca’s Files Voluntary Chapter 11 to Implement Sale

ABOUT THIS REPORT/CONTACT CREDITRISKMONITOR®



CreditRiskMonitor® is a financial risk analysis and news service that helps credit, supply chain and financial professionals stay ahead of and manage risk quickly, accurately and cost effectively. More than 35% of the Fortune 1000, plus over a thousand other large corporations worldwide, rely on our financial risk coverage of over 57,000 global public companies.

CreditRiskMonitor® Bankruptcy Case Studies provide post-filing analyses of public company bankruptcies. Our case studies educate subscribers about methods they can apply to assess bankruptcy risk using CreditRiskMonitor's proprietary FRISK® score, robust financial database and timely news alerts.

[Request a Personalized Demo and Risk Assessment](#)

[Read more Bankruptcy Case Studies, High Risk Reports and other resources](#)

Contact us at:

845.230.3000

[creditriskmonitor.com/contact-us](https://www.creditriskmonitor.com/contact-us)