creditrisk monitor®

CONN'S, INC. BANKRUPTCY CASE STUDY

FILED ON 07/23/2024

CreditRiskMonitor's warning of Conn's Inc. ("Conn's") bankruptcy risk was determined by a combination of factors:

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MONTHLY AVERAGE FRISK® SCORE

CreditRiskMonitor's FRISK® Score had been warning of financial stress at Conn's (NASDAQ: CONN) for more than a year. The company ultimately filed for bankruptcy on July 23, 2024.

Conn's entered into a term loan agreement, which would bear an interest rate of a 5% floor plus a margin of 10% and a PIK arrangement.

Executive Vice President and Chief Financial Officer, George Bchara, voluntarily resigned from the company effective November 17th, 2023.

The NASDAQ alerted Conn's that it was noncompliant with the exchange's listing standards due to its delayed securities filings.

Business Name	2023						2024						
	J	A	S	O	N	D	J	F	M	A	M	J	J
Conn's Inc.	3	2	3	2	2	3	3	3	3	4	4	2	2

BANKRUPT!

Conn's reported its Q3 2024 fiscal period, which showed a comparable store sales decline of 15.4% and a net loss of $51.3 million.

Conn's filed a notification of late filing for its Form 10-K with the SEC, one of several late filings. Such events are a red flag.

The FRISK® Score is 96% accurate in predicting the risk of corporate failure over a 12-month horizon. All FRISK® Scores are recalculated daily.

FRISK® Score	Probability of Bankruptcy within 12 Months	
	From	To
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%
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.

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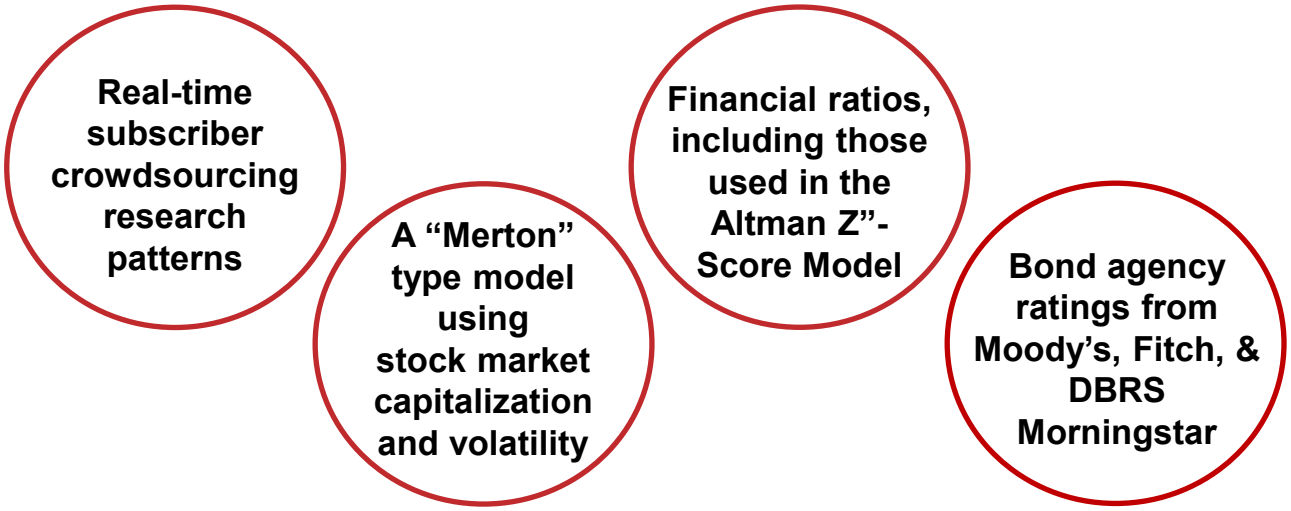
THE FRISK® SCORE COMPONENTS

At the core of CreditRiskMonitor® is our **96% accurate FRISK® Score**, which indicates a company's financial stress on a scale of 1 to 10, based on the probability of bankruptcy in a 12-month horizon. The FRISK® score incorporates four high-quality data components:



The competitive advantage of our model lies in our non-linear scaling for each data subcomponent and the combination of the above four data components to mitigate the shortcomings of any individual one.

We are the only provider making use of the wisdom of the crowd (our subscribers include nearly 40% of the Fortune 1000 plus thousands of other large corporations worldwide) when assessing bankruptcy risk. Our proprietary crowdsourcing approach assesses the sentiment of risk management professionals based on their aggregate research behaviors within the platform.

Why is sentiment important?

- It's independently predictive of bankruptcy
- It's asymmetric to other inputs since the actors involved have access to material, non-public information under their exemption from Regulation Fair Disclosure
- The collective sentiment of risk management professionals directly relates to access to interest-free working capital as trade credit is reduced to companies where there are concerns

Read more in Credit Research Foundation's article, "Assessing Public Company Financial Risk by Crowdsourcing the Research of Credit Professionals"

COMPANY REPORT DETAIL

Conn's Inc

2445 Technology Forest Blvd, Suite 800
THE WOODLANDS, TX 77381 United States

Phone: (936) 230-5881

Ticker: CONN

Filed for Bankruptcy on 7/23/2024
Case #24-33357, filed in the U.S. Bankruptcy Court for the Southern District of Texas (Houston)

Latest Financial Statements as of 1/31/2024

Business Summary

Conn's, Inc. is a specialty retailer of home goods, including furniture and mattresses, appliances, and consumer electronics. The Company offers branded durable consumer goods and related services in addition to proprietary credit solutions for its core consumers. The Company operates in two segments: retail and credit. The retail segment operates primarily through its stores and Website. The retail segment product offerings include furniture and mattresses, home appliances, consumer electronics and home office products from global brands across a wide range of price points. The credit segment offers financing solutions to a large, under-served population of credit-constrained consumers who typically have limited credit alternatives. Its home appliances include refrigerators, freezers, washers, dryers, dishwashers, and ranges. Its furniture and mattresses include furniture and related accessories for the living room, dining room and bedroom, as well as both flat mattresses.

Employees: 4,500 (as of 1/31/2024) | Incorporated: 1/15/2003 | Federal Tax Id: 061672840

Credit Score History — Why are these scores different?

Score/ Index	2023 J	2023 A	2023 S	2023 O	2023 N	2023 D	2024 J	2024 F	2024 M	2024 A	2024 M	2024 J	2024 J
FRISK® Score*	3	2	3	2	2	3	3	3	3	4	4	2	2
DBT Index	9	9	9	9	9	9	9	9	9	9	9	9	DBT
Z"-Score	3.44	3.1			2.84			2.77			Z"	Z"	Z"

*FRISK® Scores are month-end

FRISK® Score Analysis

- Probability of bankruptcy within 12 months is 4% to 10%.
- ... are prompt, "cloaking" the
- ... d by 89%

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."

The Z"-Score failed to warn of bankruptcy by consistently indicating strong financial health. However, the FRISK® Score alerted clients.

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NEWS ALERTS: A TIMELINE OF CONCERNING NEWS ITEMS

Q4 2023 filing – Same store sales declined 21.8%, SG&A expenses increased by 6%, and its net loss was $36.7 million. Such performance reflected early stages of a business death spiral.		
03/29/2023	ContentEngine	Conn's Posts Adj. Loss In Q4; Same Store Sales Down 21.8%
Q2 2024 filing – Same store sales declined 15.4% which was primarily driven by "lower discretionary spending for home-related products following several periods of excess consumer liquidity resulting in the acceleration of sales," according to the company.		
08/30/2023	ContentEngine	Conn's Posts Loss In Q2; Same Store Sales Down 15.4%
After the resignation of Conn's EVP & CFO in November 2023, the company filed its first notification of late filing with the Securities and Exchange Commission. By June 2024, Conn's would have cumulatively reported three late filings – a recurring red flag.		
12/12/2023	CRMZ News Service	CONNS INC Files Notification of Late Filing for its Form 10-Q with the Securities and Exchange Commission.
In December 2023, Conn's announced the acquisition of Southeastern U.S. home furnishings company, W.S. Badcock LLC. Post-acquisition, Conn's consolidated debt increased to nearly $1 billion, an increase of 45.5% quarter-over-quarter. This transaction contributed to its untenable balance sheet.		
04/11/2024	GlobeNewswire	Conn's, Inc. Reports Fourth Quarter and Full Year Fiscal Year 2024 Financial Results
By mid-July 2024, news circulated that Conn's would close more than half of its store locations. In the following week, the company announced its Chapter 11 bankruptcy filing. As disclosed in the bankruptcy petition, trade claims of the top 30 unsecured creditors exceeded $100 million; counterparties who would be exposed to material financial losses.		
07/24/2024	CRMZ News Service	Home Goods Retailer Conn's Files For Bankruptcy Following Sales Decline

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

The MD&A contains relevant and accurate statements about a company's liquidity, capital resources, and other aspects of financial stability. Sarbanes-Oxley regulation makes it illegal to falsify information, subjecting CEOs and CFOs to fines or imprisonment for noncompliance.

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."

Ask about our MD&A cheat sheet to see how we can enhance your risk assessment process even further.

Fortune 1000 clients use disclosures from the MD&A's Liquidity and Capital Resources section for valuable insights into bankruptcy timing of High Risk FRISK® counterparties as part of their best-in-class risk assessment processes. Make it part of your best practices today.

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
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Conn's Inc

Phone: (936) 230-5881

2445 Technology Forest Blvd, Suite
THE WOODLANDS, TX 77381 United Sta

CONN

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Case #24-33357, filed in the U.S. Bankruptcy Court for the Southern District of Tex

Management Discussion and Analysis History

The Term Loan contains customary covenants regarding the Borrowers and their subsidiaries that are generally based upon and are comparable to those contained in the Fifth Amended and Restated Loan Agreement including, without limitation: financial covenants, such as the maintenance of a minimum interest coverage ratio, subject to a covenant relief period through the fiscal quarter ending April 30, 2024, and a maximum leverage ratio; and negative covenants, such as limitations on indebtedness, liens, mergers, asset transfers, certain investing activities and other matters customarily restricted in such agreements. Most of these restrictions are subject to certain minimum thresholds and exceptions. The Term Loan also contains customary events of default, incl ut limitation, payment defaults, material inaccuracy of representatio nant defaults, bankruptcy and insolvency proceedings r agreements, and change of control.

Due to Conn's weak operating performance, lenders granted maintenance covenant relief for its interest coverage ratio through April 2024, which would later be extended. However, covenant relief is an important red flag. Contact your account manager to learn more.

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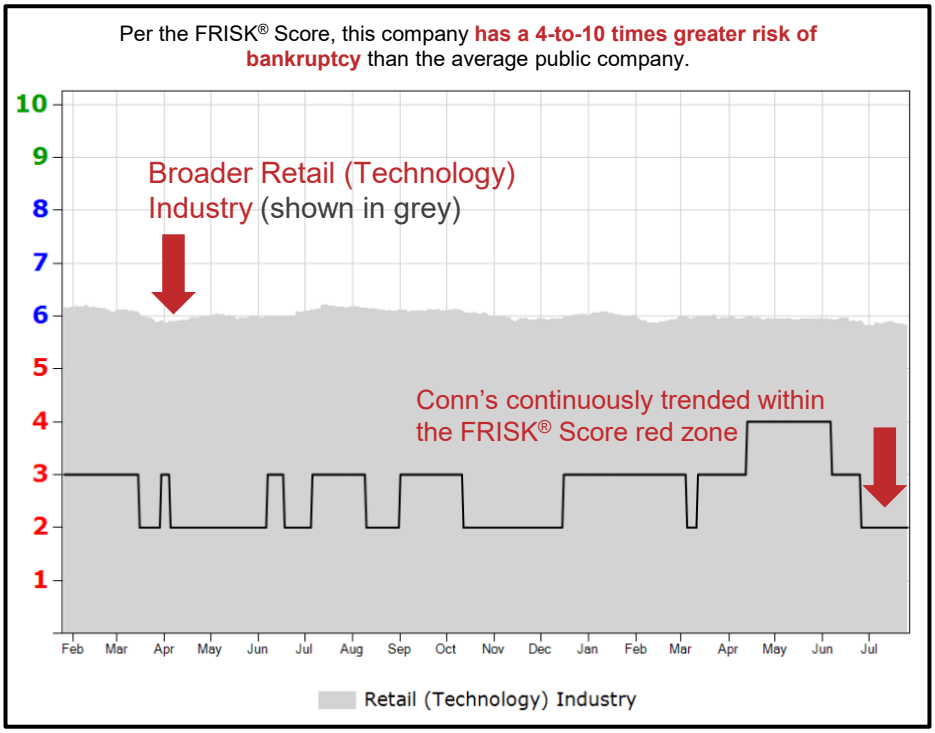
FRISK® DEEP DIVE



The FRISK® Score relative to the broader Retail (Technology) 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.

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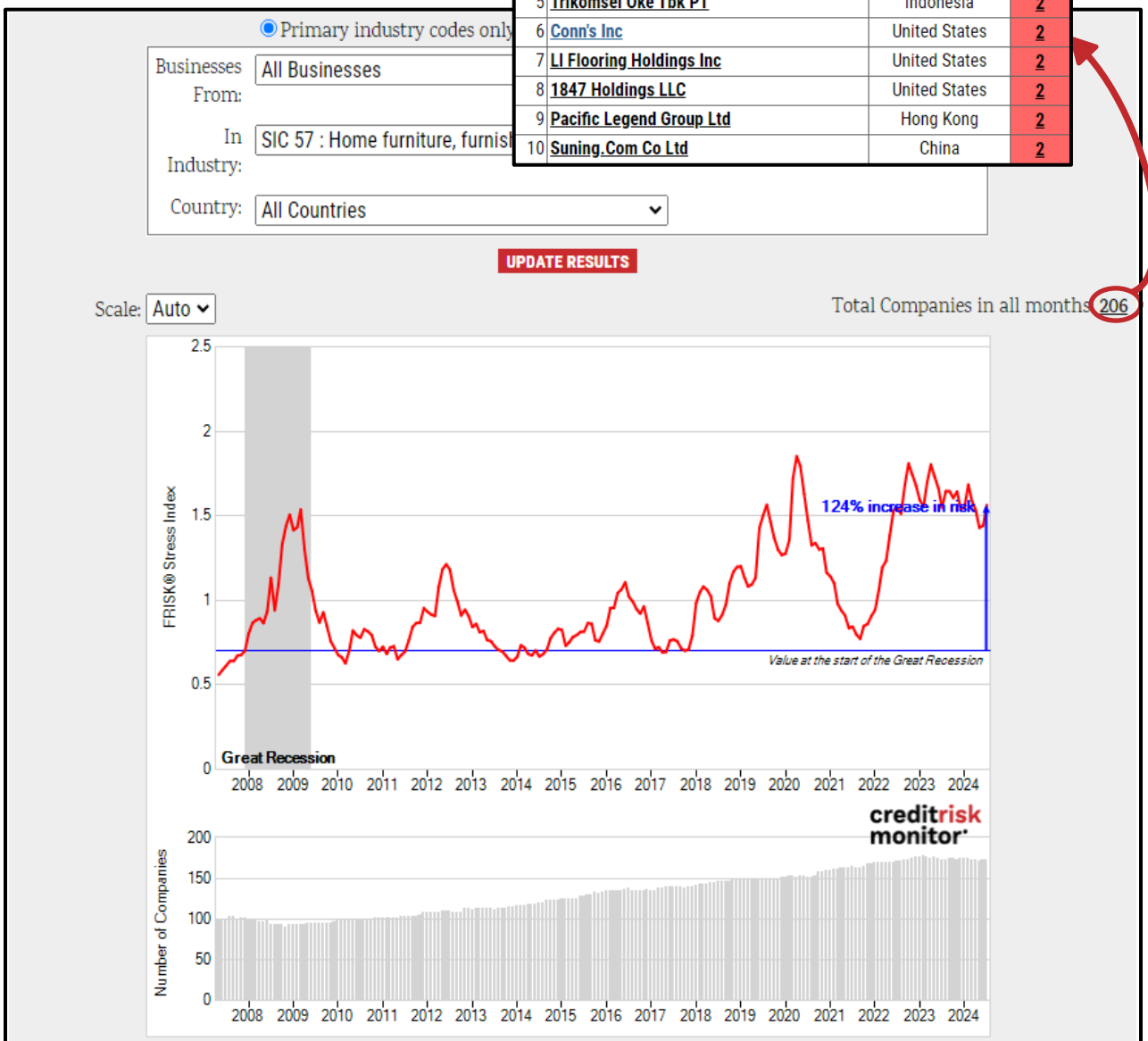
FRISK® STRESS INDEX

#	Business Name	Country	Current FRISK® score
1	GOME Retail Holdings Ltd	Hong Kong	1
2	Grupo Casas Bahia SA	Brazil	1
3	Container Store Group Inc	United States	1
4	Kaspien Holdings Inc	United States	1
5	Trikomsel Oke Tbk PT	Indonesia	2
6	Conn's Inc	United States	2
7	LI Flooring Holdings Inc	United States	2
8	1847 Holdings LLC	United States	2
9	Pacific Legend Group Ltd	Hong Kong	2
10	Suning.Com Co Ltd	China	2



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 a group of companies and levels near or above 1.5 are considered high risk for a broader group (and greater than 3 or 4 for a smaller group of companies).

The average probability of failure for SIC code 57 (Home furniture, furnishings, and equipment stores) has increased 124% since 2007. Conn's was among the weakest names in the industry as evidenced by its FRISK® Score of 2.

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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

roup: 73390	Ranking Within Peer Group	Number Of Peers Ranked	Company Value	Peer Group Range Low	Median	High
Credit Ratings						
	200	389	2.77	-17,870.37	2.87	74.96
Performance ratios:						
f U.S. Dollars)	115	410	366,077	0	94,616	1,294,162,000
s	73	400	50.45	-137.70	30.82	338.80
es -- TTM	75	407	49.12	-2,320.00	29.23	100.00
	358	382	59.86	0.30	22.41	2,420.27
- TTM	371	396	57.83	0.01	21.42	3,401.04
argin % Of Sales	86	406	10.89	-2,362.83	4.30	240.08
Operating Margin % Of Sales -- TTM	342	412	-2.80	-3,346.55	3.71	88.95
EBITDA Margin Of Sales	63	227	14.71	-2,362.83	8.74	360.11
EBITDA Margin Of Sales -- TTM	243	298	1.27	-3,346.55	8.02	76.15
Net Profit Margin % Of Sales	45	407	11.83	-8,262.50	2.61	482.61
Net Profit Margin % Of Sales -- TTM	354	412	-6.21	-11,294.12	2.25	60.45
Pre-tax Income % Of Sales	198	407	3.76	-2,788.74	3.56	368.08
Effective Tax Rate	5	401	-214.21	-1,103.77	20.88	433.38
Depreciation % Of Prop/Plant/Equipment	88	370	8.24	0.00	16.91	525.71
Capital Expense % Of Prop/Plant/Equipment	87	293	6.38	0.09	11.21	4,508.09
Interest Coverage	155	207	2			
Interest Coverage -- TTM	243	284	0			
Liquidity ratios:						
Cash Ratio	360	397	0			
Quick Ratio	76	378				
Current Ratio	69	397	2			
Efficiency ratios:						
Accounts Receivable Turnover	371	395	2			
Days Sales Outstanding	389	407	138.43	-2.61	27.34	1,664.97
% of Inventory Financed by Vendors	272	336	29.51	0.64	68.82	17,547.65
% of Inventory Financed by Vendors -- TTM	281	352	29.18	0.01	66.37	24,420.75
Inventory Turnover	313	402	2.57	-9.15	4.90	6,217.60
Inventory Turnover -- TTM	317	404	2.46	0.00	4.59	5,618.97
Days Sales in Inventory	316	389	142.30	-2,618.97	71.29	806.55
Inventory to Working Capital	75	388	0.45	-413.17	0.57	2,534.33
Accounts Payable Turnover	152	358	8.79	-17.31	7.68	39,885.75
Accounts Payable Turnover -- TTM	155	362	8.31	0.00	7.08	4,252.81
Leverage & debt coverage:						
Total Debt to Equity Ratio	306	361				
Debt to Tangible Equity Ratio	264	323				
Total Debt to Assets Ratio	275	387	0			
Short-Term Debt % of Total Debt	58	371				
Short-Term Debt % of Working Capital	113	375	2			
Liabilities to Net Worth Ratio	274	337				
Total Liabilities to Equity Ratio	317	375				
TTM EBITDA to Total Debt	238	281	0.02	-125.36	0.02	758.09
Net Debt to TTM EBITDA	246	248	61.66	-342.03	1.56	12,383.30

Company Name
Ethan Allen Interiors Inc.
Haverty Furniture Companies, Inc.
La-Z-Boy Inc.
Bassett Furniture Industries Inc.

Company Name
Lovesac Co.
Haverty Furniture Companies, Inc.
Ethan Allen Interiors Inc.
Bassett Furniture Industries Inc.

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

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

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QUARTERLY PERFORMANCE RATIOS

Excluding its one-time gain, operating and net losses were persistent

Poor interest coverage ratios and material cash burn

Performance Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

	3 mos 1/31/2024	3 mos 10/31/2023	3 mos 7/31/2023		
	$366,077	**$280,130**	**$306,906**		
	30.68%	*-8.72%*	*7.85%*		
	$184,669	**$133,768**	**$152,921**		**3**
%	*38.05%*	*-12.52%*	*11.92%*		*79%*
% of s	*50.45%*	*47.75%*	*49.83%*		*46.46%*
change as % of incremental sales	*59.22%*	*n/m*	*72.90%*	*n/m*	*30.90%*
SG&A $	**$219,130**	**$170,155**	**$168,276**	**$158,147**	**$181,177**
% change	*28.78%*	*1.12%*	*6.40%*	*-12.71%*	*12.29%*
% of sales	*59.86%*	*60.74%*	*54.83%*	*55.57%*	*54.10%*
change as % of incremental sales	*56.98%*	*n/m*	*45.35%*	*n/m*	*145.01%*
Operating Profit $	**$39,874**	**($38,458)**	**($15,355)**	**($20,703)**	**($33,432)**
% change	*203.68%*	*-150.46%*	*25.83%*	*38.07%*	*-85.78%*
% of sales	*10.89%*	*-13.73%*	*-5.00%*	*-7.28%*	*-9.98%*
change as % of incremental sales	*91.14%*	*n/m*	*23.94%*	*n/m*	*-112.88%*
EBITDA $	**$53,860**	**($25,938)**	**($3,545)**	**($8,603)**	**($21,508)**
% change	*307.65%*	*-631.68%*	*58.79%*	*60.00%*	*-234.81%*
% of sales	*14.71%*	*-9.26%*	*-1.16%*	*-3.02%*	*-6.42%*
change as % of incremental sales	*92.85%*	*n/m*	*22.65%*	*n/m*	*-110.30%*
EBIT $	**$39,874**	**($38,458)**	**($15,355)**	**($20,703)**	**($33,432)**
% change	*203.68%*	*-150.46%*	*25.83%*	*38.07%*	*-85.78%*
% of sales	*10.89%*	*-13.73%*	*-5.00%*	*-7.28%*	*-9.98%*
change as % of incremental sales	*91.14%*	*n/m*	*23.94%*	*n/m*	*-112.88%*
Pre-tax income $	**$13,781**	**($60,906)**	**($32,142)**	**($37,082)**	**($46,516)**
% change	*122.63%*	*-89.49%*	*13.32%*	*20.28%*	*-57.83%*
% of sales	*3.76%*	*-21.74%*	*-10.47%*	*-13.03%*	*-13.89%*
change as % of incremental sales	*86.90%*	*n/m*	*22.12%*	*n/m*	*-124.63%*
Net income (loss) $	**$43,301**	**($51,297)**	**($33,517)**	**($35,380)**	**($42,803)**
% change	*184.41%*	*-53.05%*	*5.27%*	*17.34%*	*-72.32%*
% of sales	*11.83%*	*-18.31%*	*-10.92%*	*-12.43%*	*-12.78%*
change as % of incremental sales	*110.07%*	*n/m*	*8.34%*	*n/m*	*-131.36%*
Tax expense $	**($29,520)**	**($9,609)**	**$1,375**	**($1,702)**	**($3,713)**
Effective tax rate	*-214.21%*	*15.78%*	*-4.28%*	*4.59%*	*7.98%*
Depreciation expense $	**$13,986**	**$12,520**	**$11,810**	**$12,100**	**$11,924**
% of sales	*3.82%*	*4.47%*	*3.85%*	*4.25%*	*3.56%*
% of capital expenses	*129.27%*	*122.70%*	*85.46%*	*74.64%*	*52.39%*
% of PP&E, net (annualized)	*8.24%*	*9.48%*	*9.50%*	*9.99%*	*9.99%*
Capital expenditures $	**$10,819**	**$10,204**	**$13,820**	**$16,211**	**$22,760**
% change	*6.03%*	*-26.17%*	*-14.75%*	*-28.77%*	*51.13%*
% of PP&E, net (annualized)	*6.38%*	*7.73%*	*11.12%*	*13.39%*	*19.07%*
% of working capital (annualized)	*6.62%*	*7.19%*	*9.57%*	*10.82%*	*15.39%*
Interest coverage ratio	**2.06**	**(1.16)**	**(0.21)**	**(0.53)**	**(1.64)**
% change	*278.64%*	*-447.11%*	*59.79%*	*68.05%*	*-193.69%*
Free cash flow $	**($62,306)**	**($13,557)**	**($36,362)**	**$9,937**	**($34,843)**
% change	*-359.59%*	*62.72%*	*-465.93%*	*128.52%*	*-550.66%*
Source:	10-K 4/18/2024	10-Q 12/18/2023	10-Q 8/30/2023	10-Q 6/1/2023	10-K 3/29/2023

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QUARTERLY LEVERAGE RATIOS

Total debt to equity ratio steadily increased over time and trended in the bottom quartile of industry peers

Liabilities to equity pushed to high levels; factoring in its accounts payable and accrued expenses

Leverage Ratios - Sequential Quarters
(Thousands of U.S. Dollars)

ended	1/31/2024	10/31/2023	7/31/2023		/2023
Total debt $	**$991,366**	**$681,406**	**$648,989**	**$616,246**	**$637,016**
% change	*45.49%*	*5.00%*	*5.31%*	*-3.26%*	*7.50%*
Stockholders' equity $	**$497,498**	**$390,568**	**$439,322**	**$469,507**	**$502,410**
% change	*27.38%*	*-11.10%*	*-6.43%*	*-6.55%*	*-7.49%*
Total debt to equity ratio	**1.99**	**1.74**	**1.48**	**1.31**	**1.27**
% change	*14.21%*	*18.10%*	*12.56%*	*3.52%*	*16.20%*
Tangible net worth $	**$497,498**	**$390,568**	**$439,322**	**$469,507**	**$502,410**
% change	*27.38%*	*-11.10%*	*-6.43%*	*-6.55%*	*-7.49%*
Total debt to tangible net worth	**1.99**	**1.74**	**1.48**	**1.31**	**1.27**
% change	*14.21%*	*18.10%*	*12.56%*	*3.52%*	*16.20%*
Total assets $	**$2,444,042**	**$1,726,392**	**$1,702,203**	**$1,676,108**	**$1,716,215**
% change	*41.57%*	*1.42%*	*1.56%*	*-2.34%*	*-1.20%*
Total debt to assets ratio	**0.41**	**0.39**	**0.38**	**0.37**	**0.37**
% change	*2.76%*	*3.51%*	*3.70%*	*-0.94%*	*8.82%*
Tangible assets $	**$2,444,042**	**$1,726,392**	**$1,702,203**	**$1,676,108**	**$1,716,215**
% change	*41.57%*	*1.42%*	*1.56%*	*-2.34%*	*-1.20%*
Short-term debt $	**$149,738**	**$7,934**	**$9,039**	**$869**	**$937**
% change	*1,787.30%*	*-12.22%*	*940.16%*	*-7.26%*	*1.96%*
Short-term debt % of total debt	**15.10%**	**1.16%**	**1.39%**	**0.14%**	**0.15%**
% change	*1,197.17%*	*-16.40%*	*887.80%*	*-4.15%*	*-5.16%*
Short-term debt % of working capital	**20.30%**	**1.39%**	**1.60%**	**0.15%**	**0.15%**
% change	*1,355.71%*	*-12.69%*	*983.65%*	*-4.22%*	*-3.81%*
Total liabilities $	**$1,946,544**	**$1,335,824**	**$1,262,881**	**$1,206,601**	**$1,213,805**
% change	*45.72%*	*5.78%*	*4.66%*	*-0.59%*	*1.66%*
Total liabilities to equity ratio	**3.91**	**3.42**	**2.87**	**2.57**	**2.42**
% change	*14.40%*	*18.98%*	*11.86%*	*6.37%*	*9.89%*
Total liabilities to tangible net worth ratio	**3.91**	**3.42**	**2.87**	**2.57**	**2.42**
% change	*14.40%*	*18.98%*	*11.86%*	*6.37%*	*9.89%*
Total debt to EBITDA ratio (annualized)	**4.60**	**n/a**	**n/a**	**n/a**	**n/a**
Source:	10-K 4/18/2024	10-Q 12/18/2023	10-Q 8/30/2023	10-Q 6/1/2023	10-K 3/29/2023

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QUARTERLY LIQUIDITY RATIOS AND RATES OF RETURN

Low cash on hand and weak cash ratios

Liquidity Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

	1/31/2024	10/31/2023	7/31/2023	4/30/2023	1/31/2023
	$1,204,096	**$808,195**	**$813,656**	**$809,010**	**$831,097**
	48.99%	*-0.67%*	*0.57%*	*-2.66%*	*1.21%*
%	*804.14%*	*10,186.48%*	*9,001.62%*	*93,096.66%*	*88,697.65%*
Current	**$466,523**	**$239,268**	**$247,746**	**$219,574**	**$222,361**
% change	*94.98%*	*-3.42%*	*12.83%*	*-1.25%*	*-9.95%*
Working capital $	**$737,573**	**$568,927**	**$565,910**	**$589,436**	**$608,736**
% change	*29.64%*	*0.53%*	*-3.99%*	*-3.17%*	*6.00%*
% of sales (annualized)	*50.37%*	*50.77%*	*46.10%*	*51.78%*	*45.45%*
Cash $	**$18,703**	**$5,562**	**$8,560**	**$14,119**	**$19,534**
% change	*236.26%*	*-35.02%*	*-39.37%*	*-27.72%*	*131.64%*
% of short-term debt	*12.49%*	*70.10%*	*94.70%*	*1,624.74%*	*2,084.74%*
Cash ratio	**0.04**	**0.02**	**0.03**	**0.06**	**0.09**
% change	*72.84%*	*-32.95%*	*-46.19%*	*-26.77%*	*156.73%*
Quick assets $	**$704,494**	**$430,502**	**$434,783**	**$431,478**	**$441,217**
% change	*63.64%*	*-0.98%*	*0.77%*	*-2.21%*	*2.07%*
% of short-term debt	*470.48%*	*5,426.04%*	*4,810.08%*	*49,652.24%*	*47,088.26%*
Quick ratio	**1.51**	**1.80**	**1.76**	**1.97**	**1.98**
% change	*-16.07%*	*2.52%*	*-10.69%*	*-0.96%*	*13.34%*
Current ratio	**2.58**	**3.38**	**3.28**	**3.68**	**3.74**
% change	*-23.59%*	*2.85%*	*-10.86%*	*-1.42%*	*12.39%*
Source:	10-K 4/18/2024	10-Q 12/18/2023	10-Q 8/30/2023	10-Q 6/1/2023	10-K 3/29/2023

Poor returns on equity and tangible assets

Rate of Return - Sequential Quarters

(Thousands of U.S. Dollars)

ed	3 mos 1/31/2024	3 mos 10/31/2023	3 mos 7/31/2023	3 mos 4/30/2023	3 mos 1/31/2023
R	**11.09%**	**-11.68%**	**-7.14%**	**-7.04%**	**-7.88%**
% chan	*194.95%*	*-63.56%*	*-1.37%*	*10.65%*	*-77.64%*
Return on net tangible equity	**11.09%**	**-11.68%**	**-7.14%**	**-7.04%**	**-7.88%**
% change	*194.95%*	*-63.56%*	*-1.37%*	*10.65%*	*-77.64%*
Return on total assets	**2.08%**	**-2.99%**	**-1.98%**	**-2.09%**	**-2.48%**
% change	*169.40%*	*-50.81%*	*4.88%*	*15.85%*	*-74.25%*
Return on tangible assets	**2.08%**	**-2.99%**	**-1.98%**	**-2.09%**	**-2.48%**
% change	*169.40%*	*-50.81%*	*4.88%*	*15.85%*	*-74.25%*
Source:	10-K 4/18/2024	10-Q 12/18/2023	10-Q 8/30/2023	10-Q 6/1/2023	10-K 3/29/2023

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ANNUAL STATEMENT OF CASH FLOWS

Net losses and negative cash from operating activities

Consecutive years of net debt issuance to support liquidity

Statement of Cash Flows - Annual - Standardized

(Thousands of U.S. Dollars)

	12 mos 1/31/2024	12 mos 1/31/2023	12 mos 1/31/2022	12 mo 1/31/2021	
Cash Flows from Operating Activities:					
Net income	($76,893)	($59,292)	$108,205	($3,137)	$56,004
Depreciation/depletion	50,416	46,276	45,450	41,068	36,841
Deferred taxes	(27,596)	(5,309)	16,799	31,323	7,488
Non-cash Items	208,758	255,433	152,168	341,349	348,396
Changes in working capital	(205,919)	(176,660)	(146,220)	51,512	(368,663)
Total cash from operating activities	**(51,234)**	**60,448**	**176,402**	**462,115**	**80,066**
Cash Flows from Investing Activities:					
Capital expenditures	(51,054)	(72,966)	(44,859)	(55,927)	(57,546)
Other investing cash flow items, total	3,714	n/a	0	0	724
Total cash from investing activities	**(47,340)**	**(72,966)**	**(44,859)**	**(55,927)**	**(56,822)**
Cash Flows from Financing Activities:					
Financing cash flow items	(36,181)	(9,709)	(10,118)	(7,013)	(11,068)
Issuance/retirement of stock, net	561	(70,919)	(54,575)	698	(65,302)
Issuance/retirement of debt, net	144,576	113,880	(87,473)	(420,468)	69,044
Total cash from financing activities	**108,956**	**33,252**	**(152,166)**	**(426,783)**	**(7,326)**
Net change in cash	**10,382**	**20,734**	**(20,623)**	**(20,595)**	**15,918**
Net cash-beginning balance	**60,371**	**39,637**	**60,260**	**80,855**	**64,937**
Net cash-ending balance	**$70,753**	**$60,371**	**$39,637**	**$60,260**	**$80,855**
Supplemental Disclosures:					
Cash interest paid	$60,019	$26,001	$18,252	$41,059	$50,491
Cash taxes paid, supplemental	$1,453	($8,508)	$21,525	($11,586)	$17,169
Auditor/Opinion:	Ernst & Young LLP **Unqualified**	Ernst & Young LLP **Unqualified**	Ernst & Young LLP **Unqualified**	Ernst & Young LLP **Unqualified**	Ernst & Young LLP **Unqualified**
Source:	10-K 4/18/2024	10-K 3/29/2023	10-K 3/29/2022	10-K 3/31/2021	10-K 4/14/2020

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