THE WALL STREET JOURNAL.

https://www.wsj.com/articles/tailored-brands-we-hate-the-way-it-looks-11547487283

MARKETS | HEARD ON THE STREET

Tailored Brands: We Hate the Way It Looks

The discounted share price of the owner of the Men's Wearhouse and Jos. A. Bank brands might look tempting, but investors shouldn't indulge

A Tailored Brands' Men's Wearhouse store in New York last June. PHOTO: RICHARD B. LEVINE/ZUMA PRESS

By Elizabeth Winkler

Jan. 14, 2019 12:34 p.m. ET

Suits are out. Fleece vests and jeans are in. That is bad news for Tailored Brands , TLRD +0.82% ▲ which owns the Men's Wearhouse and Jos. A. Bank brands. The stock tanked in December when the company reported declining traffic to its Men's Wearhouse stores amid competition from new players such as Bonobos. Now the Jos. A. Bank stores are suffering, too.

On Monday, the company reported that comparable sales at Jos. A. Bank weakened in the third and fourth weeks of December. Same-store sales were down 1.4% across the company for the holiday season. Tailored Brands lowered its fourth-quarter guidance. It now expects same-store sales at Jos. A. Bank to be flat, instead of in the low single-digits, and it is guiding to an overall per-share loss in the range of 29 cents to 34 cents.

> The stock, which fell 36% in 2018, looks set to tank even further this year. At midday Monday, investors had sent it down 15%.

That discounted price may make it look like a tempting buy. As with its infamous "buy one, get seven" deals, investors shouldn't indulge. The company has been struggling to turn around its sales for some years now. It has closed hundreds of stores and cut back on promotions, but it still has around 1,300 U.S. locations. It is also carrying a lot of debt from its purchase of Jos. A. Bank in 2014.

The company is trying to revive interest with new technology that allows shoppers to chat with store employees and order suits online. So far, however, that doesn't look like it will be enough to save a flagging brand in a challenged category.

Write to Elizabeth Winkler at elizabeth.winkler@wsj.com