



QUARTERLY REPORT

MACROECONOMIC & MARKET UPDATE

January 18, 2019

Special Report: PJ SOLOMON 2019 Retail Outlook



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GLOBAL RETAIL GROUP

Senior Team



Peter J. Solomon
*Founder and
Chairman*



Marc Cooper
*Chief Executive
Officer*



David Shiffman
*Managing Director,
Co-Head of Retail*



Cathy Leonhardt
*Managing Director,
Co-Head of Retail*



**Michael
Gottschalk**
*Managing Director,
Head of Consumer*



Scott Moses
*Managing Director
Head of Food
Retail &
Restaurants*



Jeffrey Derman
*Managing
Director*



**Gregory
Grambling**
Director



Patrick Furlong
Director



Flore Gimello
Vice President

Additional Team Members

Eric Bormel, Associate

Gaurav Ghosh, Associate

Brandon Yoshimura, Associate

We advise clients in all retail and consumer sectors, including:

**Branded Apparel,
Footwear & Accessories**

Consumer Products

**Department Stores /
Broadlines / Mass
Merchants**

Discount & Dollar

Drug Chain

E-Commerce

**Fitness / Performance
Apparel**

Grocery & Food Retail

Health, Wellness & Beauty

Home Improvement

Jewelry / Luxury

Off Price

Restaurants

Specialty Hardlines

Specialty Softlines


























Sporting Goods/Outdoor

- We are a globally recognized strategic advisor to leading retail, consumer, apparel, footwear and e-commerce companies
- Unparalleled breadth and depth of industry knowledge, relationships and execution experience
- Strategy is to be the dominant retail centric advisory group
- Our expertise encompasses the convergence of retail, consumer, e-commerce and digital media
- Collaborative effort with our tech, media and telecom bankers to provide clients a unique cross-sector perspective and approach that leverages their knowledge, insights and sector relationships
- Provide M&A, restructuring and financing advisory services to clients ranging from multi-national, large-capitalization corporations to smaller, high-growth, privately-held companies

SELECTED RETAIL GROUP TRANSACTIONS

<p>PENDING</p> <p>\$100,000,000</p> <p>GENESCO</p> <p>Has agreed to divest</p> <p>Lids to Fanatics <small>SPORTS GROUP</small> to <small>AMES WATSON CAPITAL LLC</small></p> <p>Serving as financial advisor to Genesco</p>	<p>DECEMBER 2018</p> <p>Martin's Count On Us!</p> <p>Has been sold to</p> <p>SpartanNash</p> <p>Served as financial advisor to Martin's Super Markets</p>	<p>DECEMBER 2018</p> <p>BEST MARKET</p> <p>Has been sold to</p> <p>LIDL</p> <p>Served as financial advisor to Best Market</p>	<p>DECEMBER 2018</p> <p>fred's</p> <p>Has sold 179 stores' pharmacy prescription files to</p> <p>Walgreens</p> <p>Served as financial advisor to Fred's</p>	<p>NOVEMBER 2018</p> <p>€3,250,000,000</p> <p>HBC</p> <p>Has sold select real estate assets to and formed a joint venture with</p> <p>SIGNA to operate</p> <p>KAUFHOF KARSTADT</p> <p>Served as financial advisor to Hudson's Bay Company</p>	<p>OCTOBER 2018</p> <p>\$113,000,000</p> <p>HIBBETT SPORTS</p> <p>Has acquired</p> <p>city G.E.A.R.</p> <p>Served as financial advisor to Hibbett Sports</p>
<p>OCTOBER 2018</p> <p>SUPERVALU</p> <p>Has divested</p> <p>Shop'n Save to Schnucks</p> <p>Served as financial advisor to SUPERVALU</p>	<p>OCTOBER 2018</p> <p>\$160,000,000</p> <p>Key Food FRESH</p> <p>Senior Secured Credit Facility</p> <p>Served as financial advisor to Key Food</p>	<p>OCTOBER 2018</p> <p>vf</p> <p>Has divested</p> <p>REEF to THE ROCKPORT GROUP</p> <p>Served as financial advisor to V.F. Corporation</p>	<p>OCTOBER 2018</p> <p>\$437,000,000</p> <p>PERRY ELLIS</p> <p>Has been sold to a newly formed entity controlled by George Feldenkreis</p> <p>Served as financial advisor to the Special Committee of Perry Ellis</p>	<p>OCTOBER 2018</p> <p>BARE NECESSITIES</p> <p>Has been sold to</p> <p>Walmart</p> <p>Served as financial advisor to Bare Necessities</p>	<p>SEPTEMBER 2018</p> <p>\$275,000,000</p> <p>Stein Mart</p> <p>Senior Secured Credit Facility</p> <p>Served as financial advisor to Stein Mart</p>
<p>AUGUST 2018</p> <p>\$2,500,000,000</p> <p>VARSIITY BRANDS</p> <p>Has agreed to be sold to</p> <p>BainCapital</p> <p>Served as co-financial advisor to Charlesbank Capital Partners and Partners Group</p>	<p>AUGUST 2018</p> <p>Charlesbank</p> <p>Has acquired the assets of</p> <p>THE ROCKPORT GROUP</p> <p>Served as financial advisor to Charlesbank</p>	<p>JUNE 2018</p> <p>\$558,000,000</p> <p>FINISH LINE</p> <p>Has been sold to</p> <p>JD</p> <p>Served as financial advisor to the Special Committee of The Finish Line</p>	<p>MAY 2018</p> <p>DSW</p> <p>Has acquired the remaining outstanding equity interests of</p> <p>town shoes</p> <p>Served as financial advisor to DSW</p>	<p>MARCH 2018</p> <p>GR</p> <p>GROUPE ROCHER</p> <p>Has acquired</p> <p>ARBONNE</p> <p>Served as financial advisor to Groupe Rocher</p>	<p>MARCH 2018</p> <p>\$305,000,000</p> <p>APOLLO</p> <p>Has agreed to acquire</p> <p>QDOBA from Jack in the Box</p> <p>Served as financial advisor to Apollo</p>
<p>FEBRUARY 2018 **</p> <p>\$788,000,000</p> <p>DUFY</p> <p>Spin off of</p> <p>HUDSON GROUP Retail Specialists</p> <p>Co-Manager</p>	<p>FEBRUARY 2018</p> <p>FLIGHT CLUB</p> <p>Has merged with</p> <p>GOAT</p> <p>Served as financial advisor to Flight Club</p>	<p>NOVEMBER 2017</p> <p>SUPERMERCADO EL RANCHO</p> <p>Strategic investment by</p> <p>Albertsons</p> <p>Served as financial advisor to El Rancho</p>	<p>AUGUST 2017</p> <p>central grocers <i>Strack & Van Til</i></p> <p>Has sold select assets to</p> <p>SUPERVALU Indiana Grocery Group</p> <p>Served as financial advisor to Central Grocers</p>	<p>AUGUST 2017</p> <p>\$3,900,000,000</p> <p>\$1 billion Senior Notes \$2.9 billion First Lien Term Loan</p> <p>STAPLES</p> <p>Served as joint Lead Arranger and Bookrunner</p>	<p>JULY 2017</p> <p>marsh</p> <p>Has sold select assets to</p> <p>Kroger <i>Fresh Encounter</i></p> <p>Served as financial advisor to Marsh Supermarkets</p>

SELECTED RETAIL GROUP TRANSACTIONS (CONT'D)

<p>JUNE 2017 **</p> <p>\$325,000,000</p> <p>Senior Secured Credit Facilities</p>  <p>Served as joint Lead Arranger and Bookrunner</p>	<p>MAY 2017</p> <p>\$446,000,000</p>  <p>Has been sold to</p> <p>HGGC</p> <p>Served as financial advisor to Nutraceutical International Corporation</p>	<p>APRIL 2017 **</p> <p>\$925,000,000</p>  <p>\$675 million First Lien Term Loan \$250 million Second Lien Term Loan</p> <p>Served as joint Lead Arranger and Bookrunner</p>	<p>APRIL 2017 **</p> <p>\$840,000,000</p>  <p>\$525 million Term Loan B \$315 million Delayed-Draw Fungible Term Loan B</p> <p>Served as Co-Manager</p>	<p>APRIL 2017</p>  <p>Centre Lane Partners and Grand Wealth (subsidiary of Yue Yuen Industrial (Holdings) Limited) have recapitalized Haggar, resulting in Grand Wealth acquiring 100% of shares outstanding</p> <p>Served as financial advisor to Haggar</p>	<p>MARCH 2017</p> <p>MODCLOTH</p> <p>Has been sold to</p>  <p>Served as financial advisor to ModCloth</p>
<p>MARCH 2017 **</p> <p>\$248,000,000</p> <p>KENNETH COLE</p> <p>\$30 million Revolving Credit Facility \$165 million Term Loan \$53 million Commercial Mortgage</p> <p>Served as financial advisor to Kenneth Cole Productions and Natixis provided real estate financing</p>	<p>FEBRUARY 2017</p> <p>\$174,200,000</p>  <p>Has been sold to</p> <p>BARNES & NOBLE education</p> <p>Served as financial advisor to MBS Textbook Exchange and owner Leonard Riggio</p>	<p>FEBRUARY 2017</p> <p>NASTY GAL</p> <p>Has been sold to</p> <p>boohoo.com</p> <p>Served as restructuring advisor to Nasty Gal on its Section 363 sale</p>	<p>JANUARY 2017</p> <p>FINISH LINE</p> <p>Has divested</p> <p>JackRabbit. to CriticalPoint</p> <p>Served as financial advisor to The Finish Line</p>	<p>DECEMBER 2016 *</p> <p>\$950,000,000</p>  <p>Has agreed to acquire 865 stores and certain assets from</p>   <p>Provided a fairness opinion to the Board of Directors of Fred's Inc.</p>	<p>DECEMBER 2016</p>  <p>Has sold select pharmacy assets to</p> <p>CVS Health</p> <p>Served as financial advisor to Southeastern Grocers</p>
<p>NOVEMBER 2016</p>  <p>Has been sold to</p> <p>CARDENAS KKR</p> <p>Served as financial advisor to Mi Pueblo</p>	<p>SEPTEMBER 2016</p> <p>\$145,000,000</p>  <p>Has acquired</p> <p>pet sense</p> <p>Served as financial advisor to Tractor Supply Company</p>	<p>SEPTEMBER 2016</p> <p>HSN</p> <p>Has divested</p> <p>chasing fireflies TRAVELSMITH</p> <p>DISTINCTIVE APPAREL INC.</p> <p>Served as financial advisor to HSNi</p>	<p>AUGUST 2016</p> <p>\$196,600,000</p>  <p>Has been sold to</p>  <p>Served as financial advisor to Skullcandy</p>	<p>JUNE 2016</p>  <p>Served as financial advisor to Brooks Brothers regarding strategic alternatives</p>	<p>JUNE 2016</p> <p>\$106,000,000</p> <p>Haggen FOOD & PHARMACY SINCE 1933</p> <p>Has sold its core business to</p> <p>Albertsons</p> <p>Served as financial advisor to Haggen</p>
<p>MAY 2016</p>  <p>Formed a JV to distribute Calvin Klein, Tommy Hilfiger, Warner's, Olga and Speedo in Mexico</p>   <p>Served as financial advisor to PVH</p>	<p>FEBRUARY 2016</p>  <p>Served as restructuring advisor to Quiksilver</p>	<p>FEBRUARY 2016</p> <p>DSW</p> <p>Has acquired</p>  <p>Served as financial advisor to DSW</p>	<p>FEBRUARY 2016</p>  <p>Has been sold to</p> <p>J.W. CHILDS ASSOCIATES</p>  <p>Served as financial advisor to RevZilla</p>	<p>FEBRUARY 2016</p> <p>\$495,000,000</p>  <p>Has acquired the remaining 55% interest in the China joint venture for</p>  <p>Served as financial advisor to PVH</p>	<p>JANUARY 2016</p> <p>ALEX AND ANI</p> <p>Pursued a strategic acquisition</p> <p>Served as financial advisor to Alex and Ani</p>

THIRD GENERATION FAMILY OWNED GROCER ACQUIRED BY LEADING WHOLESALER

On November 20, 2018, Martin's Super Markets and SpartanNash announced an agreement whereby SpartanNash will acquire Martin's, a leading family-owned independent supermarket chain in the Midwest



Founded in 1947 and headquartered in South Bend, Indiana, Martin's operates 21 stores in northern Indiana and southwestern Michigan, with approximately 3,500 employees



SpartanNash (Nasdaq: SPTN) is a Fortune 400 company whose core businesses include distributing grocery products to a diverse group of independent and chain retailers, its corporate-owned retail stores and U.S. military commissaries and exchanges



PJ SOLOMON SERVED AS FINANCIAL ADVISOR TO MARTIN'S SUPERMARKETS

- Offered deep industry connections to third generation family-owned grocery business
- Performed various distribution / supply-chain, banner and competitive analysis to drive value for owners and employees
- **Example of PJ SOLOMON's M&A advisory expertise and commitment to achieving long-term shareholder value**



LEADING FOOTWEAR RETAILER DIVESTS LICENSED SPORTS DIVISION

On December 14, 2018, Genesco ("GCO") announced that it had entered into a definitive agreement to sell Lids Sports Group, the leading licensed sports retailer in North America, to FanzzLids Holdings, a holding company owned and operated by affiliates of Ames Watson and Fanatics



Genesco is a Nashville-based, footwear-focused specialty retailer selling in more than 2,650 retail stores as well as online across the U.S., Canada, the UK, the Republic of Ireland and Germany. Genesco's owned retail and wholesale concepts include Journeys, Schuh and Johnston and Murphy.



Lids Sports Group is the largest omni-channel licensed sports retailer in North America, selling fan and fashion-oriented licensed sports headwear, apparel and accessories across the U.S., Canada and Puerto Rico



Fanatics is a global leader for officially licensed sports merchandise offering items in more than 300 online and offline stores, including the e-commerce business for professional sports leagues ((MLB, MLS, NBA, NFL, NHL, NASCAR and PGA).



Ames Watson Capital is a privately held diversified operating company that purchases, transforms and partners with companies to create long term value. The Company is the owner of Fanzz, a specialty retailer of officially licensed sports apparel



PJ SOLOMON SERVING AS FINANCIAL ADVISOR TO GENESCO

- Offered deep industry knowledge of the licensed sports landscape as well as broader specialty retail
- Performed complex financial analysis to inform client of implications of transaction and offer innovative structures and solutions
- **Example of PJ SOLOMON's M&A advisory expertise, experience with complex situations and commitment to achieving long-term shareholder value**



UNLOCKING SHAREHOLDER VALUE FOR A LEADING DISCOUNT PHARMACY RETAILER

The sale of 185 Fred's stores' pharmacy prescription files to Walgreens for \$165 million allows the Company to unlock shareholder value and reduce its debt balance through the monetization of non-core assets



Fred's operates discount general merchandise stores and pharmacies across the Southeastern US serving low, middle and fixed income families in suburban markets.

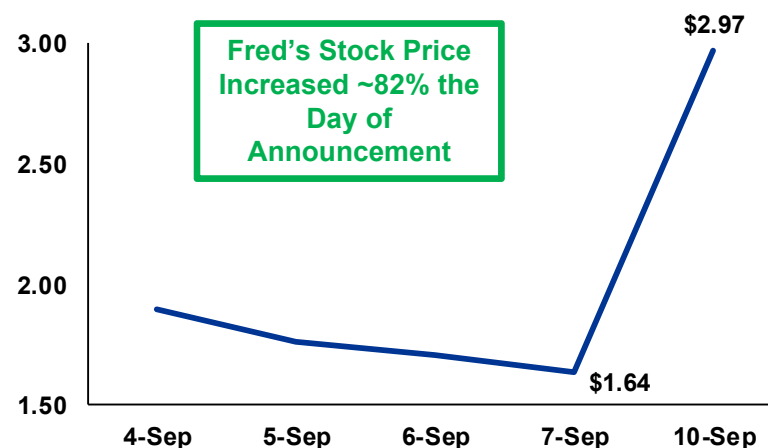


Walgreens Boots Alliance is a multi-national pharmacy-led health and wellbeing company. Walgreens operates 9,800 pharmacies nationwide under its Walgreens and Duane Reade banners.

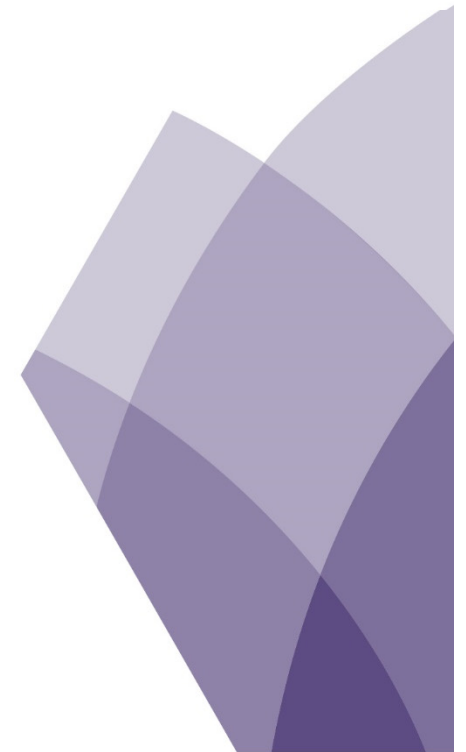
PJ SOLOMON SERVING AS FINANCIAL ADVISOR TO FRED'S

- Offered deep industry knowledge of discount retail and pharmacy retail environment
- Leveraged experience and existing relationships to secure sale to an industry leading pharmacy retail brand
- Performed complex financial analysis to inform client of implications of transaction and offer innovative solutions
- **Example of PJ SOLOMON's M&A advisory expertise and commitment to achieving long-term shareholder value**

Stock Price Reaction



MACROECONOMIC UPDATE



CURRENT MACROECONOMIC SUMMARY

Positive Developments

- ✓ **U.S. Real GDP increased +3.4% in Q3 2018 after +4.2% in Q2 2018**
 - Increase in real GDP primarily reflects positive contributions from private investment, nonresidential fixed investment and federal, state and local government spending offset by negative contributions from exports
- ✓ **Labor market remains positive with low unemployment and wage growth**
 - In December 2018, while jobs increased +312,000, unemployment ticked up slightly to 3.9% and the Labor Force Participation Rate increased to 63.1%, some have raised concerns about a slowing market
 - Wages were up 3.2% in 2018 (+0.4% in December), continuing their upward trajectory
- ✓ **The Federal Reserve raised rates again at the December meeting, pushing the Federal Funds Rate to a 2.25% and 2.50% range, the ninth raise since December 2015**
 - Following the unanimous vote to raise rates, the committee indicated fewer raises in 2019
 - Continue plan of steadily letting crisis-era holdings of Treasury and mortgage bonds run off as planned, following the existing strategy
- ✓ **U.S. Dollar continues to strengthen with rising interest rates and tax cuts, reaching its strongest level since June 2017**
- ✓ **Core retail sales increased 0.7% and 0.9% in October and November, respectively, helping curb fears of a consumer spending slowdown**
- ✓ **Revamped NAFTA deal, renamed USMCA, was signed on November 30**
 - Trade restricting elements include rules for auto production / trade, Canadian dairy export limits and restricted future trade agreements with any non-market economies (e.g. China)
 - The majority of the new USMCA provisions do not go into effect until 2020
- ✓ **Loose monetary policy continues around the globe; several national banks have maintained zero or negative policy rates into late Q4 2018**
 - ECB announced the decision to start phasing out QE in December, leading to questions about cutting of its growth forecasts
 - Following meeting in mid-September 2018, the BOJ announced the continuation of negative interest rates and QE program
 - Status of programs needs to be monitored as the OECD has warned that global economic expansion may have peaked

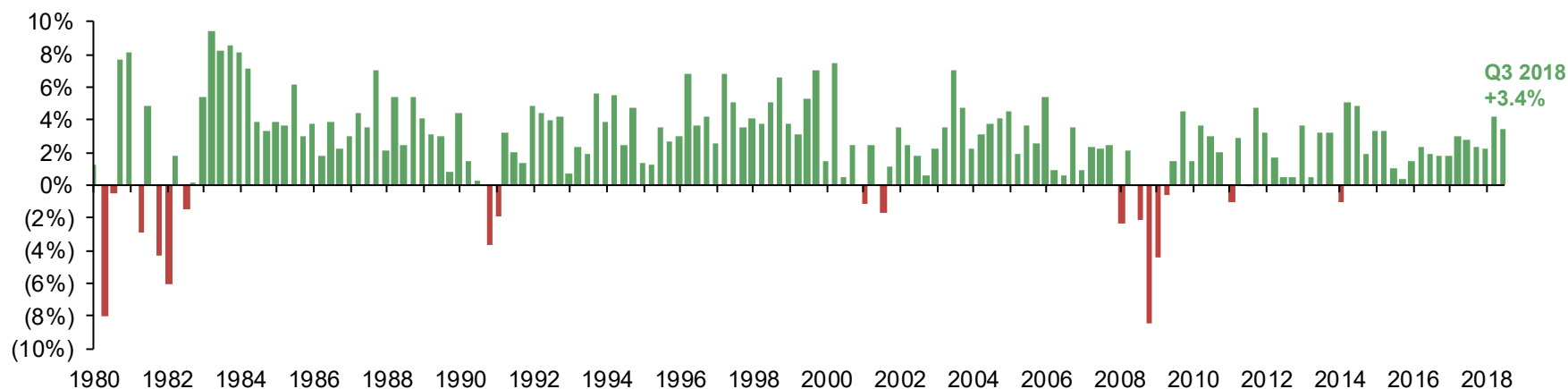
Continued Concerns

- ✗ **Recent Trade War and Brexit concerns has impacted global sentiment**
 - Trump administration announced tariffs on \$200 billion of Chinese goods in September 2018 – 10% tax that took effect on September 24 and rose to 25% at year end; China retaliated with tariffs on \$60 billion of U.S. goods
 - U.S. and China have made progress on trade but remain divided on issues such as a reduction of Chinese subsidies to domestic firms and IP protection
- ✗ **Impact of lengthy partial government shutdown as President Trump remains insistent on funds for a wall at the U.S./Mexico border**
- ✗ **Volatile global equity and credit markets, notwithstanding a ten-year bull market and valuations for many asset classes near all-time highs**
 - Spike in the VIX in December has pushed the volatility index to its highest level since the February selloff
 - Volatility has led to record breaking U.S. rallies followed by strong selloffs
 - High yield market has effectively stopped for new issues since December, but sentiment has improved over the past few days
- ✗ **The Federal Reserve slightly lowered its inflation estimates following December meeting, but should continue to be monitored going forward**
 - Core inflation represented a slight softening in October, with a YoY increase of 1.8%, compared to the high 1.9% YoY increase in August and September
- ✗ **The IMF expects 3.7% growth in 2018 and 2019, down from 3.9% estimate earlier in 2018**
 - First downgrade to world outlook since July 2016
- ✗ **Following signs of oil price recovery in October, December oil prices sit about 40% lower in comparison, amid oversupply concerns**
- ✗ **PMI fell to 54.1 in December, a steep decline from the 59.3 November figure**
- ✗ **Treasury yield curve, a good historical predictor of past recessions, inverted in early December for the first time since the 2008 recession**
- ✗ **Mortgage rate increases have dampened prices and homebuilder sentiment**
- ✗ **Annual budget deficit expected to exceed \$1 trillion starting in 2019**
 - In mid-October, the budget deficit reached 17% higher than the previous fiscal year and its highest level in six years as spending climbed
- ✗ **Amazon and other large online marketplaces continue to meaningfully impact various brick-and-mortar segments**
 - \$15/hour wages put considerable pressure on various competing subsectors
- ✗ **Underfunded states, municipalities, pension liabilities and U.S. territories (e.g., Puerto Rico)**

U.S. REAL GDP INCREASED +3.4% IN Q3 2018

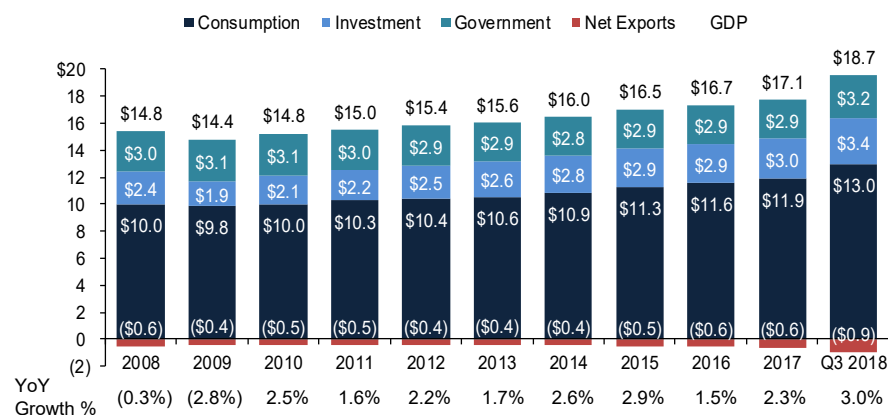
U.S. Real GDP Growth (Constant 2009 Dollars)

(Annualized Quarter over Quarter % Change)



Source: Bureau of Economic Analysis as of January 2019.

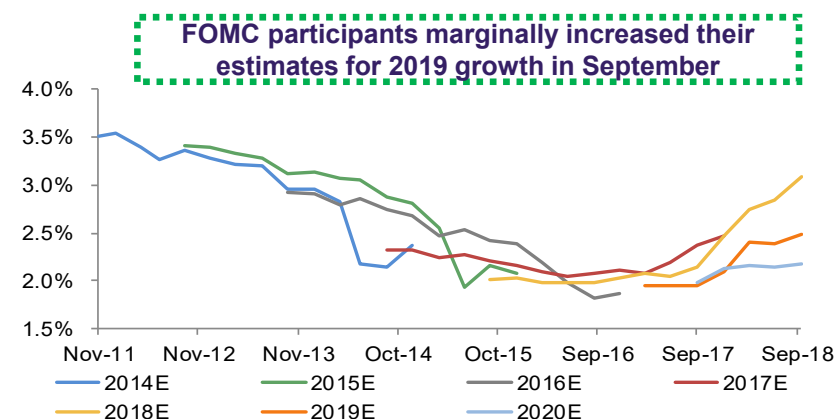
U.S. Real GDP (Constant 2009 Dollars)



Source: Bureau of Economic Analysis as of January 2019.



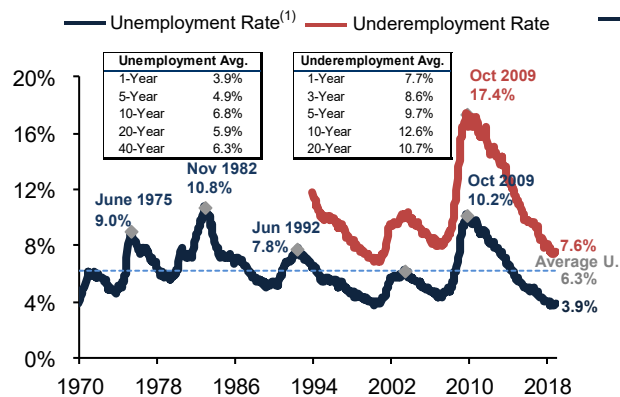
FOMC GDP Growth Projections Over Time



Source: FOMC as of January 2019.

UNEMPLOYMENT NEAR 2000 AND 2007 LOWS; INITIAL CLAIMS NEAR 50-YEAR LOW; JOB OPENINGS AND THE QUIT RATE REMAIN ELEVATED; LABOR FORCE PARTICIPATION CONTINUES TO IMPROVE

U.S. Unemployment Rate ⁽¹⁾

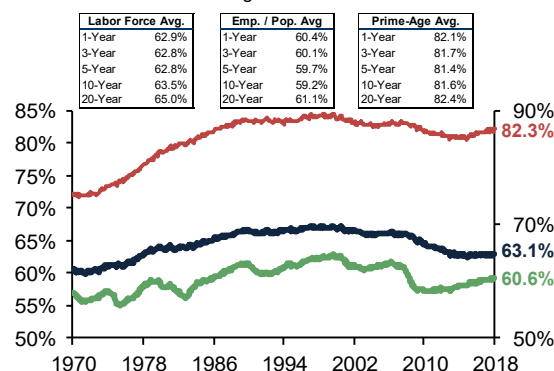


Source: BLS as of January 2019 (December represents latest available data).

(1) Unemployment represents U-3 rate. Underemployment represents U-6 rate and is defined as total unemployed, plus all marginally attached workers plus total employed part time for economic reasons, as a percent of all civilian labor force plus all marginally attached workers.

Labor Force Participation & Employment Rates

— Labor Force Participation Rate — Employment-to-Population Ratio ⁽²⁾ (Millions)
— Prime Age Labor Force



Source: BLS as of January 2019 (December represents latest available data).

(2) Defined as the civilian labor force as a percentage of the total civilian population; the civilian labor force is defined as those either unemployed or employed and excludes those who want a job and have looked for work in the past 12 months, but who are not currently looking.

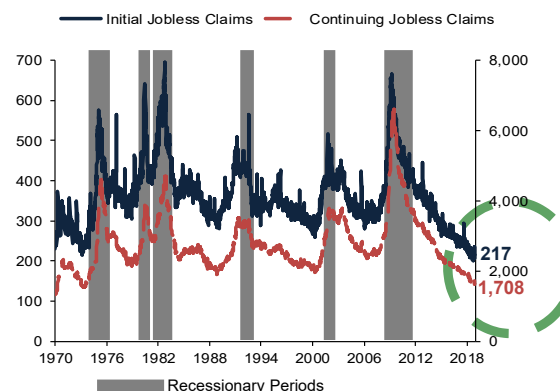
Job Openings



Source: BLS as of January 2019 (October represents latest available data).

Initial and Continuing Jobless Claims

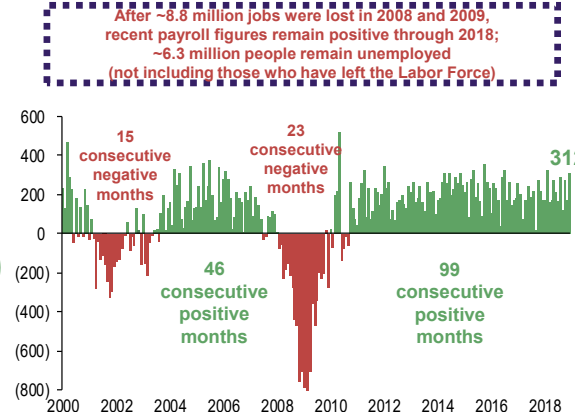
(Thousands)



Source: BLS as of January 2019.

Change in Nonfarm Payrolls

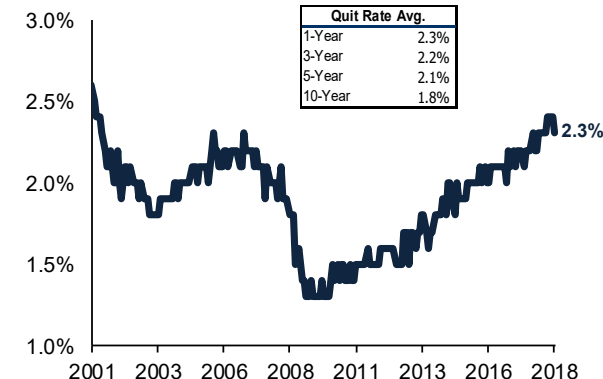
(Thousands)



Source: BLS as of January 2019 (December represents latest available data).

Quit Rate

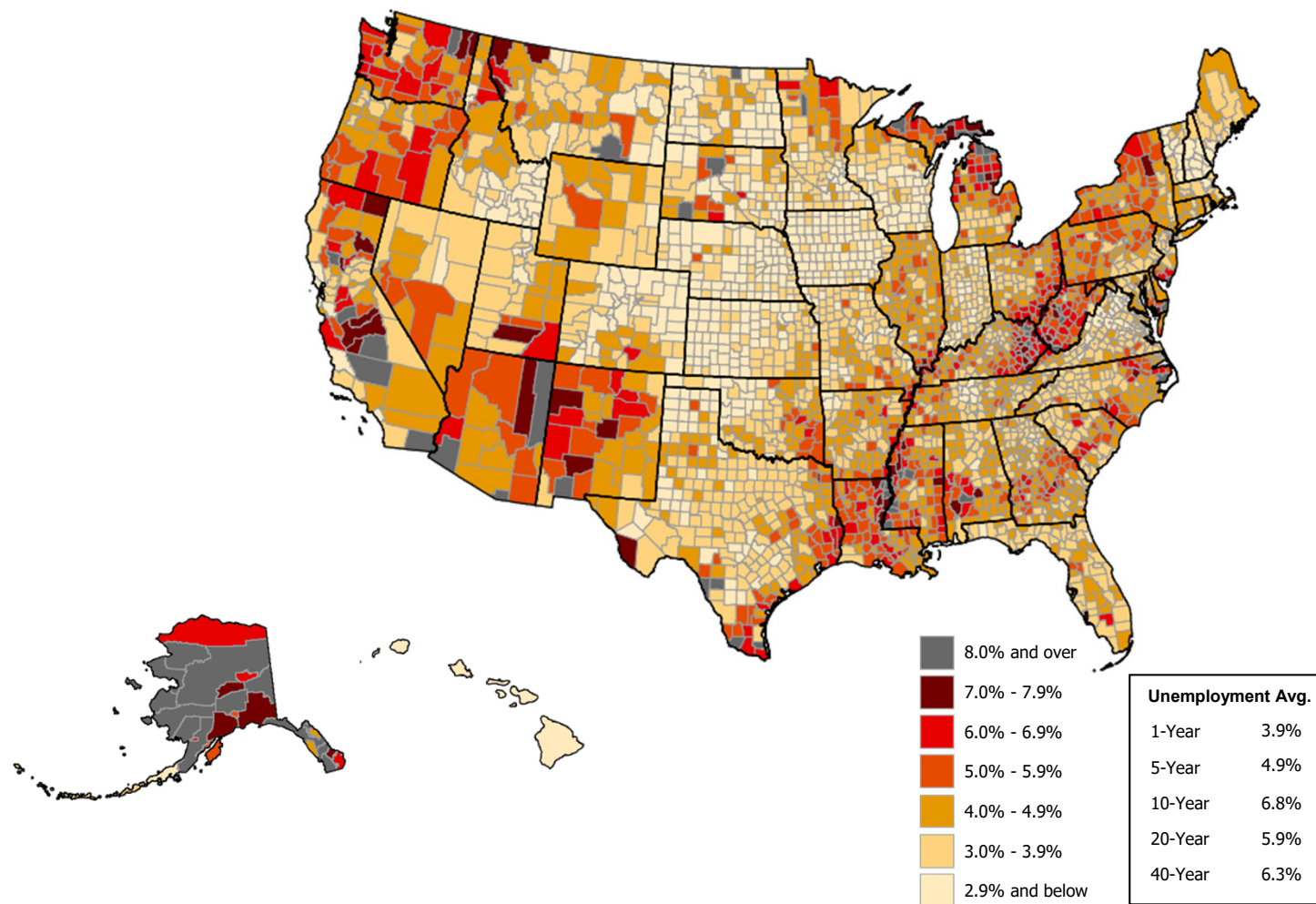
(Percent of Employment)



Source: BLS as of January 2019 (October represents latest available data).

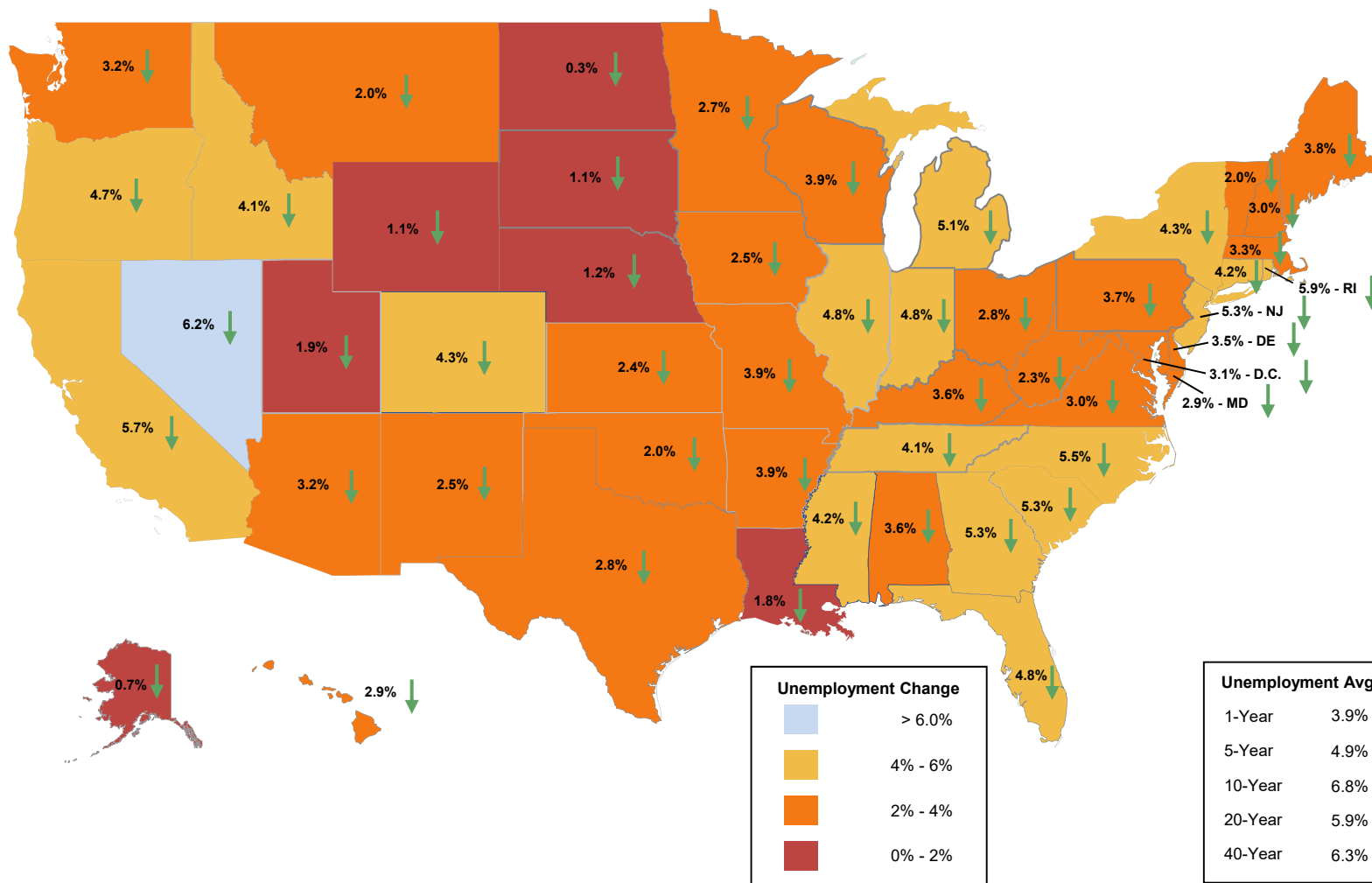
UNEMPLOYMENT BY COUNTY – 12-MONTH AVERAGE

Current U.S. Unemployment Rate: 3.9% ⁽¹⁾



EVERY STATE'S UNEMPLOYMENT RATE IS LOWER THAN IN 2012

U.S. Unemployment Rate Change Since 2012: 4.0% ⁽¹⁾

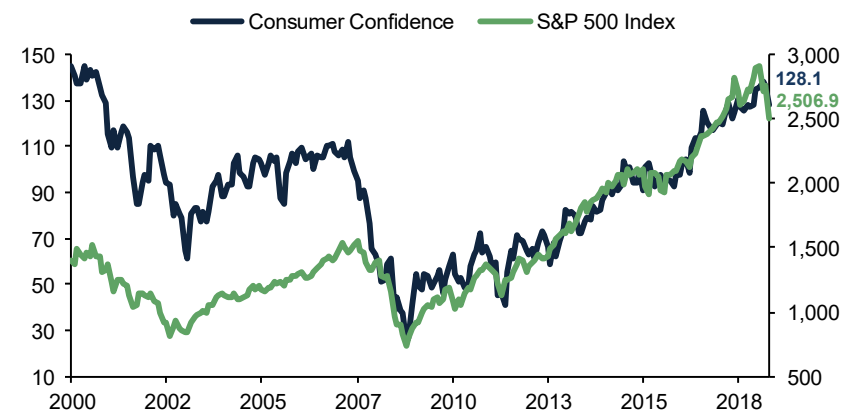


Source: BLS as of January 2019.

(1) National unemployment rate (U-3) reflects December 2018; state unemployment rates reflect November 2018 (the latest available data); arrows demonstrate decreases (green) and increases (black or white) in a state's unemployment rate over November 2012.

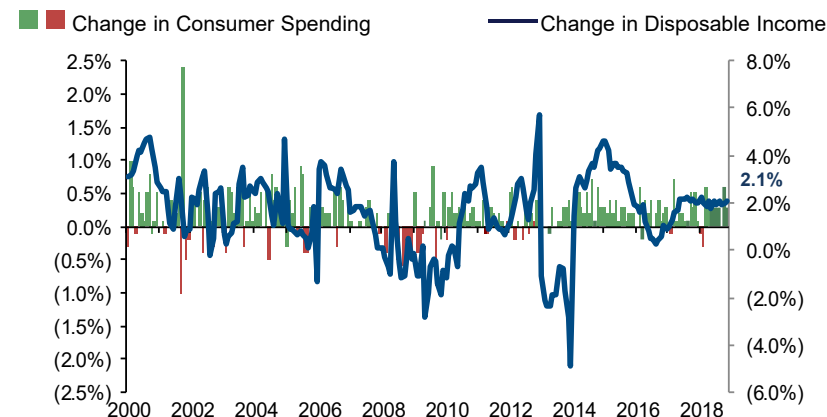
AS CONSUMER CONFIDENCE REMAINS STRONG, U.S. RETAIL SALES HAVE STEADILY INCREASED, PARTICULARLY ONLINE

Consumer Confidence and S&P 500



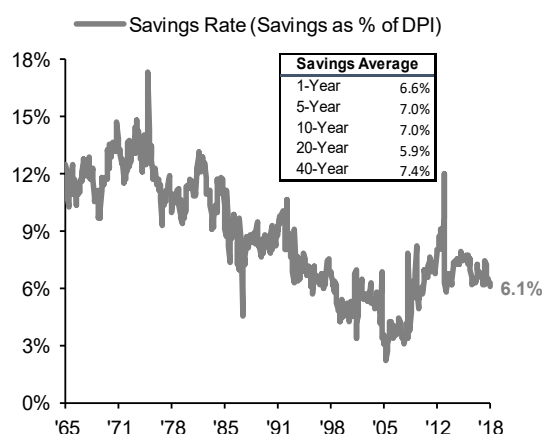
Source: Conference Board Consumer Confidence Index as of January 2019 (December represents the latest available data); S&P 500 Index as of December 31, 2018.

U.S. Real Consumer Spending and Disposable Income



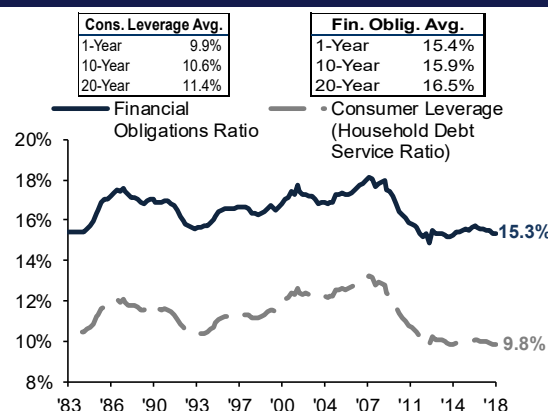
Source: BEA as of January 2019 (November represents latest available data).

Savings Rate



Source: Federal Reserve Bank of St. Louis as of January 2019 (October represents the latest available data). DPI is Disposable Personal Income.

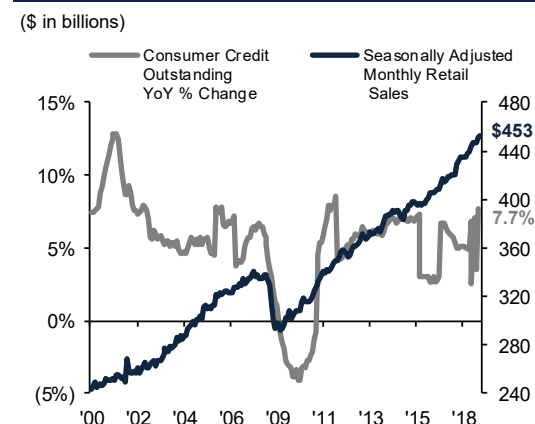
Cons. Lev. ⁽¹⁾ and Fin. Oblig. Ratio ⁽²⁾



Source: Federal Reserve Board as of January 2019 (Q2 '18 represents the latest available data).

- (1) Reflects the ratio of debt payments to disposable income. Debt payments include interest and principal payments on revolving and closed-end debt.
- (2) Reflects the ratio of debt payments, automobile lease payments, rental payments on tenant-occupied property, homeowners' insurance and property tax payments to disposable income.

Consumer Credit and Retail Sales

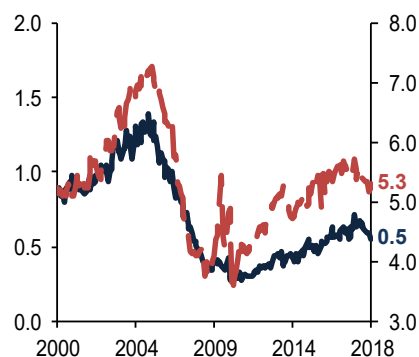


Source: Bloomberg (Consumer Credit) and Census (Retail Sales) as of January 2019 (November represents the latest available data for Retail Sales and October for Consumer Credit).

THE STEADY INCREASE IN MORTGAGE RATES HAS SLOWED HOME PRICE INCREASES, ALTHOUGH RATES HAVE BEGUN TO DECREASE RECENTLY; HOMEBUILDER CONFIDENCE HAS SHARPLY DECREASED

Home Sales

(millions of units)



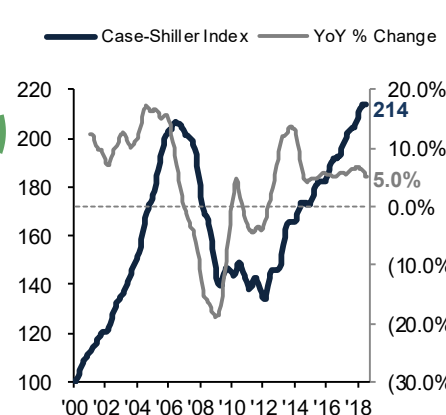
Source: U.S. Department of Commerce; Bureau of The Census Construction Reports as of January 2019 (November represents the latest available data for Existing Homes Sold and October for New One-Family Homes Sold).

Homebuilder Confidence



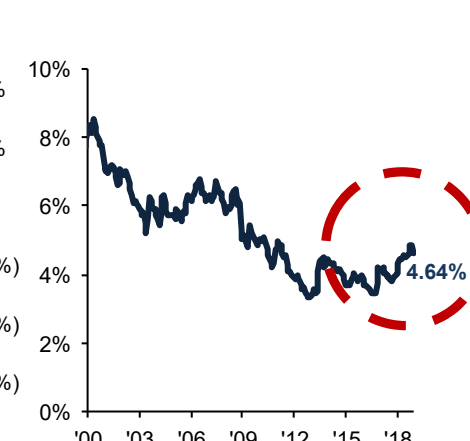
Source: National Association of Home Builders as of January 2019 (December represents the latest available data).

Home Prices



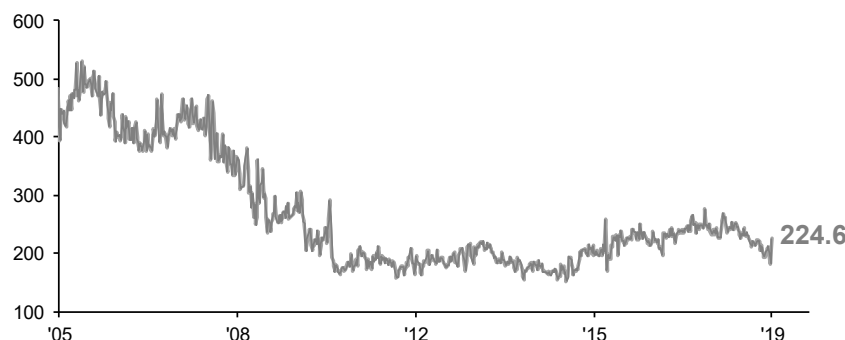
Source: S&P / Case-Shiller Composite-20 Home Price Index as of January 2019 (October represents the latest available data).

30-Yr Fixed Rate



Source: Freddie Mac as of January 2019 (December represents the latest available data).

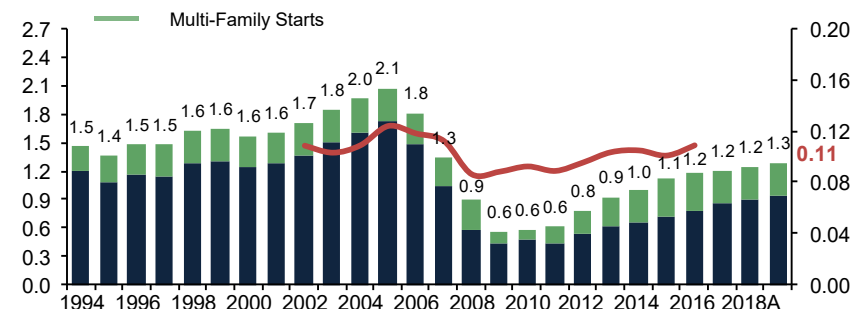
Mortgage Applications



Source: Mortgage Bankers Association as of January 2019.

Housing Starts

(millions of units)



Source: National Association of Home Builders (Housing Starts) and National Association of Realtors (Pending Home Sales) as of January 2019.

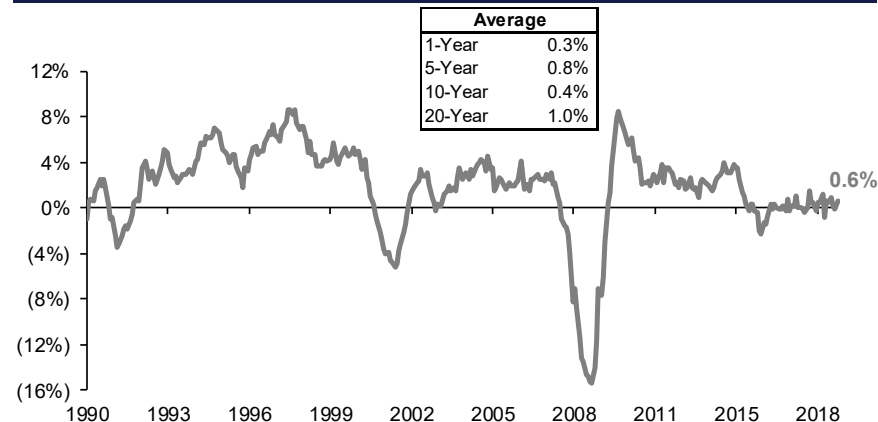
U.S. MANUFACTURING CONTINUES TO EXPAND AT A FAST PACE; PMI AND CEO CONFIDENCE FACE DECLINES

Purchasing Managers Index (PMI)



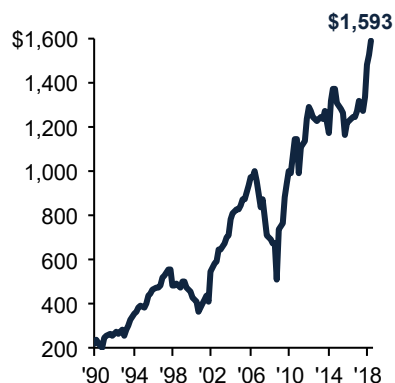
Source: ISM as of January 2019 (December represents the latest available data).

U.S. Industrial Production Growth Rate



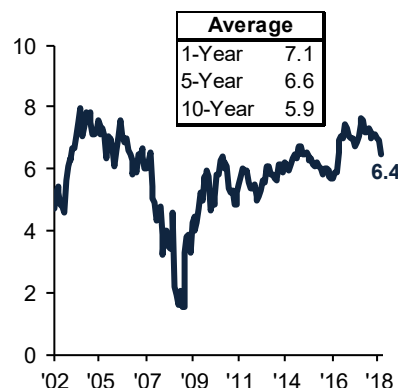
Source: ISM as of January 2019 (November represents the latest available data).

After-Tax Corp. Profits



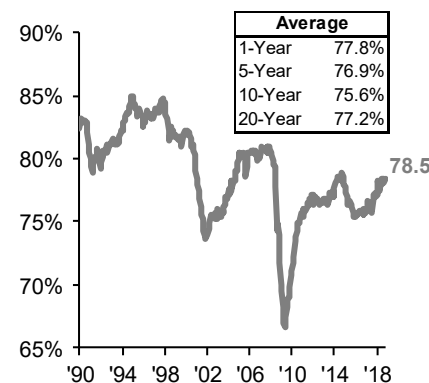
Source: BEA as of January 2019 (Q3 '18 represents the latest available data).

CEO Confidence Index



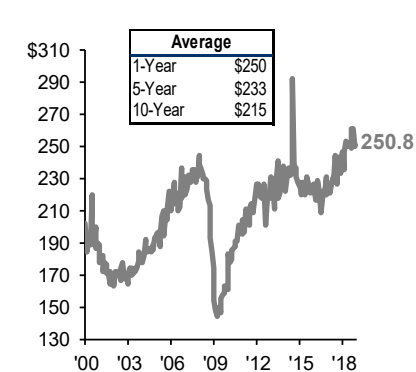
Source: CEO Magazine as of January 2019 (December represents the latest available data).

U.S. Capacity Utilization



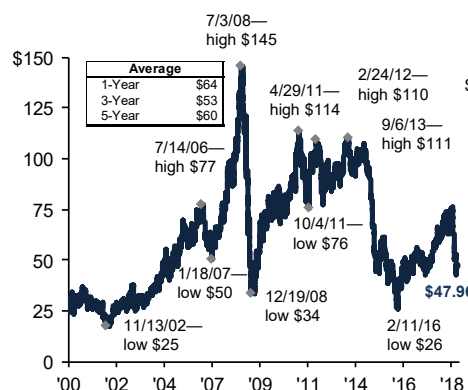
Source: Federal Reserve as of January 2019 (November represents the latest available data). Figures include the manufacturing, mining and electric and gas utilities industries.

Durable Goods Orders

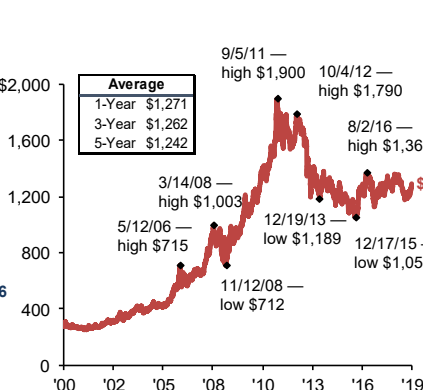


Source: U.S. Census Bureau as of January 2019 (November represents the latest available data).

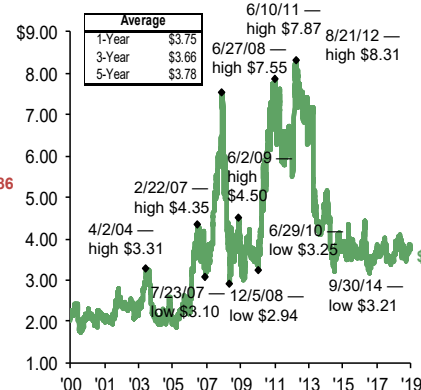
OIL PRICES DROPPED SIGNIFICANTLY WHILE RECENT DOLLAR STRENGTH PERSISTS

NYMEX Crude Oil Price (\$/Barrel)


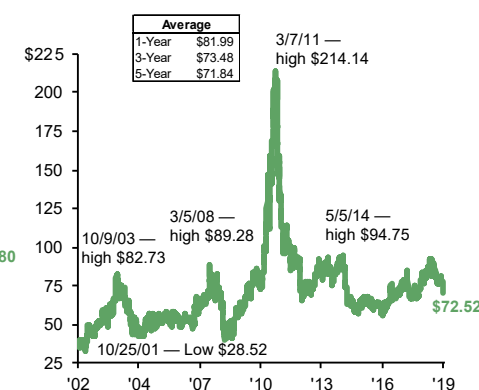
Source: NYMEX as of January 2019.

Gold (\$/Troy Oz.)


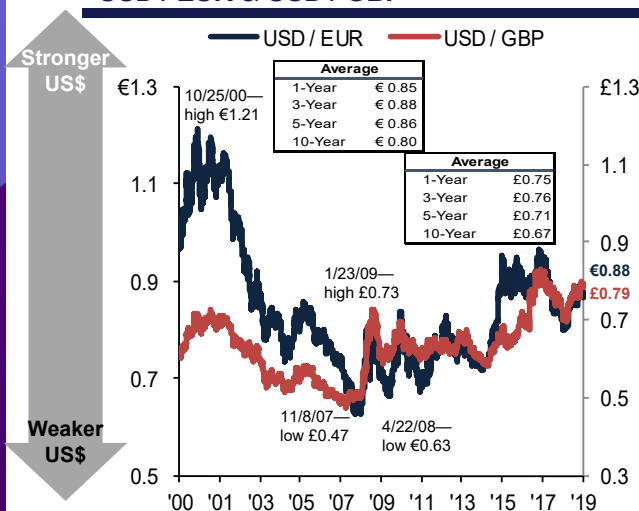
Source: Capital IQ as of January 2019.

Corn (\$/Bushel)


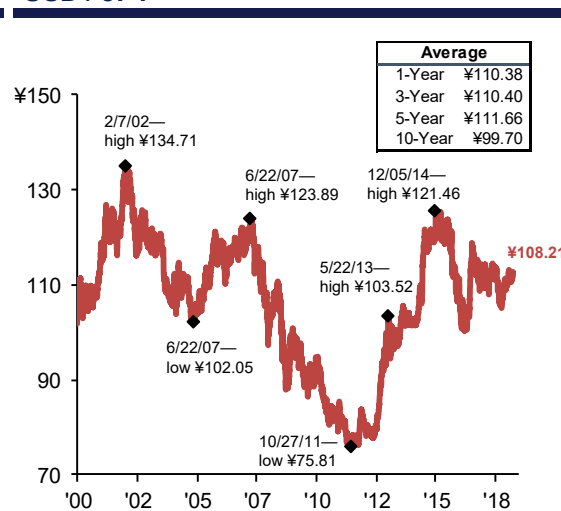
Source: Capital IQ as of January 2019.

Cotton (\$/Bushel)


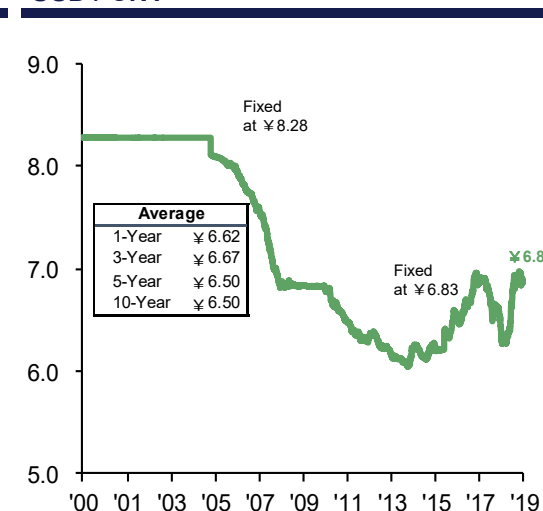
Source: Capital IQ as of January 2019.

USD / EUR & USD / GBP


Source: Capital IQ as of January 2019.

USD / JPY


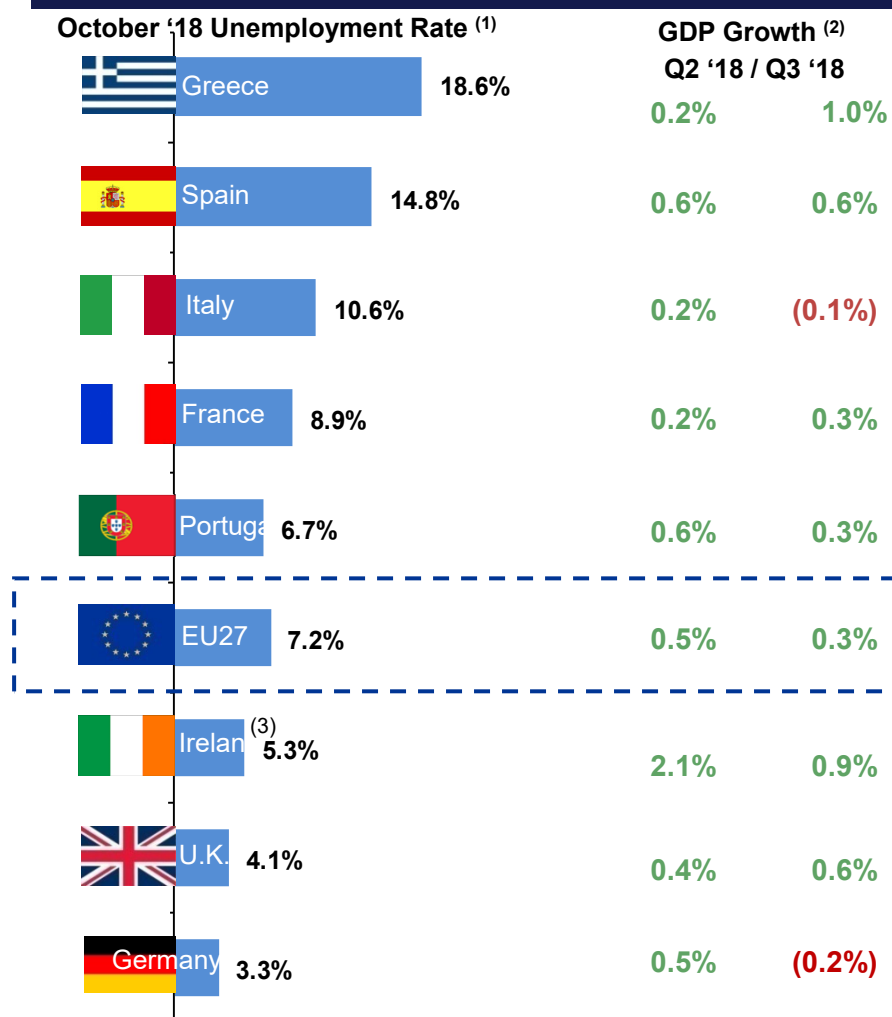
Source: Capital IQ as of January 2019.

USD / CNY


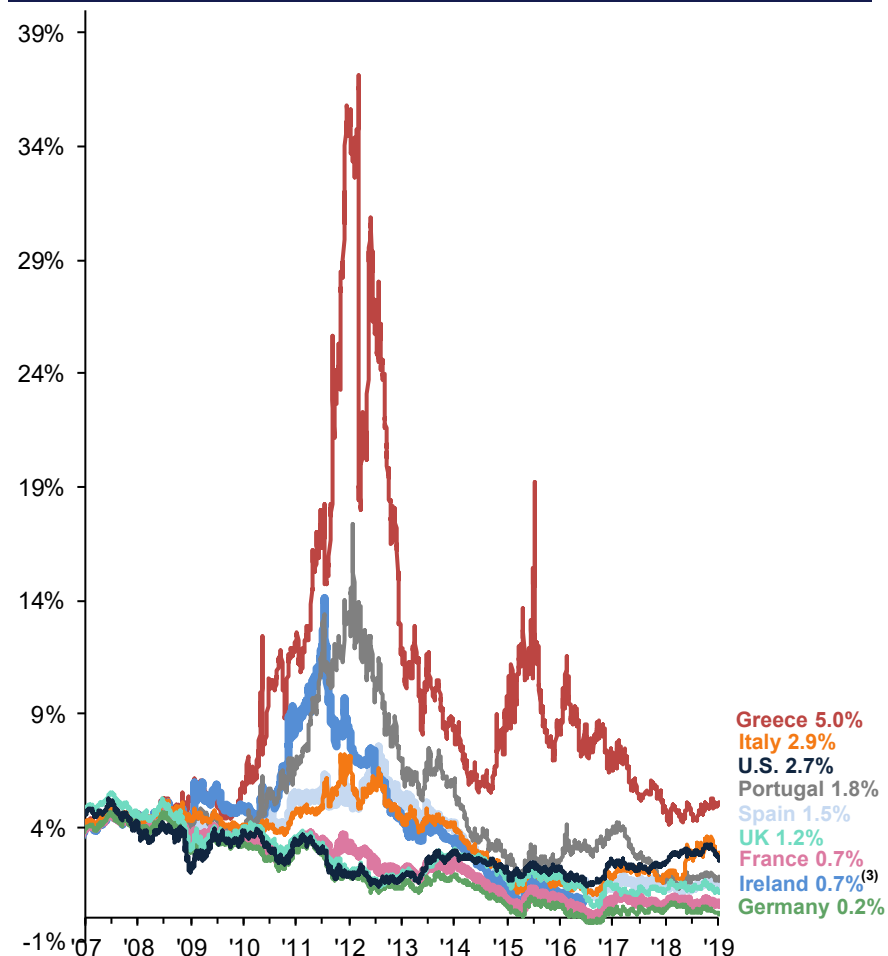
Source: Capital IQ as of January 2019.

AMID MODERATE GDP GROWTH, EUROZONE BOND YIELDS REMAIN NEAR POST-CRISIS LOWS

Euro-Zone Unemployment and GDP Growth



Sovereign Credit Yields (10-Yr Benchmark)



Source: Eurostat, Hellenic Statistic Authority and Bloomberg as of January 2019.

(1) Greece and U.K. data represent September 2018 (the latest available); Eurostat defines unemployed persons as persons aged 15 to 74 who are without work, are available to start work within the next two weeks and have actively sought employment at some time during the previous four weeks.

(2) Represents percentage change compared with the previous quarter.

(3) Ireland data until June 9, 2016.

FINANCIAL AND M&A MARKETS UPDATE

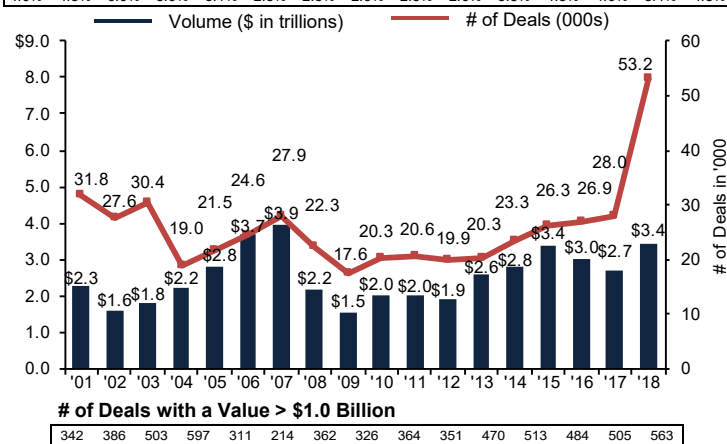


U.S. M&A ACTIVITY REMAINED STRONG IN 2018, WITH \$1.6 TRILLION IN VOLUME, DRIVEN PRIMARILY BY LARGER STRATEGIC ACQUISITIONS

Global Announced M&A Volume (Inflation Adjusted)

Global M&A as a % of GDP ⁽¹⁾

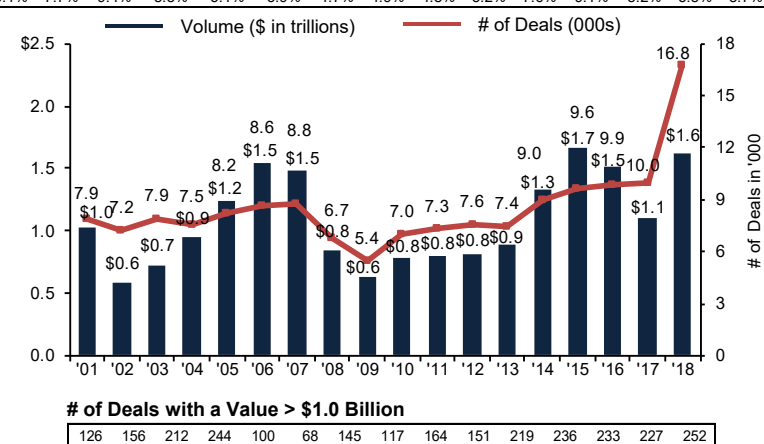
2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 ⁽²⁾
4.0%	4.8%	6.0%	5.9%	3.1%	2.3%	2.8%	2.6%	2.5%	2.6%	3.5%	4.5%	4.0%	3.4%	4.5%



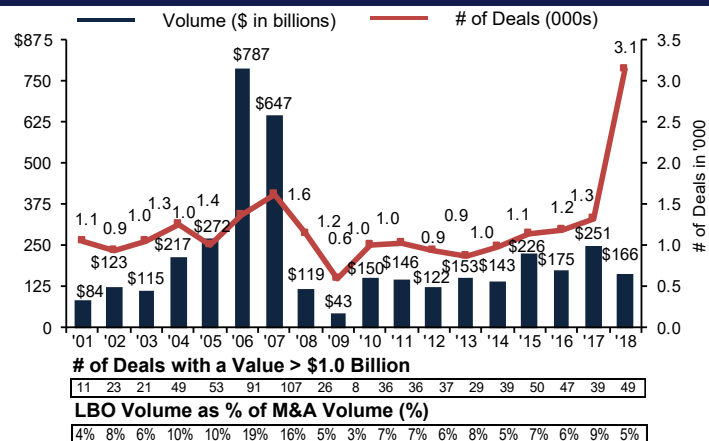
U.S. Announced M&A Volume (Inflation Adjusted)

U.S. M&A as a % of GDP ⁽¹⁾

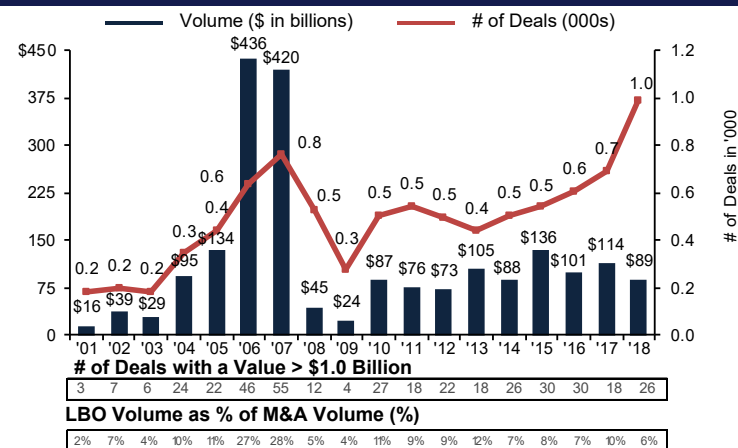
2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 ⁽²⁾
6.1%	7.7%	9.4%	8.8%	5.1%	3.9%	4.7%	4.9%	4.8%	5.2%	7.6%	9.1%	8.2%	5.8%	8.7%



Global Announced LBO Volume (Inflation Adjusted)



U.S. Announced LBO Volume (Inflation Adjusted)



Source: Bloomberg and Capital IQ as of January 2019.

Note: Inflation adjusted volume numbers are adjusted to the CPI-U Index.

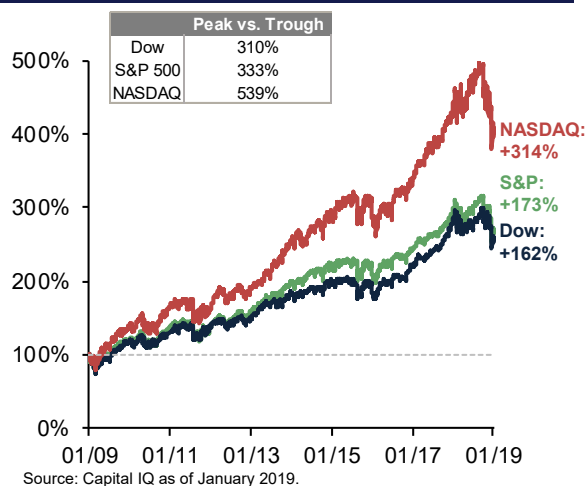
(1) Global and U.S. GDP figures at current prices per the International Monetary Fund.

(2) Calculated as a percentage of 2017 GDP.

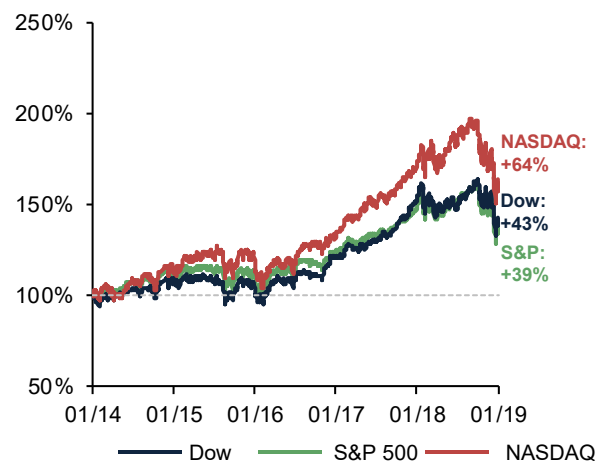
U.S. EQUITY MARKET DECLINED IN 2018 WITH THE DOW, S&P AND NASDAQ ALL DOWN, PRIMARILY DRIVEN BY THE Q4 DECLINE; IPO VOLUME GREW IN 2018, BUT HAS RECENTLY BEEN QUIET

Equity Market Performance

10 Year



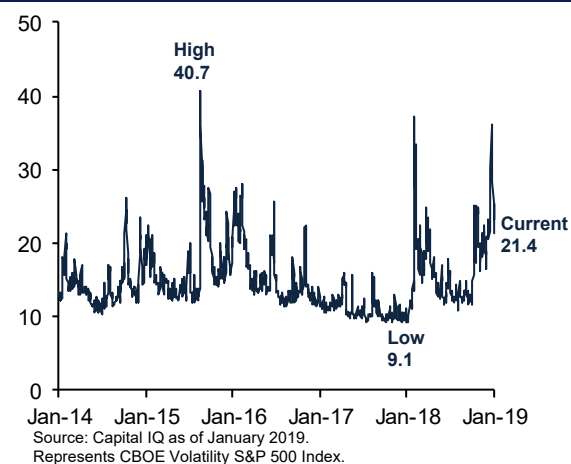
5 Year



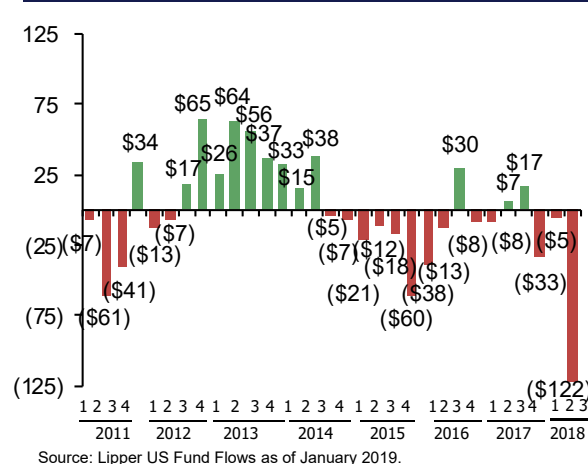
2018



VIX S&P Volatility Index



Equity Mutual Fund Flows

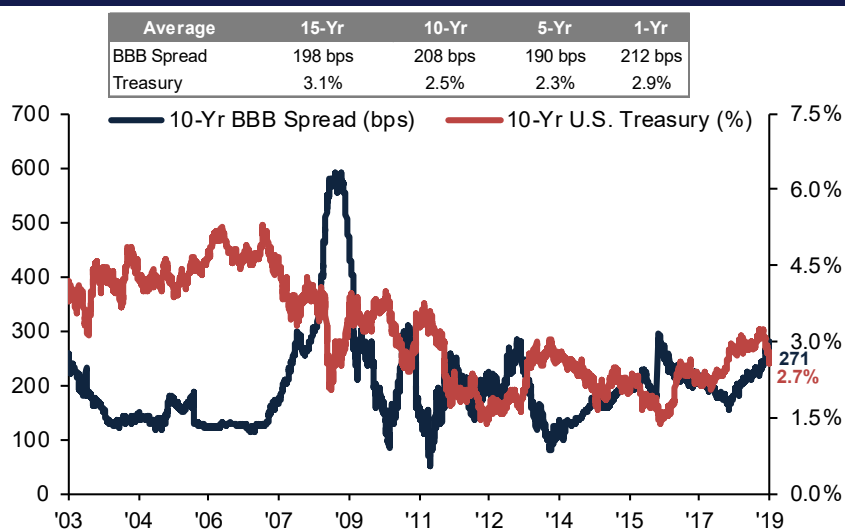


IPO Volume and # of Deals

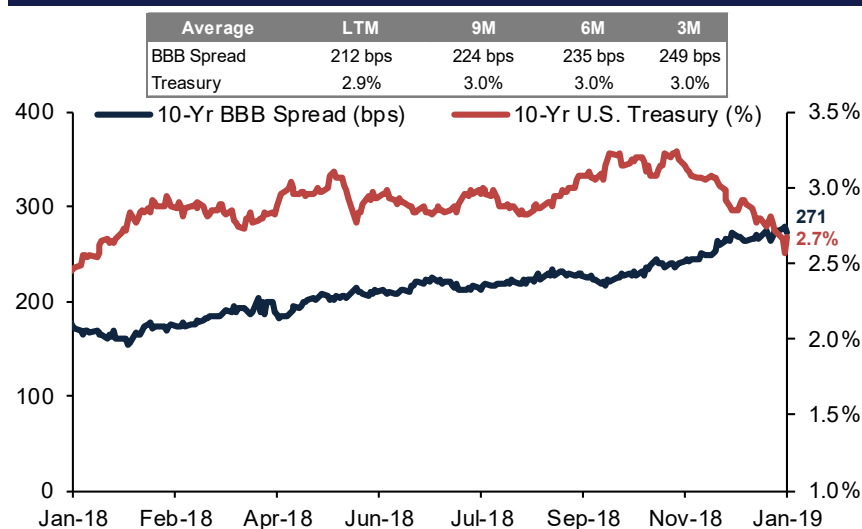


ALL-IN BBB YIELDS REMAIN IN LINE WITH LONG-TERM AVERAGES, BUT HAVE COME OFF RECENT HIGHS

10-Year BBB Spread Over Treasuries (15 Years)



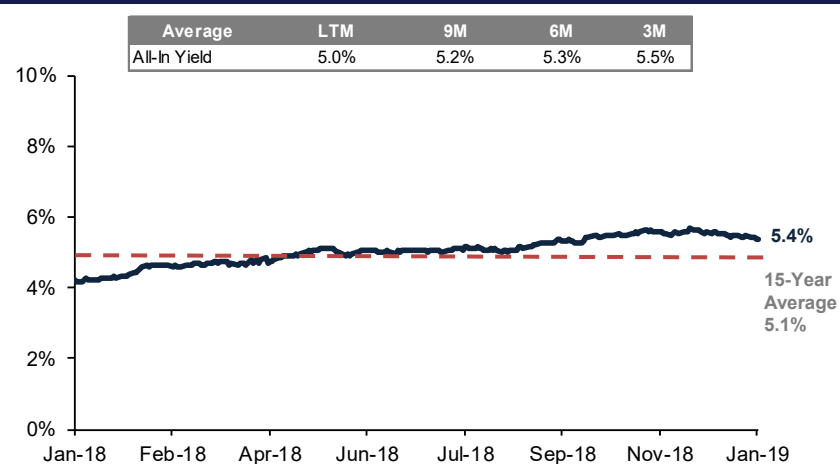
10-Year BBB Spread Over Treasuries (LTM)



10-Year BBB All-In Yield (15 Years)



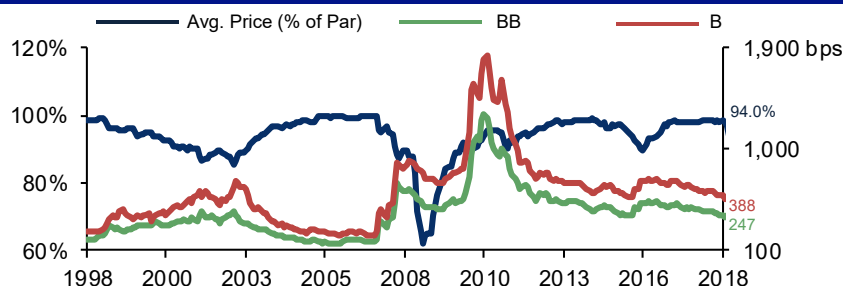
10-Year BBB All-In Yield (LTM)



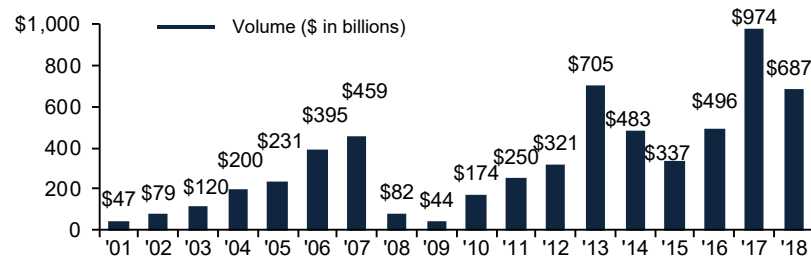
THE HIGH YIELD AND LEVERAGED LOAN MARKET HAVE BEEN CHALLENGED SINCE DECEMBER, BUT SENTIMENT HAS MEANINGFULLY IMPROVED OVER THE PAST FEW DAYS

Leveraged Loan Update

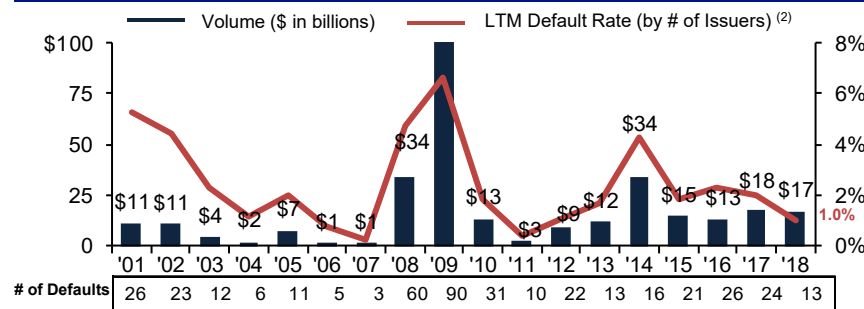
Leveraged Loan Average Price and BB and B Spreads ⁽¹⁾



Institutional Leveraged Loan New-Issue Activity (Inflation Adjusted)

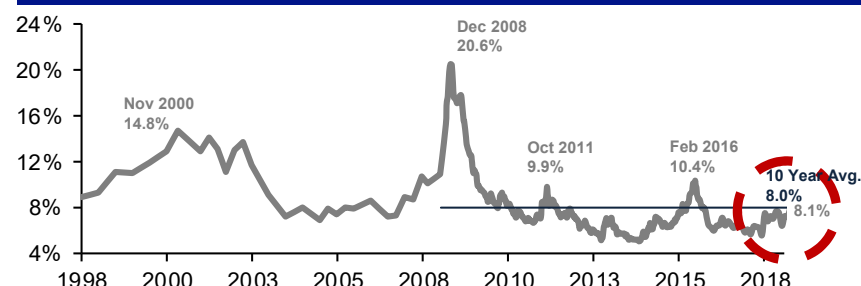


Leveraged Loan Defaults (Inflation Adjusted)

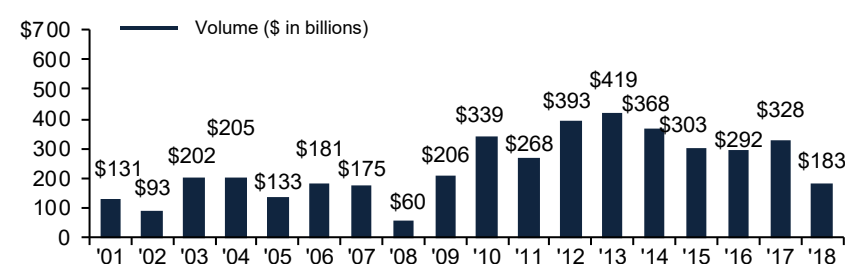


High-Yield Bond Update

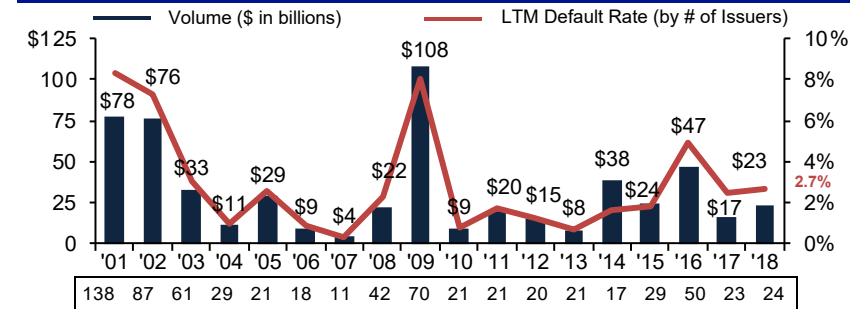
Average High-Yield Bond Yields



High-Yield Bond New-Issue Activity (Inflation Adjusted)



High-Yield Bond Defaults (Inflation Adjusted)



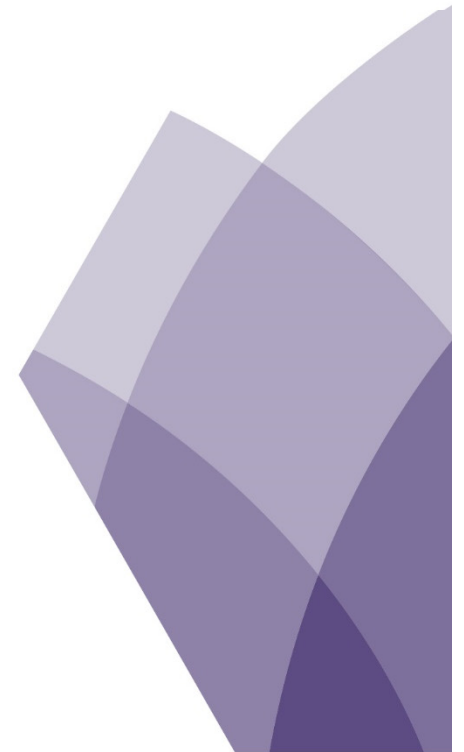
Source: Wall Street research and market indices as of January 2019 (Leveraged Loan Average Price as of November 2018, the latest available data).

Note: Inflation adjusted volume numbers are adjusted to the CPI-U Index.

(1) BB and B data represent spreads to worst over comparable treasuries.

(2) Represents par-weighted default rates.

RETAIL MARKET UPDATE



RETAIL SECTOR NEWS UPDATE

Food Retail & Restaurants

Retail

Recent Events

- 01/17/2019: **Gymboree**, a California retailer of children's clothes, filed for Chapter 11 bankruptcy, with plans to close 800+ stores
- 01/16/2019: **Shopko** filed for Chapter 11 Bankruptcy with plans to close 100+ stores as part of reorganization plan
- 01/10/2018: **TriArtisan Capital Partners** and **Paulson & Co.** have agreed to acquire **P.F. Chang's China Bistro**, a chain of Chinese restaurants for \$700M
- 01/03/2019: **FullBeauty Brands**, a New-York based apparel retailer, announced that it will likely file for Chapter 11 Bankruptcy
- 12/20/2018: **Pier 1 Imports** launched a strategic review after its CEO resigned
- 12/18/2018: **Rent-A-Center (RCII)**, a rent-to-own retailer, is attempting to terminate its \$1.37B deal to be acquired by **Vintage Capital**
- 12/17/2018: **Jack in the Box (JACK)** declared that it is exploring strategic and financing alternatives that may include a sale of the company
- 12/17/2018: **Norwest Venture Partners** announced that it has invested an undisclosed amount in **Jolyn Clothing Co.**, a designer and e-retailer of women's performance swimwear, accessories and "ath-leisure" apparel
- 12/14/2018: **Genesco Inc.** agreed to sell **Lids Sports Group**, a seller of hats and caps, to **Ames Watson Capital** for \$100M. *PJ SOLOMON is advising Genesco on the transaction*
- 12/13/2018: **Regent LP** agreed to acquire **La Senza Corp**, a fashion retailer that sells lingerie and intimate apparel, from **L Brands**
- 12/13/2018: **Sentinel Capital Partners** agreed to acquire **Pet Supplies Plus**, a pet specialty retailer
- 12/12/2018: Following its recent IPO, **Farfetch** acquired **Stadium Goods**, a sneaker and streetwear boutique and marketplace, for \$250M
- 12/12/2018: **Waitr Holdings**, a fast growing restaurant platform for online ordering and on-demand food delivery, announced an agreement to acquire **Bite Squad**, an online restaurant food delivery service, for \$321M
- 12/10/2018: **Hammond, Kennedy, Whitney & Co.** has agreed to acquire **Fresh Direct Produce**, a distributor of fresh, ethnic, tropical, organic and specialty products, for an undisclosed sum
- 12/08/2018: **Papa John's** founder reportedly engaged an advisor to assess strategic alternatives to increase shareholder value
- 12/07/2018: **E-Mart**, a discount store chain based in South Korea, agreed to acquire California-based **Good Food Holdings** for \$275M
- 12/06/2018: **Walmart** has agreed to acquire **Art.com**, an online retailer of art and wall décor, for an undisclosed sum
- 12/05/2018: **C&S Wholesale Grocers**, a wholesale grocery supply company, agreed to acquire **Olean Wholesale Grocery Cooperative**

Recent Events (Cont.)

- 12/05/2018: **Marquee Brands** has agreed to acquire **DaKine Inc.**, a manufacturer of sports clothes and accessories, for an undisclosed sum
- 11/30/2018: **Callaway Golf Co.**, a sporting goods company that designs and sells golf equipment, has agreed to acquire **Jack Wolfskin**, a German outdoor-clothing and equipment company, for \$476M
- 11/27/2018: **Tresalia Capital** sold its 20-25% stake in **Tory Burch**, a luxury American fashion label, back to the Company
- 11/27/2018: **Acon Investments** has agreed to acquire the remainder of **RMH Franchise Holdings**, a franchisee of **Applebees** that operates more than 165 restaurants, for \$65M
- 11/26/2018: **Sitoy Group Holdings**, a designer, manufacturer and retailer of handbags and leather products, agreed to acquire **a.testoni**, an Italian manufacturer of craft designer shoes
- 11/21/2018: **GameStop Corp.** agreed to sell its Spring Mobile business to **Prime Communications**, an authorized AT&T retailer, for \$700M
- 11/20/2018: **SpartanNash Co. (SPTN)**, a food wholesaler and retail distributor, agreed to acquire **Martin's Super Markets**. *PJ SOLOMON is advising Martin's Super Markets on the transaction*
- 11/20/2018: **Lion Capital** and **Serruya Private Equity** agreed to acquire **Global Franchise Group**, a brand management company that owns and manages a portfolio of quick-services restaurant franchises
- 11/16/2018: **Lidl US** agreed to acquire **Best Market**, a Long Island-based grocer. *PJ SOLOMON is advising Best Market on the transaction*
- 11/14/2018: **Valentino**, a luxury Italian brand, rumored to have had initial discussions with **Kering** regarding a potential acquisition
- 11/07/2018: **Newell Brands** announced the sale of leading tackle provider **Pure Fishing** to **Sycamore Partners** for \$1.3 billion
- 11/06/2018: **Durational Capital Management** and **Jordan Co.** have agreed to acquire **Bojangles**, a fast-food restaurant chain, for approximately \$594M
- 11/05/2018: **Amazon** acquired a 9.5% stake in India's **Future Retail** for \$344M, potentially giving the ecommerce platform access to nearly a third of the country's organized food and grocery market
- 11/02/2018: **Marcus Corporation (MCS)**, an operator of lodging and entertainment companies, has agreed to acquire **Movie Tavern**, a New Orleans based industry leader known for its in-theater dining concept, for \$126M. *PJ SOLOMON is advising Movie Tavern on the transaction*
- 11/01/2018: **Digital Room Inc.**, a provider of online printing solutions backed by **H.I.G. Capital**, has agreed to acquire **Logo Sportswear Inc.**, a premier supplier of custom caps, shirts and jerseys
- 11/01/2018: **CraftWorks Restaurants & Breweries Inc.**, an owner and operator of casual dining restaurants backed by Centerbridge Partners, agreed to acquire **Logan's Roadhouse**, a Nashville-based restaurant chain

RETAIL SECTOR NEWS UPDATE (CONT.)

Food Retail & Restaurants

Retail

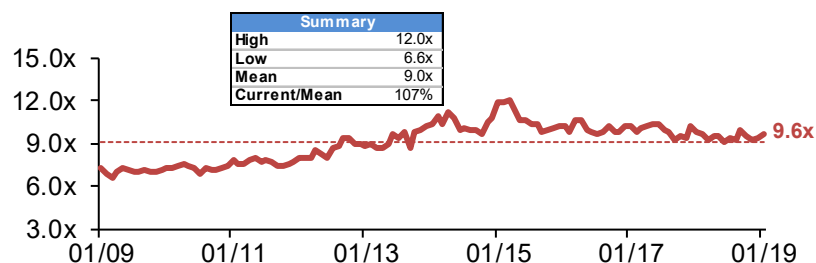
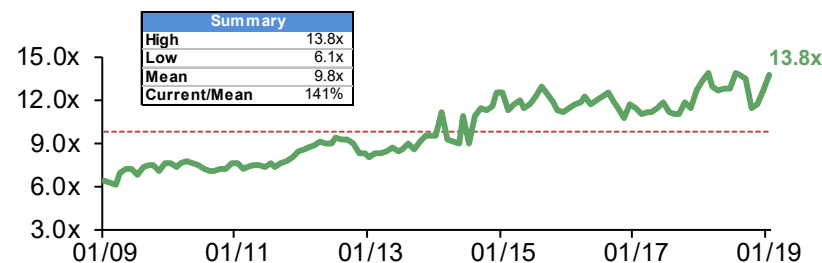
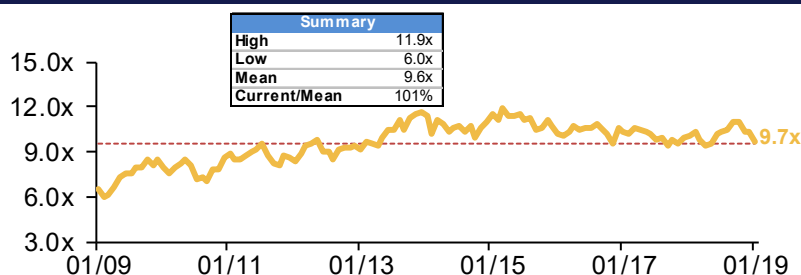
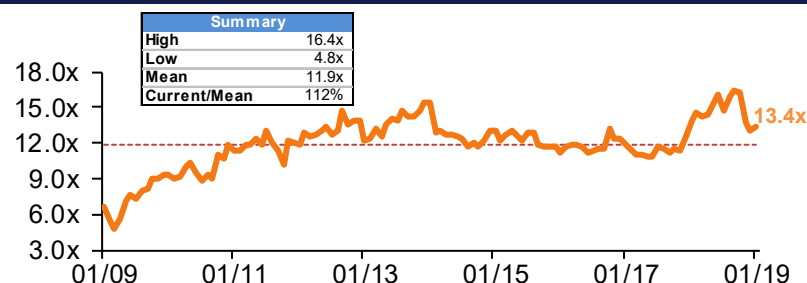
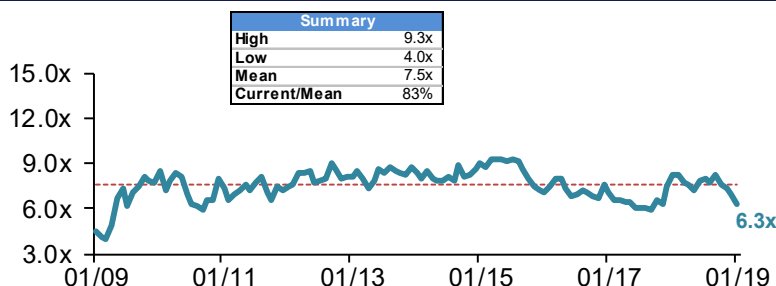
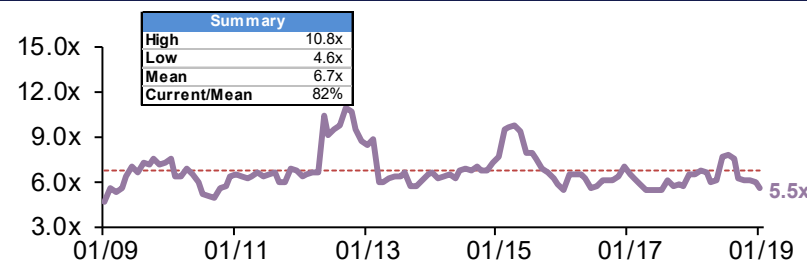
Recent Events

- 11/01/2018: **Webster Capital Management** agreed to acquire a majority stake in **Sundance Holdings Group**, a premier lifestyle retailer of women's apparel and accessories
- 10/30/2018: **WH Smith** agreed to acquire **InMotion Entertainment**, an airports-based electronics retailer, for approximately \$198M
- 10/29/2018: **Bebe Stores Inc.**, a designer and producer of contemporary women's apparel and accessories backed by **Blustar Alliance**, agreed to acquire **Brookstone Co.**, a retail chain selling solution-oriented products
- 10/29/2018: **Hibbett Sports (HIBB)**, a sporting goods retailer, agreed to acquire **City Gear LLC**, a retailer of premium athletic footwear, apparel and accessories, for \$113M. *PJ SOLOMON is advising Hibbett Sports on the transaction*
- 10/22/2018: **Barington Capital**, an activist investor in **Bloomin' Brands**, requested the Company retain a financial advisor to assess strategic options
- 10/22/2018: George Feldenkreis-led investor group completes acquisition of **Perry Ellis** for \$437M. *PJ SOLOMON advised Perry Ellis on the transaction*
- 10/18/2018: **Caleres Inc.**, a footwear retailer and wholesaler, agreed to acquire **Vionic Group**, a manufacturer of footwear and foot care products, for \$360M
- 10/15/2018: **Sears Corporation** filed for Chapter 11 bankruptcy protection; CEO Eddie Lampert resigns
- 10/14/2018: **Walmart** announced its acquisition of leading intimates e-commerce company, **Bare Necessities**. *PJ SOLOMON advised Bare Necessities on the sale*
- 10/12/2018: **Claire's Stores**, a teen jewelry retailer, exited Chapter 11 bankruptcy after nearly 7 months
- 10/10/2018: **DSW and Authentic Brands** agreed to acquire **Camuto Group** for ~\$375M
- 10/05/2018: **Mattress Firm**, a US-based mattress retailer, filed for bankruptcy with plans to close up to 700 stores; subsequently emerged in November 2018
- 10/04/2018: **Walgreens** acquired an undisclosed minority stake in **Birchbox**, a US-based beauty care subscription company
- 10/04/2018: **The Rockport Company**, a Boston-based footwear and accessory manufacturer, has agreed to acquire **Reef Holdings**, a California-based footwear and apparel distributor, from **VF Corp**. *PJ SOLOMON is advising VF Corp. on the transaction*
- 10/03/2018: **Barnes & Noble (BKS)** launched a strategic review of alternatives after it received "expression of interest" from multiple parties, including from the retailer's founder and chairman **Leonard Riggio**

Recent Events (Cont.)

- 10/02/2018: **Walmart** announced its acquisition of **Eloquii**, a women's plus-sized retailer based in Ohio and New York, for ~\$100M
- 9/28/2018: **Revolve Group**, an online fashion retailer backed by **TSG Consumer Partners** filed for an IPO with a placeholder value of \$100M
- 9/27/2018: **Giant Eagle**, an operator of corporate and franchised supermarkets, has agreed to acquire **Rick Oil Company**, an operator of convenience stores and gas stations
- 9/25/2018: **Inspire Brands**, a US-based fast food chain operator backed by Roark Capital, agreed to acquire **Sonic Corp**, a drive-in fast food restaurant chain for \$2.3B
- 9/25/2018: **Michael Kors** has agreed to acquire **Gianni Versace** from Blackstone for \$2.15B
- 9/24/2018: **Empire Company**, a Canada-based diversified company with businesses in food retail, theaters and more, has agreed to acquire **Farm Boy**, a Canada-based operator of grocery retail stores, for \$620M
- 9/21/2018: **Farfetch (FTCH.N)**, a London-based online luxury retailer, priced its shares above its target range in a New York IPO valuing the company at more than \$5.8B
- 9/19/2018: **Founder Sport Group**, a US-based manufacturer of team sportswear, has acquired **Teamwork Athletic Apparel**, a US-based on-demand apparel manufacturer serving team uniform dealers
- 9/19/2018: **Mac Acquisitions**, doing business as **Romano's Macaroni Grill**, acquired **Sullivan's Steakhouse** from **Del Frisco's Restaurant Group** for \$32M
- 9/19/2018: **Amazon** has agreed to acquire **Aditya Birla Retail**, an India-based retailer of chain food and grocery units, for \$580M
- 9/18/2018: **Schnucks** has agreed to acquire assets of **Shop 'n Save**. *PJ SOLOMON is advising Shop 'n Save on the transaction*
- 9/17/2018: **Markel Corp** agreed to acquire a majority interest in **Brahmin Leather Works**, a creator of fashion leather handbags
- 9/14/2018: **Essendant**, a US-based wholesale distributor of office supply products, agreed to be acquired by **Staples** for \$942M
- 9/13/2018: **Walmart** agreed to acquire **Cornershop**, an online marketplace operating in Mexico and Chile, for \$225M
- 9/11/2018: **Hudson's Bay Company** has sold select real estate assets to and formed a joint venture with **Signa** to operate **Kaufhof** and **Karstadt**. *PJ SOLOMON advised Hudson's Bay Company on the transaction*
- 9/10/2018: **Fred's** has agreed to sell 168 stores' pharmacy prescription files to **Walgreens**. *PJ SOLOMON is advising Fred's on the transaction*

MOST RETAIL SECTORS ARE TRADING ABOVE HISTORICAL AVERAGES, WITH THE EXCEPTION OF SOFTLINES AND BROADLINES

Food & Drug ⁽¹⁾Discount/Off-Price ⁽²⁾Hardlines ⁽³⁾Branded Apparel & Footwear ⁽⁴⁾Softlines ⁽⁵⁾Broadlines ⁽⁶⁾

Source: Company filings and Capital IQ as of January 4, 2019.

(1) Includes ATD.B, CASY, COST, CVS, DELB, EMP.A, IMKT.A, AD, KR, L (through Q1 2009), MRU, NGVC (through Q4 2011), Publix (through Q4 2010), RAD, SFM (through Q2 2013), SVU, UNFI, VLGE.A, WMK, WFM and PJC.A.

(2) Includes BIG, BURL, DG, DLTR, DOL (through Q4 2005), FIVE (through Q4 2012), OLLI, ROST, PSMT, TGT, TJX and WMT.

(3) Includes AZO, BBY, CENT, DKS, GME, HD, LOW, ODP, ORLY, TIF, TSCO, ULTA, and SHW.

(4) Includes COH, COLM, HBI, CPRI, NKE, PVH, RL, SHOO, UAA, VFC, and WWW.

(5) Includes ANF, AEO, CRI, CHS, DSW, GPS, GCO, LB, SKX, SHOO, PLCE, URBN, and ZUMZ.

(6) Includes BONT, DDS, JCP, KSS, M, JWN, SHLD and SSI.

RETAIL EQUITIES HAVE SIGNIFICANTLY UNDERPERFORMED THE BROADER MARKET OVER THE PAST THREE YEARS BUT HAVE REMAINED IN LINE OVER THE PAST YEAR

S&P Retail Index vs. S&P 500



Performance by Retail Subsector



Source: Company filings and Capital IQ as of January 4, 2019.

(1) Includes AZO, BBY, CENT, DKS, GME, HD, LOW, ODP, ORLY, TIF, TSCO, ULTA, and SHW.

(2) Includes BIG, BURL, DG, DLTR, DOL (through Q4 2005), FIVE (through Q4 2012), OLLI, ROST, PSMT, TGT, TJX and WMT.

(3) Includes ATD.B, CASH, COST, CVS, DELB, EMP.A, IMKT.A, AD, KR, L (through Q1 2009), MRU, NGVC (through Q4 2011), Publix (through Q4 2010), RAD, SFM (through Q2 2013), SVU, UNFI, VLGE.A, WMK, WFM and PJCA.

(4) Includes COH, COLM, HBI, CPRI, NKE, PVH, RL, SHOO, UAA, VFC, and WWW.

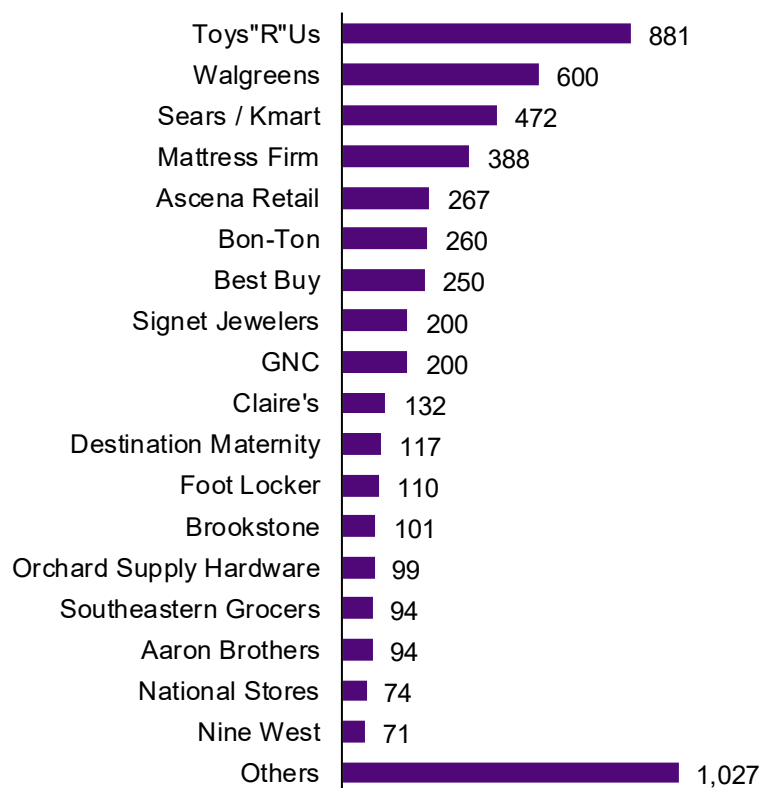
(5) Includes ANF, AEO, CRI, CHS, DSW, GPS, GCO, LB, SKX, SHOO, PLCE, URBN, and ZUMZ.

(6) Includes BONT, DDS, JCP, KSS, M, JWN, SHLD and SSI.

2018 STORE CLOSINGS AND OPENINGS

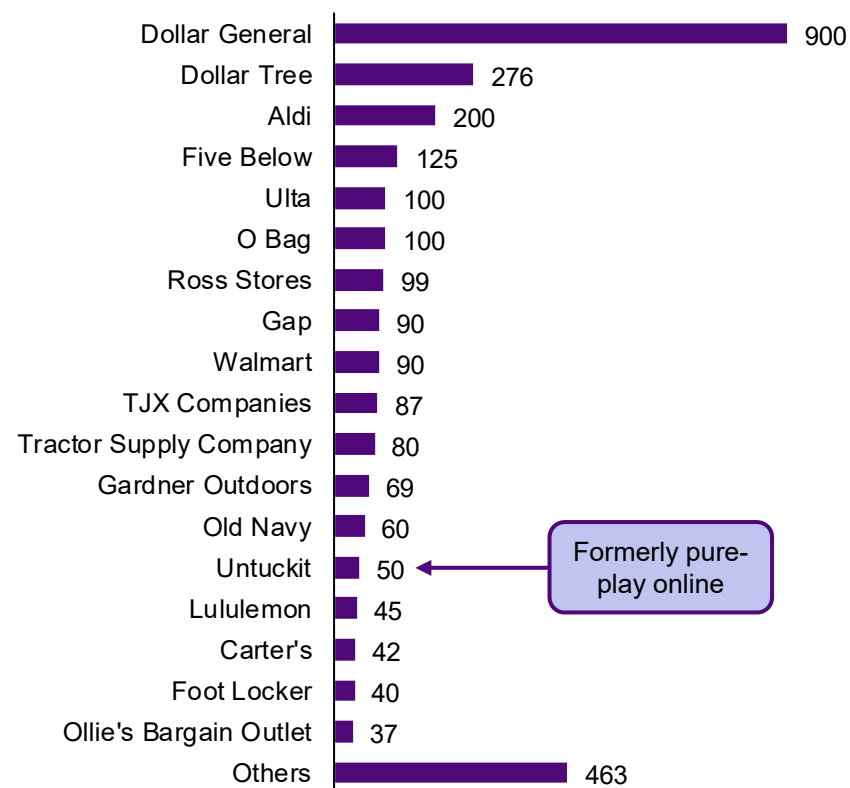
Closures outpaced openings, with discount remaining bright spot

2018 STORE CLOSURE ANNOUNCEMENTS



Total = 5,437

2018 STORE OPENING ANNOUNCEMENTS



Total = 2,953

RETAIL TRADING AND OPERATING COMPARABLES ANALYSIS



BROADLINES – TRADING ANALYSIS

Broadlines (Discount Off-Price Department Stores)

Discount Stores (Discount Off-Price Department Stores)																		
Company Name	Share Price	% of 52	2018	Equity	Enterprise	(a)	LTM	EV / LTM	EV / EBITDA			P / E		LTG	P/E/G	Dividend	(b)	(c)
	1/11/2019	wk high	Change	Value	Value		Revenue	Revenue	LTM	2018E	2019E	2019E	2020E	Rate	2019E	Yield	ROE	
Wal-Mart Stores ⁽¹⁾	\$94.84	86.2 %	(5.7) %	\$275,535	\$335,295		\$511,879	0.7 x	10.2 x	10.3 x	10.4 x	20.1 x	19.2 x	4.4 %	4.6 x	2.2 %	7.2 %	
Costco Wholesale	210.51	85.9	9.5	92,728	91,567		144,836	0.6	15.5	15.1	14.2	26.8	24.6	11.3	2.4	1.1	26.6	
Target ⁽²⁾	69.61	77.0	1.3	36,325	49,360		74,527	0.7	7.3	7.7	7.6	12.3	11.9	5.1	2.4	3.7	29.2	
Dollar General	116.06	98.0	16.2	30,510	33,154		25,105	1.3	13.1	12.8	11.9	17.5	15.9	13.3	1.3	1.0	30.1	
Dollar Tree	97.28	83.4	(15.8)	23,150	27,485		22,979	1.2	10.6	11.2	10.6	16.8	15.1	8.9	1.9	--	25.0	
Five Below	117.57	86.4	54.3	6,556	6,367		1,462	4.4	29.8	27.8	22.6	37.4	30.4	30.4	1.2	--	28.2	
Ollie's Bargain Outlet	76.51	78.4	24.9	4,811	4,830		1,204	4.0	28.7	27.0	22.7	36.0	30.5	26.3	1.4	--	19.3	
BJ's Wholesale Club	23.78	72.2	NM	3,254	5,161		13,146	0.4	10.0	9.9	9.2	16.1	14.1	20.1	0.8	--	--	
Big Lots	31.35	48.7	(48.5)	1,256	1,813		5,287	0.3	5.2	5.6	5.5	8.6	8.4	(3.2)	NM	3.8	26.5	
Smart & Final	6.87	70.1	(44.6)	522	1,127		4,707	0.2	7.0	6.2	6.0	15.3	13.0	3.0	5.1	--	(27.9)	
Discount Stores							Mean	1.4 x	13.7 x	13.3 x	12.1 x	20.7 x	18.3 x	12.0 %	2.3 x	2.4 %	16.4 %	
							Median	0.7	10.4	10.7	10.5	17.1	15.5	10.1	1.9	2.2	25.8	
The TJX Companies	\$47.46	83.8 %	17.0 %	\$58,525	\$58,046		\$38,806	1.5 x	11.5 x	11.7 x	11.3 x	18.4 x	17.0 x	11.4 %	1.6 x	1.6 %	NM %	
Ross Stores	91.21	87.4	3.7	33,801	32,850		14,944	2.2	13.6	13.9	12.9	20.2	18.4	10.7	1.9	1.0	NM	
Burlington Stores	166.04	92.1	32.2	11,192	12,195		6,606	1.8	16.2	15.3	13.8	23.6	20.1	22.4	1.1	--	NM	
PriceSmart ⁽³⁾	64.94	68.8	(31.4)	1,980	1,973		3,179	0.6	10.9	10.8	9.8	21.1	NM	5.0	4.2	1.1	8.9	
Citi Trends	21.47	61.5	(22.9)	278	207		781	0.3	4.8	NM	NM	NM	NM	NA	NM	1.5	9.6	
Tuesday Morning	1.91	46.6	(38.2)	88	131		1,015	0.1	13.8	27.2	6.7	NM	NM	NA	NM	--	(9.9)	
Stein Mart	1.24	30.7	(7.8)	59	236		1,302	0.2	6.0	NM	NM	NM	NM	NA	NM	--	(24.6)	
Off-Price							Mean	1.0 x	11.0 x	15.8 x	10.9 x	20.8 x	18.5 x	12.4 %	2.2 x	1.3 %	(4.0) %	
							Median	0.6	11.5	13.9	11.3	20.7	18.4	11.0	1.8	1.3	(0.5)	
Kohl's	\$67.27	80.8 %	22.3 %	\$11,108	\$13,982		\$19,474	0.7 x	5.6 x	5.8 x	5.7 x	11.6 x	11.5 x	9.8 %	1.2 x	3.6 %	19.0 %	
Nordstrom	47.38	69.9	(1.6)	7,928	9,487		16,079	0.6	5.9	5.8	5.6	12.5	11.7	7.8	1.6	3.1	45.4	
Macy's	25.42	60.5	18.2	7,816	12,592		25,141	0.5	4.8	4.5	5.1	7.6	8.0	8.3	0.9	5.9	34.1	
Dillard's	65.23	66.1	0.4	1,731	2,413		6,556	0.4	4.8	5.0	5.4	12.3	14.0	5.4	2.3	0.6	15.1	
J. C. Penney Company	1.32	27.8	(67.1)	416	4,714		12,001	0.4	6.3	8.2	7.9	NM	NM	20.0	NM	--	(8.0)	
Stage Stores	0.89	27.2	(56.0)	25	349		1,613	0.2	49.1	NM	NM	NM	NM	NM	NM	22.6	(24.8)	
Department Stores							Mean	0.5 x	12.8 x	5.9 x	5.9 x	11.0 x	11.3 x	10.3 %	1.5 x	7.2 %	13.5 %	
							Median	0.4	5.8	5.8	5.6	12.0	11.6	8.3	1.4	3.6	17.1	

Source: CapitalIQ and public filings. Forward estimates represent mean aggregate consensus estimates from ThomsonOne.

Note: LTM balance sheet, cash flow and income statement items do not reflect pro forma adjustments for post close acquisitions and divestitures.

(a) Enterprise value represents equity value plus book value of total debt, preferred stock and minority interest less cash.

(b) Dividend yield represents annualized dividend per share divided by current share price.

(c) Return on Equity is defined as LFY Earnings from Continuing Operations divided by Average Total Equity.

(1) In May 2018, Flipkart's board approved the sale of a 75% stake in the business to Walmart for \$15 billion. In February 2018, Walmart acquired Spatialand, a virtual reality startup. In June 2017, Wal-Mart announced the acquisition of Bonobos for ~\$310 million. Wal-Mart has also recently acquired art.com, Shoebuy.com, ModCloth, MooseJaw and Bare Necessities.

(2) In March 2018, Target reportedly entered into partnership talks with Kroger. In December 2017, Target announced the acquisition of Shipt for ~\$550 million.

(3) In March 2018, PriceSmart acquired package delivery service and online retailer, Aeropost.

BROADLINES – OPERATING ANALYSIS

Broadlines (Discount Off-Price Department Stores)

Operating Efficiency																	Credit Statistics				
Company Name	Store Count	Comp Store Sales			LTM EBITDA	Gross Margin	EBITDAR Margin	EBITDA Margin	EBIT Margin	CapEx / Sales	(a) EBITDA - CapEx / Sales	(a) Credit Rating	(b) Total Debt / EBITDA	Net Debt / EBITDA	Adj. Debt / EBITDAR	(c) EBITDA-Capex / Int.					
		LFY	Q(-1)	Q(-2)																	
Wal-Mart Stores ⁽¹⁾	11,200	2.1 %	3.4 %	4.5 %	\$32,828	25.2 %	7.0 %	6.4 %	4.3 %	2.0 %	4.4 %	AA	1.9 x	1.6 x	2.2 x	10.2 x					
Costco Wholesale ⁽²⁾	766	7.4	7.8	7.7	5,911	12.9	4.3	4.1	3.1	2.0	2.1	A+	1.1	NM	1.3	19.2					
Target	1,846	1.3	5.1	6.5	6,733	28.6	9.3	9.0	5.7	4.5	4.5	A	2.1	1.9	2.2	6.8					
Dollar General	15,227	2.7	2.8	3.7	2,540	30.7	14.7	10.1	8.4	2.8	7.3	BBB	1.1	1.0	2.7	18.5					
Dollar Tree	15,187	2.4	1.0	4.0	2,590	36.9	17.3	11.3	8.6	3.5	7.8	BBB-	1.9	1.7	3.4	7.4					
Five Below	745	6.5	4.8	2.7	213	36.2	22.3	14.6	11.9	6.9	7.7	--	--	NM	2.1	NM					
Ollie's Bargain Outlet	297	3.3	4.6	4.4	168	40.0	18.2	14.0	12.8	5.5	8.4	--	0.1	0.1	1.5	49.3					
BJ's Wholesale Club	216	(0.9)	1.9	2.0	514	17.9	6.3	3.9	2.7	1.2	2.7	B	3.8	3.7	4.6	2.3					
Big Lots ⁽³⁾	1,423	0.4	3.4	1.6	348	40.6	12.9	6.6	4.5	6.5	0.1	BBB-	1.8	1.6	3.8	0.3					
Smart & Final	324	1.0	0.6	1.3	161	17.9	6.2	3.4	1.3	2.9	0.5	B	4.1	3.8	5.0	0.6					
Discount Stores					Mean	28.7 %	11.8 %	8.3 %	6.3 %	3.8 %	4.6 %		1.8 x	1.9 x	2.9 x	12.7 x					
					Median	29.6	11.1	7.8	5.1	3.2	4.5		1.8	1.6	2.4	7.4					
The TJX Companies	4,296	2.0 %	7.0 %	6.0 %	\$5,052	28.8 %	17.5 %	13.0 %	11.0 %	2.8 %	10.2 %	A+	0.4 x	NM x	1.9 x	61.6 x					
Ross Stores	1,720	4.0	3.0	5.0	2,423	32.2	20.0	16.2	14.0	2.7	13.6	A-	0.2	NM	1.3	NM					
Burlington Stores	679	3.4	4.4	2.9	751	41.9	16.6	11.4	8.4	4.5	6.8	BB+	1.5	1.3	2.9	7.7					
PriceSmart	41	2.3	0.2	2.7	180	16.2	6.2	5.7	4.0	3.6	2.1	--	0.6	NM	1.0	13.7					
Citi Trends	559	4.5	0.6	3.3	43	38.3	12.6	5.6	3.1	1.5	4.1	--	--	NM	3.4	NM					
Tuesday Morning	715	3.9	3.8	2.4	9	34.0	12.7	0.9	(1.6)	2.3	(1.4)	--	5.9	4.5	6.0	NM					
Stein Mart	288	(6.2)	1.4	0.7	39	26.8	10.4	3.0	0.5	0.9	2.2	--	4.8	4.5	5.7	3.0					
Off-Price					Mean	31.2 %	13.7 %	8.0 %	5.6 %	2.6 %	5.4 %		1.9 x	3.5 x	3.1 x	21.5 x					
					Median	32.2	12.7	5.7	4.0	2.7	4.1		0.6	4.5	2.9	10.7					
Kohl's	1,100	1.5 %	2.5 %	3.1 %	\$2,479	36.6 %	14.3 %	12.7 %	7.7 %	3.0 %	9.7 %	BBB-	1.6 x	1.2 x	2.1 x	7.0 x					
Nordstrom ⁽⁴⁾	380	0.8	2.3	4.0	1,612	35.1	11.7	10.0	5.8	3.9	6.1	BBB+	1.7	1.0	2.3	8.4					
Macy's ⁽⁵⁾	870	(1.9)	3.3	0.5	2,638	39.5	11.8	10.5	6.6	2.4	8.1	BBB-	2.1	1.8	2.5	7.3					
Dillard's	265	0.0	3.0	1.0	501	34.3	8.1	7.6	4.2	2.1	5.5	BB+	1.5	1.4	1.8	6.6					
J. C. Penney Company	860	0.1	(5.4)	0.3	749	33.3	7.9	6.2	1.5	3.6	2.7	B-	6.0	5.7	6.0	1.0					
Stage Stores ⁽⁶⁾	822	(3.6)	(2.8)	(0.2)	7	22.1	7.0	0.4	(3.3)	2.2	(1.7)	--	49.2	45.6	8.7	NM					
Department Stores					Mean	33.5 %	10.1 %	7.9 %	3.8 %	2.9 %	5.1 %		10.3 x	9.4 x	3.9 x	6.0 x					
					Median	34.7	9.9	8.8	5.0	2.7	5.8		1.9	1.6	2.4	7.0					

Source: CapitalIQ and public filings. Forward estimates represent mean aggregate consensus estimates from ThomsonOne.

Note: LTM balance sheet, cash flow and income statement items do not reflect pro forma adjustments for post close acquisitions and divestitures.

(a) Excludes business acquisitions where applicable and available.

(b) S&P Credit Rating.

(c) Debt adjusted for the capitalization of operating leases at 6.0x rent expense.

(1) Wal-Mart SSS% for Wal-Mart U.S. excluding fuel.

(2) Costco SSS% for domestic segment, excluding gas.

(3) Big Lots SSS% excludes gas.

(4) Nordstrom SSS% for full line and direct business.

(5) Macy's SSS% for owned plus licensed locations.

(6) Stage Stores SSS% excludes e-commerce segment.

SOFTLINES (SPECIALTY) – TRADING ANALYSIS

Softlines (Specialty)

Company Name	Share Price 1/11/2019	% of 52 wk high	2018 % Change	Equity Value	Enterprise Value	(a)	LTM Revenue	EV / LTM Revenue	EV / EBITDA			P / E		LTG Rate	P/E/G 2019E	Dividend Yield	(b)	(c)
									LTM	2018E	2019E	2019E	2020E					
Lululemon Athletica	\$132.16	80.2 %	54.7 %	\$17,499	\$16,795		\$3,050	5.5 x	22.3 x	20.6 x	17.7 x	30.4 x	25.7 x	17.9 %	1.7 x	--	%	27.2 %
Gap	25.24	70.7	(24.4)	9,627	9,622		16,735	0.6	5.0	5.1	4.9	9.5	9.7	9.3	1.0	3.8		28.8
L Brands	26.46	49.6	(57.4)	7,280	12,804		13,208	1.0	6.1	6.5	6.6	9.6	9.1	11.4	0.8	9.1		NM
Urban Outfitters	32.62	62.1	(5.3)	3,511	2,945		3,911	0.8	6.0	5.8	5.4	11.1	10.4	13.8	0.8	--		15.5
Duluth Trading	24.08	67.5	41.3	784	897		535	1.7	19.1	16.1	13.1	23.8	19.7	25.0	1.0	--		17.0
Chico's FAS	6.18	56.7	(36.3)	777	609		2,194	0.3	3.2	4.2	4.7	25.8	NM	12.5	2.1	5.5		12.5
Tailored Brands	14.68	40.8	(37.5)	735	1,842		3,314	0.6	5.2	5.5	5.4	5.6	4.9	NA	NM	4.9		NM
Ascena Retail Group	3.26	61.7	6.8	630	1,762		6,580	0.3	3.5	4.3	3.8	32.6	NM	22.0	1.5	--		(4.9)
Lands End	15.02	48.2	(27.3)	484	866		1,460	0.6	12.5	12.8	11.4	NM	48.5	20.0	NM	--		12.4
Express	5.35	45.8	(49.7)	367	271		2,167	0.1	1.9	2.4	2.4	14.5	10.7	NA	NM	--		6.2
Vera Bradley	9.55	54.9	(29.6)	331	223		430	0.5	4.5	5.2	5.1	15.0	NM	10.2	1.5	--		7.3
J. Jill	5.52	57.4	(31.7)	241	422		724	0.6	4.1	4.3	4.2	7.5	7.9	5.5	1.4	--		32.1
RTW Retailwinds	2.81	50.6	(1.0)	182	99		925	0.1	2.6	2.7	2.4	11.2	NM	NA	NM	--		14.7
Destination XL Group	2.32	65.9	(1.4)	115	180		478	0.4	7.0	7.0	5.7	NM	NM	15.0	NM	--		(14.0)
Destination Maternity	3.00	43.9	(4.4)	43	91		398	0.2	8.8	NM	NM	NM	NM	NA	NM	--		(43.1)
Francesca's	0.93	11.0	(86.7)	34	23		447	0.1	1.0	3.0	1.1	NM	NM	NA	NM	--		(15.4)
Christopher & Banks	0.52	38.1	(63.4)	20	5		357	0.0	NM	NM	NM	NM	NM	15.0	NM	--		NM
Specialty Apparel / Accessories							Mean	0.8 x	7.1 x	7.0 x	6.3 x	16.4 x	16.3 x	14.8 %	1.3 x	5.8 %	6.9 %	
							Median	0.5	5.1	5.2	5.1	12.8	10.4	14.4	1.4	5.2	12.4	
Carter's	\$81.37	63.1 %	(30.5) %	\$3,731	\$4,405		\$3,404	1.3 x	9.5 x	9.1 x	8.9 x	12.2 x	11.7 x	8.1 %	1.5 x	2.2 %		36.3 %
American Eagle Outfitters	19.70	65.9	2.8	3,476	3,116		4,020	0.8	5.9	6.1	5.6	12.0	11.2	14.3	0.8	2.8		22.8
The Children's Place	90.83	56.2	(38.0)	1,471	1,443		1,977	0.7	6.4	6.6	5.7	9.8	8.1	8.0	1.2	2.2		18.5
Abercrombie & Fitch Co.	20.11	67.7	15.0	1,324	1,110		3,628	0.3	3.3	3.7	3.6	18.4	15.2	16.5	1.1	4.0		4.9
Buckle	18.78	63.3	(18.6)	909	685		902	0.8	4.3	4.6	4.9	9.8	14.1	(10.4)	NM	10.6		22.5
Zumiez	22.18	67.8	(7.9)	566	438		982	0.4	4.9	5.0	4.8	12.0	11.5	15.0	0.8	--		10.2
Tilly's	11.87	46.6	(26.4)	350	229		592	0.4	4.8	4.4	4.1	13.2	12.0	11.0	1.2	--		12.7
The Cato Corporation	14.63	54.4	(10.4)	349	139		850	0.2	2.9	NM	NM	11.3	NM	NA	NM	9.0		5.4
Specialty Apparel / Accessories -Teen/Jrs/Children							Mean	0.6 x	5.2 x	5.6 x	5.4 x	12.3 x	12.0 x	8.9 %	1.1 x	5.1 %	16.6 %	
							Median	0.6	4.8	5.0	4.9	12.0	11.7	11.0	1.2	3.4	15.6	

Source: CapitalIQ and public filings. Forward estimates represent mean aggregate consensus estimates from ThomsonOne.

Note: LTM balance sheet, cash flow and income statement items do not reflect pro forma adjustments for post close acquisitions and divestitures.

(a) Enterprise value represents equity value plus book value of total debt, preferred stock and minority interest less cash.

(b) Dividend yield represents annualized dividend per share divided by current share price.

(c) Return on Equity is defined as LFY Earnings from Continuing Operations divided by Average Total Equity.

SOFTLINES (SPECIALTY) – OPERATING ANALYSIS

Softlines (Specialty)

Operating Efficiency																		Credit Statistics				
Company Name	Store Count	Comp Store Sales			LTM EBITDA	Gross Margin	EBITDAR Margin	EBITDA Margin	EBIT Margin	CapEx / Sales	(a) EBITDA - CapEx / Sales	(a) Credit Rating	(b) Debt / EBITDA	Net Debt / EBITDA	Adj. Debt / EBITDAR	(c) EBITDA-Capex / Int.						
		LFY	Q(-1)	Q(-2)																		
Lululemon Athletica ⁽¹⁾	426	7.0 %	18.0 %	19.0 %	\$752	54.8 %	31.0 %	24.6 %	20.9 %	6.8 %	17.8 %	--	-- x	NM x	1.2 x	NM x						
Gap ⁽²⁾	3,218	3.0	0.0	2.0	1,911	38.5	19.6	11.4	8.0	4.6	6.8	BB+	0.7	NM	2.9	15.1						
L Brands ⁽³⁾	3,109	(3.0)	4.0	3.0	2,113	43.7	22.3	16.0	11.5	5.1	10.9	BB	2.8	2.6	3.7	3.6						
Urban Outfitters ⁽⁴⁾	610	0.0	8.0	13.0	487	33.9	19.9	12.5	9.4	2.8	9.6	--	--	NM	2.2	NM						
Duluth Trading	43				47	55.1	10.0	8.8	6.8	10.2	(1.5)	--	2.4	2.3	2.8	NM						
Chico's FAS	1,431	(7.7)	(6.8)	(3.2)	193	37.9	18.3	8.8	4.6	2.6	6.2	--	0.3	NM	3.3	NM						
Tailored Brands ⁽⁵⁾	1,469	0.1	1.7	2.1	353	42.3	18.3	10.7	7.5	2.6	8.1	B+	3.3	3.1	4.4	3.1						
Ascena Retail Group ⁽⁶⁾	4,596	(2.0)	3.0	4.0	501	57.3	20.4	7.6	2.2	2.7	5.0	B	2.7	2.3	4.8	2.9						
Lands End	143	2.7	15.1	(0.6)	69	42.4	6.7	4.7	2.9	2.9	1.9	B-	7.1	5.5	6.8	0.9						
Express	634	(3.0)	0.0	1.0	145	39.6	16.9	6.7	2.7	2.2	4.5	--	0.5	NM	3.8	NM						
Vera Bradley	161	(6.7)	(16.5)	(4.9)	50	57.2	19.4	11.6	7.6	2.2	9.4	--	--	NM	2.4	NM						
J. Jill	275	6.4	1.0	2.2	104	59.5	23.1	14.3	9.3	4.2	10.2	--	2.3	1.7	3.7	3.9						
RTW Retailwinds	428	1.0	0.2	1.7	37	41.3	14.0	4.0	1.7	0.9	3.1	--	--	NM	4.3	43.0						
Destination XL Group ⁽⁷⁾	333	0.9	3.4	3.3	26	45.0	19.5	5.4	(0.8)	2.9	2.4	--	2.8	2.6	5.1	3.3						
Destination Maternity	1,108	(1.5)	(2.6)	1.2	10	51.5	16.0	2.6	(1.4)	1.2	1.4	--	4.7	4.6	5.8	1.3						
Francesca's	742	(11.0)	(14.0)	(13.0)	23	39.6	14.0	5.0	(0.4)	6.6	(1.6)	--	--	NM	3.8	NM						
Christopher & Banks	461	(2.5)	(7.5)	0.8	(17)	29.3	11.6	(4.7)	(7.8)	0.7	(4.2)	--	--	NM	7.8	NM						
Specialty Apparel / Accessories					Mean	45.2 %	17.7 %	8.8 %	5.0 %	3.6 %	5.3 %		1.7 x	3.1 x	4.1 x	8.6 x						
					Median	42.4	18.3	8.8	4.6	2.8	5.0		0.7	2.6	3.8	3.3						
Carter's ⁽⁸⁾	1,019	2.7 %	0.5 %	0.9 %	\$465	43.8 %	18.4 %	13.7 %	11.1 %	1.9 %	11.7 %	BB+	1.7 x	1.5 x	2.8 x	11.9 x						
American Eagle Outfitters	1,057	4.0	8.0	9.0	531	44.5	22.0	13.2	9.0	4.4	8.8	--	--	NM	2.4	NM						
The Children's Place ⁽⁹⁾	988	5.8	9.5	13.2	227	36.9	19.7	11.5	7.9	3.9	7.6	--	0.3	NM	2.7	48.7						
Abercrombie & Fitch Co. ⁽¹⁰⁾	879	3.0	3.0	3.0	332	59.9	19.9	9.2	4.1	3.3	5.9	BB-	0.9	NM	3.6	9.2						
Buckle	453	(7.2)	(1.4)	1.4	158	49.8	25.4	17.5	14.5	1.1	16.4	--	--	NM	1.8	NM						
Zumiez	703	5.9	4.8	6.3	90	34.3	17.9	9.2	6.3	2.1	7.1	--	--	NM	2.9	NM						
Tilly's	229	1.0	4.3	4.4	48	30.4	16.1	8.1	4.2	2.4	5.6	--	--	NM	3.0	NM						
The Cato Corporation	1,350	(12.0)	1.0	4.0	49	36.9	14.1	5.7	3.7	0.7	5.1	--	--	NM	3.6	NM						
Specialty Apparel / Accessories -Teen/Jrs/Children					Mean	42.1 %	19.2 %	11.0 %	7.6 %	2.5 %	8.5 %		0.4 x	1.5 x	2.9 x	23.3 x						
					Median	40.3	19.1	10.3	7.1	2.3	7.3		--	1.5	2.9	11.9						

Source: CapitalIQ and public filings. Forward estimates represent mean aggregate consensus estimates from ThomsonOne.

Note: LTM balance sheet, cash flow and income statement items do not reflect pro forma adjustments for post close acquisitions and divestitures.

(a) Excludes business acquisitions where applicable and available.

(b) S&P Credit Rating.

(c) Debt adjusted for the capitalization of operating leases at 6.0x rent expense.

(1) Lululemon SSS% excludes e-commerce.

(2) Gap SSS% for total company.

(3) L Brands SSS% for consolidated L Brands.

(4) Urban Outfitters SSS% for Urban Outfitters segment.

(5) Tailored Brands SSS% for Men's Wearhouse segment.

(6) Ascena Retail Group SSS% excludes e-commerce segment.

(7) Destination XL Group SSS% for total company.

(8) Carter's SSS% includes e-commerce and retail stores.

(9) The Children's Place SSS% includes e-commerce sales.

(10) Abercrombie & Fitch SSS% for stores only.

APPAREL AND FOOTWEAR – TRADING ANALYSIS

Apparel and Footwear

Company Name	Share Price 1/11/2019	% of 52 wk high	2018 % Change	Equity Value	Enterprise Value	(a)	LTM Revenue	EV / LTM Revenue	EV / EBITDA			P / E		LTG Rate	P/E/G 2019E	Dividend Yield	(b)	(c)
									LTM	2018E	2019E	2019E	2020E					ROE
Foot Locker ⁽¹⁾	\$56.50	95.1 %	13.5 %	\$6,378	\$5,754		\$7,877	0.7 x	6.4 x	6.5 x	6.2 x	11.4 x	11.0 x	10.3 %	1.1 x	2.4 %		13.1 %
DSW ⁽²⁾	25.62	74.0	15.4	2,059	1,764		3,054	0.6	6.3	6.4	5.6	13.0	12.1	10.3	1.3	3.9		3.9
Genesco ⁽³⁾	47.48	91.6	36.3	959	990		2,942	0.3	5.8	6.0	5.5	12.9	12.1	15.0	0.9	--		8.6
Shoe Carnival	37.93	84.3	25.3	585	546		1,038	0.5	7.6	7.8	7.5	14.5	13.6	10.0	1.4	0.8		10.6
Boot Barn ⁽⁴⁾	19.39	61.3	2.5	549	747		726	1.0	10.1	10.1	8.1	13.9	11.7	22.7	0.6	--		18.3
Footwear Retail							Mean	0.6 x	7.3 x	7.4 x	6.6 x	13.1 x	12.1 x	13.7 %	1.1 x	2.4 %		10.9 %
							Median	0.6	6.4	6.5	6.2	13.0	12.1	10.3	1.1	2.4		10.6
Nike ⁽⁵⁾	\$76.04	88.4 %	18.5 %	\$119,672	\$119,112		\$38,095	3.1 x	21.7 x	22.8 x	19.0 x	26.6 x	22.4 x	13.7 %	1.9 x	1.2 %		21.0 %
Skechers USA	25.27	58.7	(39.5)	3,994	3,334		4,554	0.7	6.4	6.4	5.9	12.6	11.2	9.5	1.3	--		12.1
Deckers Brands	113.30	82.4	59.4	3,300	3,220		1,964	1.6	10.5	11.7	9.9	15.7	14.5	13.0	1.2	--		16.6
Wolverine World Wide	32.30	81.2	0.0	3,063	3,504		2,238	1.6	15.0	11.6	10.9	13.9	12.8	11.3	1.2	1.0		9.7
Steve Madden	30.96	78.8	(2.8)	2,708	2,485		1,608	1.5	14.3	11.5	10.8	15.9	14.1	6.0	2.6	1.8		17.1
Crocs	30.96	97.1	105.5	2,068	2,050		1,071	1.9	18.9	22.9	14.7	28.1	24.9	10.0	2.8	--		9.3
Caleres ⁽⁶⁾	29.77	72.5	(16.9)	1,276	1,735		2,817	0.6	8.7	8.9	7.9	11.9	11.2	NA	NM	0.9		12.5
Weyco	28.35	71.0	(1.9)	283	271		289	0.9	9.6	NM	NM	NM	NM	NA	NM	3.2		9.3
Rocky Brands	26.75	80.0	37.6	199	194		253	0.8	8.6	8.1	7.9	13.7	NM	20.0	0.7	1.8		10.7
Footwear Wholesale							Mean	1.4 x	12.6 x	13.0 x	10.9 x	17.3 x	15.9 x	11.9 %	1.7 x	1.7 %		13.1 %
							Median	1.5	10.5	11.6	10.3	14.8	14.1	11.3	1.3	1.5		12.1
V.F. Corporation ⁽⁷⁾	\$71.46	73.7 %	(3.6) %	\$28,356	\$31,730		\$13,216	2.4 x	17.7 x	15.3 x	13.4 x	17.4 x	15.7 x	12.6 %	1.4 x	2.6 %		-- %
Tapestry	36.35	65.5	(23.7)	10,534	11,072		5,972	1.9	9.4	8.5	7.9	12.3	11.3	11.0	1.1	3.7		17.2
Ralph Lauren	105.43	71.3	(0.2)	8,481	7,547		6,253	1.2	7.8	7.9	7.3	14.6	12.8	11.6	1.3	2.4		6.9
Under Armour (Class A) ⁽⁸⁾	19.67	78.8	22.5	8,410	9,045		5,160	1.8	27.9	26.0	21.8	NM	42.0	30.4	NM	--		(6.7)
PVH	105.77	62.5	(32.3)	8,011	10,766		9,672	1.1	9.3	8.4	7.8	10.3	9.4	12.1	0.9	0.1		12.7
Capri Holdings	40.21	52.9	(39.8)	6,134	6,742		5,076	1.3	5.8	6.5	5.6	8.5	7.4	5.7	1.5	--		29.4
Columbia Sportswear Company	82.55	86.2	17.0	5,696	5,269		2,661	2.0	14.5	13.7	12.4	20.1	18.1	11.2	1.8	1.2		9.3
Hanesbrands ⁽⁹⁾	13.70	58.7	(40.1)	4,942	8,927		6,681	1.3	8.3	8.3	8.1	7.6	7.3	(3.4)	NM	4.4		0.7
Guess?	21.99	81.6	23.0	1,782	1,701		2,565	0.7	9.3	9.1	8.0	16.2	14.1	18.8	0.9	4.1		(0.6)
G-III Apparel Group	31.95	62.4	(24.4)	1,577	2,205		3,024	0.7	8.6	8.2	7.5	10.3	9.1	20.9	0.5	--		9.9
Oxford Industries	75.77	78.0	(5.5)	1,285	1,309		1,102	1.2	9.7	9.3	8.8	16.0	14.7	11.0	1.5	1.8		16.8
Fossil	17.70	55.0	102.4	875	1,039		2,675	0.4	6.1	4.6	4.4	12.8	9.2	9.4	1.4	--		(21.5)
Movado Group	33.38	62.1	(1.8)	771	678		629	1.1	8.1	NM	NM	11.5	10.1	10.0	1.2	2.4		2.1
Clarus Corporation	10.07	83.9	28.9	301	320		208	1.5	18.6	16.1	13.2	13.3	10.9	10.0	1.3	1.0		6.1
Centric Brands ⁽¹⁰⁾	3.16	45.9	261.1	184	266		160	1.7	41.1	NM	NM	NM	NM	NA	NM	--		(40.1)
Delta Apparel ⁽¹¹⁾	18.46	87.0	(14.7)	129	240		395	0.6	9.6	8.5	NM	NM	NM	15.0	NM	--		0.8
Vince	11.12	46.0	50.7	129	190		276	0.7	20.1	NM	NM	NM	NM	NA	NM	--		NM
Apparel/Active/Accessories							Mean	1.3 x	13.6 x	10.7 x	9.7 x	13.1 x	13.7 x	12.4 %	1.2 x	2.4 %		2.7 %
							Median	1.2	9.4	8.5	8.0	12.8	11.1	11.2	1.3	2.4		4.1

Source: CapitalIQ and public filings. Forward estimates represent mean aggregate consensus estimates from ThomsonOne.

Note: LTM balance sheet, cash flow and income statement items do not reflect pro forma adjustments for post close acquisitions and divestitures.

(a) Enterprise value represents equity value plus book value of total debt, preferred stock and minority interest less cash.

(b) Dividend yield represents annualized dividend per share divided by current share price.

(c) Return on Equity is defined as LFY Earnings from Continuing Operations divided by Average Total Equity.

(1) In January 2018, Foot Locker made a \$15 million strategic investment in women's luxury apparel company Carbon38.

(2) In October 2018, DSW announced its acquisition alongside Authentic Brands of the Camuto Group for \$375 million. In May 2018, DSW acquired the remaining outstanding equity interests in Town Shoes.

(3) In February 2018, Genesco announced it was exploring a possible sale of Lids.

(4) In July 2018, Boot Barn acquired Drysdale. In April 2018, Boot Barn acquired Lone Star Western & Casual.

(5) In March 2018, Nike acquired consumer data analytics firm, Zodiac.

(6) In October 2018, Caleres announced its acquisition of Vionic. In July 2018, Caleres announced the acquisition of a controlling interest in Blowfish Malibu.

(7) In April 2018, V.F. Corporation completed the acquisition of Icebreaker. In March 2018, VF sold its Nautica brand to Authentic Brands Group and acquired Altra Running from ICON Health & Fitness. In October, VF announced its sale of Reef to the Rockport Group.

(8) In July 2018, Under Armour entered into an agreement to sell its Brazilian division.

(9) In February 2018, HanesBrands acquired Bras N Things for \$400 million.

(10) In October 2018, Differential Brands changed its name to Centric Brands. In June 2018, Centric acquired part of Global Brands Group's North American licensing business for ~\$1.4 billion.

(11) In March 2018, Delta Apparel acquired TeeShirt Ink.

APPAREL AND FOOTWEAR – OPERATING ANALYSIS

Apparel and Footwear

Operating Efficiency																	Credit Statistics				
Company Name	Store Count	Comp Store Sales			LTM EBITDA	Gross Margin	EBITDAR Margin	EBITDA Margin	EBIT Margin	CapEx / Sales	(a) EBITDA - CapEx / Sales	(a) Credit Rating	(b) Debt / EBITDA	Net Debt / EBITDA	Adj. Debt / EBITDAR	(c) EBITDA-Capex / Int.					
		LFY	Q(-1)	Q(-2)																	
Foot Locker	3,266	(3.1) %	2.9 %	0.5 %	\$895	42.7 %	22.7 %	11.4 %	9.1 %	2.8 %	8.5 %	BB+	0.1 x	NM x	3.1 x	56.0 x					
DSW	515	(0.4)	7.3	9.7	282	37.0	16.9	9.2	6.8	2.1	7.1	--	--	NM	2.7	NM					
Genesco	2,653	0.0	4.0	3.0	170	48.7	21.8	5.8	3.1	2.4	3.3	--	0.5	0.2	4.5	21.1					
Shoe Carnival	402	0.3	4.5	6.7	71	29.8	13.4	6.9	4.7	0.8	6.1	--	--	NM	2.9	NM					
Boot Barn	232	5.2	11.3	11.6	74	31.3	16.6	10.2	7.7	3.9	6.3	--	2.8	2.7	4.0	2.9					
Footwear Retail					Mean	37.9 %	18.3 %	8.7 %	6.3 %	2.4 %	6.3 %		0.7 x	1.4 x	3.5 x	26.6 x					
					Median	37.0	16.9	9.2	6.8	2.4	6.3		0.1	1.4	3.1	21.1					
Nike	1,181	4.0 %	3.0 %	2.3 %	\$5,483	44.1 %	16.6 %	14.4 %	12.4 %	3.0 %	11.3 %	AA-	0.6 x	NM x	1.4 x	31.8 x					
Skechers USA ⁽¹⁾	681	7.2	1.9	4.5	517	48.0	16.7	11.4	9.0	2.9	8.5	--	0.2	NM	2.0	69.9					
Deckers Brands ⁽²⁾	154	7.0	4.8	6.2	307	50.0	19.6	15.7	13.3	2.0	13.7	--	0.3	NM	1.5	54.6					
Wolverine World Wide	81				234	41.0	12.1	10.4	9.0	0.8	9.6	BB+	2.8	1.9	3.3	7.8					
Steve Madden	210	(3.2)	5.5	1.6	173	37.5	14.4	10.8	9.4	0.7	10.1	--	--	NM	1.5	NM					
Crocs ⁽³⁾	389	0.0	15.0	7.1	108	51.4	18.2	10.1	7.3	0.4	9.7	--	0.0	NM	2.7	NM					
Caleres ⁽⁴⁾	1,239	1.4	2.8	2.6	199	41.7	13.3	7.1	5.3	1.6	5.4	BB	2.8	2.3	4.3	9.4					
Weyco	9	(5.0)	2.0	6.0	28	39.7	13.4	9.8	8.3	0.4	9.4	--	0.3	NM	1.8	NM					
Rocky Brands					22	34.2	9.4	8.9	6.7	1.7	7.2	--	--	NM	0.3	46.4					
Footwear Wholesale					Mean	43.1 %	14.9 %	10.9 %	9.0 %	1.5 %	9.4 %		0.8 x	2.1 x	2.1 x	36.7 x					
					Median	41.7	14.4	10.4	9.0	1.6	9.6		0.3	2.1	1.8	39.1					
V.F. Corporation	1,520				1,791	50.8 %	16.7 %	13.5 %	11.4 %	2.1 %	11.5 %	A	2.1 x	1.9 x	2.8 x	14.9 x					
Tapestry ⁽⁵⁾	1,456	(0.9) %	1.7 %	0.9 %	1,173	66.6	28.6	19.6	15.4	4.6	15.1	BBB-	1.4	0.5	2.8	11.4					
Ralph Lauren Corporation	1,125	(7.0)	1.0	(3.0)	962	61.4	22.6	15.4	11.0	2.9	12.5	A-	1.0	NM	2.6	41.2					
Under Armour (Class A)	181				324	45.0	9.1	6.3	2.8	3.4	2.8	BB	2.5	2.0	3.6	4.1					
PVH ⁽⁶⁾	1,600				1,154	55.0	18.9	11.9	8.5	4.1	7.9	BBB-	2.7	2.4	3.9	6.1					
Capri Holdings ⁽⁷⁾	854	(1.7)	(1.3)	(2.1)	1,163	61.2	30.4	22.9	18.5	3.0	19.9	BBB-	0.7	0.5	2.0	29.9					
Columbia Sportswear Company	135				364	48.2	17.2	13.7	11.5	2.1	11.5	--	0.0	NM	1.2	NM					
Hanesbrands	170				1,078	39.8	19.0	16.1	14.2	1.3	14.8	BB	4.1	3.7	4.4	5.2					
Guess?	1,692	(10.0)	4.0	3.0	183	36.2	18.7	7.1	4.5	3.7	3.5	--	0.2	NM	3.8	28.1					
G-III Apparel Group	343				256	36.6	12.4	8.5	7.2	1.1	7.4	BB-	2.7	2.5	3.8	5.0					
Oxford Industries ⁽⁸⁾	227	3.0	3.0	8.0	135	57.1	18.6	12.3	8.4	3.9	8.3	--	0.2	0.2	2.2	34.9					
Fossil	485	(6.0)	(3.0)	0.0	171	51.3	12.5	6.4	3.9	0.7	5.7	--	2.3	0.9	4.1	3.6					
Movado Group	44				84	54.0	16.5	13.4	11.8	1.7	11.7	--	0.6	NM	1.6	86.7					
Clarus Corporation					17	35.6	8.8	8.3	4.2	1.3	6.9	--	1.3	1.1	1.6	10.6					
Centric Brands	33				6	42.6	9.8	4.1	0.4	0.8	3.2	--	13.1	12.6	8.9	0.5					
Delta Apparel					25	20.7	8.8	6.3	3.8	1.5	4.9	--	4.5	4.4	4.9	3.4					
Vince	58	4.5	14.4	12.3	9	46.4	11.7	3.4	0.2	1.0	2.4	--	6.5	6.4	6.2	1.1					
Apparel/Active/Accessories					Mean	47.6 %	16.5 %	11.1 %	8.1 %	2.3 %	8.8 %		2.7 x	3.0 x	3.6 x	17.9 x					
					Median	48.2	16.7	11.9	8.4	2.1	7.9		2.1	2.0	3.6	8.3					

Source: CapitalIQ and public filings. Forward estimates represent mean aggregate consensus estimates from ThomsonOne.

Note: LTM balance sheet, cash flow and income statement items do not reflect pro forma adjustments for post close acquisitions and divestitures.

(a) Excludes business acquisitions where applicable and available.

(b) S&P Credit Rating.

(c) Debt adjusted for the capitalization of operating leases at 6.0x rent expense.

(1) Skechers SSS% for domestic segment.

(2) Deckers SSS% for retail segment.

(3) Crocs SSS% for Americas segment.

(4) Caleres SSS% for Famous Footwear division.

(5) Tapestry SSS% for North American segment.

(6) PVH SSS% for Calvin Klein North America.

(7) Michael Kors SSS% for North American segment.

(8) Oxford Industries SSS% for Tommy Bahama division

APPAREL AND FOOTWEAR – TRADING ANALYSIS (CONT.)

Apparel and Footwear (cont.)

Company Name	Share Price 1/11/2019	% of 52 wk high	2018 % Change	Equity Value	Enterprise Value	(a)	LTM Revenue	EV / LTM Revenue	EV / EBITDA			P / E		LTG Rate	P/E/G 2019E	Dividend Yield	(b)	(c)
									LTM	2018E	2019E	2019E	2020E					ROE
Cintas	\$177.79	81.8 %	7.8 %	\$18,587	\$21,208		\$6,675	3.2 x	15.5 x	15.6 x	13.6 x	23.0 x	20.8 x	13.1 %	1.7 x	1.2 %		33.7 %
UniFirst Corporation	137.53	71.2	(13.2)	2,633	2,357		1,719	1.4	8.4	8.9	8.4	19.4	NM	8.0	2.4	0.3		11.1
Superior Group of Companies ⁽¹⁾	18.35	64.4	(33.9)	280	396		324	1.2	12.0	12.0	9.3	12.3	NM	13.5	0.9	2.2		10.4
Lakeland Industries	11.56	68.6	(28.2)	94	84		99	0.8	10.7	10.9	7.3	12.4	12.3	10.0	1.2	--		(1.8)
Uniform / Protectivewear							Mean	1.7 x	11.7 x	11.8 x	9.6 x	16.8 x	16.5 x	11.2 %	1.6 x	1.2 %		13.4 %
							Median	1.3	11.3	11.4	8.9	15.9	16.5	11.6	1.5	1.2		10.7
Sequential Brands Group	\$0.92	36.8 %	(55.1) %	\$59	\$735		\$168	4.4 x	7.8 x	7.7 x	7.1 x	1.5 x	NM x	15.0 %	0.1 x	--		(38.4) %
Xcel Brands	1.37	39.1	(65.8)	25	37		33	1.1	6.2	4.3	3.5	3.8	3.4	10.0	0.4	--		(8.5)
Cherokee ⁽²⁾	0.73	38.2	(73.4)	10	58		25	2.3	12.8	6.3	5.1	29.0	NM	15.0	1.9	--		NM
Iconix Brand Group	0.13	6.2	(93.5)	10	691		197	3.5	8.2	7.8	8.7	1.2	NM	NA	NM	--		NM
Licensing / Brand Management							Mean	2.8 x	8.7 x	6.5 x	6.1 x	8.9 x	3.4 x	13.3 %	0.8 x	-- %		(23.4) %
							Median	2.9	8.0	7.0	6.1	2.7	3.4	15.0	0.4	--		(23.4)

Source: CapitalIQ and public filings. Forward estimates represent mean aggregate consensus estimates from ThomsonOne.

Note: LTM balance sheet, cash flow and income statement items do not reflect pro forma adjustments for post close acquisitions and divestitures.

(a) Enterprise value represents equity value plus book value of total debt, preferred stock and minority interest less cash.

(b) Dividend yield represents annualized dividend per share divided by current share price.

(c) Return on Equity is defined as LFY Earnings from Continuing Operations divided by Average Total Equity.

(1) In May 2018, Superior Uniform Group changed its name to Superior Group of Companies. In May 2018, Superior Uniform Group announced the acquisition of CID Resources for ~\$88.4 million.

(2) In June 2018, Cherokee announced the sale of Flip Flop Shops to Bearpaw Holdings. In November 2016, Cherokee announced the acquisition of Hi-Tec Sports for ~\$96 million.

APPAREL AND FOOTWEAR – OPERATING ANALYSIS (CONT.)

Apparel and Footwear (cont.)

Apparel and Footwear (Cont.)																		
Company Name	Store Count	Comp Store Sales			LTM EBITDA	Operating Efficiency								Credit Statistics				
		LFY	Q(-1)	Q(-2)		Gross Margin	EBITDAR Margin	EBITDA Margin	EBIT Margin	CapEx / Sales	(a) EBITDA - CapEx / Sales	(a) Credit Rating	(b) Debt / EBITDA	Net Debt / EBITDA	Adj. Debt / EBITDAR	(c) EBITDA-Capex / Int.		
Cintas					\$1,364	45.0 %	21.8 %	20.4 %	16.2 %	4.1 %	16.3 %	BBB+		2.0 x	1.9 x	2.2 x		10.9 x
UniFirst Corporation					281	37.2	17.2	16.3	10.5	6.8	9.5	--		--	NM	0.3		NM
Superior Group of Companies ⁽¹⁾					33	35.2	10.6	10.2	8.0	1.7	8.5	--		3.6	3.5	3.7		12.6
Lakeland Industries					8	37.2	8.6	7.9	7.0	2.5	5.4	--		0.2	NM	0.7		48.7
Uniform / Protectivewear					Mean	38.6 %	14.6 %	13.7 %	10.4 %	3.8 %	9.9 %			1.4 x	2.7 x	1.7 x		24.1 x
					Median	37.2	13.9	13.3	9.2	3.3	9.0			1.1	2.7	1.5		12.6
Sequential Brands Group					\$95	59.1	60.1 %	56.4 %	54.3 %	3.5 %	52.9 %	--		6.5 x	6.4 x	6.5 x		1.4 x
Xcel Brands					6	98.0	20.6	18.3	13.0	3.5	14.8	--		3.5	2.0	3.7		4.7
Cherokee					5	100.0	21.2	18.1	12.2	1.1	17.0	--		10.9	10.5	10.2		0.6
Iconix Brand Group					84	100.0	44.3	42.8	41.5	0.4	42.3	CCC		8.2	7.4	8.1		1.3
Licensing / Brand Management					Mean	89.3 %	36.5 %	33.9 %	30.3 %	2.1 %	31.8 %			7.3 x	6.6 x	7.1 x		2.0 x
					Median	99.0	32.7	30.5	27.3	2.3	29.7			7.4	6.9	7.3		1.3

Source: CapitalIQ and public filings. Forward estimates represent mean aggregate consensus estimates from ThomsonOne.

Note: LTM balance sheet, cash flow and income statement items do not reflect pro forma adjustments for post close acquisitions and divestitures.

(a) Excludes business acquisitions where applicable and available.

(b) S&P Credit Rating.

(c) Debt adjusted for the capitalization of operating leases at 6.0x rent expense.

(1) In May 2018, Superior Uniform Group changed its name to Superior Group of Companies.

HARDLINES (SPECIALTY) – TRADING ANALYSIS

Hardlines (Specialty)

Company Name	Share Price 1/11/2019	% of 52 wk high	2018 % Change	Equity Value	Enterprise Value	(a)	LTM Revenue	EV / LTM Revenue	EV / EBITDA			P / E		LTG Rate	P/E/G 2019E	Dividend Yield	(b)	(c)
									LTM	2018E	2019E	2019E	2020E					
Williams-Sonoma ⁽¹⁾	\$52.81	71.4 %	(2.4) %	\$4,233	\$4,428		\$5,515	0.8 x	7.0 x	6.6 x	6.6 x	11.8 x	11.4 x	10.7 %	1.1 x	3.3 %	24.2 %	
Aaron's	46.49	83.0	5.5	3,189	3,451		3,720	0.9	6.4	8.9	7.7	11.9	10.3	16.4	0.7	0.3	18.7	
Restoration Hardware	130.18	79.1	39.0	2,762	3,961		2,505	1.6	11.6	10.6	8.7	12.9	11.5	21.9	0.6	--	NM	
Michaels	15.98	57.3	(44.0)	2,535	5,363		5,373	1.0	6.8	6.7	6.8	6.2	5.8	9.1	0.7	--	NM	
Bed Bath & Beyond	15.23	63.2	(48.5)	2,094	2,585		12,437	0.2	2.9	2.9	3.5	8.0	8.7	(19.0)	NM	4.2	11.0	
At Home	22.24	54.3	(38.6)	1,414	1,967		1,106	1.8	11.7	10.0	9.0	17.0	13.7	21.2	0.8	--	4.7	
Sleep Number	33.79	82.3	(15.6)	1,122	1,257		1,483	0.8	9.3	8.3	7.4	14.0	12.4	19.3	0.7	--	NM	
Rent-A-Center ⁽²⁾	17.15	99.1	45.9	918	1,346		2,638	0.5	10.6	7.6	5.9	9.6	8.2	2.5	3.8	--	16.0	
Ethan Allen Interiors	18.28	62.9	(38.5)	486	448		773	0.6	6.5	6.6	5.8	11.8	10.0	16.7	0.7	9.6	9.5	
Haverty Furniture	19.43	80.1	(17.1)	403	359		824	0.4	5.0	5.2	5.3	14.8	12.5	9.7	1.5	3.7	8.1	
The Lovesac Company	24.72	85.6	NM	335	290		141	2.1	NM	NM	NM	NM	NM	NA	NM	--	--	
The Container Store	5.86	47.2	0.6	287	570		876	0.7	6.2	6.0	5.9	11.4	13.0	NA	NM	--	10.5	
Bassett Furniture Industries	21.32	56.1	(46.7)	227	179		458	0.4	5.4	5.7	5.1	16.5	13.3	16.0	1.0	4.0	5.9	
Kirkland's	10.01	74.3	(20.4)	149	125		656	0.2	3.6	3.3	3.1	18.2	13.3	16.0	1.1	--	2.0	
Pier 1 Imports	0.90	21.2	(92.6)	74	202		1,653	0.1	NM	NM	NM	NM	NM	NA	NM	--	NM	
Home Furnishings and Décor							Mean	0.8 x	7.2 x	6.8 x	6.2 x	12.6 x	11.1 x	11.7 %	1.2 x	4.2 %	10.1 %	
							Median	0.7	6.5	6.6	5.9	11.9	11.5	16.0	0.8	3.8	9.5	
The Home Depot ⁽³⁾	\$179.41	83.3 %	(9.3) %	\$202,649	\$226,669		\$105,595	2.1 x	13.0 x	12.7 x	12.2 x	17.5 x	16.1 x	12.0	1.5 x	2.3 %	NM %	
Lowe's Companies	97.30	82.7	(0.6)	78,128	92,020		71,156	1.3	12.1	12.0	10.9	16.1	13.9	15.9	1.0	2.0	NM	
Sherwin-Williams	395.93	82.5	(4.0)	36,877	46,367		17,450	2.7	16.0	16.0	13.8	18.1	15.9	14.4	1.3	0.9	NM	
Tractor Supply Company	85.31	87.4	11.6	10,414	10,947		7,731	1.4	12.4	12.4	11.6	18.1	16.2	12.3	1.5	1.5	35.2	
Floor and Décor	31.40	53.9	(46.8)	3,056	3,446		1,663	2.1	18.3	18.4	15.3	28.0	23.0	27.3	1.0	--	30.7	
Tile Shop	6.44	61.3	(42.9)	340	376		352	1.1	8.3	7.9	7.0	23.9	19.8	22.5	1.1	3.1	2.8	
Lumber Liquidators	10.96	34.3	(69.7)	314	345		1,076	0.3	10.0	9.1	10.0	20.3	15.8	30.0	0.7	--	2.8	
Sears Hometown and Outlet	1.96	49.6	(18.1)	44	147		1,547	0.1	NM	NM	NM	NM	NM	NA	NM	--	(31.4)	
Home Improvement							Mean	1.4 x	12.9 x	12.7 x	11.5 x	20.3 x	17.2 x	19.2 %	1.1 x	1.9 %	8.0 %	
							Median	1.4	12.4	12.4	11.6	18.1	16.1	15.9	1.1	2.0	2.8	
Planet Fitness	\$58.80	99.3 %	54.8 %	\$5,184	\$5,777		\$500	11.6 x	27.7 x	26.0 x	22.1 x	41.0 x	33.8 x	20.1 %	2.0 x	-- %	NM %	
Party City	11.67	68.8	(28.5)	1,134	3,141		2,411	1.3	8.2	7.9	7.4	6.3	5.8	15.7	0.4	--	20.3	
Barnes & Noble	6.34	81.2	5.8	464	731		3,584	0.2	5.8	4.8	4.7	18.9	15.3	10.0	1.9	9.5	(27.7)	
Town Sports Fitness ⁽⁴⁾	6.28	42.3	15.3	171	324		435	0.7	5.4	5.8	5.6	NM	NM	NA	NM	--	NM	
Build-A-Bear Workshop	4.37	41.8	(57.1)	64	62		358	0.2	2.1	3.9	3.4	39.7	NM	NA	NM	--	7.7	
Trans World Entertainment	0.67	36.2	(65.5)	24	47		436	0.1	NM	NM	NM	NM	NM	NA	NM	--	(40.3)	
YogaWorks	0.58	18.6	(82.0)	10	(4)		60	(0.1)	0.5	0.6	0.7	NM	NM	NA	NM	--	NM	
Entertainment (Book/Video/Music/Toy/Hobby)							Mean	2.0 x	8.3 x	8.1 x	7.3 x	26.5 x	18.3 x	15.2 %	1.4 x	9.5 %	(10.0) %	
							Median	0.2	5.6	5.3	5.2	29.3	15.3	15.7	1.9	9.5	(10.0)	
Office Depot	\$2.94	80.3 %	(27.1) %	\$1,609	\$2,422		\$10,926	0.2 x	4.7 x	4.3 x	4.2 x	7.3 x	7.6 x	(2.3) %	NM x	3.4 %	3.0 %	
Essendant ⁽⁵⁾	12.63	73.9	35.7	475	964		4,987	0.2	11.0	NM	NM	10.4	NM	14.0	0.7	4.4	(12.2)	
Office Products																		

Source: CapitalIQ and public filings. Forward estimates represent mean aggregate consensus estimates from ThomsonOne.

Note: LTM balance sheet, cash flow and income statement items do not reflect pro forma adjustments for post close acquisitions and divestitures.

(a) Enterprise value represents equity value plus book value of total debt, preferred stock and minority interest less cash.

(b) Dividend yield represents annualized dividend per share divided by current share price.

(c) Return on Equity is defined as LFY Earnings from Continuing Operations divided by Average Total Equity.

(1) In November 2017, Williams-Sonoma acquired 3D-Imaging and augmented reality firm

Outward for ~\$112 million.

(2) In June 2018, Rent-a-Center agreed to a \$15.00 per share takeover offer from Vintage capital, or ~\$1.4 billion.

(3) In December 2017, The Home Depot announced the acquisition of The Company Store. In February 2018, The Home Depot announced a partnership agreement with Tesla.

(4) In February 2018, Town Sports Fitness agreed to acquire Total Woman Gym and Spa. In September 2018, Essendant announced it would accept a bid from Staples (Staples Partners) for \$12.80 per share (Staples had previously offered \$11.50 per share).

(5)

HARDLINES (SPECIALTY) – OPERATING ANALYSIS

Hardlines (Specialty)

Operating Efficiency																	Credit Statistics				
Company Name	Store Count	Comp Store Sales			LTM EBITDA	Gross Margin	EBITDAR Margin	EBITDA Margin	EBIT Margin	CapEx / Sales	(a)	EBITDA - CapEx / Sales	(a)	Credit Rating	(b)	Debt / EBITDA	Net Debt / EBITDA	Adj. Debt / EBITDAR	(c)	EBITDA-Capex / Int.	
		LFY	Q(-1)	Q(-2)																	
Williams-Sonoma	631	3.2 %	3.1 %	4.6 %	\$636	36.9 %	16.5 %	11.5 %	8.1 %	3.3 %		8.2 %		--		0.6 x	0.3 x	2.2 x		82.9 x	
Aaron's	1,267	(7.0)	0.0	(1.8)	537	49.4	20.4	14.4	12.3	1.8		12.6		--		0.6	0.5	2.1		28.7	
Restoration Hardware	86	6.0	4.0	5.0	340	39.9	17.7	13.6	10.7	5.1		8.5		--		3.5	3.5	4.1		3.0	
Michaels	1,292	0.9	3.8	(0.4)	784	38.8	22.5	14.6	12.8	3.3		11.3		BB-		3.7	3.6	4.5		4.2	
Bed Bath & Beyond	1,560	(1.3)	(0.6)	(0.6)	879	34.5	12.0	7.1	4.4	3.0		4.1		BB+		1.7	0.6	3.5		6.5	
At Home	178	6.5	5.2	2.8	169	33.3	24.0	15.3	10.7	29.6	(14.3)			B+		3.4	3.3	4.3		NM	
Sleep Number	569	4.0	0.0	9.0	135	60.5	14.2	9.1	5.0	3.8		5.3		--		1.0	1.0	2.8		19.4	
Rent-A-Center	3,798		5.7	3.7	127	63.7	12.6	4.8	2.1	1.3		3.5		CCC+		4.3	3.4	5.3		2.0	
Ethan Allen Interiors ⁽¹⁾	300	(3.8)	(2.1)	(11.4)	69	53.9	13.1	8.9	6.4	2.4		6.5		--		0.0	NM	1.9		NM	
Haverty Furniture	120	(1.3)	2.6	1.3	72	54.4	12.5	8.8	5.1	3.3		5.4		--		0.7	NM	2.3		21.8	
The Lovesac Company	74		41.0		(7)	55.6	6.6	(5.3)	(7.6)	6.9	(12.2)			--		--	6.0	10.8		NM	
The Container Store	92	0.9	1.3	4.7	91	58.5	20.5	10.4	6.7	2.9		7.5		B		3.2	3.1	4.6		2.2	
Bassett Furniture Industries	97	1.9	(1.7)	(1.8)	33	60.9	14.8	7.2	4.3	3.8		3.4		--		0.0	NM	3.1		67.0	
Kirkland's	432	0.3	1.4	(3.9)	35	31.5	14.7	5.4	0.9	4.6		0.8		--		--	NM	3.8		19.1	
Pier 1 Imports	989	(2.0)	(11.4)	(8.2)	(29)	32.3	12.8	(1.7)	(5.3)	2.6		(4.4)		CCC+		NM	NM	7.7		NM	
Home Furnishings and Décor					Mean	47.0 %	15.7 %	8.3 %	5.1 %	5.2 %		3.1 %				1.6 x	2.5 x	4.2 x		23.3 x	
					Median	49.4	14.7	8.9	5.1	3.3		5.3				0.9	3.2	3.8		19.1	
The Home Depot ⁽²⁾	2,286	6.8 %	4.8 %	4.2 %	\$17,473	34.3 %	17.6 %	16.5 %	14.5 %	2.1 %		14.4 %		A		1.5 x	1.4 x	1.7 x		14.5 x	
Lowe's Companies	2,133	4.0	1.5	5.2	7,605	33.9	11.6	10.7	8.6	1.7		9.0		BBB+		2.0	1.8	2.4		9.9	
Sherwin-Williams	4,663	6.3	5.2	6.8	2,897	43.5	19.7	16.6	12.8	1.4		15.2		BBB		3.3	3.3	3.8		7.2	
Tractor Supply Company	1,748	2.7	5.1	5.6	880	34.3	15.8	11.4	9.1	3.8		7.6		--		0.7	0.6	2.2		32.4	
Floor and Décor	95	16.6	11.1	11.4	188	41.1	16.5	11.3	8.4	8.5		2.8		BB-		0.8	0.8	2.4		5.4	
Tile Shop	140	0.5	2.1	(1.8)	45	69.6	23.8	12.9	5.0	7.8		5.1		--		1.0	0.8	3.3		7.8	
Lumber Liquidators	409	5.4	2.1	4.7	35	35.9	6.4	3.2	1.8	1.2		2.0		--		1.2	0.9	3.6		NM	
Sears Hometown and Outlet	632	(8.4)	(0.2)	0.9	(16)	22.4	2.0	(1.0)	(1.7)	0.5		(1.5)		--		NM	NM	13.6		NM	
Home Improvement					Mean	39.4 %	14.2 %	10.2 %	7.3 %	3.4 %		6.8 %				1.5 x	1.4 x	4.1 x		12.9 x	
					Median	35.1	16.1	11.3	8.5	1.9		6.3				1.2	0.9	2.9		8.8	
Planet Fitness	1,646	10.2 %	9.7 %	10.2 %	\$209	55.7 %	46.5 %	41.8 %	34.9 %	6.6 %		35.1 %		--		5.6 x	2.9 x	5.7 x		4.1 x	
Party City	900	(0.7)	(1.0)	0.1	384	26.7	27.0	15.9	12.6	3.5		12.4		--		5.3	5.2	5.6		3.0	
Barnes & Noble	630	(5.4)	(1.4)	(6.1)	127	30.2	11.8	3.5	1.3	2.5		1.0		--		2.2	2.1	4.9		3.1	
Town Sports Fitness	181	1.6	1.5	1.8	60	56.1	45.2	13.9	5.0	6.1		7.8		B-		3.4	2.5	5.2		2.6	
Build-A-Bear Workshop ⁽³⁾	371				30	47.2	21.3	8.4	3.9	5.0		3.4		--		--	NM	3.6		NM	
Trans World Entertainment	241	(8.7)	(6.7)	(8.5)	(27)	30.7	(0.3)	(6.2)	(8.6)	1.1		(7.3)		--		NM	NM	NM		NM	
YogaWorks	70				(8)	61.1	6.4	(12.8)	(27.5)	3.3		(16.1)		--		--	1.7	18.1		NM	
Entertainment (Book/Video/Music/Toy/Hobby)					Mean	44.0 %	22.6 %	9.2 %	3.1 %	4.0 %		5.2 %				2.8 x	2.9 x	7.2 x		3.2 x	
					Median	47.2	21.3	8.4	3.9	3.5		3.4				2.8	2.5	5.4		3.1	
Office Depot	1,400	(5.0) %	(5.0) %	(2.0) %	\$518	23.4 %	9.1 %	4.7 %	3.4 %	1.6 %		3.2 %		B		3.4 x	1.6 x	4.6 x		3.1 x	
Essendant					88	13.6	2.8	1.8	0.9	0.8		1.0		--		5.9	5.6	5.9		1.8	
Office Products																					

Source: CapitalIQ and public filings. Forward estimates represent mean aggregate consensus estimates from ThomsonOne.

Note: LTM balance sheet, cash flow and income statement items do not reflect pro forma adjustments for post close acquisitions and divestitures.

(a) Excludes business acquisitions where applicable and available.

(b) S&P Credit Rating.

(c) Debt adjusted for the capitalization of operating leases at 6.0x rent expense.

(1) Ethan Allen SSS% for design center orders.

(2) The Home Depot SSS% for domestic segment.

(3) Build-A-Bear Workshop SSS% for domestic segment.

HARDLINES (SPECIALTY) – TRADING ANALYSIS (CONT.)

Hardlines (Specialty) (cont.)

Company Name	Share Price 1/11/2019	% of 52 wk high	2018 % Change	Equity Value	Enterprise Value (a)	LTM Revenue	EV / LTM Revenue	EV / EBITDA			P / E		LTG Rate	P/E/G 2019E	Dividend Yield (b)	ROE (c)
								LTM	2018E	2019E	2019E	2020E				
Dick's Sporting Goods	\$33.36	83.9 %	8.6 %	\$3,279	\$3,631	\$8,609	0.4 x	4.9 x	5.3 x	5.2 x	10.0 x	9.5 x	7.2 %	1.4 x	2.7	17.9 %
Hibbett Sports ⁽¹⁾	15.88	53.6	(29.9)	290	197	969	0.2	2.7	3.1	2.8	9.2	8.5	6.0	1.5	--	9.7
Sportsman's Warehouse	4.96	76.8	(33.7)	213	446	850	0.5	7.1	6.6	6.0	7.5	7.0	9.0	0.8	--	34.4
Big 5 Sporting Goods	3.31	33.9	(65.9)	71	157	983	0.2	8.4	7.7	4.4	14.7	7.7	(8.4)	NM	6.0	(5.9)
Sporting Goods						Mean	0.3 x	5.8 x	5.7 x	4.6 x	10.3 x	8.2 x	3.5 %	1.3 x	4.4 %	14.0 %
						Median	0.3	6.0	5.9	4.8	9.6	8.1	6.6	1.4	4.4	13.8
Central Garden & Pet Company ⁽²⁾	\$38.65	85.9 %	13.0 %	\$2,081	\$2,292	\$2,215	1.0 x	10.7 x	10.6 x	10.0 x	20.3 x	18.4 x	9.0 %	2.3 x	-- %	15.6 %
Pet																
O'Reilly Automotive	\$338.73	93.3 %	43.1 %	\$27,134	\$30,268	\$9,412	3.2 x	14.8 x	14.6 x	13.8 x	19.0 x	17.2 x	15.4 %	1.2 x	-- %	NM %
AutoZone ⁽³⁾	822.88	91.8	17.8	20,741	25,588	11,274	2.3	10.2	10.4	10.1	13.7	12.7	11.8	1.2	--	NM
Advance Auto Parts	159.42	85.6	57.9	11,620	11,696	9,512	1.2	12.3	11.8	10.8	19.7	16.5	16.5	1.2	0.2	16.1
Monro Inc.	69.80	82.7	20.7	2,303	2,701	1,174	2.3	14.4	14.4	13.5	27.1	22.8	12.5	2.2	1.1	11.2
Automotive Parts/Service						Mean	2.3 x	12.9 x	12.8 x	12.1 x	19.9 x	17.3 x	14.1 %	1.4 x	0.6 %	13.7 %
						Median	2.3	13.4	13.1	12.2	19.4	16.8	13.9	1.2	0.6	13.7
CarMax	\$64.99	79.6 %	(2.2) %	\$11,054	\$24,898	\$18,880	1.3 x	18.8 x	18.8 x	17.2 x	13.1 x	12.3 x	14.1 %	0.9 x	-- %	22.9 %
Penske Automotive Group	45.61	83.2	(15.7)	3,871	5,977	22,744	0.3	7.8	7.3	7.2	8.1	7.6	4.4	1.8	3.2	29.7
AutoNation	36.92	59.5	(30.5)	3,320	5,906	21,685	0.3	6.3	6.2	6.4	7.9	8.5	4.3	1.8	--	18.9
Lithia Motors	85.63	66.9	(32.8)	2,015	3,127	11,551	0.3	5.9	6.8	6.4	8.3	8.3	15.6	0.5	1.4	26.4
Carvana ⁽⁴⁾	36.80	50.7	71.1	1,468	2,046	1,636	1.3	NM	NM	NM	NM	NM	100.0	NM	--	NM
Asbury Automotive Group	69.64	89.6	4.2	1,365	2,231	6,761	0.3	6.4	7.2	7.2	8.4	7.8	15.5	0.5	--	41.1
Group 1 Automotive	59.92	71.4	(25.7)	1,108	2,501	11,613	0.2	5.3	6.6	6.6	6.6	7.2	4.1	1.6	1.7	22.0
Sonic Automotive	15.74	66.7	(25.4)	673	1,636	10,045	0.2	5.2	6.2	6.0	7.8	10.9	2.3	3.4	1.5	12.1
America's Car-Mart	70.04	78.0	62.3	475	641	648	1.0	11.1	11.3	9.4	11.5	NM	18.7	0.6	--	19.4
Automotive ⁽⁴⁾						Mean	0.6 x	8.3 x	8.8 x	8.3 x	9.0 x	9.0 x	19.9 %	1.4 x	2.0 %	24.1 %
						Median	0.3	6.3	7.0	6.9	8.2	8.3	14.1	1.3	1.6	22.5
Ulta	\$284.11	88.1 %	9.5 %	\$16,851	\$16,554	\$6,529	2.5 x	15.1 x	14.6 x	12.8 x	22.3 x	19.1 x	18.9 %	1.2 x	-- %	37.8 %
Sally Beauty	18.49	78.3	(9.1)	2,225	3,922	3,933	1.0	6.9	6.8	6.9	8.3	8.1	4.1	2.0	--	NM
Regis	19.05	85.0	10.4	844	819	1,186	0.7	10.4	11.0	7.2	22.4	NA	NA	NA	--	11.1
Beauty						Mean	1.4 x	10.8 x	10.8 x	9.0 x	17.7 x	13.6 x	11.5 %	1.6 x	-- %	24.4 %
						Median	1.0	10.4	11.0	7.2	22.3	13.6	11.5	1.6	--	24.4

Source: CapitalIQ and public filings. Forward estimates represent mean aggregate consensus estimates from ThomsonOne.

Note: LTM balance sheet, cash flow and income statement items do not reflect pro forma adjustments for post close acquisitions and divestitures.

(a) Enterprise value represents equity value plus book value of total debt, preferred stock and minority interest less cash.

(b) Dividend yield represents annualized dividend per share divided by current share price.

(c) Return on Equity is defined as LFY Earnings from Continuing Operations divided by Average Total Equity.

(d) Enterprise value adjusted to exclude floor plan financing.

(1) In October 2018, Hibbett announced its acquisition of City G.e.a.r. for up to \$113 million.

(2) In March 2018, Central Pet & Garden acquired General Pet Supply.

(3) In February 2018, Autozone sold its AutoAnything division to Kingswood Capital Management.

(4) In April 2018, Carvana acquired Car360, a vehicle digital touring technology business.

HARDLINES (SPECIALTY) – OPERATING ANALYSIS (CONT.)

Hardlines (Specialty) (cont.)

Operating Efficiency																	Credit Statistics				
Company Name	Store Count	Comp Store Sales			LTM EBITDA	Gross Margin	EBITDAR Margin	EBITDA Margin	EBIT Margin	CapEx / Sales	(a) EBITDA - CapEx / Sales	(a) Credit Rating	(b) Debt / EBITDA	Net Debt / EBITDA	Adj. Debt / EBITDAR	(c) EBITDA-Capex / Int.					
		LFY	Q(-1)	Q(-2)																	
Dick's Sporting Goods	861	(0.3) %	(3.9) %	(4.0) %	\$741	29.3 %	14.8 %	8.6 %	5.7 %	2.6 %	6.0 %	--	0.6 x	0.5 x	2.9 x	51.6 x					
Hibbett Sports	1,042	(3.8)	0.1	4.1	72	32.9	13.5	7.4	4.8	1.9	5.5	--	0.4	NM	2.9	NM					
Sportsman's Warehouse	92	(6.5)	(0.5)	0.2	63	33.6	14.5	7.4	5.2	2.0	5.3	--	3.7	3.7	4.9	3.2					
Big 5 Sporting Goods	436	(1.2)	(2.0)	(2.1)	19	30.8	9.4	1.9	0.2	1.4	0.5	--	4.9	4.6	5.8	1.8					
Sporting Goods					Mean	31.6 %	13.1 %	6.3 %	4.0 %	2.0 %	4.4 %		2.4 x	2.9 x	4.1 x	18.8 x					
					Median	31.9	14.0	7.4	5.0	1.9	5.4		2.2	3.7	3.9	3.2					
Central Garden & Pet Company					\$215	30.5 %	11.3 %	9.7 %	7.6 %	1.7 %	8.0 %	BB	3.2 x	1.0 x	3.6 x	4.5 x					
Pet																					
O'Reilly Automotive	5,190	1.4 %	3.9 %	4.6 %	\$2,044	52.7 %	25.0 %	21.7 %	19.0 %	5.0 %	16.7 %	BBB	1.6 x	1.5 x	2.1 x	13.4 x					
AutoZone ⁽¹⁾	5,631	1.8	2.7	2.2	2,503	53.4	25.0	22.2	19.1	4.5	17.7	BBB	2.1	1.9	2.5	11.1					
Advance Auto Parts	5,120	(2.0)	4.6	2.8	952	43.8	15.7	10.0	7.5	1.4	8.6	BBB-	1.1	0.1	2.9	14.4					
Monro Inc.	1,275	1.8	3.2	1.9	187	38.5	18.9	15.9	11.5	3.6	12.4	--	2.1	2.1	2.8	5.6					
Automotive Parts/Service					Mean	47.1 %	21.2 %	17.5 %	14.3 %	3.6 %	13.8 %		1.7 x	1.4 x	2.6 x	11.1 x					
					Median	48.3	22.0	18.8	15.2	4.0	14.6		1.8	1.7	2.6	12.2					
CarMax ⁽²⁾	194	2.9 %	3.8 %	0.6 %	\$1,326	15.1 %	9.0 %	7.0 %	6.1 %	1.7 %	5.4 %	--	10.5 x	10.4 x	9.5 x	13.6 x					
Penske Automotive Group	342	(1.6)	0.5	5.8	768	15.0	4.9	3.4	2.9	1.1	2.3	BB	7.3	7.3	6.9	2.7					
AutoNation ⁽³⁾	329	(0.3)	(0.6)	3.7	941	15.8	4.6	4.3	3.6	1.7	2.7	BBB-	6.6	6.5	6.5	2.4					
Lithia Motors ⁽⁴⁾	182	1.3	1.0	3.0	529	15.0	5.5	4.6	4.0	1.3	3.3	BB+	6.2	6.1	6.2	3.5					
Carvana ⁽⁵⁾					(172)	10.0	(8.2)	(10.5)	(11.7)	7.7	(18.2)	CCC+	NM	NM	NM	NM					
Asbury Automotive Group ⁽⁶⁾	97	0.5	6.0	4.0	348	16.1	5.6	5.1	4.7	0.6	4.5	BB+	5.1	5.1	5.2	3.7					
Group 1 Automotive ⁽⁷⁾	237	(0.2)	(5.2)	0.3	470	14.8	5.1	4.0	3.5	1.0	3.0	BB+	6.1	6.0	6.1	2.7					
Sonic Automotive ⁽⁸⁾	129	0.7	(4.2)	1.6	317	14.5	4.2	3.2	2.2	0.6	2.6	BB-	7.6	7.5	7.2	2.6					
America's Car-Mart	143	5.2	11.0	12.1	58	48.4	10.1	8.9	8.3	0.4	8.5	--	2.9	2.9	3.3	8.0					
Automotive					Mean	18.3 %	4.5 %	3.3 %	2.6 %	1.8 %	1.6 %		6.5 x	6.5 x	6.3 x	4.9 x					
					Median	15.0	5.1	4.3	3.6	1.1	3.0		6.4	6.3	6.3	3.1					
Ulta	1,163	11.0 %	7.8 %	6.5 %	\$1,100	35.6 %	21.0 %	16.8 %	12.7 %	5.5 %	11.3 %	--	-- x	NM x	1.2 x	NM x					
Sally Beauty	5,156	(1.5)	(0.2)	(2.0)	567	49.4	20.8	14.4	11.7	2.2	12.2	BB-	3.1	3.0	4.0	4.9					
Regis	8,115	0.5	0.5	0.7	79	34.5	19.7	6.6	3.4	2.9	3.7	--	1.1	NM	4.4	4.7					
Beauty					Mean	39.8 %	20.5 %	12.6 %	9.3 %	3.5 %	9.1 %		1.4 x	3.0 x	3.2 x	4.8 x					
					Median	35.6	20.8	14.4	11.7	2.9	11.3		1.1	3.0	4.0	4.8					

Source: CapitalIQ and public filings. Forward estimates represent mean aggregate consensus estimates from ThomsonOne.

Note: LTM balance sheet, cash flow and income statement items do not reflect pro forma adjustments for post close acquisitions and divestitures.

(a) Excludes business acquisitions where applicable and available.

(b) S&P Credit Rating.

(c) Debt adjusted for the capitalization of operating leases at 6.0x rent expense.

(1) AutoZone SSS% for domestic segment.

(2) CarMax SSS% for used vehicle units.

(3) AutoNation SSS% for retail used vehicle sales.

(4) Lithia Motors SSS% for new vehicle sales.

(5) Carvana excluded from mean / median calculations.

(6) Asbury Automotive Group SSS% for new vehicle sales.

(7) Group 1 Automotive SSS% for U.S. new vehicle sales.

(8) Sonic Automotive SSS% for new vehicle sales.

HARDLINES (SPECIALTY) – TRADING ANALYSIS (CONT.)

Hardlines (Specialty) (cont.)

Company Name	Share Price 1/11/2019	% of 52 wk high	2018 % Change	Equity Value	Enterprise Value (a)	LTM Revenue	EV / LTM Revenue	EV / EBITDA			P / E		LTG Rate	P/E/G 2019E	Dividend Yield (b)	ROE (c)
								LTM	2018E	2019E	2019E	2020E				
Best Buy	\$56.51	67.0 %	(22.7) %	\$15,207	\$15,079	\$43,441	0.3 x	5.6 x	5.7 x	5.5 x	10.3 x	9.7 x	10.9 %	1.0 x	3.2 %	30.5 %
GameStop	15.85	85.5	(29.7)	1,616	1,982	9,168	0.2	3.3	3.7	3.9	6.5	8.1	(37.4)	NM	9.6	(30.5)
Conns	19.40	45.5	(46.9)	616	1,533	1,537	1.0	12.2	7.6	6.7	6.9	5.7	23.0	0.3	--	8.5
Electronics						Mean	0.5 x	7.0 x	5.6 x	5.4 x	7.9 x	7.8 x	(1.2) %	0.6 x	6.4 %	2.9 %
						Median	0.3	5.6	5.7	5.5	6.9	8.1	10.9	0.6	6.4	8.5
Harley-Davidson	\$36.55	64.7 %	(32.9) %	\$5,893	\$12,403	\$5,800	2.1 x	11.0 x	11.8 x	11.9 x	9.8 x	9.5 x	9.7 %	1.0 x	4.0 %	26.9 %
Polaris ⁽¹⁾	82.80	60.1	(38.2)	5,115	6,796	5,965	1.1	9.7	8.5	7.6	11.9	11.1	13.7	0.9	2.9	30.7
Fox Factory ⁽²⁾	62.95	82.0	51.5	2,391	2,433	584	4.2	23.1	19.4	17.5	25.7	22.7	16.1	1.6	--	24.9
Powersports						Mean	2.5 x	14.6 x	13.2 x	12.3 x	15.8 x	14.4 x	13.1 %	1.2 x	3.5 %	27.5 %
						Median	2.1	11.0	11.8	11.9	11.9	11.1	13.7	1.0	3.5	26.9
Acushnet	\$22.31	80.1 %	(0.0) %	\$1,668	\$2,047	\$1,642	1.2 x	9.7 x	8.8 x	8.3 x	13.6 x	13.7 x	7.5 %	1.8 x	2.3 %	11.7 %
Callaway Golf ⁽³⁾	16.33	66.2	9.8	1,543	1,497	1,254	1.2	8.8	9.7	7.5	15.6	13.1	25.0	0.6	0.2	16.0
Vista Outdoor ⁽⁴⁾	11.81	58.9	(22.1)	680	1,373	2,228	0.6	14.0	11.0	7.7	20.7	NM	NA	NM	--	(4.0)
Johnson Outdoors	65.30	60.8	(5.4)	645	495	544	0.9	6.8	7.6	7.1	15.4	NM	15.0	1.0	0.9	15.6
Nautilus	11.15	64.8	(18.4)	332	297	409	0.7	7.0	5.9	5.3	9.7	8.6	14.3	0.7	--	12.1
Escalade Inc.	12.56	82.4	(6.9)	181	170	173	1.0	9.6	9.4	8.3	NM	NM	NA	NM	4.0	20.9
Sports Equipment						Mean	0.9 x	9.3 x	8.7 x	7.4 x	15.0 x	11.8 x	15.5 %	1.0 x	1.9 %	12.1 %
						Median	0.9	9.2	9.1	7.6	15.4	13.1	14.7	0.8	1.6	13.9
National Vision	\$30.92	66.3 %	1.2 %	\$2,386	\$2,916	\$1,503	1.9 x	21.0 x	16.8 x	14.8 x	36.5 x	29.9 x	14.5 %	2.5 x	-- %	14.3 %
Winmark Corporation	160.48	85.8	22.9	626	670	73	9.1	15.7	NM	NM	NM	NM	NA	NM	0.4	NM
Camping World ⁽⁵⁾	13.52	28.7	(74.4)	501	2,348	4,708	0.5	6.8	6.4	5.7	5.2	4.8	11.7	0.4	4.5	NM
MarineMax	20.73	79.4	(3.1)	474	638	1,177	0.5	8.7	10.1	7.6	10.8	9.5	30.0	0.4	--	12.0
Other Hardlines						Mean	3.0 x	13.1 x	11.1 x	9.4 x	17.5 x	14.8 x	18.7 %	1.1 x	2.5 %	13.2 %
						Median	1.2	12.2	10.1	7.6	10.8	9.5	14.5	0.4	2.5	13.2

Source: CapitalIQ and public filings. Forward estimates represent mean aggregate consensus estimates from ThomsonOne.

Note: LTM balance sheet, cash flow and income statement items do not reflect pro forma adjustments for post close acquisitions and divestitures.

(a) Enterprise value represents equity value plus book value of total debt, preferred stock and minority interest less cash.

(b) Dividend yield represents annualized dividend per share divided by current share price.

(c) Return on Equity is defined as LFY Earnings from Continuing Operations divided by Average Total Equity.

(1) In May 2018, Polaris purchased Boat Holdings for \$850 million in cash. In October 2017, Polaris announced its agreement to acquire Transamerican Auto Parts for \$665 million, or ~9.0x LTM EBITDA.

(2) In December 2017, Fox Factory announced the acquisition of select assets of Flagship, DBA Tuscany Motor Co.

(3) In November 2018, Callaway Golf announced the acquisition of Jack Wolfskin for \$476 million.

(4) In July 2018, Vista Outdoor announced the sale of its eyewear brands, Bollé, Cébé and Serengeti.

(5) In March 2018, Camping World agreed to acquire B & B RV and River City Recreation World.

HARDLINES (SPECIALTY) – OPERATING ANALYSIS (CONT.)

Hardlines (Specialty) (cont.)

Hardlines (Specialty) (Cont.)																	
Company Name	Store Count	Comp Store Sales			LTM EBITDA	Operating Efficiency							Credit Statistics				
		LFY	Q(-1)	Q(-2)		Gross Margin	EBITDAR Margin	EBITDA Margin	EBIT Margin	CapEx / Sales	(a) EBITDA - CapEx / Sales	(a) Credit Rating	(b) Debt / EBITDA	Net Debt / EBITDA	Adj. Debt / EBITDAR	(c) EBITDA-Capex / Int.	
Best Buy Co. ⁽¹⁾	1,024	5.6 %	4.3 %	6.2 %	\$2,709	23.2 %	8.1 %	6.2 %	4.5 %	1.9 %	4.4 %	BBB	0.5 x	NM x	1.8 x	26.6 x	
GameStop	7,100	4.3	3.4	2.4	603	32.4	11.4	6.6	5.1	1.0	5.6	BB	1.4	0.6	3.3	8.9	
Conn's ⁽²⁾	122	(11.4)	(4.4)	0.3	125	27.2	12.5	8.2	6.1	1.8	6.4	B	7.3	NM	6.9	NM	
Electronics					Mean	27.6 %	10.6 %	7.0 %	5.3 %	1.6 %	5.4 %		3.1 x	NM x	4.0 x	17.8 x	
					Median	27.2	11.4	6.6	5.1	1.8	5.6		1.4	NM	3.3	17.8	
Harley-Davidson					\$1,126	34.0 %	19.7 %	19.4 %	15.5 %	3.7 %	15.8 %	BBB+	6.3 x	5.8 x	6.3 x	29.6 x	
Polaris					700	26.6	12.4	11.7	8.2	3.6	8.1	--	2.7	2.4	2.8	10.8	
Fox Factory					105	33.2	19.3	18.1	15.8	4.7	13.4	--	0.6	0.3	0.9	25.4	
PowerSports					Mean	31.3 %	17.2 %	16.4 %	13.2 %	4.0 %	12.4 %		3.2 x	2.8 x	3.4 x	21.9 x	
					Median	33.2	19.3	18.1	15.5	3.7	13.4		2.7	2.4	2.8	25.4	
Acushnet					\$211	51.5 %	13.9 %	12.9 %	10.8 %	1.6 %	11.2 %	--	1.9 x	1.7 x	2.2 x	9.7 x	
Callaway Golf					170	46.9	15.1	13.6	12.0	2.8	10.7	BB-	0.1	NM	0.7	19.8	
Vista Outdoor					98	20.5	5.5	4.4	0.6	2.5	1.9	B+	7.6	7.1	7.2	0.8	
Johnson Outdoors					72	44.4	14.8	13.3	11.6	3.5	9.8	--	--	NM	0.6	NM	
Nautilus					42	47.3	11.8	10.3	8.1	1.9	8.4	--	0.9	NM	1.5	30.7	
Escalade Inc.					18	25.8	10.8	10.2	8.0	1.3	8.9	--	--	NM	0.3	26.1	
Sports Equipment					Mean	39.4 %	12.0 %	10.8 %	8.5 %	2.3 %	8.5 %		1.7 x	4.4 x	2.1 x	17.4 x	
					Median	45.7	12.9	11.6	9.5	2.2	9.3		0.5	4.4	1.1	19.8	
National Vision	1,067	8.4 %	7.0	10.4	\$139	53.9 %	14.8 %	9.2 %	4.5 %	7.0 %	2.3 %	--	4.2 x	3.8 x	4.9 x	0.8 x	
Winmark Corporation	1,236				43	92.9	59.7	58.1	57.6	36.7	21.4	--	1.1	1.0	1.2	5.6	
Camping World	225	11.9	(10.1) %	5.1 %	343	29.0	9.5	7.3	6.4	2.7	4.6	--	5.6	5.2	5.7	2.3	
MarineMax	63	10.0	22.0	8.0	74	25.3	7.0	6.3	5.3	1.2	5.1	--	2.9	2.2	3.2	6.0	
Other Hardlines					Mean	50.3 %	22.7 %	20.2 %	18.5 %	11.9 %	8.3 %		3.4 x	3.1 x	3.7 x	3.7 x	
					Median	41.4	12.2	8.3	5.9	4.8	4.8		3.5	3.0	4.0	3.9	

Source: CapitalIQ and public filings. Forward estimates represent mean aggregate consensus estimates from ThomsonOne.

Note: LTM balance sheet, cash flow and income statement items do not reflect pro forma adjustments for post close acquisitions and divestitures.

(a) Excludes business acquisitions where applicable and available.

(b) S&P Credit Rating.

(c) Debt adjusted for the capitalization of operating leases at 6.0x rent expense.

(1) Best Buy SSS% for domestic segment.

(2) Conn's SSS% for product sales.

OTHER – TRADING ANALYSIS

Other																		
	Share Price	% of 52	2018 %	Equity	Enterprise	(a)	LTM	EV / LTM	EV / EBITDA			P / E		LTG	P/E/G	Dividend	(b)	(c)
Company Name	1/11/2019	wk high	Change	Value	Value		Revenue	Revenue	LTM	2018E	2019E	2019E	2020E	Rate	2019E	Yield		ROE
Tiffany & Co.	\$85.82	60.6 %	(22.5) %	\$10,461	\$10,769		\$4,456	2.4 x	10.3 x	10.5 x	9.7 x	16.6 x	15.4 x	13.3 %	1.3 x	2.6 %		14.3 %
Signet Jewelers	35.55	50.0	(43.8)	1,845	3,313		6,644	0.5	5.9	6.6	6.3	8.4	8.9	6.5	1.3	4.2		(8.4)
Jewelry																		
CVS Caremark ⁽¹⁾	\$65.81	78.5 %	(9.6) %	\$85,105	\$106,303		\$188,055	0.6 x	8.4 x	8.3 x	5.7 x	8.8 x	7.9 x	10.2 %	0.9 x	3.0 %		8.7 %
Walgreens Boots Alliance ⁽²⁾	71.71	83.1	(5.9)	67,654	83,320		134,590	0.6	10.6	9.2	8.7	10.9	10.0	9.9	1.1	2.5		20.0
Rite Aid	0.81	31.9	(64.0)	856	3,875		21,654	0.2	7.1	7.1	6.8	NM	NM	NA	NM	--		NM
Fred's ⁽¹⁾⁽³⁾	2.69	62.6	(53.3)	98	273		1,745	0.2	NM	NM	NM	NM	NM	NA	NM	--		NM
Drug Stores							Mean	0.4 x	8.7 x	8.2 x	7.1 x	9.8 x	9.0 x	10.0 %	1.0 x	2.7 %		14.4 %
							Median	0.4	8.4	8.3	6.8	9.8	9.0	10.0	1.0	2.7		14.4
Casey's General Stores	\$131.04	95.6 %	14.5 %	\$4,797	\$6,044		\$8,316	0.7 x	11.7 x	11.3 x	10.1 x	24.3 x	22.7 x	11.6 %	2.1 x	3.7 %		27.8 %
Murphy USA	79.88	89.1	(4.6)	2,575	3,368		12,376	0.3	9.3	8.8	8.6	17.6	17.1	3.5	5.1	--		37.4
TravelCenters of America ⁽⁴⁾	4.06	66.6	(8.3)	161	421		6,834	0.1	3.6	5.0	4.5	NM	13.5	5.0	NM	--		(3.9)
Convenience Stores							Mean	0.4 x	8.2 x	8.4 x	7.7 x	20.9 x	17.8 x	6.7 %	3.6 x	3.7 %		20.5 %
							Median	0.3	9.3	8.8	8.6	20.9	17.1	5.0	3.6	3.7		27.8
GNC	\$2.95	51.7 %	(35.8) %	\$247	\$1,459		\$2,341	0.6 x	6.6 x	6.6 x	6.8 x	7.4 x	5.3 x	(4.0) %	NM x	-- %		NM %
Vitamin Shoppe	5.22	37.4	7.7	123	183		1,160	0.2	3.3	3.2	3.3	30.7	18.3	23.0	1.3	--		(7.7)
Health & Wellness																		

Source: CapitalIQ and public filings. Forward estimates represent mean aggregate consensus estimates from ThomsonOne.

Note: LTM balance sheet, cash flow and income statement items do not reflect pro forma adjustments for post close acquisitions and divestitures.

Note: Figures listed in USD. Based on average conversion rates for income statement items and spot rates for balance sheet and share price, where applicable.

(a) Enterprise value represents equity value plus book value of total debt, preferred stock and minority interest less cash.

(b) Dividend yield represents annualized dividend per share divided by current share price.

(c) Return on Equity is defined as LFY Earnings from Continuing Operations divided by Average Total Equity.

(1) In December 2017, CVS agreed to acquire Aetna for ~\$69 billion in cash and stock, comprised of \$145.00 per share and 0.8378 shares of CVS stock for each Aetna share (11.5x EV / EBITDA).

(2) In September 2018, Fred's announced it would sell to Walgreens \$165 million of prescription files and pharmacy inventories for 185 of its stores across 10 states.

(3) In May 2018, Fred's announced the sale of select assets of its specialty pharmacy business, EntrustRx, to CVS. In June 2017, Fred's plans to acquire 865 divested Rite Aid stores for \$950 million were terminated.

(4) TravelCenters of America announced in September 2018 that it would sell 225 standalone convenience stores to EG Group Limited for \$330.8 million.

OTHER – OPERATING ANALYSIS

Other																		
Company Name	Store Count	Comp Store Sales			LTM EBITDA	Operating Efficiency						Credit Statistics						
		LFY	Q(-1)	Q(-2)		Gross Margin	EBITDAR Margin	EBITDA Margin	EBIT Margin	CapEx / Sales	(a) EBITDA - CapEx / Sales	(a) Credit Rating	(b) Debt / EBITDA	Net Debt / EBITDA	Adj. Debt / EBITDAR	(c) EBITDA-Capex / Int.		
Tiffany & Co.	316	0.0 %	2.0 %	8.0 %	\$1,041	63.2 %	32.7 %	23.4 %	18.4 %	6.0 %	17.4 %	BBB+	0.9 x	0.3 x	2.4 x	19.4 x		
Signet Jewelers	3,478	(5.2)	1.6	1.7	560	38.0	17.0	8.4	5.6	2.5	6.0	BB+	1.8	1.5	3.9	10.2		
Jewelry																		
CVS Caremark ⁽¹⁾	14,327	1.5 %	0.3 %	(1.2) %	\$12,662	15.6 %	8.1 %	6.7 %	5.4 %	1.0 %	5.7 %	BBB	5.0 x	1.7 x	5.1 x	5.0 x		
Walgreens Boots Alliance ⁽²⁾	9,905	(2.6)	0.8	(1.0)	7,876	23.1	8.5	5.9	4.7	1.1	4.8	BBB	2.0	1.9	3.3	10.9		
Rite Aid	2,526	(2.9)	1.0	0.7	546	22.1	5.4	2.5	0.8	0.9	1.7	B	6.3	5.5	6.1	1.6		
Fred's	593	(2.5)	(3.5)	(3.9)	(35)	25.2	1.0	(2.0)	(4.3)	0.6	(2.6)	--	NM	NM	27.3	NM		
Drug Stores					Mean	21.5 %	5.8 %	3.3 %	1.6 %	0.9 %	2.4 %		4.4 x	3.0 x	10.5 x	5.8 x		
					Median	22.6	6.8	4.2	2.8	0.9	3.2		5.0	1.9	5.6	5.0		
Casey's General Stores ⁽³⁾	2,097	2.0 %	(1.1) %	0.5 %	515	22.3 %	6.2 %	6.2 %	3.4 %	6.3 %	(0.1) %	--	2.5 x	2.4 x	2.5 x	NM x		
Murphy USA ⁽⁴⁾	1,461	(1.6)	1.2	(1.0)	362	4.1	3.1	2.9	1.8	1.8	1.1	BB+	2.4	2.2	2.6	2.7		
TravelCenters of America ⁽⁵⁾	302	(3.4)	(0.2)	(1.0)	118	8.1	6.5	1.7	0.1	2.4	(0.7)	--	2.9	2.2	5.2	NM		
Convenience Stores					Mean	11.5 %	5.3 %	3.6 %	1.8 %	3.5 %	0.1 %		2.6 x	2.3 x	3.4 x	2.7 x		
					Median	8.1	6.2	2.9	1.8	2.4	(0.1)		2.5	2.2	2.6	2.7		
GNC	8,541	0.2 %	(1.3) %	1.3 %	\$220	32.4 %	16.9 %	9.4 %	7.3 %	0.8 %	8.6 %	CCC+	5.7 x	5.5 x	5.8 x	1.9 x		
Vitamin Shoppe	780	(4.6)	(1.9)	(1.1)	56	41.6	15.3	4.8	0.7	3.1	1.7	--	1.1	1.1	4.5	2.4		
Health & Wellness																		

Source: CapitalIQ and public filings. Forward estimates represent mean aggregate consensus estimates from ThomsonOne.

Note: LTM balance sheet, cash flow and income statement items do not reflect pro forma adjustments for post close acquisitions and divestitures.

(a) Excludes business acquisitions where applicable and available.

(b) S&P Credit Rating.

(c) Debt adjusted for the capitalization of operating leases at 6.0x rent expense.

(1) CVS SSS% for front store segment.

(2) Walgreens SSS% for retail pharmacy sales.

(3) Casey's General Stores SSS% for fuel gallons.

(4) Murphy USA SSS% for fuel gallons.

(5) TravelCenters of America SSS% for consolidated same site fuel gallons. Figures consolidated for LFY and convenience store segment for last 2 quarters.

E-COMMERCE AND DIGITAL – TRADING ANALYSIS

E-Commerce and Digital

Company Name	Share Price 1/11/2019	% of 52 wk high	2018 % Change	Equity Value	Enterprise Value	(a)	LTM Revenue	EV / LTM Revenue	EV / EBITDA			P / E		LTG Rate	P/E/G 2019E	Dividend Yield	(b)	(c)
									LTM	2018E	2019E	2019E	2020E					
PayPal	\$90.65	96.7 %	14.2 %	\$106,818	\$99,231		\$14,969	6.6 x	36.8 x	24.9 x	20.9 x	31.5 x	26.3 x	19.6 %	1.6 x	-- %	13.7 %	
Shopify	149.43	84.6	37.1	16,487	14,909		952	15.7	NM	NM	NM	NM	NM	39.4	NM	--	(5.0)	
Autohome Inc.	78.31	65.5	21.0	9,195	7,977		990	8.1	20.5	18.9	15.5	19.2	16.2	24.9	0.8	--	29.0	
58com Inc.	56.47	62.8	(24.3)	8,365	7,875		1,790	4.4	19.7	19.9	15.6	17.2	13.5	28.2	0.6	--	9.6	
Stamps.com	172.20	60.3	(17.2)	3,117	3,120		549	5.7	14.3	12.2	10.5	16.0	14.1	15.0	1.1	--	29.7	
Groupon	3.59	63.5	(37.3)	2,049	1,710		2,710	0.6	12.1	6.0	5.7	15.6	13.0	25.8	0.6	--	1.2	
Quotient Technology	11.35	71.0	(9.1)	1,080	905		373	2.4	47.8	15.0	10.9	31.5	21.4	25.3	1.2	--	(5.4)	
Park City Group	7.52	64.0	(37.5)	149	137		23	5.9	29.5	22.7	16.5	21.3	15.0	21.0	1.0	--	10.5	
Autobytel	3.38	35.6	(66.1)	44	29		127	0.2	NM	NM	NM	NM	NM	NA	NM	--	NM	
Digital Retail Technology							Mean	5.5 x	25.8 x	17.1 x	13.7 x	21.8 x	17.1 x	24.9 %	1.0 x	-- %	10.4 %	
							Median	5.7	20.5	18.9	15.5	19.2	15.0	25.1	1.0	--	10.1	
Amazon.com ⁽¹⁾	\$1,640.56	80.0 %	28.4 %	\$802,182	\$819,636		\$220,957	3.7 x	32.9 x	24.8 x	19.4 x	62.4 x	42.6 x	46.5 %	1.3 x	-- %	27.9 %	
Netflix	337.59	79.8	39.4	147,218	152,487		14,893	10.2	NM	NM	NM	81.6	51.8	43.9	1.9	--	30.3	
eBay ⁽²⁾	30.41	64.7	(25.6)	29,280	33,690		10,216	3.3	11.3	9.3	8.8	11.7	10.1	9.8	1.2	--	(9.1)	
Qurate Retail Group ⁽³⁾	21.04	84.1	(21.0)	9,435	16,381		13,038	1.3	8.9	7.7	7.1	9.6	9.0	20.0	0.5	--	38.8	
Wayfair	96.40	63.8	12.2	8,709	8,721		6,204	1.4	NM	NM	NM	NM	NM	18.0	NM	--	NM	
Etsy	52.07	89.3	132.6	6,272	5,968		540	11.1	NM	43.4	31.1	47.1	35.9	15.0	3.1	--	21.8	
CarGurus	36.02	62.9	12.5	3,965	3,817		419	9.1	NM	NM	NM	98.7	62.6	21.5	4.6	--	40.0	
Yelp	34.50	65.7	(16.6)	2,866	2,029		914	2.2	47.4	11.3	9.2	21.6	18.4	18.6	1.2	--	16.0	
Stitch Fix	20.59	39.3	(33.8)	2,049	1,791		1,297	1.4	32.1	47.9	44.4	NM	68.6	53.3	NM	--	18.5	
Systemax	23.46	49.1	(28.2)	874	571		1,347	0.4	6.3	8.9	7.6	16.5	14.0	18.0	0.9	29.6	26.5	
1-800-Flowers.com	13.02	86.8	14.3	836	909		1,164	0.8	12.8	11.2	10.3	26.8	20.3	17.0	1.6	--	13.1	
Overstock.com	15.27	18.3	(78.7)	491	400		1,825	0.2	NM	NM	NM	NM	NM	5.0	NM	--	NM	
PetMed Express	22.30	38.6	(48.9)	457	370		286	1.3	6.5	6.5	6.2	9.8	9.4	12.5	0.8	4.8	36.4	
Blue Apron	1.07	25.5	(74.7)	207	240		715	0.3	NM	NM	NM	NM	NM	NA	NM	--	NM	
BlueStem Brands	0.45	47.4	(28.0)	61	429		1,835	0.2	6.1	4.6	4.0	9.0	NM	NA	NM	--	NM	
FTD Companies	2.12	24.1	(79.4)	60	293		1,045	0.3	11.1	7.9	5.0	3.9	4.3	20.0	0.2	--	NM	
U.S. Auto Parts Network	1.04	40.3	(63.9)	36	37		293	0.1	4.6	3.2	2.9	20.8	14.9	NA	NM	--	(7.7)	
Domestic eCommerce							Mean	2.8 x	16.4 x	15.6 x	13.0 x	32.3 x	27.9 x	22.8 %	1.6 x	17.2 %	21.0 %	
							Median	1.3	11.1	9.1	8.2	20.8	18.4	18.3	1.2	17.2	24.2	
Priceline	\$1,665.89	74.7 %	(0.9) %	\$77,180	\$78,758		\$14,117	5.6 x	14.0 x	13.8 x	12.5 x	16.5 x	14.5 x	15.9 %	1.0 x	-- %	24.5 %	
Expedia	114.22	81.7	(5.9)	17,016	18,925		10,983	1.7	14.8	9.9	8.8	17.6	14.2	20.9	0.8	1.1	7.0	
TripAdvisor	56.02	81.2	56.5	7,712	7,049		1,590	4.4	32.6	17.0	15.2	29.7	25.0	17.3	1.7	--	1.5	
Travelzoo	11.05	52.2	52.4	134	118		111	1.1	14.6	12.5	12.0	30.7	NM	NA	NM	--	27.8	
Domestic Travel Marketplaces							Mean	3.2 x	19.0 x	13.3 x	12.1 x	23.6 x	17.9 x	18.0 %	1.2 x	1.1 %	15.2 %	
							Median	3.1	14.7	13.2	12.3	23.7	14.5	17.3	1.0	1.1	15.7	

Source: CapitalIQ and public filings. Forward estimates represent mean aggregate consensus estimates from ThomsonOne.

Note: LTM balance sheet, cash flow and income statement items do not reflect pro forma adjustments for post close acquisitions and divestitures.

(a) Enterprise value represents equity value plus book value of total debt, preferred stock and minority interest less cash.

(b) Dividend yield represents annualized dividend per share divided by current share price.

(c) Return on Equity is defined as LFY Earnings from Continuing Operations divided by Average Total Equity.

(1) In July 2018, Amazon acquired Pill Pack for ~\$1 billion. In June 2017, Amazon announced the acquisition of Whole Foods for \$41.00 per share, or ~\$13.7 billion in cash (10.3x EV / EBITDA). In January 2018, Amazon opened its first cashierless Amazon Go store in Seattle. In February 2018, Amazon acquired Ring, a smart doorbell maker, for a reported \$1.0 billion.

(2) In March 2018, Ebay acquired online marketplace Giosis for ~\$700 million. In March 2018, Liberty Interactive changed its name to Qurate Retail Group. In December 2017, Liberty Interactive completed the acquisition of the remaining 62% stake in HSN for \$40.36 per share, or ~\$2.6 billion (9.7x EV / EBITDA).

E-COMMERCE AND DIGITAL – OPERATING ANALYSIS

E-Commerce and Digital

Operating Efficiency																	Credit Statistics				
Company Name	Store Count	Sales Growth			LTM EBITDA	Gross Margin	EBITDAR	EBITDA Margin	EBIT Margin	CapEx / Sales	(a) EBITDA - CapEx / Sales	(a) Credit Rating	(b) Debt / EBITDA	Net Debt / EBITDA	Adj. Debt / EBITDAR	(c) EBITDA-Capex / Int.					
		LFY	Q(-1)	Q(-2)																	
PayPal		20.8 %	13.7 %	23.0 %	\$2,699	46.8 %	18.6 %	18.0 %	14.8 %	5.2 %	12.8 %	BBB+	0.7 x	NM x	0.9 x	35.6 x					
Shopify		72.9	57.5	61.5	(66)	55.8	(5.2)	(7.0)	(9.3)	3.3	(10.3)	--	--	23.8	NM	NM					
Autohome Inc.		11.2	18.1	22.5	389	94.0	40.8	39.3	37.8	--	39.3	--	--	NM	0.2	NM					
58com Inc.		41.5	29.0	35.5	401	89.9	24.1	22.4	18.7	--	22.4	--	0.3	NM	0.7	65.1					
Stamps.com		28.7	24.7	20.2	219	80.2	40.6	39.8	35.7	0.4	39.3	--	0.4	0.0	0.5	77.2					
Groupon		(5.6)	(6.6)	(6.8)	141	49.5	6.5	5.2	2.8	2.5	2.7	--	1.6	NM	2.5	3.3					
Quotient Technology		17.1	26.4	20.2	19	49.2	6.4	5.1	(0.5)	1.6	3.5	--	8.1	NM	7.7	1.1					
Park City Group		16.4	26.1	21.8	5	70.4	NM	20.0	17.7	0.5	19.5	--	1.1	NM	1.1	NM					
Autobyl		(9.3)	(14.0)	(15.3)	(10)	21.1	(6.6)	(8.1)	(14.9)	0.8	(8.9)	--	NM	1.5	NM	NM					
Digital Retail Technology					Mean	61.9 %	15.6 %	15.0 %	11.4 %	1.6 %	13.4 %		1.5 x	8.4 x	1.9 x	36.5 x					
					Median	55.8	12.5	18.0	14.8	0.8	12.8		0.6	1.5	0.9	35.6					
Amazon.com ⁽¹⁾		30.8 %	29.3 %	39.3 %	\$24,905	39.9 %	12.5 %	11.3 %	4.9 %	6.0 %	5.2 %	AA-	1.9 x	0.7 x	2.3 x	8.5 x					
Netflix		32.4	34.0	40.3	1,714	39.5	12.2	11.5	11.0	0.8	10.7	BB-	4.9	3.1	4.9	4.3					
eBay		6.5	6.0	9.1	2,985	76.9	30.3	29.2	22.4	7.0	22.2	BBB+	3.1	1.5	3.2	6.3					
Qurate Retail Group ⁽²⁾					1,844	34.9	14.6	14.1	10.1	1.9	12.2	BB	4.0	3.7	4.0	4.2					
Wayfair		39.7	42.4	47.4	(334)	23.1	(4.4)	(5.4)	(6.6)	2.2	(7.6)	--	NM	NM	NM	NM					
Etsy		20.9	41.3	30.2	86	67.1	16.8	15.9	12.7	0.1	15.8	--	3.3	NM	3.4	4.5					
CarGurus		59.9	43.4	44.7	14	94.5	5.2	3.3	2.2	0.7	2.7	--	--	NM	2.2	NM					
Yelp		18.8	8.0	11.9	43	93.5	9.7	4.7	2.0	2.9	1.8	--	--	NM	3.1	NM					
Stitch Fix		25.5	23.9	23.2	56	44.1	5.8	4.3	3.4	1.5	2.8	--	--	NM	1.5	NM					
Systemax		8.1	15.4	(2.4)	90	28.1	7.7	6.7	6.3	0.3	6.4	--	--	NM	0.8	NM					
1-800-Flowers.com		(3.5)	7.7	(4.0)	71	42.1	8.3	6.1	3.3	2.9	3.2	--	1.4	1.0	2.6	10.3					
Overstock.com		(3.1)	3.9	11.8	(171)	19.6	(8.8)	(9.4)	(10.3)	1.3	(10.7)	--	NM	1.0	NM	NM					
PetMed Express		9.9	7.0	9.7	57	35.7	20.0	19.8	19.0	0.3	19.5	--	--	NM	0.1	NM					
Blue Apron		10.8	(28.5)	(24.6)	(90)	32.9	(10.9)	(12.5)	(17.3)	2.1	(14.7)	--	NM	NM	NM	NM					
BlueStem Brands		(10.0)	1.8	(3.7)	70	38.9	5.6	3.8	0.8	1.2	2.6	--	6.9	5.2	6.6	1.0					
FTD Companies		(3.4)	(7.9)	(8.6)	26	35.5	3.4	2.5	0.9	2.9	(0.4)	--	9.7	8.8	8.7	NM					
U.S. Auto Parts Network		0.0	(5.9)	(4.0)	8	28.9	3.4	2.8	0.7	1.9	0.9	--	1.1	0.1	2.0	1.6					
Domestic eCommerce					Mean	45.6 %	7.7 %	6.4 %	3.8 %	2.1 %	4.3 %		2.6 x	2.8 x	3.2 x	5.1 x					
					Median	38.9	7.7	4.7	3.3	1.9	2.8		1.7	1.5	2.9	4.4					
Priceline		18.0 %	9.4 %	16.9 %	\$5,628	99.6 %	40.8 %	39.9 %	36.9 %	3.0 %	36.9 %	A-	1.5 x	0.3 x	1.7 x	19.0 x					
Expedia		14.7	10.5	11.4	1,283	82.5	13.4	11.7	6.6	7.5	4.2	BBB	2.9	0.3	3.3	2.3					
TripAdvisor		5.1	4.3	2.1	216	94.8	14.7	13.6	10.6	3.7	9.9	--	--	NM	0.5	10.5					
Travelzoo		(6.8)	2.5	6.3	8	88.5	12.7	7.3	5.9	0.8	6.4	--	--	NM	2.6	NM					
Domestic Travel Marketplaces					Mean	91.3 %	20.4 %	18.1 %	15.0 %	3.7 %	14.4 %		1.1 x	0.3 x	2.0 x	10.6 x					
					Median	91.6	14.0	12.6	8.6	3.3	8.1		0.8	0.3	2.1	10.5					

Source: CapitalIQ and public filings. Forward estimates represent mean aggregate consensus estimates from ThomsonOne.

Note: LTM balance sheet, cash flow and income statement items do not reflect pro forma adjustments for post close acquisitions and divestitures.

(a) Excludes business acquisitions where applicable and available.

(b) S&P Credit Rating.

(c) Debt adjusted for the capitalization of operating leases at 6.0x rent expense.

(1) Amazon store count includes 466 Whole Foods locations.

(2) In March 2018, Liberty Interactive changed its name to Qurate Retail Group.

E-COMMERCE AND DIGITAL – TRADING ANALYSIS (CONT.)

E-Commerce and Digital (cont.)

Company Name	Share Price 1/11/2019	% of 52 wk high	2018 % Change	Equity Value	Enterprise Value (a)	LTM Revenue	EV / LTM Revenue	EV / EBITDA			P / E		LTG Rate	P/E/G 2019E	Dividend Yield (b)	ROE (c)
								LTM	2018E	2019E	2019E	2020E				
Alibaba Group ⁽¹⁾	\$151.32	71.5 %	(20.5) %	\$392,249	\$396,684	\$45,281	8.8 x	32.6 x	23.6 x	18.6 x	24.2 x	20.8 x	24.5 %	1.0 x	-- %	13.0 %
JD.com	22.88	45.1	(49.5)	33,102	32,589	63,671	0.5	NM	41.7	24.3	39.4	22.9	33.1	1.2	--	1.7
Mercado Libre	344.95	82.5	(6.9)	15,593	15,193	1,551	9.8	NM	NM	NM	NM	NM	(2.9)	NM	--	(27.3)
Rakuten	7.64	79.2	(26.7)	10,323	13,167	9,326	1.4	7.9	6.5	8.1	17.3	19.1	(22.4)	NM	0.5	20.5
Zalando SE	30.89	53.5	(51.1)	7,710	6,639	5,879	1.1	32.5	23.6	19.0	NM	38.0	17.2	NM	--	3.7
Ocado Group	11.05	74.0	87.0	7,642	7,549	2,069	3.6	NM	NM	NM	NM	NM	NA	NM	--	(3.6)
Delivery Hero	37.97	62.7	(6.9)	6,994	6,233	744	8.4	NM	NM	NM	NM	NM	NA	NM	--	(14.4)
Start Today	19.58	43.5	(39.7)	5,979	6,023	965	6.2	22.4	19.1	14.8	22.0	16.8	23.9	0.9	1.7	NM
Farfetch	18.47	57.0	NM	5,409	4,366	526	8.3	NM	NM	NM	NM	NM	(59.4)	NM	--	--
Vipshop	5.99	31.3	(53.4)	3,971	3,878	12,021	0.3	7.8	8.5	6.5	9.2	7.5	11.8	0.8	--	17.4
ASOS	36.59	36.7	(68.1)	3,068	3,013	3,137	1.0	19.5	15.2	17.3	NM	30.6	29.3	NM	--	22.7
Boohoo.com	2.44	76.7	(19.4)	2,826	2,643	924	2.9	32.3	32.1	20.7	38.5	31.4	28.6	1.3	--	20.2
Uxin Limited	3.71	35.4	NM	1,085	1,254	415	3.0	NM	NM	NM	NM	5.2	NA	NM	--	NM
Zooplus AG	148.56	67.9	(24.6)	1,061	1,039	1,522	0.7	NM	NM	NM	NM	NM	118.4	NM	--	(5.2)
AO World	1.62	70.1	9.7	765	733	1,087	0.7	NM	NM	NM	NM	NM	NA	NM	--	(19.2)
Secoo	9.06	58.5	(6.1)	455	463	729	0.6	18.1	NM	NM	9.7	5.7	NA	NM	--	11.4
N Brown Group	1.25	32.8	(67.3)	356	895	1,203	0.7	7.1	5.7	5.6	4.6	4.5	2.0	2.3	14.6	1.9
home24	12.89	35.3	NM	334	217	349	0.6	NM	NM	NM	NM	NM	(5.8)	NM	--	--
Jumei International Holdings	1.98	50.4	(37.3)	297	(113)	770	(0.1)	10.5	NM	NM	NM	NM	NA	NM	--	12.4
Delticom AG	8.60	64.9	(39.9)	107	173	771	0.2	21.9	11.9	8.9	12.7	10.4	83.2	0.2	1.3	4.4
Netshoes	1.73	17.5	(81.1)	54	118	467	0.3	NM	NM	47.7	NM	NM	NA	NM	--	NM
LightInTheBox Holding Company	0.78	27.9	(47.0)	52	14	262	0.1	NM	NM	NM	NM	NM	NA	NM	--	NM
International E-Commerce						Mean	2.5 x	18.0 x	15.3 x	16.5 x	16.3 x	16.9 x	18.7 %	1.1 x	4.5 %	2.8 %
						Median	0.9	18.8	13.5	14.8	12.7	13.6	14.5	0.9	1.5	2.8
Ctrip.com ⁽²⁾	\$29.82	57.4 %	(38.6) %	\$16,258	\$16,992	\$4,304	3.9 x	28.6 x	23.5 x	19.6 x	25.8 x	19.7 x	13.7 %	1.9 x	-- %	3.0 %
MakeMy Trip	24.88	59.7	(18.5)	2,537	2,206	571	3.9	NM	NM	NM	NM	26.0	NA	NM	--	(12.6)
trivago	6.31	62.8	(17.7)	2,214	2,046	1,080	1.9	NM	NM	34.3	NM	NM	115.4	NM	--	(5.0)
Despegar.com	13.90	38.0	(54.8)	961	635	542	1.2	9.0	9.3	33.9	25.7	NA	NA	NM	--	12.5
Tuniu Corporation	5.32	60.1	(36.6)	672	442	319	1.4	NM	NM	NM	45.0	30.0	NA	NM	--	(8.5)
International Travel Marketplaces						Mean	2.5 x	18.8 x	16.4 x	21.1 x	34.9 x	25.4 x	64.6 %	1.9 x	-- %	(2.1) %
						Median	1.9	18.8	16.4	19.6	34.9	25.9	64.6	1.9	--	(5.0)

Source: CapitalIQ and public filings. Forward estimates represent mean aggregate consensus estimates from ThomsonOne.

Note: LTM balance sheet, cash flow and income statement items do not reflect pro forma adjustments for post close acquisitions and divestitures.

(a) Enterprise value represents equity value plus book value of total debt, preferred stock and minority interest less cash.

(b) Dividend yield represents annualized dividend per share divided by current share price.

(c) Return on Equity is defined as LFY Earnings from Continuing Operations divided by Average Total Equity.

(1) In January 2018, Alibaba reportedly held talks with Kroger to form a potential partnership.

(2) In June 2018, Ctrip and Ocean Link Partners submitted an offer to acquire eHi Car Services. In December 2016, Ctrip.com completed its acquisition of Skyscanner for \$1.74 billion.

E-COMMERCE AND DIGITAL – OPERATING ANALYSIS (CONT.)

E-Commerce and Digital (cont.)

		Comp Store Sales				LTM	Operating Efficiency							Credit Statistics						
Company Name	HQ	LFY	Q(-1)	Q(-2)	EBITDA	Gross Margin	EBITDAR Margin	EBITDA Margin	EBIT Margin	CapEx / Sales	(a)	EBITDA - CapEx / Sales	(a)	Credit Rating	(b)	Debt / EBITDA	Net Debt / EBITDA	Adj. Debt / EBITDAR	(c)	EBITDA-Capex / Int.
Alibaba Group ⁽¹⁾	China				\$12,184	49.4 %	27.8 %	26.9 %	18.7 %	12.8 %		14.1 %		A+		1.7 x	NM x	1.8 x		9.6 x
JD.com	China				140	7.4	1.3	0.2	(0.7)	1.8		(1.6)		BBB-		20.2	NM	8.4		NM
Mercado Libre	Argentina	(3)			51.7	0.4	(0.2)	(3.1)	6.0	(6.1)		--				NM	148.8	NM		NM
Rakuten	Japan				1,659	7.8	NM	17.8	11.4	1.7		16.1		--		6.1	NM	6.1		49.4
Zalando SE	Germany				204	42.6	4.5	3.5	2.3	3.8		(0.3)		--		0.1	NM	1.4		NM
Ocado Group	UK				87	34.2	5.7	4.2	(0.0)	6.7		(2.5)		--		5.8	NM	5.8		NM
Delivery Hero	Germany	(209)			59.8	(25.8)	(28.1)	(35.5)	3.4	(31.5)		--				NM	3.7	NM		NM
Start Today	Japan				269	91.4	NM	27.9	26.4	3.9		24.0		--		0.8	0.2	0.8		NM
Farfetch	UK	(171)			51.1	(27.7)	(32.4)	(34.8)	4.5	(36.9)		--				--	6.1	NM		NM
Vipshop	China				494	20.5	4.9	4.1	2.7	--		4.1		BBB		2.2	NM	2.8		24.0
ASOS	UK				154	51.2	5.6	4.9	4.2	4.4		0.6		--		--	NM	0.7		66.5
Boohoo.com	UK				82	54.0	9.1	8.9	7.5	7.7		1.2		--		0.1	NM	0.3		56.6
Uxin Limited	China	(395)			63.8	(87.2)	(95.3)	(98.0)	--	(95.3)		--				NM	NM	NM		NM
Zooplus AG	Germany				0	24.6	1.2	0.0	(0.5)	0.2		(0.2)		--		NM	NM	8.6		NM
AO World	UK	(4)			17.4	1.4	(0.3)	(1.2)	0.5	(0.8)		--				NM	8.5	8.9		NM
Secoo	China				25	16.9	4.4	3.5	3.2	--		3.5		--		7.3	0.2	7.0		8.4
N Brown Group	UK				126	54.6	11.2	10.5	9.9	0.3		10.2		--		4.6	4.3	4.7		8.1
home24	Germany	(69)			44.4	(15.2)	(19.7)	(20.5)	0.7	(20.4)		--				NM	1.5	NM		NM
Jumei International Holdings	China	(11)			23.1	(0.1)	(1.4)	(2.8)	--	(1.4)		--				--	39.3	NM		NM
Delicom AG	Germany				8	20.9	1.8	1.0	0.3	0.7		0.3		--		9.0	8.4	7.7		3.4
Netshoes	Brazil	(46)			24.9	(7.5)	(9.9)	(11.6)	1.4	(11.3)		--				NM	NM	NM		NM
LightInTheBox Holding Company	China	(39)			26.2	(13.5)	(14.8)	(15.1)	0.2	(15.0)		--				--	1.0	NM		NM
International E-Commerce					Mean	39.0 %	(7.0) %	(5.8) %	(7.7) %	2.3 %		(8.1) %				2.8 x	20.2 x	4.6 x		30.9 x
					Median	38.4	1.3	0.5	(0.3)	1.1		(0.6)				0.8	4.3	5.3		24.0
Ctrip.com	China				\$595	80.5 %	15.6 %	13.8 %	10.4 %	-- %		13.8 %		--		15.2 x	0.7 x	14.2 x		2.9 x
MakeMy Trip	India	(157)			48.6	(26.2)	(27.5)	(30.5)	0.7	(28.2)		--				NM	2.1	NM		NM
trivago	Germany	(51)			99.4	(4.2)	(4.7)	(5.8)	3.0	(7.7)		--				--	3.3	NM		NM
Despegar.com	Argentina				71	70.3	13.9	13.1	11.4	2.0		11.1		--		0.4	NM	0.8		3.8
Tuniu Corporation	China	(45)			49.8	(9.2)	(14.0)	(23.7)	--	(14.0)		--				--	5.4	NM		NM
International Travel Marketplaces					Mean	69.7 %	(2.0) %	(3.8) %	(7.6) %	1.1 %		(5.0) %				3.9 x	2.9 x	7.5 x		3.4 x
					Median	70.3	(4.2)	(4.7)	(5.8)	0.7		(7.7)				0.2	2.7	7.5		3.4

Source: CapitalIQ and public filings. Forward estimates represent mean aggregate consensus estimates from ThomsonOne.

Note: LTM balance sheet, cash flow and income statement items do not reflect pro forma adjustments for post close acquisitions and divestitures.

(a) Excludes business acquisitions where applicable and available.

(b) S&P Credit Rating.

(c) Debt adjusted for the capitalization of operating leases at 6.0x rent expense.

INTERNATIONAL – TRADING ANALYSIS

International

International																		
Company Name	Share Price 1/11/2019	% of 52 wk high	2018 Change	Equity Value	Enterprise Value	(a)	LTM Revenue	EV / LTM Revenue	EV / EBITDA			P / E		LTG Rate	P/E/G 2019E	Dividend Yield	(b)	(c)
									LTM	2018E	2019E	2019E	2020E					
Inditex	\$26.90	77.4 %	(26.0) %	\$83,763	\$76,217		\$29,213	2.6 x	11.8 x	11.9 x	10.9 x	18.9 x	17.2 x	8.7 %	2.2 x	3.2 %	26.4 %	
Fast Retailing	510.15	89.3	29.0	52,054	47,630		19,005	2.5	19.2	18.5	15.9	32.8	29.1	11.0	3.0	0.9	18.1	
H&M	15.10	77.9	(31.1)	24,986	25,256		22,326	1.1	9.3	8.9	8.3	16.6	15.8	(3.8)	NM	7.2	23.9	
Next PLC	61.01	76.4	(17.1)	8,201	9,717		5,398	1.8	8.4	8.5	8.6	10.6	10.3	5.0	2.1	3.3	NM	
Aritzia	12.83	86.0	19.4	1,460	1,424		632	2.3	14.1	13.1	10.9	19.3	16.1	19.1	1.0	--	24.7	
Ted Baker	24.68	59.3	(46.2)	1,100	1,270		769	1.7	10.7	9.8	9.2	13.9	12.8	10.0	1.4	3.1	23.7	
Superdry	6.91	28.4	(77.8)	567	542		1,135	0.5	3.4	3.6	3.7	8.6	7.7	NA	NM	5.8	16.2	
Esprit	0.20	36.9	(62.8)	388	(194)		1,970	(0.1)	3.6	NM	9.9	NM	NM	NA	NM	--	(24.8)	
Roots Corporation	2.85	27.9	(74.2)	120	221		250	0.9	7.2	6.9	6.2	7.1	7.1	NA	NM	--	7.5	
Mothercare UK	0.20	30.3	(76.8)	69	96		798	0.1	NM	4.7	3.0	NM	NM	NA	NM	--	NM	
International Specialty Retail							Mean		1.3 x	9.7 x	9.6 x	8.7 x	16.0 x	14.5 x	8.3 %	1.9 x	3.9 %	14.5 %
							Median		1.4	9.3	8.9	8.9	15.3	14.3	9.3	2.1	3.3	20.9
LVMH	\$296.32	82.3 %	1.2 %	\$148,821	\$159,027		\$52,120	3.1 x	12.5 x	11.4 x	10.6 x	18.6 x	17.0 x	12.6 %	1.5 x	2.1 %	22.0 %	
Hermes	569.46	80.8	4.5	59,377	56,307		6,638	8.5	21.5	21.8	19.9	35.2	31.9	9.1	3.9	0.8	28.4	
Kering ⁽¹⁾	465.64	77.7	0.7	58,591	61,947		19,644	3.2	12.9	12.3	10.8	16.0	14.5	17.4	0.9	1.8	21.8	
Richemont	68.82	68.3	(29.2)	38,854	37,125		14,136	2.6	13.3	11.7	10.3	19.6	16.1	16.3	1.2	2.8	16.2	
Burberry	22.46	74.9	(8.9)	9,176	8,353		3,508	2.4	11.4	11.2	10.8	20.5	18.6	6.1	3.4	2.4	24.2	
Moncler	34.97	71.6	6.7	8,802	8,522		1,493	5.7	17.9	15.5	13.6	22.1	20.9	15.1	1.5	0.9	33.6	
Prada	3.06	50.2	(9.1)	7,833	8,118		3,591	2.3	12.2	11.0	9.6	19.1	17.1	25.1	0.8	2.8	--	
Canada Goose	47.82	66.2	38.5	5,254	5,428		515	10.5	43.3	49.9	24.8	39.2	32.9	32.9	1.2	--	45.1	
Hugo Boss	67.45	72.2	(27.9)	4,655	4,845		3,192	1.5	9.7	8.7	8.0	14.9	13.5	9.7	1.5	4.5	24.0	
Ferragamo	20.29	69.4	(23.3)	3,424	3,294		1,581	2.1	12.3	13.0	12.1	25.0	20.8	6.8	3.7	2.1	13.7	
Brunello Cucinelli	31.78	66.4	7.0	2,161	2,214		613	3.6	20.6	19.9	18.0	33.6	31.8	6.9	4.8	1.0	23.4	
Tod's	48.50	65.3	(34.8)	1,605	1,666		1,138	1.5	9.6	11.2	10.5	22.6	18.5	8.0	2.8	3.3	6.4	
Mulberry	4.24	30.5	(73.6)	252	236		213	1.1	33.6	NM	NM	NM	NM	NA	NM	1.5	(0.1)	
Luxury / Apparel / Accessories							Mean		3.7 x	17.7 x	16.5 x	13.2 x	23.9 x	21.1 x	13.8 %	2.3 x	2.2 %	19.9 %
							Median		2.6	12.9	12.0	10.8	21.3	18.6	11.2	1.5	2.1	22.0
Adidas	\$225.94	90.5 %	5.3 %	\$45,282	\$44,047		\$25,256	1.7 x	13.8 x	13.4 x	11.9 x	20.5 x	17.6 x	17.9 %	1.1 x	1.3 %	24.9 %	
Alimentation Couche-Tard	53.49	99.3	(4.4)	30,193	37,827		58,896	0.6	11.8	11.0	10.4	15.8	13.5	15.0	1.1	0.6	23.3	
Loblaw Companies	48.16	91.3	(17.3)	17,888	28,796		36,149	0.8	10.1	9.6	10.6	14.4	12.9	NA	NM	1.8	4.6	
Dollarama	25.66	60.0	(42.7)	8,141	9,517		2,614	3.6	14.7	14.2	13.4	17.8	15.6	12.9	1.4	0.5	NM	
Puma	531.15	86.7	10.7	7,939	7,652		5,185	1.5	16.2	16.0	12.9	27.0	21.7	30.2	0.9	--	13.0	
Gildan Activewear	31.41	91.6	(5.7)	6,494	7,255		2,820	2.6	12.8	12.0	11.4	15.1	13.6	9.8	1.5	1.4	17.2	
JD Sports ⁽²⁾	5.08	73.5	(2.5)	4,946	5,129		4,740	1.1	9.7	8.8	7.6	12.9	11.8	8.5	1.5	0.4	31.9	
Pandora	43.34	39.9	(62.6)	4,420	5,507		3,509	1.6	4.6	5.0	4.8	6.0	5.7	12.8	0.5	6.4	NM	
ASICS	13.55	69.2	(19.6)	2,556	2,552		3,397	0.8	13.1	12.2	9.2	22.3	18.8	NA	NM	1.6	2.8	
Alpargatas	5.12	99.5	(16.5)	2,260	2,274		937	2.4	18.8	15.4	12.8	18.6	16.2	NA	NM	3.2	13.0	
Hudson's Bay Company ⁽³⁾	6.18	68.0	(40.3)	1,447	4,631		10,983	0.4	20.9	16.0	13.5	NM	NM	NA	NM	0.6	(38.8)	
SMCP	17.84	61.0	(32.7)	1,334	1,663		986	1.7	9.2	8.4	7.4	14.7	12.1	28.1	0.5	--	--	
Delta Galil	25.51	76.8	(26.4)	650	1,009		1,416	0.7	9.0	NM	NM	NM	NM	NA	NM	2.2	9.8	
Mizuno	22.33	57.2	(27.7)	566	592		1,591	0.4	6.2	6.1	5.0	10.3	9.3	NA	NM	2.1	5.3	
Geox	1.51	43.9	(61.0)	392	416		989	0.4	5.9	8.5	6.7	33.0	18.6	NA	NM	4.5	2.5	
Orchestra-Prémaman	0.61	13.5	(84.9)	25	42		681	0.1	1.5	NM	NM	NM	23.6	NA	NM	--	(33.4)	
Various							Mean		1.3 x	11.1 x	11.2 x	9.8 x	17.6 x	15.1 x	16.9 %	1.1 x	2.0 %	5.4 %
							Median		0.9	11.0	11.5	10.5	15.8	14.6	13.9	1.1	1.6	7.5

Source: CapitalIQ and public filings. Forward estimates represent mean aggregate consensus estimates from ThomsonOne.

Note: LTM balance sheet, cash flow and income statement items do not reflect pro forma adjustments for post close acquisitions and divestitures.

Note: Figures listed in USD. Based on average conversion rates for income statement items and spot rates for balance sheet and share price, where applicable.

(a) Enterprise value represents equity value plus book value of total debt, preferred stock and minority interest less cash.

(b) Dividend yield represents annualized dividend per share divided by current share price.

(c) Return on Equity is defined as LFY Earnings from Continuing Operations divided by

Average Total Equity.

(1) In March 2018, Kering announced the sale of its 50% stake in Stella McCartney. In January 2018, Kering announced the spin off of Puma. In April 2018, Kering announced its intention to sell Volcom.

(2) In June 2018, JD Sports acquired Finish Line for \$13.50 per share, or \$558 million.

(3) In July 2018, Hudson's Bay Company announced that it is in talks with Signa Holding to explore a joint venture. In June 2018, Hudson's Bay Company announced the sale of Gilt Groupe to Rue La La. In October 2017, Hudson's Bay Company announced the sale of its Lord & Taylor's flagship store for \$850 million. In December 2017, Hudson's Bay Company announced a \$500 million PIPE by Rhone Capital.

INTERNATIONAL – OPERATING ANALYSIS

International																			
Company Name	Store Count	Comp Store Sales			LTM EBITDA	Operating Efficiency				CapEx / Sales	(a)	EBITDA - CapEx / Sales	(a)	Credit Rating	(b)	Credit Statistics			EBITDA-Capex / Int.
		LFY	Q(-1)	Q(-2)		Gross Margin	EBITDAR Margin	EBITDA Margin	EBIT Margin							Debt / EBITDA	Net Debt / EBITDA	Adj. Debt / EBITDAR	
Inditex	7,442	5.0 %	3.0 %	4.0	\$6,439	55.0 %	31.3 %	22.0 %	17.5 %	6.8 %		15.3 %		--		0.0 x	NM x	1.8 x	NM x
Fast Retailing ⁽¹⁾	3,445	6.2	3.3	5.4	2,475	49.0	22.0	13.0	11.2	1.7		11.3		A		1.8	NM	3.5	66.6
H&M	4,841				2,730	52.9	23.9	12.2	7.8	4.8		7.5		--		0.7	0.1	3.3	NM
Next PLC	528				1,160	34.2	27.6	21.5	18.6	2.8		18.7		BBB		1.4	1.3	2.4	20.5
Aritzia	90	6.6	11.5	10.9 %	101	39.8	31.0	16.0	13.3	7.1		8.9		--		0.6	NM	3.2	15.1
Ted Baker	544				119	60.7	26.1	15.4	12.0	8.1		7.3		--		1.6	1.4	3.4	12.3
Superdry	695				158	57.7	22.5	13.9	10.1	3.5		10.4		--		--	NM	2.3	NM
Esprit	586	(9.6)			(54)	51.3	13.6	(2.8)	(6.4)	2.0		(4.7)		--		--	10.7	7.2	NM
Roots Corporation					31	57.0	12.5	12.3	8.9	10.2		2.1		--		3.3	3.3	3.4	1.4
Mothercare UK ⁽²⁾	1,268	(1.3)	(11.1)		(34)	11.1	1.9	(4.3)	(6.6)	1.1		(5.4)		--		NM	NM	22.5	NM
International Specialty Retail					Mean	46.9 %	21.2 %	11.9 %	8.6 %	4.8 %		7.1 %				1.0 x	3.4 x	5.3 x	23.2 x
					Median	52.1	23.2	13.5	10.6	4.1		8.2				1.0	1.4	3.3	15.1
LVMH					\$12,715	66.4 %	33.3 %	24.4 %	20.7 %	5.6 %		18.8 %		A+		1.1 x	0.7 x	2.4 x	80.0 x
Hermes	304				2,616	70.0	NA	39.4	35.8	4.0		35.4		--		0.0	NM	NA	NM
Kering					4,818	66.7	34.1	24.5	21.2	5.0		19.6		BBB+		1.1	0.7	2.5	27.1
Richemont					2,792	63.5	28.7	19.8	15.3	4.2		15.5		A+		3.8	NM	4.5	16.1
Burberry	494	3.0 %	3.0 %	2.0 %	734	68.7	33.7	20.9	17.4	1.9		19.1		--		0.0	NM	2.3	NM
Moncler	201				476	76.9	47.3	31.9	28.4	5.8		26.1		--		0.2	NM	2.1	NM
Prada	625				665	74.1	38.0	18.5	11.5	7.8		10.8		--		1.8	0.2	4.0	21.4
Canada Goose					125	60.8	27.9	24.4	22.5	3.9		20.4		--		1.6	1.4	2.2	10.2
Hugo Boss	439				502	65.3	30.6	15.7	12.1	3.9		11.9		--		0.6	0.4	3.3	NM
Ferragamo	679				268	64.1	32.3	17.0	12.9	4.5		12.4		--		0.2	NM	3.0	78.6
Brunello Cucinelli	126	10.9			108	47.6	29.3	17.5	13.0	4.9		12.7		--		1.0	0.5	3.0	57.8
Tod's	407				173	50.7	27.5	15.2	11.1	3.6		11.5		--		2.0	0.4	3.8	43.3
Mulberry	114	(1.0)	(7.0)		7	63.5	14.6	3.3	0.2	4.0		(0.7)		--		0.2	NM	4.7	NM
Luxury / Apparel / Accessories					Mean	64.5 %	31.4 %	21.0 %	17.1 %	4.5 %		16.4 %				1.1 x	0.6 x	3.1 x	41.8 x
					Median	65.3	31.4	19.8	15.3	4.2		15.5				1.0	0.5	3.0	35.2
Adidas					\$3,185	51.7 %	16.3 %	12.6 %	11.0 %	3.2 %		9.4 %		--		0.6 x	NM x	1.8 x	NM x
Alimentation Couche-Tard ⁽³⁾	12,661	0.8 %	4.4 %	4.2 %	3,217	14.8	6.3	5.5	3.8	2.0		3.5		BBB		2.5	2.3	3.0	6.3
Loblaw Companies ⁽⁴⁾	2,417	0.6	0.9	0.8	2,838	30.7	9.2	7.9	5.0	2.1		5.7		BBB		4.3	3.9	4.5	3.8
Dollarama	1,192	5.2	3.1	2.6	649	48.5	34.0	24.8	23.0	3.9		20.9		--		2.2	2.1	3.3	16.1
Puma					473	48.4	13.1	9.1	7.4	2.8		6.3		--		0.3	NM	2.0	8.1
Gildan Activewear					567	27.9	21.4	20.1	14.6	4.1		16.0		--		1.5	1.4	1.8	20.0
JD Sports					529	48.7	NA	11.2	9.1	4.4		6.8		--		0.8	0.2	NA	68.7
Pandora					1,209	75.0	39.7	34.5	30.3	4.1		30.3		--		1.0	0.9	1.7	NM
ASICS					195	46.8	NA	5.7	2.7	2.9		2.9		--		2.6	NM	NA	20.4
Alpargatas					121	44.9	18.4	12.9	10.7	1.5		11.4		--		1.3	NM	2.7	6.7
Hudson's Bay Company ⁽⁵⁾	350		2.9	(0.4)	221	41.3	7.0	2.0	(2.0)	5.7		(3.7)		B		14.7	14.6	8.5	NM
SMCP					182	73.6	31.0	18.4	14.4	6.0		12.4		--		2.1	1.8	3.7	2.2
Delta Galil	180				112	37.7	11.8	7.9	5.8	2.8		5.1		--		3.8	3.2	4.5	4.1
Mizuno					95	41.1	NA	6.0	4.3	1.3		4.7		--		1.8	0.2	NA	29.7
Geox ⁽⁶⁾	1,157	(1.0)			70	48.9	17.5	7.1	3.2	2.6		4.5		--		0.8	0.3	3.9	20.6
Orchestra-Prémaman					28	47.5	12.4	4.1	(1.5)	4.2		(0.1)		--		10.6	9.2	7.5	NM
Various					Mean	45.5 %	18.3 %	11.9 %	8.8 %	3.4 %		8.5 %				3.2 x	3.4 x	3.8 x	17.2 x
					Median	47.2	16.3	8.5	6.6	3.0		6.0				2.0	2.0	3.3	12.1

Source: CapitalIQ and public filings. Forward estimates represent mean aggregate consensus estimates from ThomsonOne.

Note: LTM balance sheet, cash flow and income statement items do not reflect pro forma adjustments for post close acquisitions and divestitures.

Note: Figures listed in USD. Based on average conversion rates for income statement items and spot rates for balance sheet and share price, where applicable.

Excludes business acquisitions where applicable and available.

(a) S&P Credit Rating.

(b) Debt adjusted for the capitalization of operating leases at 6.0x rent expense.

(1) Fast Retailing SSS% for Japan segment.

(2) Mothercare UK SSS% for UK only.

(3) Alimentation Couche-Tard SSS% for domestic merchandise sales.

(4) Loblaw Companies SSS% for food retail segment.

(5) Hudson's Bay Company SSS% for consolidated sales.

(6) Geox SSS% for company-operated stores.

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