



QUARTERLY REPORT

MACROECONOMIC & MARKET UPDATE

July 24, 2019



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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**
Managing Director



Patrick Furlong
Director



Flore Gimello
Vice President

Additional Team Members

Eric Bormel, Associate

Addison Bakken, Associate

Peter Diamond, Associate

Gaurav Ghosh, Associate

Joshua Heft, Associate

Susan Wang, 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>\$683,000,000</p> <p>BARNES & NOBLE</p> <p>Has agreed to be acquired by</p> <p>ELLIOTT</p> <p>Owner of</p> <p>Waterstones</p> <p>Serving as financial advisor to Len Riggio, Founder, Chairman and 19% shareholder of Barnes & Noble</p>	<p>PENDING</p> <p>HBC</p> <p>Pursuing strategic alternatives for</p> <p>LORD + TAYLOR</p> <p>Serving as financial advisor to Hudson's Bay Company</p>	<p>PENDING</p> <p>\$170,000,000</p> <p>sears HOMETOWN & OUTLET</p> <p>Has been sold to</p> <p>Transform Holdco</p> <p>Serving as financial advisor to the Special Committee of Independent Directors</p>	<p>PENDING</p> <p>fred's</p> <p>Strategic Alternatives</p> <p>Serving as financial advisor to Fred's</p>	<p>PENDING</p> <p>Payless SHOESOURCE</p> <p>Serving as restructuring advisor to Payless ShoeSource in its Chapter 11 bankruptcy proceedings</p>	<p>JUNE 2019</p> <p>ARTERIORS</p> <p>Has been sold to</p> <p>N E P</p> <p>Served as financial advisor to Arteriors</p>
<p>JUNE 2019</p> <p>MOOSE KNUCKLES</p> <p>Has received an investment from</p> <p>Undisclosed</p> <p>Served as financial advisor to Moose Knuckles</p>	<p>APRIL 2019</p> <p>\$300,000,000</p> <p>OpCapita</p> <p>Has acquired</p> <p>maurices from ascena RETAIL GROUP INC.</p> <p>Served as financial advisor to OpCapita</p>	<p>MARCH 2019</p> <p>\$35,000,000</p> <p>charlie</p> <p>Senior Secured Credit Facility provided by</p> <p>WHITE OAK SECOND AVENUE CAPITAL PARTNERS</p> <p>Served as financial advisor to Charming Charlie</p>	<p>FEBRUARY 2019</p> <p>\$100,000,000</p> <p>GENESCO</p> <p>Has divested</p> <p>Lids to Fanatics AMES WATSON CAPITAL LLC</p> <p>Served 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 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>Varsity // 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>

** Natixis, a PJ SOLOMON affiliate, acted as the underwriting party on this transaction.

SELECTED RETAIL GROUP TRANSACTIONS (CONT'D)

<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</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</p> <p>Strack & Van Til</p> <p>Has sold select assets to</p> <p>SUPERVALU</p> <p>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 Fresh Encounter</p> <p>Served as financial advisor to Marsh Supermarkets</p>	<p>JUNE 2017 **</p> <p>\$325,000,000</p> <p>Senior Secured Credit Facilities</p> <p>Melissa & Doug</p> <p>Served as joint Lead Arranger and Bookrunner</p>	<p>MAY 2017</p> <p>\$446,000,000</p> <p>Nutraceutical</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>TRUCK HERO</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>SUPERVALU</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>HAGGAR CLOTHING</p> <p>Centre Lane Partners and Grand Wealth (subsidiary of Yue Yuen Industrial (Holdings) Limited) have recapitalized Hagggar, resulting in Grand Wealth acquiring 100% of shares outstanding</p> <p>Served as financial advisor to Hagggar</p>	<p>MARCH 2017</p> <p>MODCLOTH</p> <p>Has been sold to</p> <p>Jet Walmart</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>MBS</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>fred's Pharmacy</p> <p>Has agreed to acquire 865 stores and certain assets from</p> <p>Walgreens Boots Alliance RITE AID</p> <p>Provided a fairness opinion to the Board of Directors of Fred's Inc.</p>	<p>DECEMBER 2016</p> <p>Southeastern Grocers</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>Mi Pueblo</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>TSC TRACTOR SUPPLY CO</p> <p>Has acquired</p> <p>petsense</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>

* Terminated transactions.

** Natixis, a PJ SOLOMON affiliate, acted as the underwriting party on this transaction.

MACROECONOMIC UPDATE

CURRENT MACROECONOMIC SUMMARY

Positive Developments

- ✓ **Record equity valuations**
- ✓ **U.S. Real GDP increased +3.1% in Q1 2019 after +2.2% in Q4 2018**
 - Driven by rising exports, falling imports and higher inventory investment offsetting weaker gains in consumer spending
- ✓ **Labor market continues with low unemployment and positive wage growth**
 - In June 2019, U.S. employers added 224,000 jobs, as hiring continues to be strong in its record 105th straight month of gains
 - Unemployment rate ticked up slightly to 3.7% from 3.6% in May, a 50-year low, in part due an increase in the Labor Force Participation Rate
 - Wage growth increased at 3.1%, a near-decade high
- ✓ **In July 2019, Federal Reserve Chairman Jerome Powell signaled potential rate cuts to buoy the U.S. economy if trade tensions and slower growth in Europe and Asia do not reverse**
- ✓ **Suspension of tariff increases by both the U.S. and China, with President Trump and China's Xi agreeing to restart trade talks at the G20 conference in late June 2019**
 - Progress should be viewed with caution as the sides have seen negotiations break down several times previously
- ✓ **U.S. retail sales increased 0.4% in June 2019, representing a 4.6% increase YoY, after increasing 0.5% in May**
 - The June increase suggests a potential rebound in consumer spending, easing fears of economy slowing in Q2 2019
- ✓ **Economic activity in the manufacturing sector expanded in June 2019 despite a 0.4% decrease in the PMI to 51.7 from May**
- ✓ **Revamped NAFTA deal, renamed USMCA, was signed in November 2018 with plan to send to Congress after September 1, 2019**
 - The timeline will set up a vote on the agreement by the end of 2019
 - The majority of the new USMCA provisions do not go into effect until 2020
- ✓ **Credit markets have improved in early 2019, following a series of new issues after the late 2018 slowdown**
- ✓ **Loose monetary policy continues around the globe; several national banks have maintained zero or negative policy rates through Q2 2019**
 - ECB is ready to cut interest rates, announcing preparation for a second round on quantitative easing in June 2019

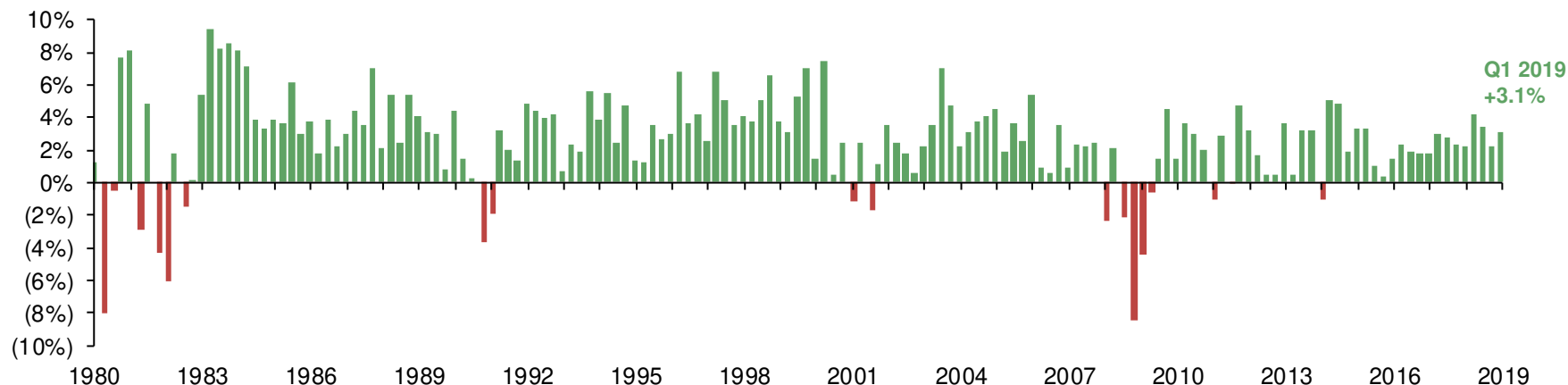
Continued Concerns

- ✗ **China Trade War and Brexit concerns continue to impact Global sentiment**
 - U.K. business leaders voicing concerns over leaving the EU without a deal by the October 31 deadline
 - Consumer confidence down to its lowest level in 21 months in June 2019 amid trade tensions
- ✗ **Volatile global equity and credit markets, notwithstanding a 10-year bull market and valuations in many asset classes near all-time highs**
 - The Treasury Yield Curve has been inverted for more than 30 consecutive trading sessions, a strong historical signal for a recession
 - While VIX has been relatively calm in 2019, spikes throughout 2018 make the index worth monitoring
- ✗ **Consumer spending drastically slowed in Q1 2019, only increasing by 1.2% in the quarter, down from a much stronger 2.5% in Q4 2018**
- ✗ **Chairman Powell warned that weak inflation could prove more persistent than previously anticipated, with core inflation only rising 1.6% in May 2019**
- ✗ **The U.S. homeownership rate fell for the first time in more than two years in Q1 2019, dropping to 64.2% from 64.8% in Q4 2018**
- ✗ **Increasing the minimum wage to \$15 / hour could result in 1.3 million Americans losing their jobs according to a recent Government forecast**
- ✗ **President Trump remains insistent on funds for a wall at Mexico border, threatening to veto House defense bill**
- ✗ **The IMF expects global and U.S. growth of 3.3% and 2.2% in 2019, respectively, with each down 0.2% from January outlook**
 - The global outlook is its lowest expectation since the financial crisis
- ✗ **While oil prices remain below 2018 peaks, there has been a recovery in 2019 amid easing oversupply concerns**
- ✗ **For the first 8 months of the fiscal year beginning October 1, the budget deficit totaled \$739 billion, a 39% increase from the prior year period**
 - About half of the increase is due to a shift in timing of federal payments (excluding the timing differences, the deficit would have grown by 19%)
- ✗ **Underfunded states, municipalities, pension liabilities and U.S. territories (e.g., Puerto Rico)**

U.S. REAL GDP INCREASED +3.1% IN Q1 2019

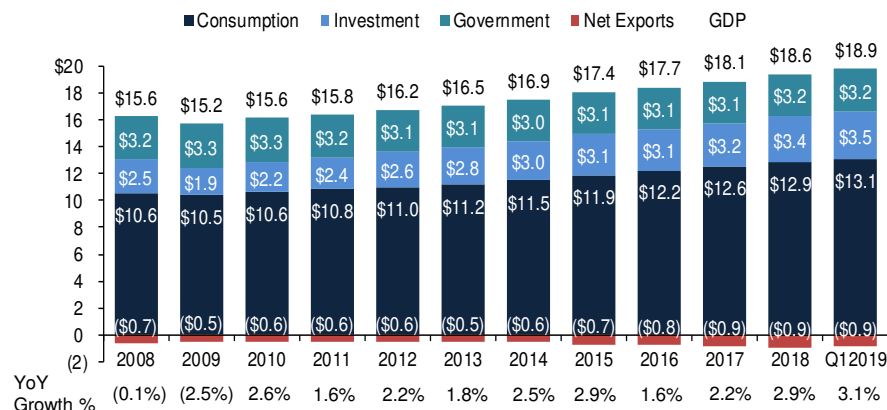
U.S. Real GDP Growth (Constant 2009 Dollars)

(Annualized Quarter over Quarter % Change)



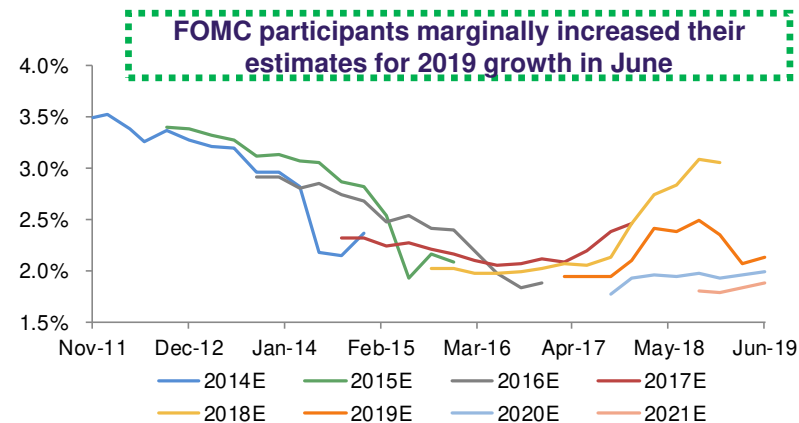
Source: Bureau of Economic Analysis as of July 2019.

U.S. Real GDP (Constant 2009 Dollars)



Source: Bureau of Economic Analysis as of July 2019.

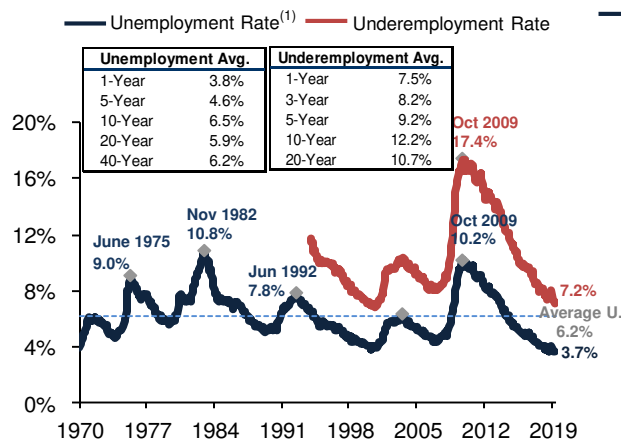
FOMC GDP Growth Projections Over Time



Source: FOMC as of July 2019.

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

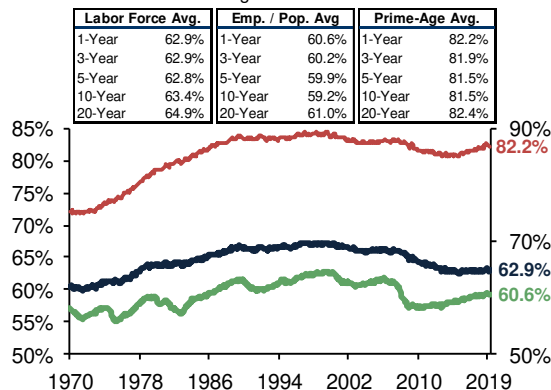
U.S. Unemployment Rate ⁽¹⁾



(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



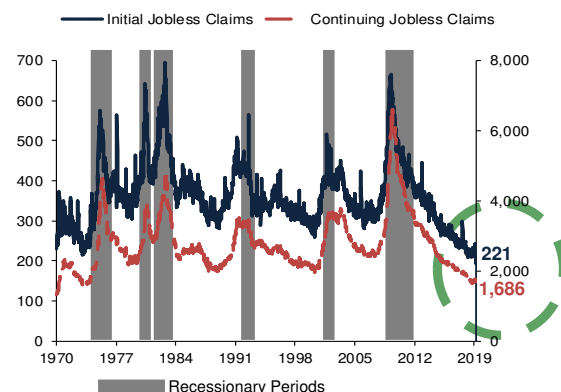
(2) Defined as the civilian labor force as a percentage of the total civilian population; the civilian labor force is defined as those either unemployed or employed and excludes those who want a job and have looked for work in the past 12 months, but who are not currently looking.

Job Openings



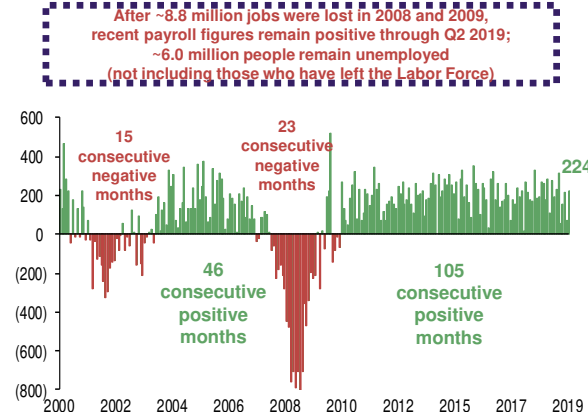
Initial and Continuing Jobless Claims

(Thousands)



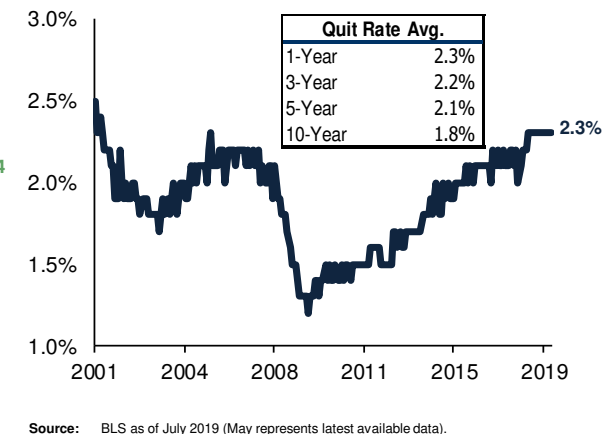
Change in Nonfarm Payrolls

(Thousands)



Quit Rate

(Percent of Employment)

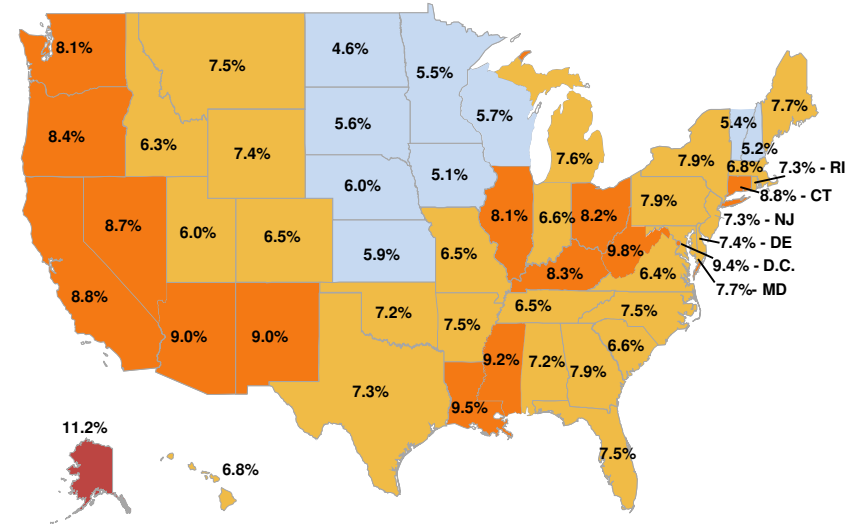
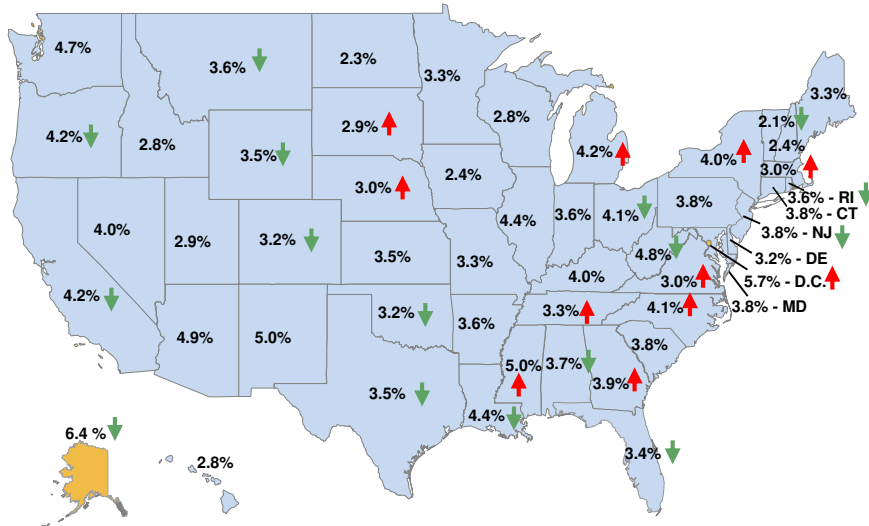


WHILE UNEMPLOYMENT AND UNDEREMPLOYMENT⁽¹⁾ ARE LOWER THAN LONG-TERM AVERAGES, SOME STATES CONTINUE TO ENDURE ELEVATED UNDEREMPLOYMENT

June unemployment held steady at 3.7% and underemployment remained at 7.2%

Current U.S. Unemployment Rate: 3.7% ⁽²⁾

Current U.S. Underemployment Rate: 7.2% ⁽³⁾



Unemployment Rate	
	> 10.0%
	7.6% - 10.0%
	5.1% - 7.5%
	0.0% - 5.0%

Unemployment Avg.	
1-Year	3.8%
5-Year	4.6%
10-Year	6.5%
20-Year	5.9%
40-Year	6.2%

Underemployment Rate	
	> 10.0%
	8.1% - 10.0%
	6.1% - 8.0%
	0.0% - 6.0%

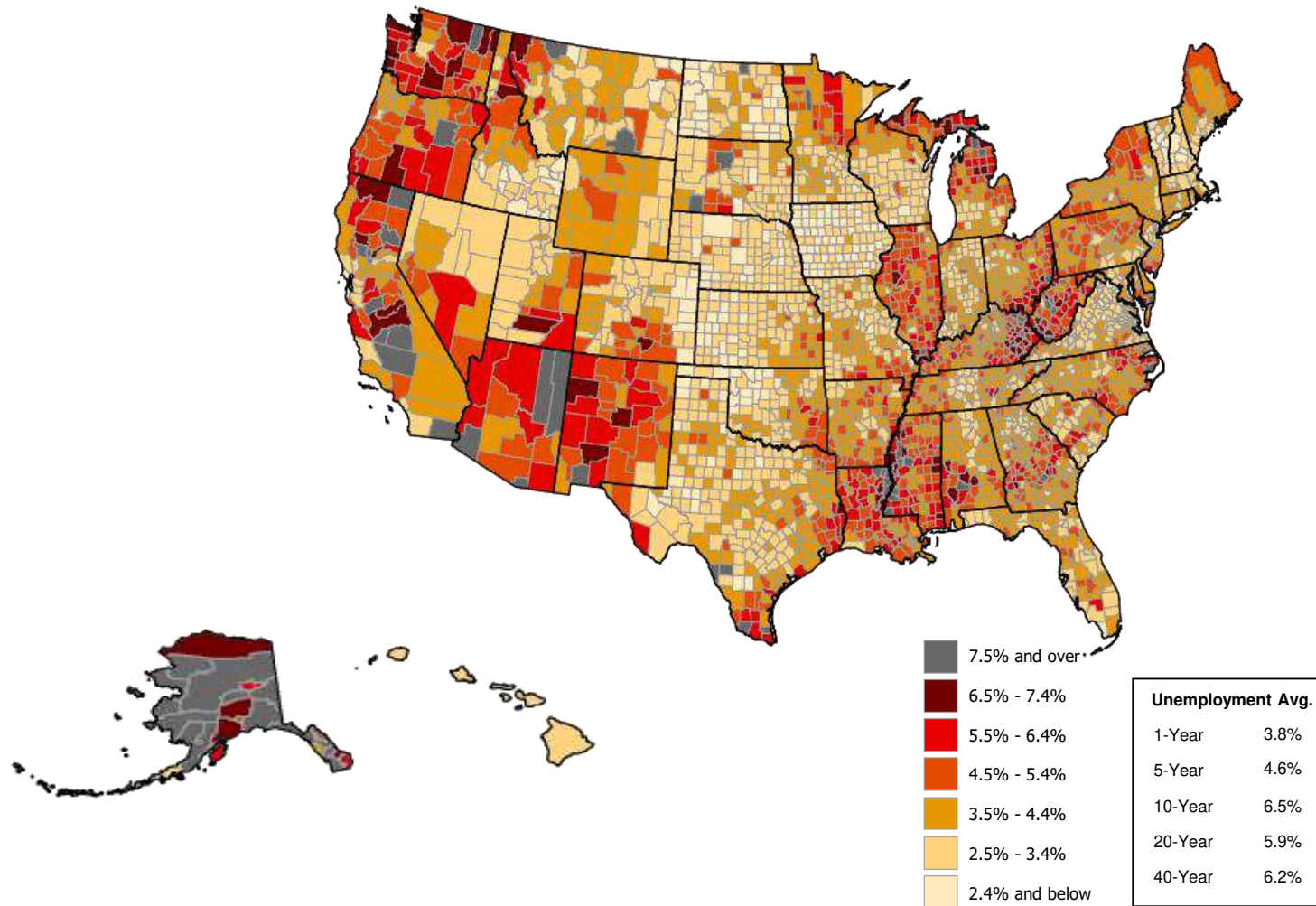
Underemployment Avg.	
1-Year	7.5%
3-Year	8.2%
5-Year	9.2%
10-Year	12.2%
20-Year	10.7%

Source: BLS as of July 2019.

- (1) Includes unemployed workers who are actively looking for work, involuntarily part-time workers and marginally attached workers (those who desire and are available for a job, but are not actively looking).
- (2) National unemployment rate (U-3) reflects June 2019; state unemployment rates reflect May 2019 (the latest available data); arrows demonstrate decreases (green) and increases (red) in a state's unemployment rate over the prior month.
- (3) National underemployment rate (U-6) reflects June 2019; state underemployment rates reflect 12 month average for period ending Q1 2019, the latest available data. State underemployment figures are updated quarterly.

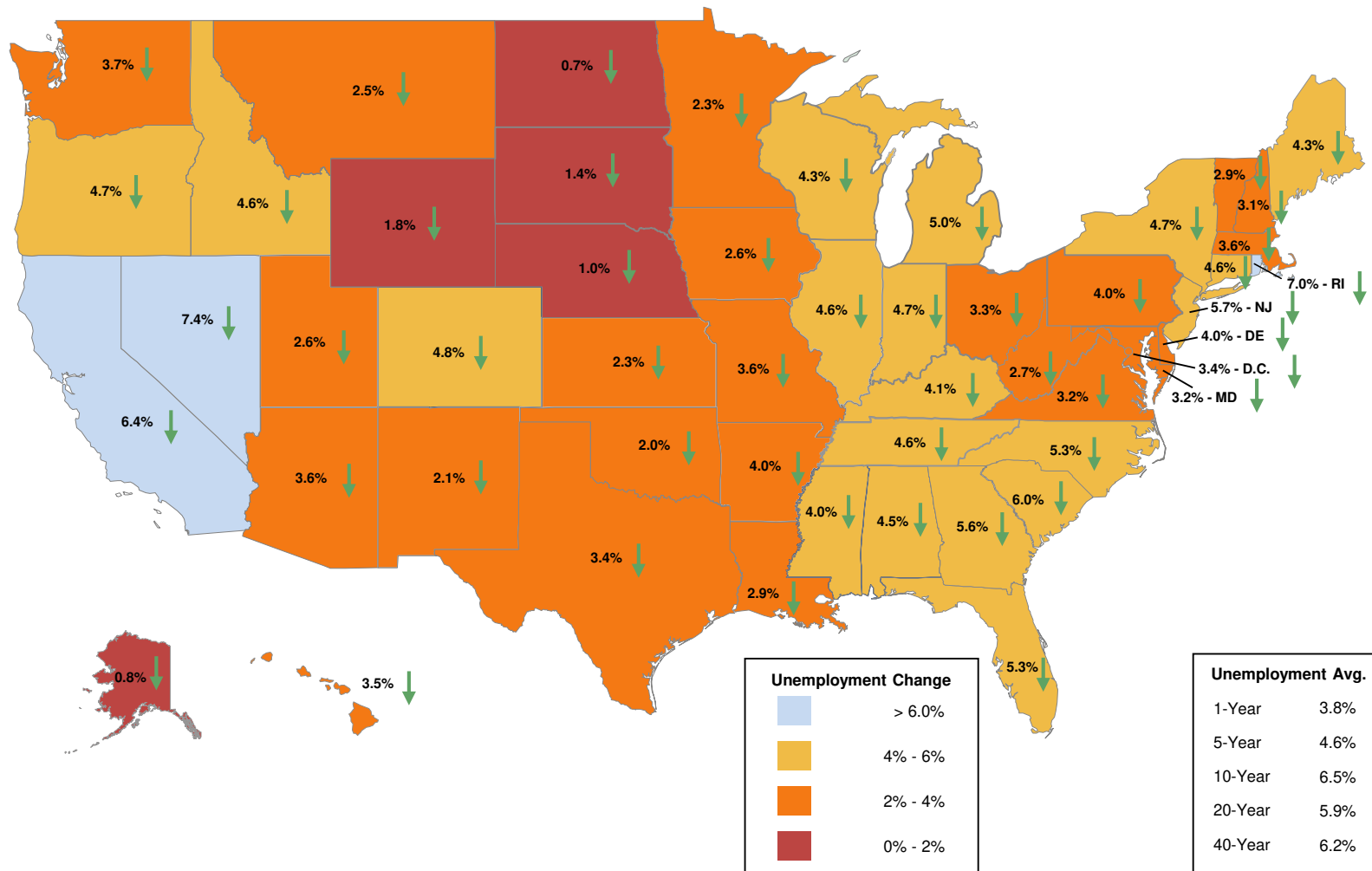
UNEMPLOYMENT BY COUNTY – 12-MONTH AVERAGE

Current U.S. Unemployment Rate: 3.7% ⁽¹⁾



EVERY STATE'S UNEMPLOYMENT RATE IS LOWER THAN IN 2012

U.S. Unemployment Rate Change Since 2012: 4.5% ⁽¹⁾

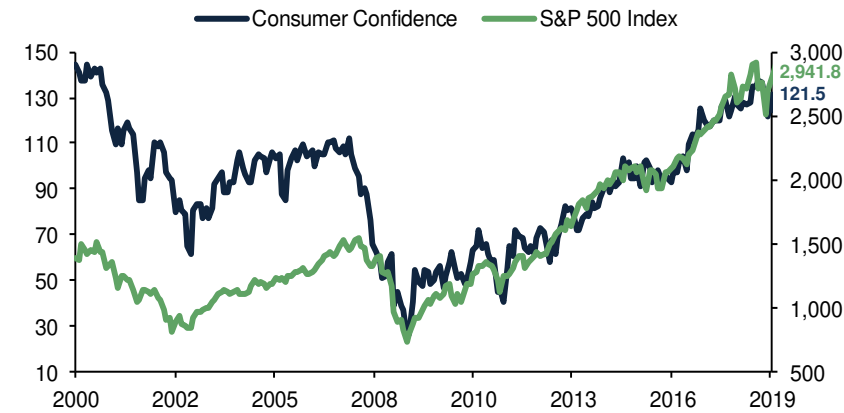


Source: BLS as of July 2019.

(1) National unemployment rate (U-3) reflects June 2019; state unemployment rates reflect May 2019 (the latest available data); arrows demonstrate decreases (green) and increases (black or white) in a state's unemployment rate over May 2012.

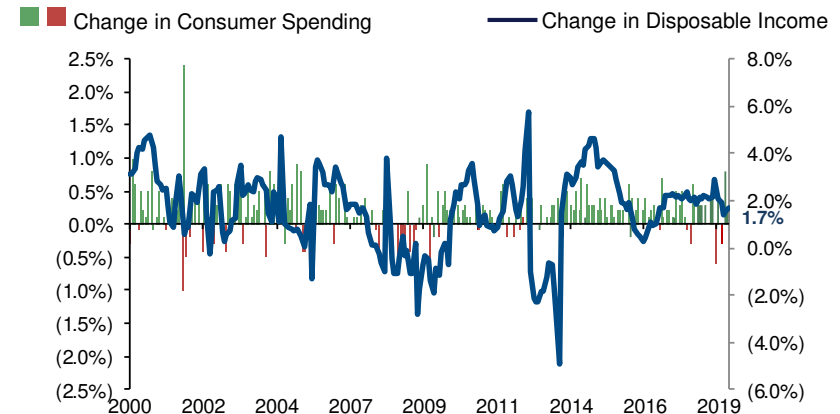
CONSUMER CONFIDENCE HAS DECLINED OVER THE PAST FEW MONTHS WHILE U.S. RETAIL SALES CONTINUE TO INCREASE, PARTICULARLY ONLINE, NOTWITHSTANDING A STRONG SAVINGS RATE

Consumer Confidence and S&P 500



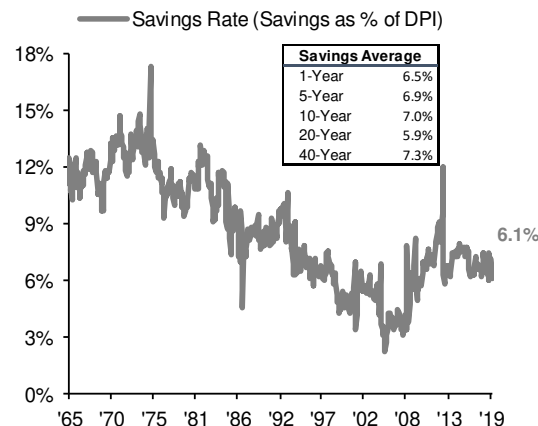
Source: Conference Board Consumer Confidence Index as of July 2019 (June represents the latest available data); S&P 500 Index as of July 2019.

U.S. Real Consumer Spending and Disposable Income



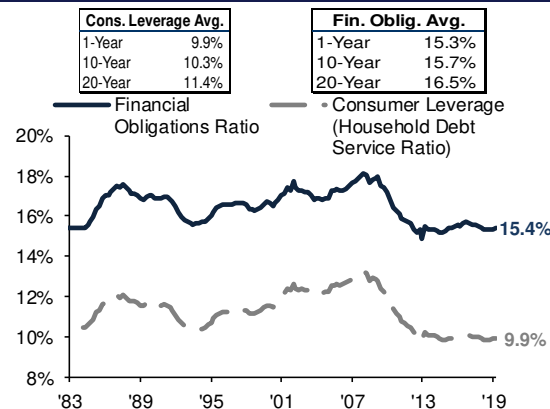
Source: BEA as of July 2019 (May represents latest available data).

Savings Rate



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

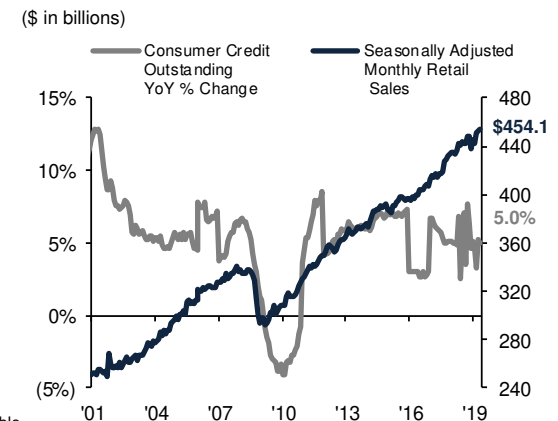
Cons. Lev. (1) and Fin. Oblig. Ratio (2)



Source: Federal Reserve Board as of July 2019 (Q1 '19 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

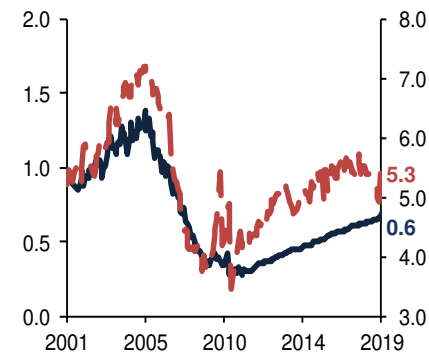


Source: Federal Reserve Board (Consumer Credit) and Census (Retail Sales) as of July 2019 (May represents the latest available data for Retail Sales and Consumer Credit).

MORTGAGE RATES CONTINUE TO DECREASE WHILE THE NUMBER OF MORTGAGE APPLICATIONS CONTINUES TO INCREASE

Home Sales

(millions of units)



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

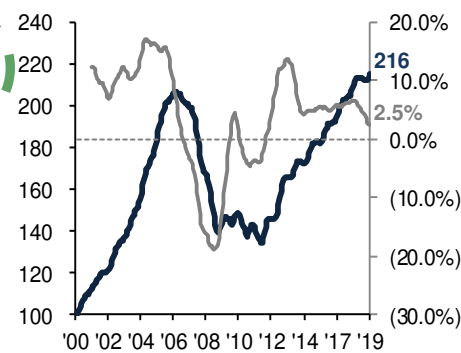
Homebuilder Confidence



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

Home Prices

Case-Shiller Index — YoY % Change



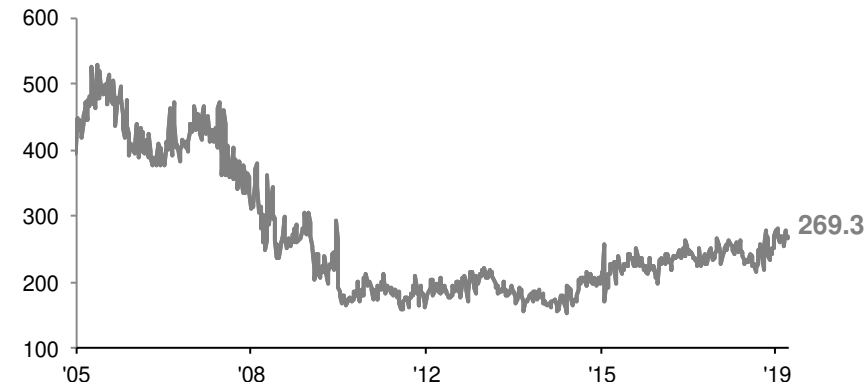
Source: S&P / Case-Shiller Composite-20 Home Price Index as of July 2019 (April 2018 represents the latest available data).

30-Yr Fixed Rate



Source: Freddie Mac as of July 2019 (June represents the latest available data).

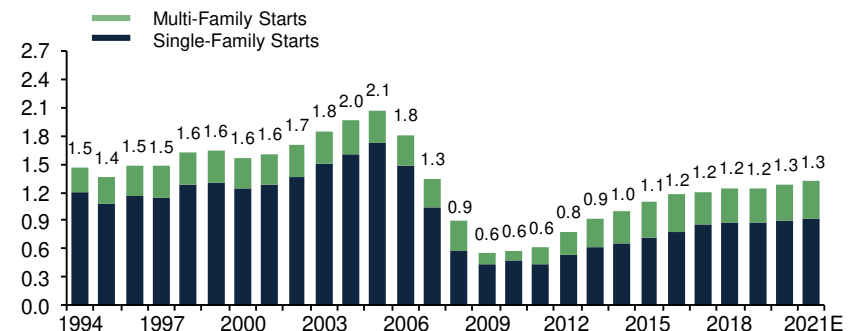
Mortgage Applications



Source: Mortgage Bankers Association as of July 2019.

Housing Starts

(millions of units)



Source: National Association of Home Builders (Housing Starts) as of July 2019.

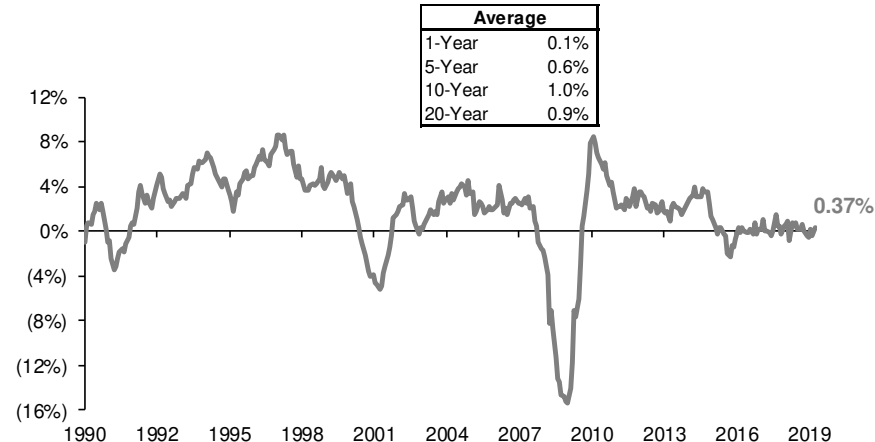
U.S. MANUFACTURING REMAINS STRONG; PMI AND CEO CONFIDENCE CONTINUE TO DECLINE

Purchasing Managers Index (PMI)



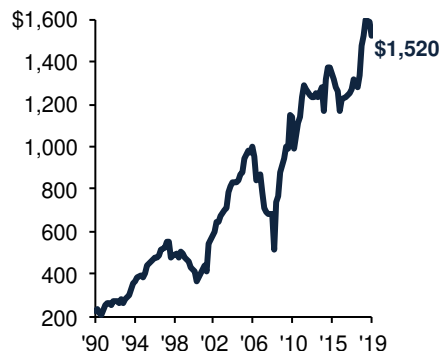
Source: ISM as of July 2019 (June represents the latest available data).

U.S. Industrial Production Growth Rate



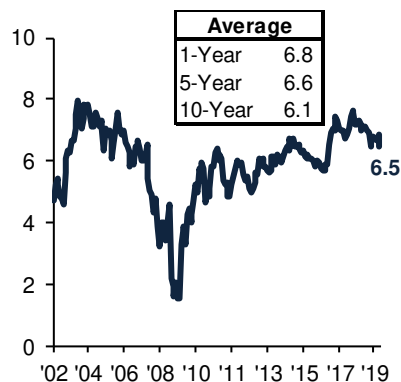
Source: ISM as of July 2019 (May represents the latest available data).

After-Tax Corp. Profits



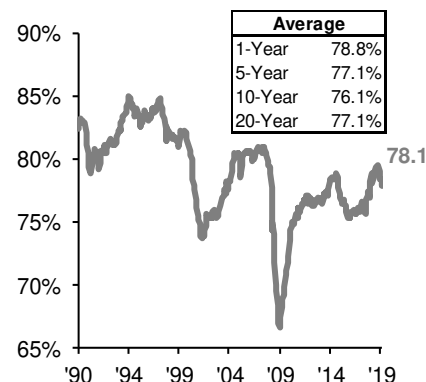
Source: BEA as of July 2019 (Q1 '19 represents the latest available data).

CEO Confidence Index



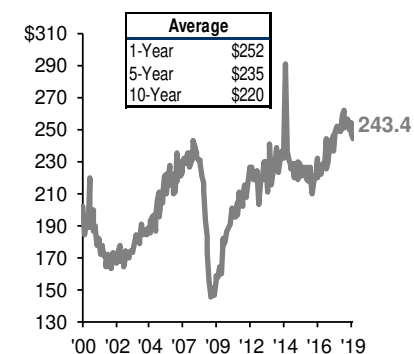
Source: CEO Magazine as of July 2019 (June represents the latest available data).

U.S. Capacity Utilization



Source: Federal Reserve as of July 2019 (May 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 July 2019 (May 2019 represents the latest available data).

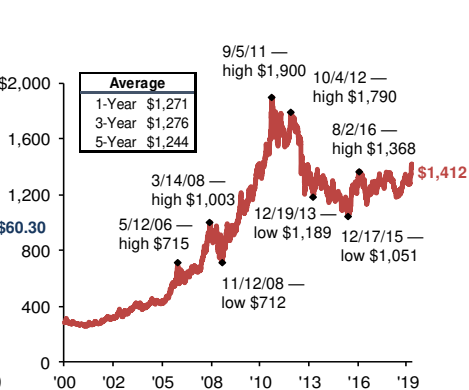
OIL PRICES HAVE REBOUNDED FROM JANUARY LOWS WHILE DOLLAR STRENGTH PERSISTS

NYMEX Crude Oil Price (\$/Barrel)



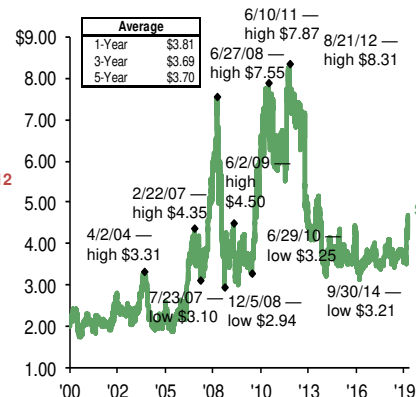
Source: NYMEX as of July 12, 2019.

Gold (\$/Troy Oz.)



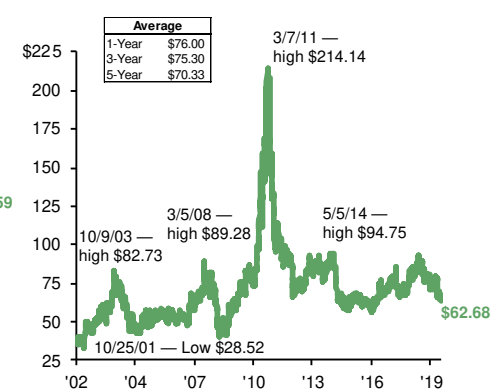
Source: Capital IQ as of July 12, 2019.

Corn (\$/Bushel)



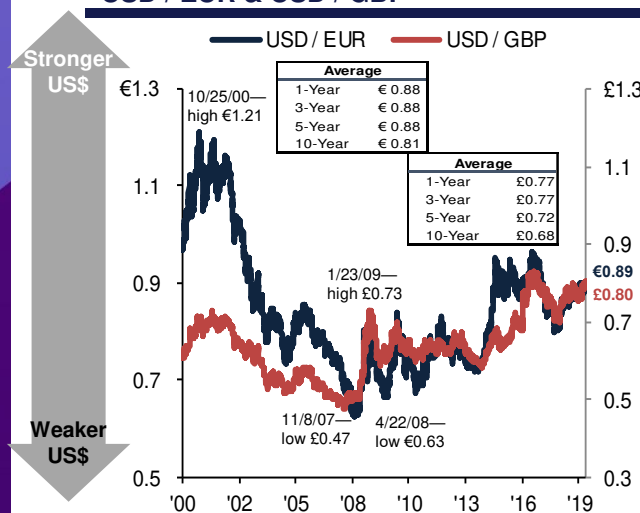
Source: Capital IQ as of July 12, 2019.

Cotton (\$/Bushel)



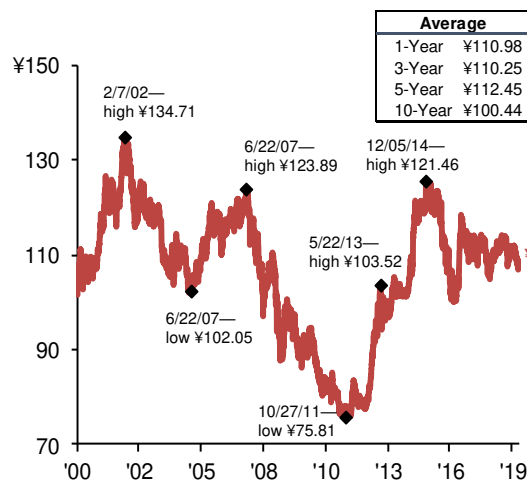
Source: Capital IQ as of July 12, 2019.

USD / EUR & USD / GBP



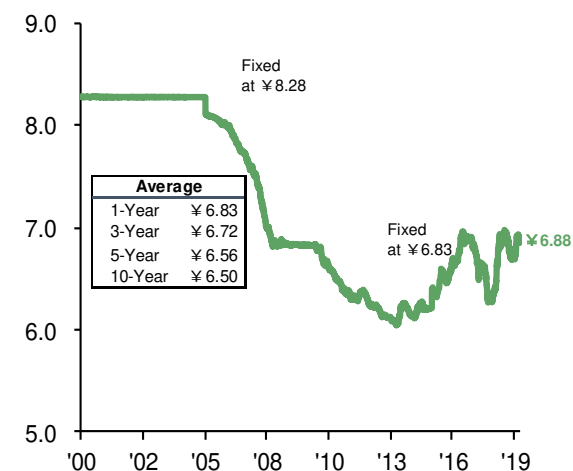
Source: Capital IQ as of July 12, 2019.

USD / JPY



Source: Capital IQ as of July 12, 2019.

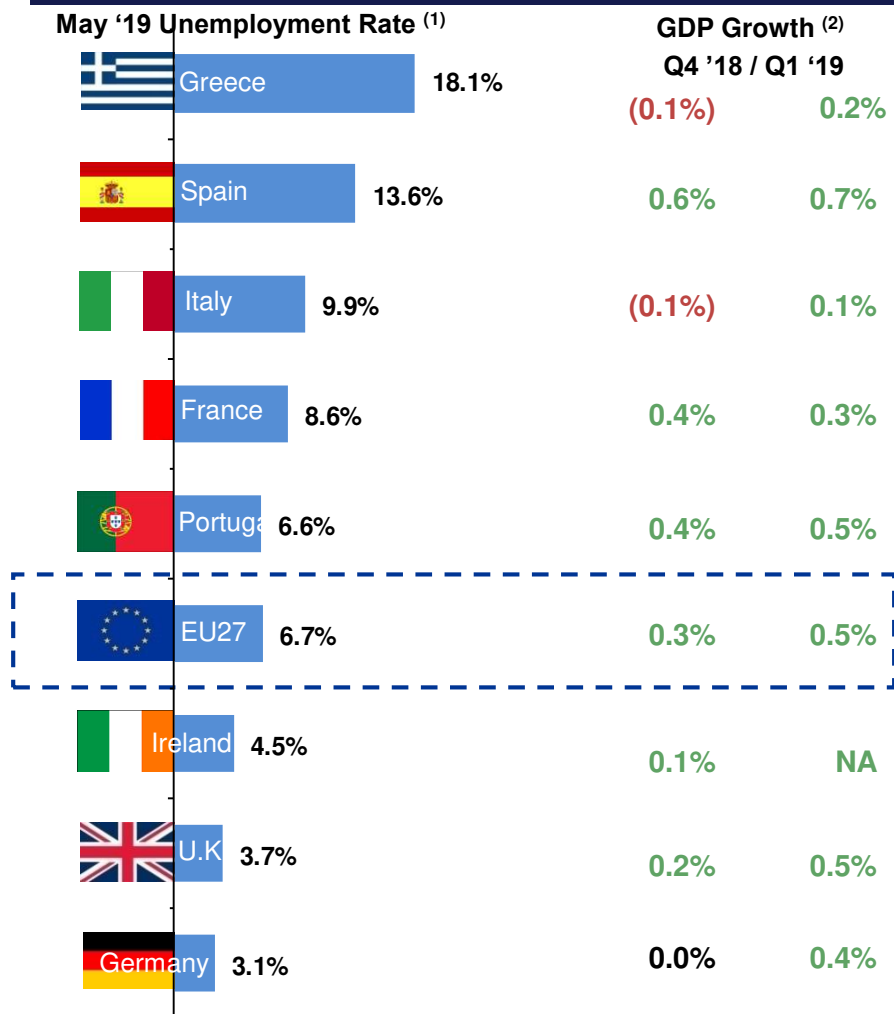
USD / CNY



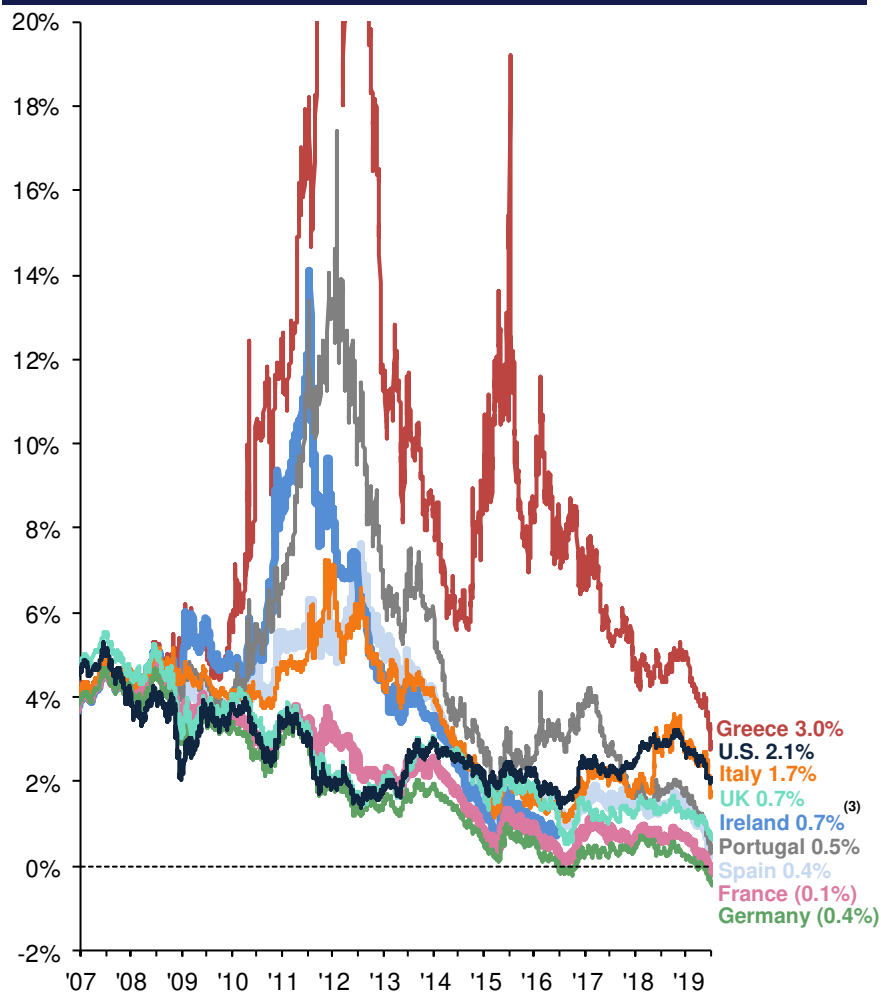
Source: Capital IQ as of July 12, 2019.

AMID MODERATE GDP GROWTH, EUROZONE BOND YIELDS HAVE FALLEN TO RECORD LOWS, NOTWITHSTANDING BREXIT CONCERNS

Euro-Zone Unemployment and GDP Growth



Sovereign Credit Yields (10-Yr Benchmark)



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

(1) Greece and U.K data represent March 2019 (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.

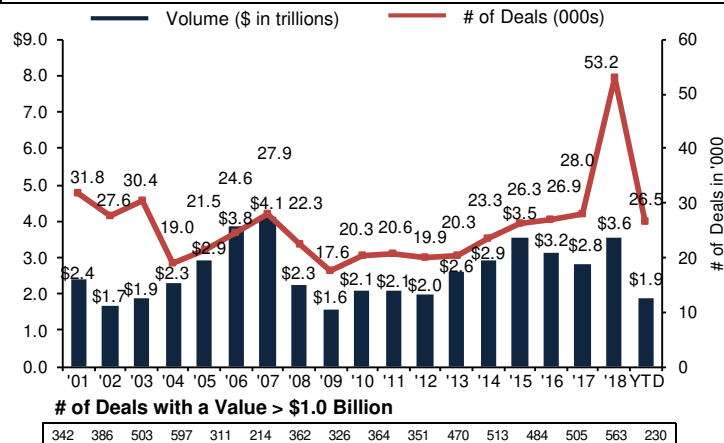
FINANCIAL AND M&A MARKETS UPDATE

U.S. M&A ACTIVITY HAS REMAINED STRONG THROUGH Q2 2019, WITH \$1.2 TRILLION IN VOLUME YEAR-TO-DATE

Global Announced M&A Volume (Inflation Adjusted)

Global M&A as a % of GDP ⁽¹⁾

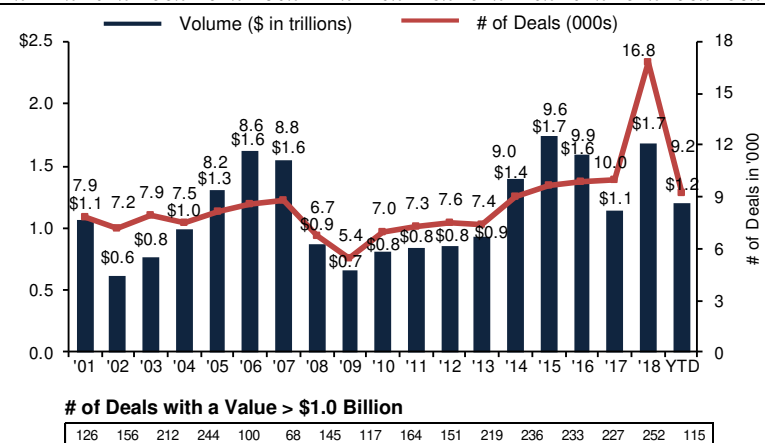
2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
4.0%	4.8%	6.0%	5.9%	3.1%	2.3%	2.8%	2.6%	2.5%	2.6%	3.5%	4.5%	4.0%	3.4%	4.3%



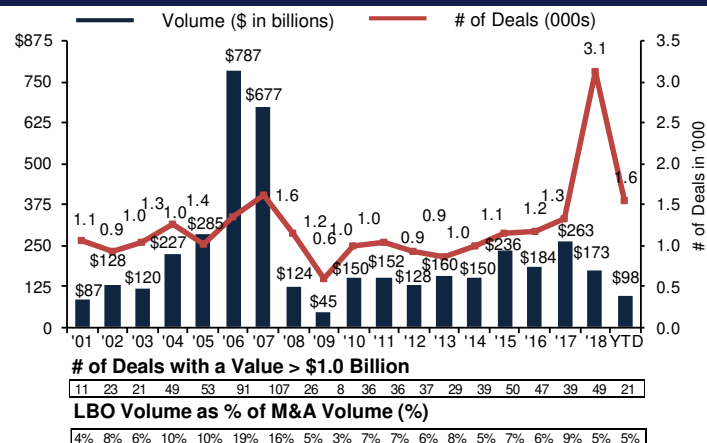
U.S. Announced M&A Volume (Inflation Adjusted)

U.S. M&A as a % of GDP ⁽¹⁾

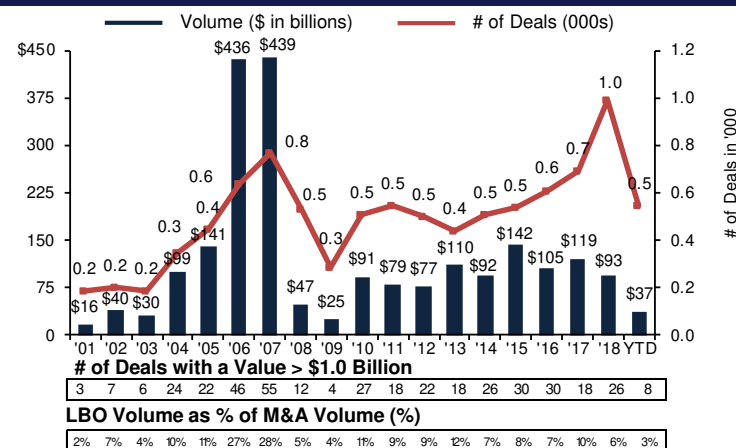
2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
6.1%	7.7%	9.4%	8.8%	5.1%	3.9%	4.7%	4.9%	4.8%	5.2%	7.6%	9.1%	8.2%	5.8%	8.3%



Global Announced LBO Volume (Inflation Adjusted)



U.S. Announced LBO Volume (Inflation Adjusted)



Source: Capital IQ as of July 2019.

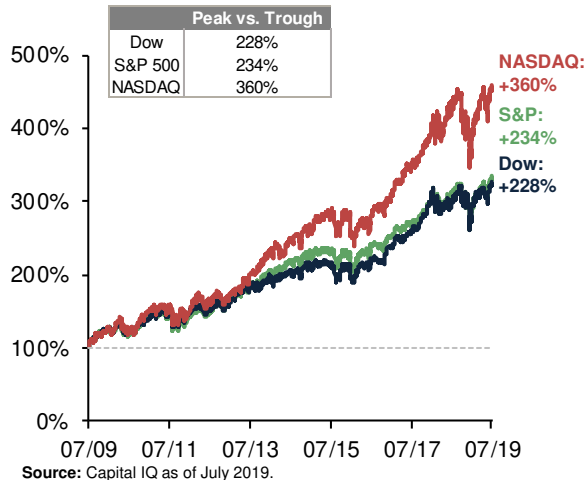
Note: Inflation adjusted volume numbers are adjusted to the CPI-U Index.

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

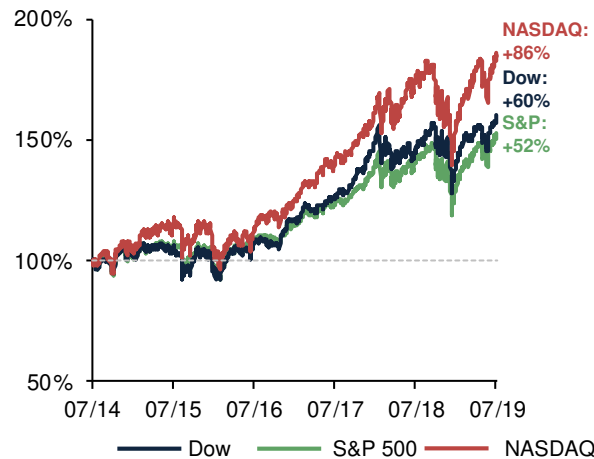
AFTER A Q4 2018 DECLINE, U.S. EQUITY MARKETS HAVE REBOUNDED SIGNIFICANTLY IN 2019, WITH THE DOW, S&P AND NASDAQ ALL HITTING RECORD HIGHS

Equity Market Performance

10 Year



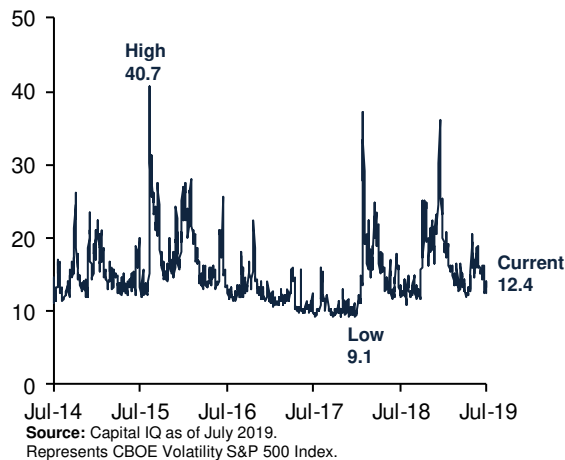
5 Year



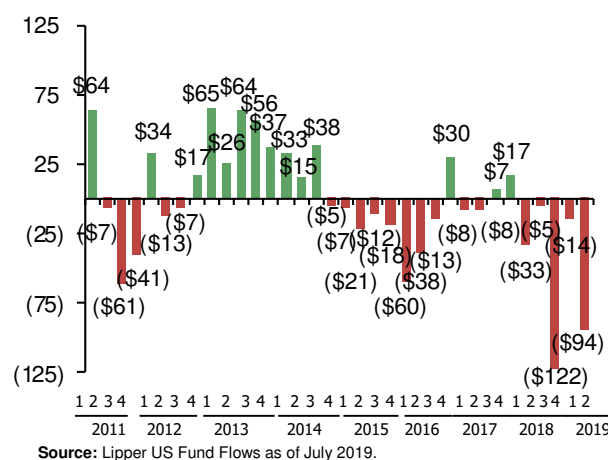
LTM



VIX S&P Volatility Index



Equity Mutual Fund Flows



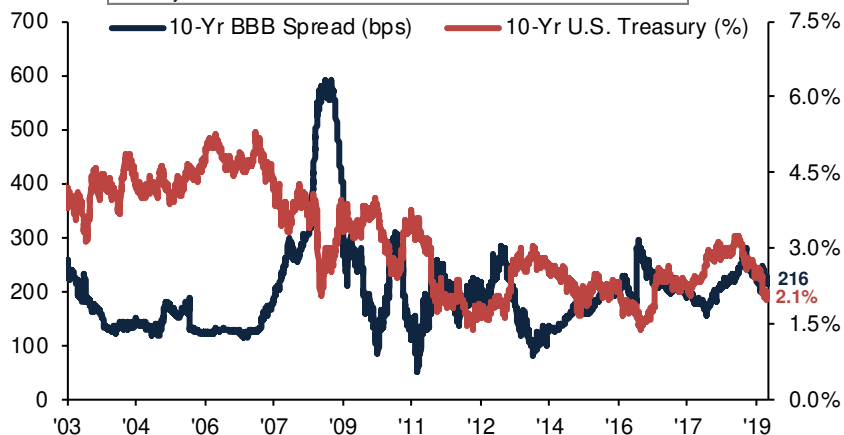
IPO Volume and # of Deals



ALL-IN BBB YIELDS HAVE DECLINED RECENTLY, DIPPING FURTHER BELOW LONG-TERM AVERAGES

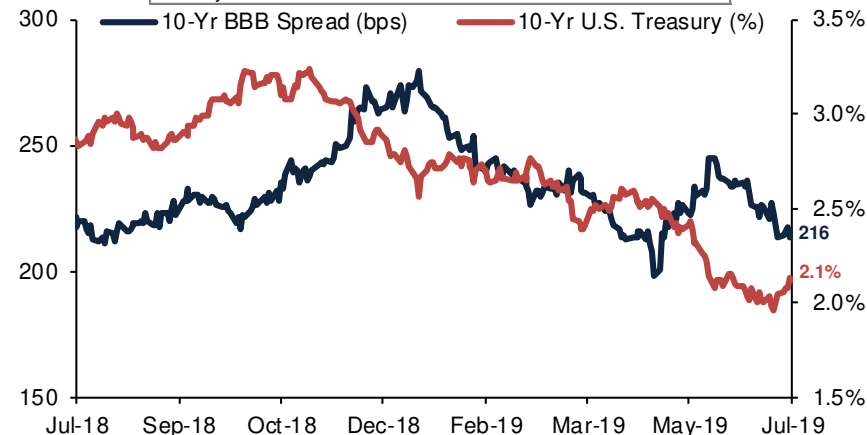
10-Year BBB Spread Over Treasuries (15 Years)

Average	15-Yr	10-Yr	5-Yr	1-Yr
BBB Spread	202 bps	193 bps	202 bps	234 bps
Treasury	3.0%	2.5%	2.3%	2.7%



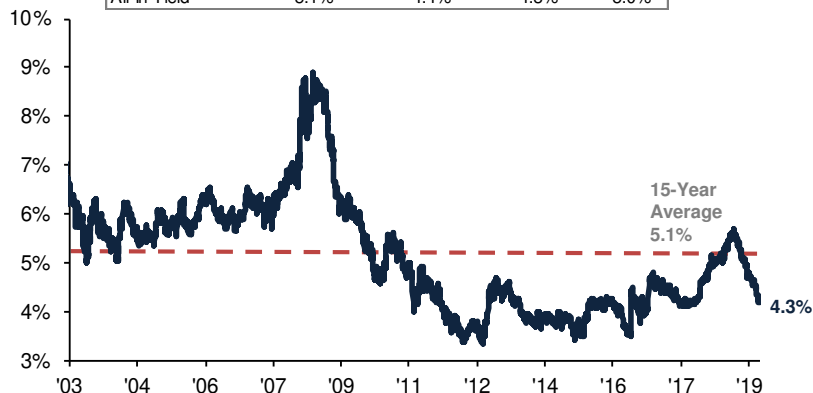
10-Year BBB Spread Over Treasuries (LTM)

Average	LTM	9M	6M	3M
BBB Spread	234 bps	238 bps	231 bps	223 bps
Treasury	2.7%	2.6%	2.5%	2.3%



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

Average	15-Yr	10-Yr	5-Yr	1-Yr
All-In Yield	5.1%	4.4%	4.3%	5.0%



10-Year BBB All-In Yield (LTM)

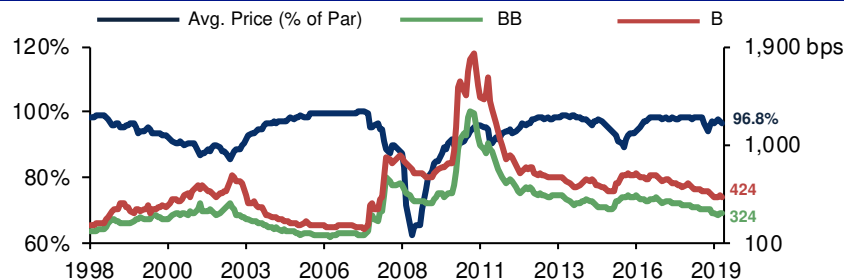
Average	LTM	9M	6M	3M
All-In Yield	5.0%	5.0%	4.8%	4.5%



AS THE LEVERAGED FINANCE HAS STRENGTHENED, LOAN AND HIGH-YIELD BOND COSTS CONTINUE TO TIGHTEN RELATIVE TO LONG-TERM AVERAGES

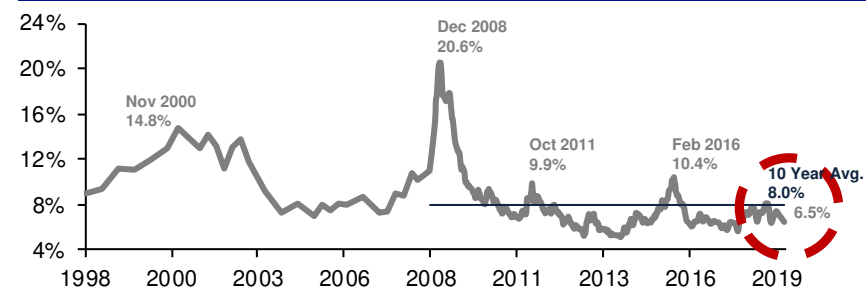
Leveraged Loan Update

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

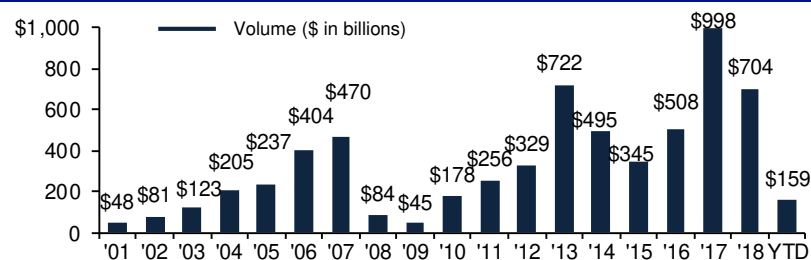


High-Yield Bond Update

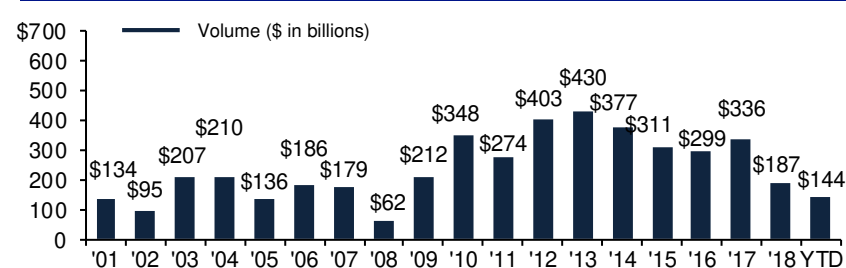
Average High-Yield Bond Yields



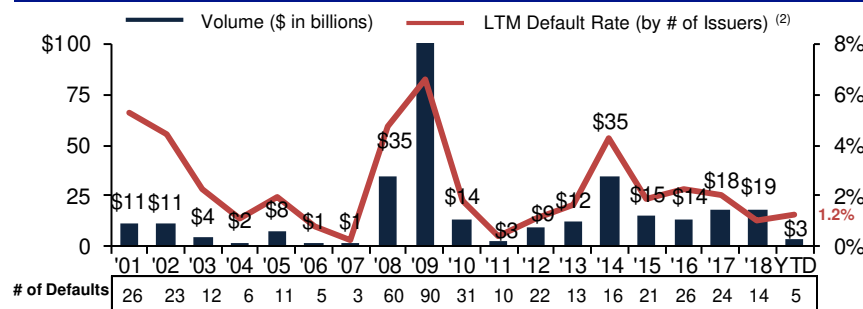
Institutional Leveraged Loan New-Issue Activity (Inflation Adjusted)



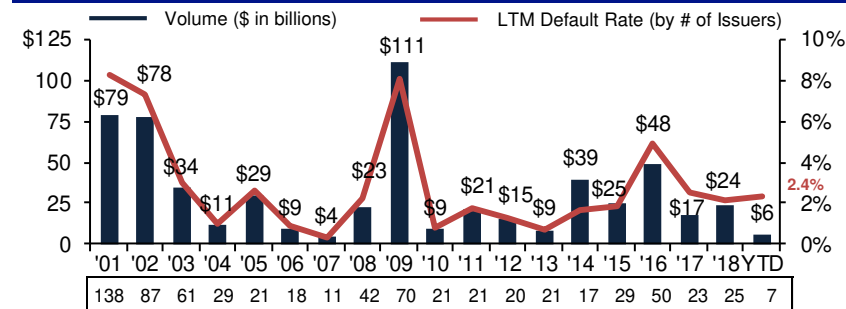
High-Yield Bond New-Issue Activity (Inflation Adjusted)



Leveraged Loan Defaults (Inflation Adjusted)



High-Yield Bond Defaults (Inflation Adjusted)



Source: Wall Street research and market indices as of July 2019 (Leveraged Loan Average Price as of June 2019, 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

Recent Events

- 07/22/2019: **Etsy** acquired **Reverb**, a marketplace for new and used musical instruments, for \$275m in cash
- 07/19/2019: Department store chain **J.C. Penney Co. (JCP)** is reported to have tapped advisers to explore debt restructuring options
- 07/18/2019: **Jack's Family Restaurants** owner **Onex** has reached a deal to sell the Birmingham, Alabama-based fast food chain. The terms of the transaction, and the identity of the buyer, were not disclosed
- 07/18/2019: **Vintage Capital Management** has submitted a non-binding proposal to acquire **Red Robin Gourmet Burgers** for \$40.00 per share, in cash
- 07/17/2019: **WHP Global**, a new brand management platform backed by **Oaktree**, has acquired **Anne Klein** from **Premier Brands Group**
- 07/17/2019: **LVMH** announced that it has entered into a definitive agreement to acquire a minority stake in **Stella McCartney**
- 07/10/2019: **Charming Charlie** has filed for Chapter 11 bankruptcy with plans to wind down through going-out-of-business sales
- 07/10/2019: **Permira Advisers** has entered into a definitive agreement to acquire a majority stake in **Reformation**, a sustainable fashion brand
- 07/10/2019: Restaurant group **RUI Holding Corp** won permission to borrow up to \$10 million in bankruptcy financing after filing for Chapter 11 bankruptcy
- 07/03/2019: **Mack Weldon**, a New York-based designer of men's apparel, announced that it has received an equity investment from the PE firm **North Castle Partners**
- 07/01/2019: **Hooters of America** acquired by **Nord Bay Capital** and **TriArtisan Capital Advisors**
- 07/01/2019: **Crunch Fitness**, a New York-based health and fitness company, has been acquired by **TPG**
- 06/30/2019: The Milan tribunal has given its backing to the sale of **Roberto Cavalli**, the troubled Italian fashion house owned by private equity firm **Clessidra**, to Dubai-based luxury hotel developer **Damac**
- 06/28/2019: **Chico's FAS (CHS)**, a women's clothing retailer, has rejected a \$3.00 per share offer from **Sycamore Partners**
- 06/28/2019: **TheRealReal (REAL)** began trading on the NASDAQ, soaring 40% above its IPO pricing in its stock market debut
- 06/25/2019: **Norwest Equity Partners** acquired **Arteriors**, a premium lighting and furnishings brand. **PJ SOLOMON** advised **Arteriors**
- 06/25/2019: **SCMP**, the group behind **Sandro**, **Maje** and **Claudie Pierlot** has entered exclusive talks to buy menswear label **De Fursac**
- 06/24/2019: **FTD Companies** entered into a definitive asset purchase agreement with **Nexus Capital Management** to sell its North America and Latin America Consumer and Florist businesses, including **ProFlowers**, for \$95 million after filing for Chapter 11 bankruptcy

Food Retail & Restaurants

Retail

Recent Events (Cont.)

- 06/24/2019: **Del Frisco's Restaurant Group (DFRG)** and **L Catterton** announced that they have entered into a definitive agreement under which affiliates of L Catterton will acquire Del Frisco's in an all cash transaction valued at approximately \$650m
- 06/20/2019: **Vera Bradley (VRA)**, a Fort Wayne, Indiana-based fashion designer, has agreed to acquire a 75% stake in **Pura Vida Bracelets**, for up to \$97.5m
- 06/19/2019: **Moose Knuckles**, a Canadian luxury outerwear brand, received an investment from an undisclosed investor. **PJ SOLOMON** advised **Moose Knuckles**
- 06/17/2019: **Sotheby's (BID)** today announced that it would be acquired by **BidFair USA**, an entity wholly owned by media and telecom entrepreneur Patrick Drahi. Shareholders will receive \$57.00 in cash per share of Sotheby's common stock in a transaction with an enterprise value of \$3.7bn
- 06/14/2019: Pet supplier **Chewy (CHWY)** made its stock market debut, with shares jumping 80% in the first day of trading
- 06/14/2019: **Whataburger**, the San Antonio, Texas-based family-owned hamburger restaurant chain, has agreed to sell a majority interest to **BDT Capital Partners**
- 06/13/2019: **Alibaba (BABA)** filed for a second stock listing in Hong Kong, through which it is planning to raise an additional \$20bn
- 06/11/2019: **Milliken & Co** signed a definitive agreement to acquire **Polartec** from **Versa Capital**
- 06/11/2019: **SIGNA Group** announced it is acquiring all shares of the **Galeria Karstadt Kaufhof** department store group from the **Hudson's Bay Company (HBC)**, which had previously owned 49.99% of the joint operating company
- 06/10/2019: **Hudson's Bay Company (HBC)** is reviewing a CAD 9.45 per share take-private offer from a group of shareholders holding a 57% stake in the company, led by Chairman Richard Baker
- 06/10/2019: **Shutterfly, Inc** has entered into a definitive agreement with **Apollo Global Management**, in which Apollo will acquire all the outstanding shares of Shutterfly for \$51.00 per share in cash, or enterprise value of approximately \$2.7bn
- 06/07/2019: **Revolve Group (RVLV)** made its stock market debut, with shares jumping 89% in the first day of trading
- 06/07/2019: **Barnes & Noble (BKS)** announced that it has entered into a definitive agreement to be acquired by **Elliott Advisors Limited** for \$6.50 per share. **PJ SOLOMON** advised Founder and Chairman Len Riggio as it related to the transaction
- 06/03/2019: **Forever 21** reported to be in talks with lenders and restructuring advisers as it explores options for a business turnaround
- 06/03/2019: **Sears Hometown and Outlet Stores (SHOS)** has agreed to be acquired by **Transform Holdco**, an entity affiliated with the company's majority stockholder **ESL Investments**, for \$2.25 per share. **PJ SOLOMON** 23 advised **Sears Hometown and Outlet**

RETAIL SECTOR NEWS UPDATE

Recent Events (Cont.)

- 06/03/2019: **OTB**, the owner of **Diesel**, has taken a stake in the L.A.-based luxury brand **Amiri**
- 05/23/2018: **Payless ShoeSource** announced that it plans to close all US stores by the end of June. *PJ SOLOMON is advising Payless ShoeSource*
- 05/23/2018: **Topshop** announced it was closing all US stores after filing for bankruptcy
- 05/22/2019: **Kontoor Brands (KTB)**, the owner of **Lee** and **Wrangler** jeans, completed spinoff from **VF** into a separate publicly-traded company
- 05/16/2019: **Le Pain Quotidien** has received EUR 21m in growth capital from shareholders, who also converted part of their loans to Le Pain Quotidien into shares
- 05/14/2019: **Grocery Outlet**, a value retailer of name-brand consumables and fresh products sold through a network of independently operated stores, has filed an S-1 with the US Securities and Exchange Commission with a current placeholder of \$100m
- 05/08/2019: **Randa Accessories**, a New York City-based accessories company, has agreed to acquire 100% of Dallas, Texas-based **Haggar Clothing Co**
- 05/06/2019: **Hudson's Bay Company (HBC)**, the Canada-based retailer, has retained **PJ SOLOMON** as a financial advisor to explore a sale for **Lord + Taylor**, the New York City-based department store. *PJ SOLOMON is advising the Hudson's Bay Company*
- 05/03/2019: A majority stake of **Jason Wu** has been acquired by **Green Harbor Investment**, a Chinese PE, from **InterLuxe** for an undisclosed sum
- 05/02/2019: **Xtep International**, a Chinese sportswear maker, has signed an agreement to acquire **E-Land Footwear USA Holdings Inc** from Korea-based **E-Land** for \$260m. E-Land Footwear USA Holdings Inc is the ultimate owner of the **K-Swiss**, **Palladium** and **Supra** brands
- 04/17/2019: **Neiman Marcus Group**, a Dallas, Texas-based department store, has agreed to acquire a minority stake in **Fashionphile**, a Carlsbad, California-based online luxury pre-owned handbags and accessories retailer
- 04/16/2019: **Sequential Brands Group, Inc. (SQBG)** announced that it has signed a definitive agreement to sell the rights to the **Martha Stewart** and **Emeril Lagasse** brands to **Marquee Brands LLC** for \$175m with an earnout opportunity of up to an additional \$40m
- 04/16/2019: **Apollo Global Management** has agreed to acquire **Smart & Final Stores (SFS)**, the California grocer backed by **Ares Management**, for \$1.1B, representing a 25% premium to trailing 24-day average stock price
- 04/12/2019: **J. Crew Group**, a New York-based multi-brand apparel and accessories retailer, has announced that it is exploring strategic alternatives, including a potential IPO of its Madewell business

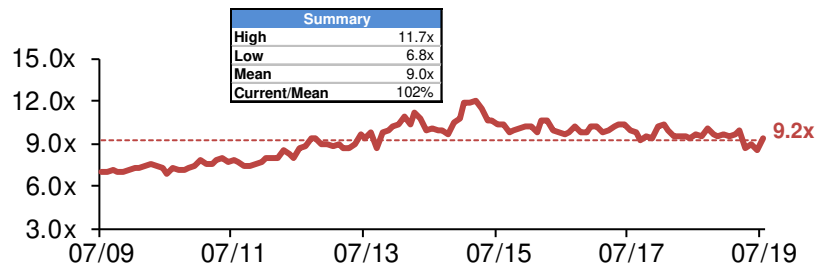
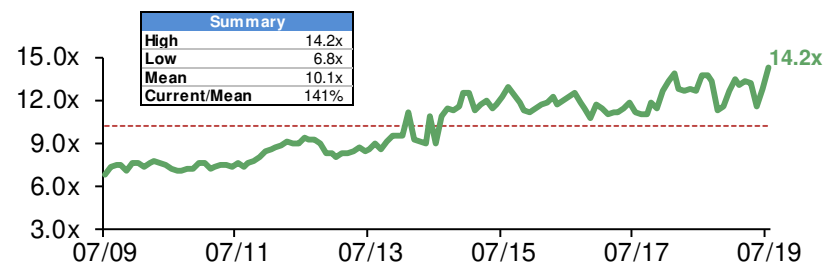
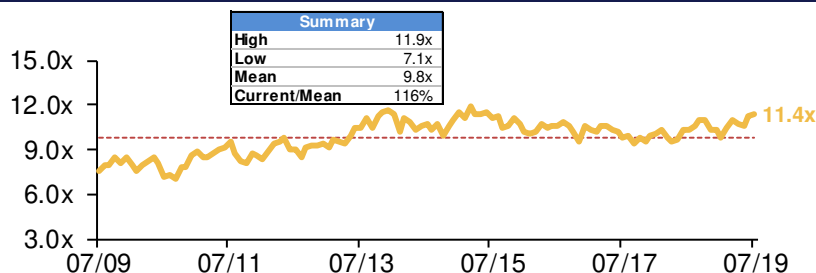
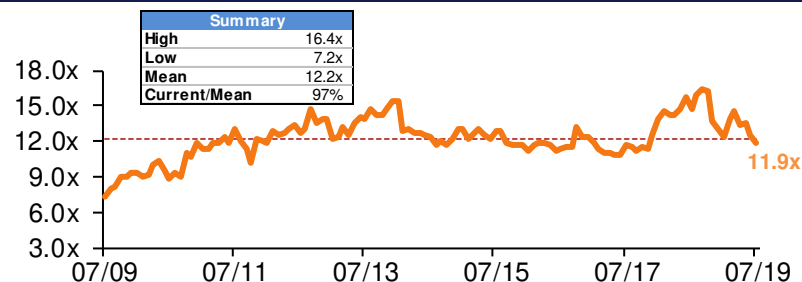
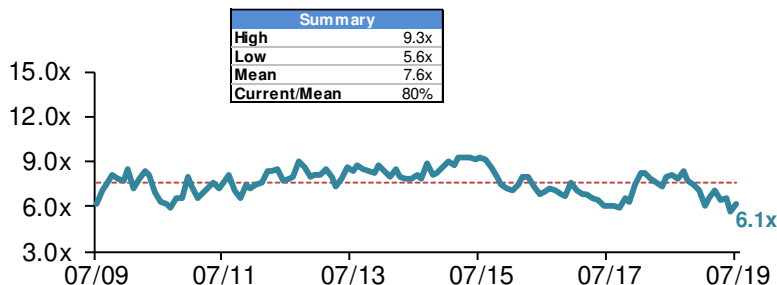
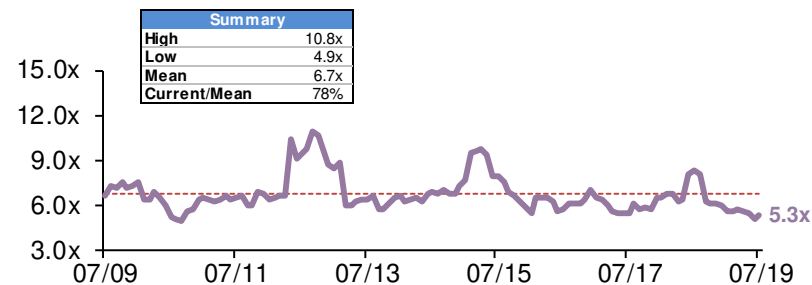
Food Retail & Restaurants

Retail

Recent Events (Cont.)

- 04/11/2019: **Fred's Inc. (FRED)**, a discount value retailer and pharmacy with locations across the Southeast, has announced the retention of **PJ SOLOMON** in connection with a strategic review of the Company
- 04/11/2019: **Leonard Green** has sold its 25% stake in Topshop back to **Arcadia Group**
- 04/10/2019: **Dr Martens'** owner, the private equity firm **Permira**, is preparing to hire advisers to consider strategic options for the UK-based footwear manufacturer
- 04/08/2019: **CEC Entertainment**, parent company of **Chuck E. Cheese** and **Peter Piper Pizza**, announced plans to go public through a merger with **Leo Holdings**, a special purpose acquisition company (SPAC)
- 04/05/2019: **Poshmark** has hired **Goldman Sachs** and **Morgan Stanley** in preparation for filing an IPO
- 04/04/2019: **At Home Group, Inc (HOME)**, a Texas-based home décor retailer, has retained an advisor to help evaluate strategic alternatives
- 04/04/2019: **Jenny Craig**, a California-based weight loss and weight management company backed by **North Castle Partners**, has been acquired by **H.I.G. Capital**
- 04/02/2019: **Authentic Brands Group**, a NYC-based brand development and licensing company backed by **General Atlantic**, **Leonard Green** and **Lion Capital**, has agreed to acquire **Volcom**, the boardsports-oriented apparel business, from **Kering**
- 03/31/2019: **Roberto Cavalli**, an Italian fashion housed owned by private equity firm **Clessidra**, has applied for bankruptcy protection
- 03/28/2019: **Ascena Retail Group (ASNA)**, the New Jersey-based retail holding company, announced a strategic review for **Dressbarn**, its 674 women's clothing chain
- 03/28/2019: **Church & Dwight (CHD)**, a New Jersey-based consumer goods company, has agreed to acquire the **FLAWLESS** and **FINISHING TOUCH** hair removal brands from **Ideavillage** for up to \$900m
- 03/27/2019: **Casper Sleep**, a New York City-based online mattress retailer, closed a \$100m funding round, valuing the Company at \$1.1bn
- 03/27/2019: **Global Icons**, an Los Angeles-based brand-licensing agency, agreed to acquire **Fred Segal**, the experiential retailer offering lifestyle and fashion brands for an undisclosed sum
- 03/27/2019: **Evine Live**, the Minnesota-based pay-TV shopping network operator, has engaged advisors to assist in a review strategic alternatives
- 03/26/2019: **Bed Bath & Beyond (BBBY)** is reportedly being targeted for a proxy battle by three activist investors, which control ~5% of the New Jersey-based retailer
- 03/26/2019: **YFM Equity Partners**, a UK-based private equity fund, agreed to make a significant investment in **Frescobol Carioca**, a luxury men's resort wear and lifestyle brand

VARIOUS RETAIL SECTORS ARE TRADING ABOVE HISTORICAL AVERAGES, WITH THE EXCEPTIONS BEING SOFTLINES, BROADLINES AND BRANDED APPAREL & FOOTWEAR

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 July 12, 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.

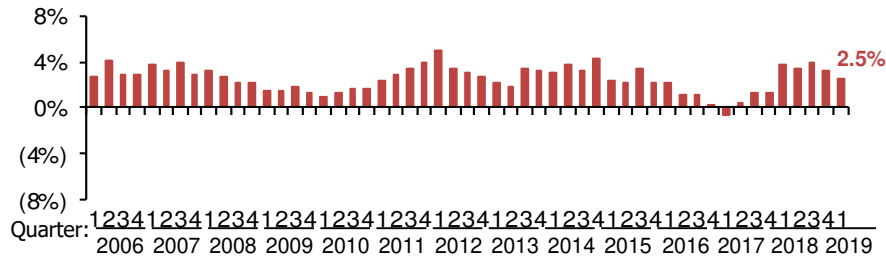
(4) Includes COH, COLM, HBI, CPRI, NKE, PVH, RL, SHOO, UAA, VFC, and WWW.

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

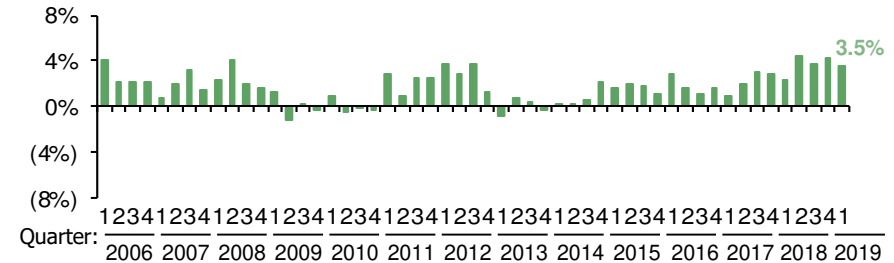
(6) Includes BONT (through Q3 2017), DDS, JCP, KSS, M, JWN, SHLD (through Q3 2018) and SSI.

MOST RETAIL SUBSECTOR COMPS WERE POSITIVE THROUGH Q1 2019, EXCEPT FOR SOFTLINES AND BROADLINES

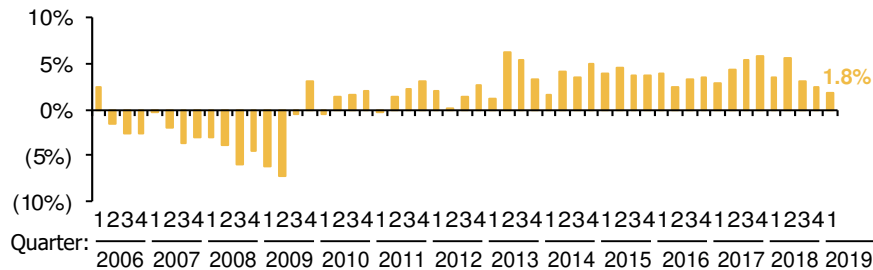
Food & Drug ⁽¹⁾



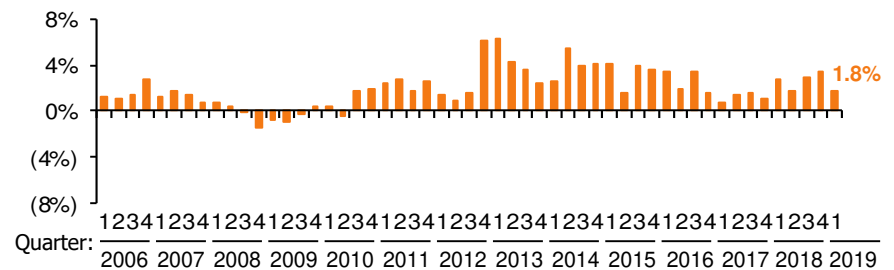
Discount/Off-Price ⁽²⁾



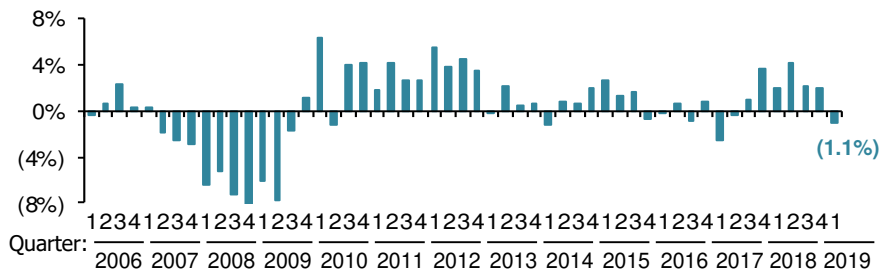
Hardlines ⁽³⁾



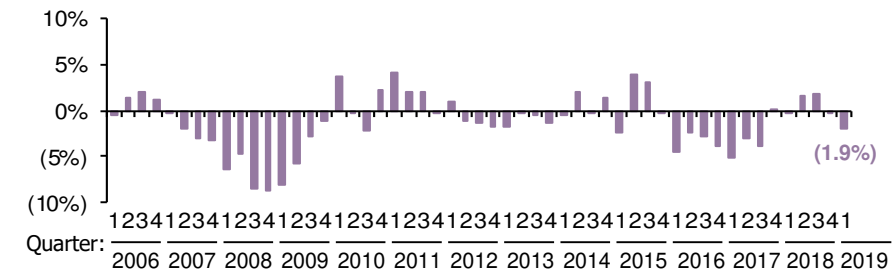
Branded Apparel & Footwear ⁽⁴⁾



Softlines ⁽⁵⁾



Broadlines ⁽⁶⁾



Source: Company filings and Capital IQ as of July 12, 2019.

(1) Includes ATD.B, CASHY, 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 TPR, COLM, HBI, CPRI, NKE, PVH, RL, SHOO, UAA, VFC, and WWV.

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

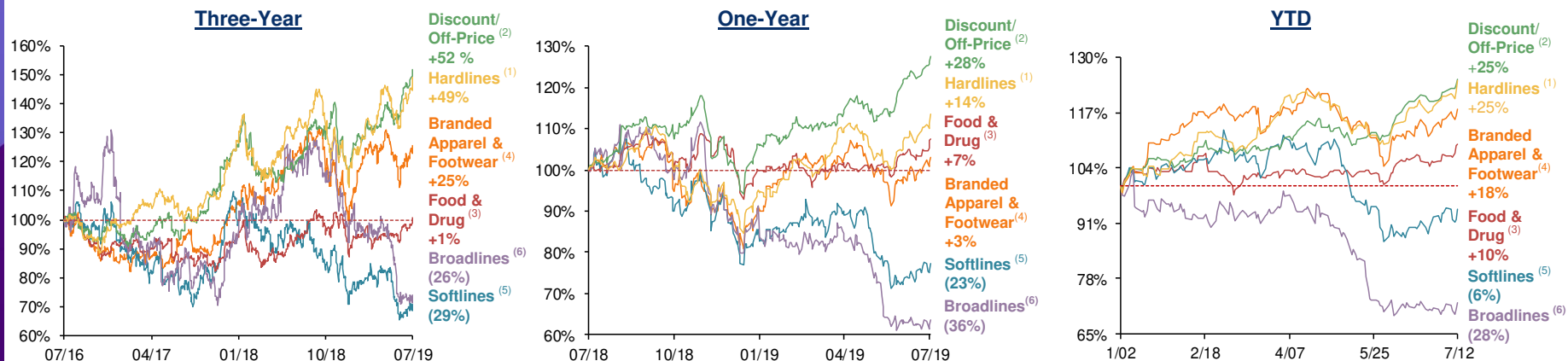
(6) Includes BONT (through Q3 2017), DDS, JCP, KSS, M, JWN, SHLD (through Q3 2018) and SSI.

RETAIL EQUITIES HAVE SIGNIFICANTLY UNDERPERFORMED THE BROADER MARKET OVER THE LAST THREE YEARS

S&P Retail Index vs. S&P 500



Performance by Retail Subsector



Source: Company filings and Capital IQ as of July 12, 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, CASEY, 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 P.J.C.A.

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

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

(6) Includes BONT (through Q3 2017), DDS, JCP, KSS, M, JWN, SHLD (through Q3 2018) and SSI.

RETAIL TRADING AND OPERATING COMPARABLES ANALYSIS

BROADLINES – TRADING ANALYSIS

	Share Price	% of 52	YTD %	Equity	Enterprise	(a)	LTM	EV / LTM	EV / EBITDA			P / E		LTG	P/E/G	Dividend	(b)	(c)
Company Name	7/19/2019	wk high	Change	Value	Value		Revenue	Revenue	LTM	2019E	2020E	2019E	2020E	Rate	2019E	Yield	ROE	
Wal-Mart Stores ⁽¹⁾	\$113.90	98.6 %	22.3 %	\$325,153	\$381,056		\$515,640	0.7 x	11.7 x	11.7 x	11.4 x	23.6 x	22.5 x	4.0 %	5.8 x	1.9 %	11.5 %	
Costco Wholesale	281.51	99.0	38.2	123,805	122,470		149,616	0.8	19.8	19.2	17.5	36.2	32.3	10.0	3.6	0.9	26.8	
Target ⁽²⁾	88.01	97.4	33.2	45,091	56,332		76,202	0.7	8.3	8.4	8.2	14.8	13.9	6.4	2.3	3.0	27.0	
Dollar General	141.28	97.4	30.7	36,496	38,957		26,134	1.5	14.9	14.3	13.2	21.8	19.8	10.7	2.0	0.9	25.1	
Dollar Tree	108.20	95.4	19.8	25,706	29,247		23,078	1.3	12.3	12.4	11.1	21.3	18.0	6.5	3.3	--	(22.6)	
Five Below	125.41	84.6	22.6	7,018	6,729		1,628	4.1	29.1	24.2	19.7	39.7	33.1	23.5	1.7	--	27.6	
Ollie's Bargain Outlet	86.78	84.2	30.5	5,509	5,451		1,290	4.2	30.1	25.4	21.8	40.2	34.3	21.8	1.8	--	15.8	
BJ's Wholesale Club	24.58	74.7	10.9	3,422	5,207		13,089	0.4	9.9	9.5	8.7	16.6	14.9	11.7	1.4	--	NM	
Big Lots	26.18	52.0	(9.5)	1,021	1,439		5,266	0.3	3.5	4.1	3.8	6.9	6.6	(1.5)	NM	4.6	21.1	
Discount Stores							Mean	1.6 x	15.5 x	14.3 x	12.8 x	24.6 x	21.7 x	10.4 %	2.8 x	2.3 %	16.5 %	
							Median	0.8	12.3	12.4	11.4	21.8	19.8	10.0	2.2	1.9	23.1	
The TJX Companies	\$54.64	95.6 %	22.1 %	\$66,260	\$66,259		\$39,562	1.7 x	13.2 x	12.8 x	12.0 x	20.9 x	19.0 x	10.3 %	2.0 x	1.7 %	NM %	
Ross Stores	106.61	98.5	28.1	38,880	37,826		15,192	2.5	16.0	15.2	14.1	23.6	21.5	10.0	2.4	1.0	49.7	
Burlington Stores	179.95	97.5	10.6	11,943	12,983		6,768	1.9	17.2	15.1	13.7	25.7	22.5	13.9	1.8	--	NM	
PriceSmart ⁽³⁾	61.69	69.6	4.4	1,860	1,833		3,200	0.6	10.7	10.3	9.7	25.4	NM	8.0	3.2	1.1	9.4	
Citi Trends	15.53	44.5	(23.8)	185	112		764	0.1	2.8	NM	NM	NM	NM	NA	NM	2.1	8.8	
Tuesday Morning	1.66	46.6	(2.6)	74	95		1,007	0.1	5.4	7.5	3.5	NM	NM	NA	NM	--	(5.7)	
Stein Mart	0.86	26.3	(19.5)	41	173		1,261	0.1	4.7	NM	NM	NM	NM	NA	NM	--	(18.4)	
Off-Price							Mean	1.0 x	10.0 x	12.2 x	10.6 x	23.9 x	21.0 x	10.6 %	2.4 x	1.5 %	8.8 %	
							Median	0.6	10.7	12.8	12.0	24.5	21.5	10.2	2.2	1.4	8.8	
Kohl's	\$49.33	59.2 %	(25.6) %	\$7,993	\$10,645		\$20,108	0.5 x	4.5 x	4.8 x	4.8 x	9.3 x	8.8 x	9.0 %	1.0 x	5.4 %	14.6 %	
Macy's	22.10	52.6	(25.8)	6,826	10,836		25,717	0.4	5.1	4.5	4.7	7.0	7.4	4.8	1.5	6.8	18.2	
Nordstrom	29.72	43.9	(36.2)	4,596	6,824		15,742	0.4	4.6	4.6	4.5	8.9	8.5	6.3	1.4	5.0	NM	
Dillard's	79.35	84.4	31.6	2,042	2,471		6,510	0.4	5.3	5.6	5.9	15.1	15.4	(8.4)	NM	0.5	9.8	
J. C. Penney Company	0.90	33.8	(13.8)	284	4,058		11,903	0.3	7.3	8.1	6.4	NM	NM	NA	NM	--	(28.2)	
Stage Stores	0.74	30.3	(0.0)	21	310		1,623	0.2	NM	NM	NM	NM	NM	NM	NM	--	(40.2)	
Department Stores							Mean	0.4 x	5.4 x	5.5 x	5.3 x	10.1 x	10.0 x	2.9 %	1.3 x	4.4 %	(5.1) %	
							Median	0.4	5.1	4.8	4.8	9.1	8.7	5.5	1.4	5.2	9.8	

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) 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. Wal-Mart has also recently acquired Shoebuy.com, ModCloth, MooseJaw and Bare Necessities.

(2) In March 2018, Target reportedly entered into partnership talks with Kroger.

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

BROADLINES – OPERATING ANALYSIS

Company Name	Store Count					Operating Efficiency						Credit Statistics					
		Comp Store Sales			LTM	Gross	EBITDAR	EBITDA	EBIT	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)	EBITDA	Margin	Margin	Margin	Margin								
Wal-Mart Stores ⁽¹⁾	11,300	3.6 %	3.4 %	4.2 %	\$32,622	25.0 %	6.9 %	6.3 %	4.2 %	2.1 %	4.2 %	AA	1.8 x	1.5 x	2.1 x	8.8 x	
Costco Wholesale ⁽²⁾	772	7.4	5.5	7.2	6,170	12.9	4.3	4.1	3.2	2.0	2.1	A+	1.1	NM	1.3	20.4	
Target	1,851	5.0	4.8	5.3	6,813	29.2	9.3	8.9	5.7	4.4	4.6	A	1.8	1.6	2.0	7.4	
Dollar General	15,597	3.2	3.8	4.0	2,610	30.4	14.5	10.0	8.2	2.7	7.3	BBB	1.0	0.9	2.6	18.8	
Dollar Tree	15,264	3.3	2.5	3.2	2,369	36.3	16.4	10.3	7.6	3.7	6.6	BBB-	1.8	1.5	3.4	8.4	
Five Below	789	3.9	3.1	4.4	231	36.1	21.8	14.2	11.5	9.4	4.8	--	--	NM	2.1	NM	
Ollie's Bargain Outlet	324	4.2	0.8	5.4	181	40.1	18.2	14.1	12.9	6.9	7.1	--	0.0	NM	1.4	NM	
BJ's Wholesale Club	217	2.2	1.9	2.9	524	18.2	6.4	4.0	2.8	1.1	2.9	B+	3.5	3.4	4.4	3.1	
Big Lots ⁽³⁾	1,406	1.2	1.5	3.1	406	40.5	14.3	7.7	4.3	7.1	0.6	BBB-	1.2	1.0	3.4	2.7	
Discount Stores					Mean	29.9 %	12.5 %	8.8 %	6.7 %	4.4 %	4.5 %		1.4 x	1.7 x	2.5 x	9.9 x	
					Median	30.4	14.3	8.9	5.7	3.7	4.6		1.2	1.5	2.1	8.4	
The TJX Companies	4,381	6.0 %	5.0 %	6.0 %	\$5,035	30.3 %	17.1 %	12.7 %	10.6 %	3.0 %	9.8 %	A+	0.4 x	NM x	1.9 x	60.5 x	
Ross Stores	1,745	4.0	2.0	4.0	2,369	32.0	19.4	15.6	13.4	2.8	12.8	A-	0.1	NM	1.3	NM	
Burlington Stores	684	3.2	0.1	1.3	754	41.8	16.3	11.1	8.2	4.7	6.4	BB+	1.5	1.4	2.9	7.9	
PriceSmart	43	2.3	(0.8)	(0.9)	172	16.2	5.9	5.4	3.7	3.4	1.9	--	0.6	NM	1.1	14.1	
Citi Trends	561	1.6	(4.5)	0.2	40	37.8	12.4	5.2	2.8	1.8	3.5	--	--	NM	3.5	NM	
Tuesday Morning	712	3.9	(5.3)	1.9	18	35.0	13.5	1.8	(0.8)	1.6	0.2	--	2.0	1.2	5.5	0.7	
Stein Mart	283	(1.0)	(1.7)	(3.5)	37	27.4	10.6	2.9	0.4	0.7	2.2	--	4.1	3.5	5.5	2.6	
Off-Price					Mean	31.5 %	13.6 %	7.8 %	5.5 %	2.6 %	5.2 %		1.3 x	2.0 x	3.1 x	17.2 x	
					Median	32.0	13.5	5.4	3.7	2.8	3.5		0.6	1.4	2.9	7.9	
Kohl's	1,100	1.7 %	(3.4) %	1.0 %	\$2,341	39.7 %	13.2 %	11.6 %	6.9 %	3.4 %	8.2 %	BBB	1.4 x	1.1 x	1.9 x	7.0 x	
Macy's ⁽⁴⁾	870	2.0	0.7	0.7	2,123	40.8	9.6	8.3	5.7	2.8	5.4	BBB-	2.2	1.9	2.8	5.7	
Nordstrom ⁽⁵⁾	380	3.5	NA	4.0	1,498	35.9	11.1	9.5	5.3	4.9	4.6	BBB+	1.8	1.5	2.4	6.3	
Dillard's	261	2.0	0.0	2.0	469	33.7	7.6	7.2	3.8	1.8	5.4	BB+	1.2	0.9	1.5	7.6	
J. C. Penney Company	860	3.1	(5.5)	(4.0)	553	34.6	6.0	4.6	(0.1)	3.0	1.6	CCC+	7.1	6.8	6.9	0.6	
Stage Stores ⁽⁶⁾	790	(1.9)	(3.1)	(2.4)	(22)	25.3	5.4	(1.3)	(5.0)	2.3	(3.7)	--	NM	NM	11.1	NM	
Department Stores					Mean	35.0 %	8.8 %	6.7 %	2.8 %	3.0 %	3.6 %		2.7 x	2.4 x	4.4 x	5.5 x	
					Median	35.2	8.6	7.7	4.5	2.9	5.0		1.8	1.5	2.6	6.3	

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

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

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

SOFTLINES (SPECIALTY) – TRADING ANALYSIS

	Share Price	% of 52	YTD %	Equity	Enterprise	(a)	LTM	EV / LTM	EV / EBITDA			P / E		LTG	P/E/G	Dividend	(b)	(c)										
Company Name	7/19/2019	wk high	Change	Value	Value		Revenue	Revenue	LTM	2019E	2020E	2019E	2020E	Rate	2019E	Yield	ROE											
Lululemon Athletica	\$187.94	98.2	%	54.5	%	\$24,484	\$23,908	\$3,421	7.0	x	27.9	x	24.6	x	20.9	x	40.6	x	34.2	x	18.9	%	2.2	x	--	%	33.7	%
L Brands ⁽¹⁾	25.84	68.0		0.7		7,141	11,844	13,240	0.9		5.8		6.2		6.0		10.5		9.8		11.2					4.6		NM
Gap ⁽²⁾	18.78	56.9		(27.1)		7,098	7,134	16,503	0.4		3.9		4.3		4.2		9.0		8.7		10.6		0.8			5.2		31.5
Urban Outfitters	22.77	43.4		(31.4)		2,231	1,710	3,959	0.4		3.5		3.8		3.6		9.3		8.4		15.7		0.6		--		20.7	
Duluth Trading	13.03	36.5		(48.4)		426	503	582	0.9		11.8		8.3		7.1		17.6		14.5		25.0		0.7		--		11.2	
Vera Bradley	11.38	65.5		32.8		389	276	421	0.7		6.6		5.9		5.7		16.1		15.3		16.3		1.0		--		6.9	
Chico's FAS	3.26	31.2		(42.0)		385	270	2,087	0.1		2.4		2.7		2.6		NM		NM		12.5		NM		10.7		1.4	
Lands End	10.83	39.5		(23.8)		351	697	1,414	0.5		10.8		9.5		8.7		25.2		19.3		20.0		1.3		--		2.4	
Tailored Brands	5.28	18.3		(61.3)		267	1,396	3,203	0.4		4.2		4.9		4.8		3.1		2.8		NA		NM		13.6		4.8	
Express	2.45	21.0		(52.1)		165	21	2,088	0.0		0.2		0.3		0.3		NM		NM		NA		NM		--		(0.1)	
RTW Retailwinds ⁽³⁾	1.73	31.2		(38.9)		110	30	875	0.0		1.1		1.2		1.0		34.6		11.5		NA		NM		--		(1.4)	
Ascena Retail Group ⁽⁴⁾	0.52	9.8		(79.4)		101	1,336	6,571	0.2		3.3		6.0		NM		NM		NM		23.0		NM		--		(38.2)	
J. Jill	2.16	23.8		(59.5)		95	321	701	0.5		3.7		4.5		3.9		11.4		8.0		(6.7)		NM		--		13.2	
Destination XL Group	1.81	51.4		(16.6)		90	162	473	0.3		5.9		5.4		NM		NM		NA		NM		NM		--		(20.9)	
Destination Maternity	0.99	15.8		(65.1)		14	66	375	0.2		5.0		NM		NM		NM		NA		NM		NM		--		(43.7)	
Francesca's	3.19	3.2		(72.6)		9	2	415	0.0		0.2		NM		NM		NM		NA		NM		NM		--		NM	
Specialty Apparel / Accessories							Mean	0.8	x	6.0	x	6.3	x	5.7	x	17.7	x	13.3	x	14.6	%	1.1	x	8.5	%	1.3	%	
							Median	0.4		4.0		5.1		4.5		13.8		10.7		16.0		0.9		8.0		2.4		
Carter's	\$90.74	76.8	%	11.2	%	\$4,102	\$4,567	\$3,448	1.3	x	9.4	x	9.0	x	8.8	x	13.6	x	12.6	x	6.4	%	2.1	x	2.2	%	32.2	%
American Eagle Outfitters	18.22	61.0		(5.7)		3,138	2,788	4,099	0.7		5.5		5.2		4.9		11.2		10.4		13.6		0.8		3.0		21.5	
The Children's Place	99.37	62.0		10.3		1,575	1,662	1,914	0.9		9.9		8.5		7.2		16.0		11.8		7.7		2.1		2.3		23.7	
Abercrombie & Fitch Co.	18.60	60.7		(7.2)		1,222	897	3,593	0.2		2.8		3.3		2.8		18.8		13.1		13.5		1.4		4.3		8.9	
Buckle	19.90	67.1		2.9		966	729	882	0.8		5.1		5.4		5.5		11.0		11.2		(14.4)		NM		10.1		23.2	
Zumiez	24.65	75.4		28.6		635	467	985	0.5		5.1		5.2		5.0		13.0		12.0		13.5		1.0		--		13.0	
The Cato Corporation	13.97	52.0		(2.1)		332	121	822	0.1		2.9		NM		NM		NM		NA		NM		NM		9.4		8.5	
Tilly's	8.24	32.4		(24.1)		243	133	605	0.2		2.6		2.8		2.5		11.4		9.7		11.0		1.0		--		14.9	
Specialty Apparel / Accessories -Teen/Jrs/Children							Mean	0.6	x	5.4	x	5.6	x	5.2	x	13.6	x	11.6	x	7.3	%	1.4	x	5.2	%	18.2	%	
							Median	0.6		5.1		5.2		5.0		13.0		11.8		11.0		1.2		3.7		18.2		

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 December 2018, L Brands announced it would sell La Senza to an affiliate of Regent LP.

(2) In February 2019, Gap Inc. announced that it would split into two separate publicly traded companies, one consisting of Old Navy and the other which will be comprised of its other brands including Gap, Banana Republic and Athleta.

(3) In November 2018, New York & Co. changed its name to RTW Retailwinds.

(4) In March 2019, Ascena announced it will sell a majority interest in its Maurices, Inc. chain to OpCapita in a deal valued at \$300 million.

SOFTLINES (SPECIALTY) – OPERATING ANALYSIS

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.	
Lululemon Athletica ⁽¹⁾	445	7.0 %	6.0 %	6.0 %	\$858	55.3 %	30.4 %	25.1 %	21.3 %	7.6 %	17.5 %	--	-- x	NM x	1.0 x	NM x	
L Brands ⁽²⁾	2,920	3.0	0.0	3.0	2,025	43.2	21.6	15.3	10.9	4.5	10.8	BB	2.9	2.3	3.8	3.7	
Gap ⁽³⁾	3,335	0.0	(4.0)	(1.0)	1,849	40.6	19.0	11.2	7.7	6.5	4.7	BB+	0.7	0.0	2.9	10.1	
Urban Outfitters ⁽⁴⁾	609	8.0	1.0	3.0	485	33.8	19.3	12.2	9.4	3.2	9.0	--	--	NM	2.2	NM	
Duluth Trading	46				43	54.2	8.8	7.3	4.8	8.4	(1.1)	--	1.8	1.8	2.5	NM	
Vera Bradley	156	(10.3)	5.2	(11.2)	42	57.2	18.2	10.0	6.1	1.9	8.1	--	--	NM	2.7	NM	
Chico's FAS	1,410	(4.9)	(7.0)	(3.8)	115	35.5	15.5	5.5	1.1	2.5	3.0	--	0.5	NM	4.0	NM	
Lands End	60	3.9	12.0	15.1	64	42.6	5.9	4.6	2.5	3.5	1.1	B	6.0	5.4	6.0	0.5	
Tailored Brands ⁽⁵⁾	1,462	0.8	(4.5)	(3.2)	334	42.4	18.1	10.4	7.2	2.9	7.5	B+	3.5	3.4	4.5	3.2	
Express	629	(1.0)	(9.0)	(6.0)	101	42.8	14.9	4.8	0.7	2.2	2.6	--	--	NM	4.1	NM	
RTW Retailwinds	410	0.4	(5.3)	(1.5)	26	43.2	13.0	3.0	0.7	1.0	2.0	--	0.1	NM	4.6	65.2	
Ascena Retail Group ⁽⁶⁾	3,519	(2.0)	2.0	2.0	399	56.5	18.9	6.1	0.9	2.4	3.7	CCC+	3.3	3.1	5.1	2.2	
J. Jill	283	0.9	(3.3)	(1.7)	87	65.1	21.1	12.5	7.2	3.8	8.7	--	2.7	2.6	4.1	3.2	
Destination XL Group ⁽⁷⁾	328	3.0	(1.2)	3.1	28	44.4	19.5	5.8	(0.0)	2.6	3.2	--	2.9	2.6	5.1	4.4	
Destination Maternity	998	(1.8)	(7.2)	(5.8)	13	51.9	16.9	3.5	(0.5)	1.6	1.9	--	4.0	4.0	5.6	1.4	
Francesca's	727	(14.0)	(14.0)	(14.0)	9	41.1	12.7	2.1	(3.8)	4.8	(2.8)	--	1.2	NM	5.2	NM	
Specialty Apparel / Accessories					Mean	46.9 %	17.1 %	8.7 %	4.7 %	3.7 %	5.0 %		1.9 x	2.8 x	4.0 x	10.4 x	
					Median	43.2	18.2	6.7	3.6	3.1	3.5		1.5	2.6	4.1	3.2	
Carter's ⁽⁸⁾	1,021	2.8 %	(3.7) %	5.7 %	\$485	43.0 %	18.8 %	14.1 %	11.4 %	1.7 %	12.4 %	BB+	1.3 x	1.0 x	2.5 x	11.8 x	
American Eagle Outfitters	1,061	8.0	6.0	6.0	509	44.5	20.7	12.4	8.2	4.4	8.1	--	--	NM	2.4	NM	
The Children's Place ⁽⁹⁾	971	4.6	(4.6)	(0.6)	169	35.3	16.7	8.8	5.1	7.7	1.1	--	0.9	0.5	3.3	4.6	
Abercrombie & Fitch Co. ⁽¹⁰⁾	857	3.0	1.0	3.0	320	60.2	19.1	8.9	4.1	4.8	4.1	BB-	0.8	NM	3.6	6.8	
Buckle	449	(0.9)	(1.3)	(0.6)	142	52.7	24.2	16.2	13.2	1.0	15.1	--	--	NM	2.0	NM	
Zumiez	707	5.6	3.3	3.9	92	34.5	17.9	9.3	6.6	2.1	7.2	--	--	NM	2.9	NM	
The Cato Corporation	1,302	0.0	(1.0)	(2.0)	42	37.2	13.7	5.2	3.4	0.6	4.6	--	--	NM	3.7	NM	
Tilly's	229	4.0	2.4	6.4	51	33.1	15.9	8.5	4.9	2.5	6.0	--	--	NM	2.8	NM	
Specialty Apparel / Accessories -Teen/Jrs/Children					Mean	42.5 %	18.4 %	10.4 %	7.1 %	3.1 %	7.3 %		0.4 x	0.7 x	2.9 x	7.7 x	
					Median	40.1	18.4	9.1	5.9	2.3	6.6		--	0.7	2.8	6.8	

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) Lululemon SSS% excludes e-commerce.

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

(3) Gap SSS% for total company.

(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

	Share Price	% of 52	YTD %	Equity	Enterprise	(a)	LTM	EV / LTM	EV / EBITDA			P / E		LTG	P/E/G	Dividend	(b)	(c)
Company Name	7/19/2019	wk high	Change	Value	Value		Revenue	Revenue	LTM	2019E	2020E	2019E	2020E	Rate	2019E	Yield		ROE
Foot Locker ⁽¹⁾	\$42.04	61.8 %	(21.0) %	\$4,612	\$3,609		\$7,992	0.5 x	4.0 x	3.9 x	3.7 x	8.3 x	7.7 x	9.6 %	0.9 x	3.6 %		21.3 %
Designer Brands ⁽²⁾	18.81	54.3	(23.8)	1,415	1,528		3,350	0.5	5.9	5.2	4.7	9.9	8.6	11.8	0.8	5.3		(1.6)
Boot Barn ⁽³⁾	33.02	88.9	93.9	940	1,109		777	1.4	13.3	12.2	10.3	23.6	18.7	18.3	1.3	--		16.3
Genesco ⁽⁴⁾	39.98	77.1	(9.8)	661	579		2,198	0.3	4.1	4.4	4.1	10.8	9.9	5.0	2.2	--		7.5
Shoe Carnival	26.86	59.7	(19.8)	395	373		1,026	0.4	5.4	5.4	5.0	9.7	9.3	10.0	1.0	1.3		13.2
Footwear Retail							Mean	0.6 x	6.6 x	6.2 x	5.5 x	12.5 x	10.8 x	10.9 %	1.2 x	3.4 %		11.3 %
							Median	0.5	5.4	5.2	4.7	9.9	9.3	10.0	1.0	3.6		13.2
Nike	\$86.55	96.2 %	16.7 %	\$136,035	\$134,851		\$39,117	3.4 x	24.6 x	23.2 x	20.2 x	33.3 x	27.6 x	14.6 %	2.3 x	1.0 %		42.7 %
Skechers USA	39.01	96.3	70.4	6,140	5,561		4,814	1.2	9.4	8.8	7.9	17.3	15.3	13.5	1.3	--		17.9
Deckers Brands	174.24	96.4	36.2	5,078	4,520		2,020	2.2	12.1	13.1	11.3	22.3	18.4	14.0	1.6	--		26.6
Steve Madden	33.51	85.3	10.7	2,876	2,665		1,676	1.6	12.2	12.3	11.3	18.2	16.5	6.0	3.0	1.7		16.7
Wolverine World Wide	27.11	68.2	(15.0)	2,406	3,103		2,229	1.4	11.6	9.8	9.1	11.8	10.8	12.5	0.9	1.5		20.7
Grocs	23.13	72.6	(11.0)	1,662	1,791		1,101	1.6	14.2	12.4	10.8	19.9	15.8	10.0	2.0	--		24.0
Caleres ⁽⁵⁾	18.01	43.8	(35.3)	760	1,242		2,880	0.4	6.3	5.9	5.5	7.5	6.8	NA	NM	1.6		(2.0)
Weyco	23.77	59.8	(18.5)	236	221		303	0.7	7.1	NM	NM	NM	NA	NA	NM	4.0		10.2
Rocky Brands	29.53	88.3	13.6	218	201		257	0.8	8.5	7.9	7.7	14.8	13.9	NA	NM	1.9		10.0
Footwear Wholesale							Mean	1.5 x	11.8 x	11.7 x	10.5 x	18.1 x	15.6 x	11.8 %	1.9 x	1.9 %		18.5 %
							Median	1.4	11.6	11.1	10.0	17.8	15.6	13.0	1.8	1.6		17.9
V.F. Corporation ⁽⁶⁾	\$87.34	90.0 %	22.4 %	\$34,688	\$36,931		\$13,849	2.7 x	16.7 x	18.7 x	17.4 x	25.7 x	23.2 x	10.4 %	2.5 x	2.3 %		31.5 %
Under Armour (Class A) ⁽⁷⁾	26.95	97.3	52.5	11,469	11,771		5,213	2.3	31.0	27.9	22.7	NM	NM	29.2	NM	--		0.3
Tapestry	30.30	55.7	(10.2)	8,791	9,056		5,997	1.5	8.2	7.0	6.5	11.1	10.2	11.0	1.0	4.5		21.2
Ralph Lauren	110.27	74.6	6.6	8,522	7,464		6,313	1.2	7.7	7.3	6.8	14.7	12.9	11.3	1.3	2.3		12.8
Levi Strauss & Co.	18.75	76.5	NM	7,359	7,449		5,733	1.3	11.3	9.9	8.9	17.3	15.6	9.4	1.8	1.5		42.0
Columbia Sportswear Company	103.96	94.7	23.6	7,101	6,398		2,850	2.2	14.2	13.7	12.6	22.8	20.7	10.0	2.3	0.9		17.6
PVH ⁽⁸⁾	88.25	55.2	(5.1)	6,611	9,225		9,699	1.0	7.0	6.8	6.4	8.6	7.8	12.5	0.7	0.2		11.4
Hanesbrands ⁽⁹⁾	16.53	73.4	31.9	5,975	9,786		6,920	1.4	9.0	8.8	8.8	9.3	9.1	(2.3)	NM	3.6		NM
Capri Holdings	36.33	47.8	(4.2)	5,484	7,885		5,238	1.5	7.1	7.1	6.4	8.1	6.8	7.3	1.1	--		24.3
Kontoor Brands	29.49	70.6	NM	1,679	1,826		2,743	0.7	5.4	5.2	5.0	8.4	8.2	3.8	2.2	--		--
G-III Apparel Group	27.28	53.7	(2.2)	1,335	1,698		3,098	0.5	6.2	5.6	5.1	8.3	7.6	10.7	0.8	--		12.4
Guess?	16.64	61.7	(19.9)	1,192	1,425		2,625	0.5	7.8	7.0	6.4	13.3	11.2	17.5	0.8	2.7		2.4
Oxford Industries	69.43	71.4	(2.3)	1,182	1,209		1,117	1.1	8.7	8.3	7.9	15.2	14.1	12.0	1.3	2.1		14.4
Movado Group	25.97	49.8	(17.9)	599	501		699	0.7	5.9	NM	NM	9.4	9.1	NA	NM	3.1		12.0
Fossil	10.61	35.9	(32.5)	526	485		2,438	0.2	2.7	2.4	2.6	12.2	11.2	NA	NM	--		6.5
Clarus Corporation	14.51	96.1	43.4	434	449		220	2.0	20.5	17.9	14.7	18.4	14.7	NA	NM	0.7		6.4
Centric Brands ⁽¹⁰⁾	2.60	39.4	(24.2)	152	1,419		1,087	1.3	NM	NM	NM	NM	NM	NA	NM	--		NM
Vince	12.92	53.4	38.5	151	195		280	0.7	15.7	12.0	11.2	35.9	28.1	NA	NM	--		(4.9)
Delta Apparel ⁽¹¹⁾	19.63	78.6	13.9	136	279		410	0.7	12.2	7.8	NM	12.3	NM	15.0	0.8	--		4.9
Apparel/Active/Accessories							Mean	1.2 x	11.0 x	10.2 x	9.3 x	14.8 x	13.2 x	11.3 %	1.4 x	2.2 %		12.7 %
							Median	1.2	8.4	7.8	7.3	12.3	11.2	10.9	1.2	2.3		12.0

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 February 2019, Foot Locker announced that it had made a \$100 million investment into specialty sneaker retailer, GOAT.

(2) In March 2019, DSW changed its name to Designer Brands International. 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 July 2018, Boot Barn acquired Drysdale. In April 2018, Boot Barn acquired Lone Star Western & Casual.

(4) In February 2019, Genesco divested Lids to Fanatics and Ames Watson.

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

(6) In May 2019, VF completed its spin-off of Kontoor brands with a successful IPO. In October 2018, VF announced its sale of Reef to the Rockport Group.

(7) In February 2019, PVH announced its acquisition of the remaining interest in Gazal for A\$6.00 a share.

(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

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.		
Foot Locker	3,201	2.7 %	4.6 %	9.7 %	\$901	44.0 %	22.6 %	11.3 %	9.1 %	2.1 %	9.2 %	BB+	0.1 x	NM x	3.1 x	73.3 x		
Designer Brands	520	6.1	3.0	5.4	259	37.2	15.2	7.7	5.3	2.2	5.6	--	0.9	0.4	3.4	44.0		
Boot Barn	240	10.0	8.7	9.2	83	32.4	16.6	10.7	8.3	3.5	7.2	--	2.2	2.0	3.6	3.4		
Genesco	1,504	5.0	5.0	4.0	141	48.0	21.7	6.4	4.1	2.1	4.3	--	0.5	NM	4.4	24.4		
Shoe Carnival	395	4.3	(0.2)	4.7	69	29.9	12.6	6.7	4.7	1.5	5.2	--	--	NM	2.8	NM		
Footwear Retail					Mean	38.3 %	17.7 %	8.6 %	6.3 %	2.3 %	6.3 %		0.8 x	1.2 x	3.5 x	36.3 x		
					Median	37.2	16.6	7.7	5.3	2.1	5.6		0.5	1.2	3.4	34.2		
Nike	1,181	4.0 %	6.0 %	7.0 %	\$5,487	44.7 %	16.1 %	14.0 %	12.2 %	2.6 %	11.4 %	AA-	0.6 x	NM x	1.3 x	91.0 x		
Skechers USA ⁽¹⁾	758	9.2	0.7	1.1	595	47.8	17.9	12.4	10.1	3.0	9.4	--	0.2	NM	2.0	77.3		
Deckers Brands ⁽²⁾	156	1.9	(0.5)	1.4	373	51.5	22.1	18.4	16.2	1.4	17.0	--	0.1	NM	1.1	73.7		
Steve Madden	225	2.8	6.3		218	37.7	16.5	13.0	11.7	0.8	12.2	--	--	NM	1.3	NM		
Wolverine World Wide	80				268	41.0	13.3	12.0	10.6	1.2	10.9	BB+	2.9	2.6	3.2	10.0		
Crocs ⁽³⁾	372	10.8	8.7	13.4	127	50.7	18.0	11.5	9.0	1.9	9.6	--	1.7	1.0	3.3	39.7		
Caleres ⁽⁴⁾	1,215	1.5	1.0	1.1	199	41.0	13.0	6.9	5.0	2.5	4.4	BB	2.6	2.4	4.2	5.7		
Weyco	9	13.0	13.0	21.0	31	40.3	13.6	10.2	8.9	0.7	9.5	--	0.1	NM	1.6	NM		
Rocky Brands					24	34.6	9.5	9.2	7.1	1.8	7.4	--	--	NM	0.2	NM		
Footwear Wholesale					Mean	43.3 %	15.6 %	12.0 %	10.1 %	1.8 %	10.2 %		0.9 x	2.0 x	2.0 x	49.6 x		
					Median	41.0	16.1	12.0	10.1	1.8	9.6		0.2	2.4	1.6	56.7		
V.F. Corporation	1,551				2,211	51.2 %	19.0 %	16.0 %	13.8 %	1.8 %	14.2 %	A	1.3 x	1.0 x	2.0 x	18.1 x		
Under Armour (Class A)	163				380	45.6	10.2	7.3	3.8	2.9	4.4	BB	1.6	0.8	2.8	7.9		
Tapestry ⁽⁵⁾	1,502	0.8	0.1	(2.1) %	1,106	66.6	27.4	18.4	14.1	4.4	14.0	BBB-	1.4	0.2	2.9	12.4		
Ralph Lauren Corporation	1,093	0.0	(4.0)	4.0	974	61.7	22.5	15.4	11.2	3.1	12.3	A-	1.0	NM	2.5	37.5		
Levi Strauss & Co.					657	53.6	16.1	11.5	9.5	3.1	8.4	BB+	1.6	0.1	2.8	8.3		
Columbia Sportswear Company	136				450	50.0	21.0	15.8	13.2	2.8	13.0	--	--	NM	1.5	NM		
PVH ⁽⁶⁾	1,700				1,319	54.8	19.7	13.6	10.2	3.9	9.7	BBB-	2.4	2.0	3.5	7.7		
Hanesbrands	243				1,092	39.7	18.5	15.8	13.9	1.3	14.5	BB	3.8	3.5	4.1	5.1		
Capri Holdings ⁽⁷⁾	1,249				1,105	60.7	30.0	21.1	16.8	3.5	17.6	BBB-	2.3	2.2	3.4	24.3		
Kontoor Brands					338	40.0	13.8	12.3	11.2	0.7	11.6	BB-	0.7	0.4	1.3	NM		
G-III Apparel Group	308				274	35.8	12.4	8.8	7.6	1.2	7.6	BB	1.5	1.3	2.8	5.3		
Guess?	1,724	4.0	5.0	7.0	183	36.1	18.2	7.0	4.3	4.1	2.9	--	1.8	1.1	4.4	19.5		
Oxford Industries ⁽⁸⁾	230	4.0	2.0	2.0	139	56.7	18.7	12.5	8.7	2.9	9.6	--	0.2	0.2	2.2	49.2		
Movado Group	44				84	54.6	15.1	12.1	10.4	1.6	10.5	--	0.6	NM	1.7	94.8		
Fossil	461	(2.0)	(9.0)	(7.0)	182	53.3	14.0	7.4	4.7	0.8	6.6	--	1.3	NM	3.5	4.0		
Clarus Corporation					22	36.0	10.3	9.9	6.2	1.6	8.3	--	0.8	0.7	1.0	13.1		
Centric Brands	90				31	27.2	5.2	2.8	(0.9)	0.5	2.4	--	42.2	41.3	25.6	0.3		
Vince	59	10.7	1.1	3.1	12	47.7	12.8	4.4	1.6	1.2	3.3	--	3.6	3.6	5.2	1.6		
Delta Apparel					23	19.7	8.1	5.6	2.9	1.1	4.5	--	6.3	6.2	6.2	2.7		
Apparel/Active/Accessories					Mean	46.9 %	16.5 %	11.5 %	8.6 %	2.2 %	9.2 %		3.9 x	4.3 x	4.2 x	18.3 x		
					Median	50.0	16.1	12.1	9.5	1.8	9.6		1.5	1.1	2.8	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.)

Company Name	Share Price 7/19/2019	% of 52 wk high	YTD % 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	2019E	2020E	2019E	2020E				
Cintas	\$257.85	97.7 %	53.5 %	\$26,632	\$29,385	\$6,892	4.3 x	19.5 x	18.8 x	17.3 x	32.9 x	28.7 x	11.1 %	3.0 x	0.8 %	29.3 %
UniFirst Corporation	188.80	98.1	32.0	3,587	3,238	1,764	1.8	10.8	11.3	10.2	26.0	NM	NA	NM	0.2	11.1
Superior Group of Companies ⁽¹⁾	16.13	72.1	(8.6)	247	358	360	1.0	10.4	10.7	9.2	15.4	12.0	13.5	1.1	2.5	11.6
Lakeland Industries	10.15	70.3	(2.8)	81	69	99	0.7	20.2	15.1	7.8	35.0	15.4	10.0	3.5	--	(1.0)
Uniform / Protectivewear						Mean	1.9 x	15.2 x	14.0 x	11.2 x	27.3 x	18.7 x	11.5 %	2.5 x	1.2 %	12.7 %
						Median	1.4	15.1	13.2	9.7	29.4	15.4	11.1	3.0	0.8	11.3
Sequential Brands Group	\$0.51	22.4 %	(36.3) %	\$33	\$694	\$169	4.1 x	8.2 x	9.0 x	8.6 x	2.7 x	1.7 x	15.0 %	0.2 x	--	(44.8) %
Xcel Brands	2.40	68.6	112.4	45	64	37	1.7	9.8	6.1	4.5	6.0	4.8	NA	NM	--	0.7
Iconix Brand Group	0.93	13.4	11.5	10	664	175	3.8	8.3	8.8	8.2	1.0	1.6	NA	NM	--	NM
Licensing / Brand Management						Mean	3.2 x	8.8 x	8.0 x	7.1 x	3.2 x	2.7 x	15.0 %	0.2 x	-- %	(22.0) %
						Median	3.8	8.3	8.8	8.2	2.7	1.7	15.0	0.2	--	(22.0)

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 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.

APPAREL AND FOOTWEAR – OPERATING ANALYSIS (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					\$1,508	45.4 %	23.1 %	21.9 %	16.7 %	4.0 %	17.9 %	A-	1.9 x	1.8 x	2.1 x	12.1 x	
UniFirst Corporation					301	37.1	17.9	17.1	11.3	6.4	10.7	--	--	NM	0.3	NM	
Superior Group of Companies ⁽¹⁾					34	35.3	10.2	9.6	7.3	1.5	8.0	--	3.4	3.2	3.6	7.1	
Lakeland Industries					3	32.2	4.4	3.4	2.2	3.0	0.4	--	0.4	NM	1.7	3.1	
Uniform / Protectivewear					Mean	37.5 %	13.9 %	13.0 %	9.4 %	3.7 %	9.3 %		1.4 x	2.5 x	1.9 x	7.4 x	
					Median	36.2	14.1	13.3	9.3	3.5	9.4		1.2	2.5	1.9	7.1	
Sequential Brands Group					\$84	56.0	53.2 %	49.9 %	47.8 %	1.5 %	48.4 %	--	7.2 x	7.0 x	7.1 x	1.3 x	
Xcel Brands					7	88.2	19.6	17.6	11.3	1.9	15.7	--	3.9	2.9	4.1	5.8	
Iconix Brand Group					80	100.0	47.6	45.4	44.2	0.5	45.0	CCC	8.1	7.4	8.0	1.3	
Licensing / Brand Management					Mean	81.4 %	40.1 %	37.6 %	34.5 %	1.3 %	36.4 %		6.4 x	5.8 x	6.4 x	2.8 x	
					Median	88.2	47.6	45.4	44.2	1.5	45.0		7.2	7.0	7.1	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

	Share Price	% of 52	YTD %	Equity	Enterprise	(a)	LTM	EV / LTM	EV / EBITDA			P / E		LTG	P/E/G	Dividend	(b)	(c)
Company Name	7/19/2019	wk high	Change	Value	Value		Revenue	Revenue	LTM	2019E	2020E	2019E	2020E	Rate	2019E	Yield	ROE	
Williams-Sonoma ⁽¹⁾	\$69.26	93.6 %	37.3 %	\$5,444	\$5,636		\$5,710	1.0 x	8.8 x	8.3 x	8.2 x	14.7 x	14.1 x	7.2 %	2.0 x	2.8 %	29.4 %	
Aaron's	63.30	96.8	50.5	4,284	4,568		3,886	1.2	7.7	10.5	9.3	16.6	14.3	NA	NM	0.2	11.2	
Restoration Hardware	124.81	77.0	4.2	2,293	3,971		2,547	1.6	10.0	9.1	8.4	13.7	12.1	12.5	1.1	--	NM	
Rent-A-Center ⁽²⁾	26.05	92.2	60.9	1,408	1,711		2,659	0.6	7.9	7.1	6.7	12.3	11.5	14.7	0.8	3.8	13.0	
Michaels	7.81	37.0	(42.3)	1,235	3,698		5,210	0.7	5.0	4.6	4.5	3.3	3.2	4.5	0.7	--	NM	
Bed Bath & Beyond	9.90	50.5	(12.5)	1,230	1,921		11,848	0.2	2.8	2.7	2.7	5.7	4.8	14.7	0.4	6.9	(22.2)	
Sleep Number	40.15	81.0	26.5	1,213	1,430		1,569	0.9	8.9	8.4	7.9	16.4	14.2	10.1	1.6	--	NM	
Ethan Allen Interiors	20.63	83.1	17.3	548	532		768	0.7	7.2	7.1	6.1	13.5	11.1	20.0	0.7	8.5	10.5	
At Home	6.02	15.6	(67.7)	385	948		1,216	0.8	5.7	5.6	4.7	8.9	6.7	21.3	0.4	--	6.1	
Haverty Furniture	18.07	72.0	(3.8)	371	298		806	0.4	4.6	5.3	5.0	13.6	12.9	10.0	1.4	4.0	9.6	
The Lovesac Company	23.79	50.8	3.7	346	310		180	1.7	NM	NM	NM	NM	NM	NA	NM	--	(23.0)	
The Container Store	6.55	52.7	37.3	322	583		895	0.7	6.6	6.7	6.1	17.7	13.6	NA	NM	--	8.4	
Bassett Furniture Industries	12.85	48.8	(35.9)	134	100		459	0.2	4.5	4.6	NM	20.4	10.0	16.0	1.3	3.9	3.1	
Kirkland's	1.74	14.2	(81.7)	25	(8)		634	(0.0)	NM	NM	NM	NM	4.4	16.0	NM	--	(3.3)	
Pier 1 Imports	3.84	8.5	(37.2)	16	252		1,495	0.2	NM	NM	NM	NM	NM	NA	NM	--	NM	
Home Furnishings and Décor							Mean	0.7 x	6.6 x	6.7 x	6.3 x	13.1 x	10.2 x	13.3 %	1.0 x	4.3 %	3.9 %	
							Median	0.7	6.9	6.9	6.1	13.6	11.5	14.7	1.0	3.9	8.4	
The Home Depot ⁽³⁾	\$213.04	97.1 %	24.0 %	\$234,405	\$260,783		\$109,637	2.4 x	14.4 x	14.3 x	13.5 x	21.1 x	19.4 x	9.3	2.3 x	2.6 %	NM %	
Lowe's Companies	102.50	86.7	11.0	80,249	94,636		71,690	1.3	12.7	12.0	10.8	18.4	15.6	15.0	1.2	2.1	NM	
Sherwin-Williams	456.60	95.2	16.0	41,930	51,671		17,714	2.9	19.7	16.5	14.8	21.8	19.1	12.7	1.7	1.0	31.3	
Tractor Supply Company	112.47	98.4	34.8	13,569	14,123		8,050	1.8	15.9	14.8	13.7	23.7	21.3	11.7	2.0	1.1	38.4	
Floor and Décor	39.65	78.1	53.1	3,895	4,042		1,784	2.3	21.0	17.0	13.8	36.0	28.7	25.0	1.4	--	20.8	
Lumber Liquidators	10.22	38.9	7.4	293	343		1,089	0.3	9.3	8.3	7.8	18.9	15.1	30.0	0.6	--	(33.8)	
Tile Shop	4.08	43.4	(25.5)	212	255		349	0.7	6.5	5.3	4.8	24.7	18.1	20.0	1.2	4.9	1.8	
Sears Hometown and Outlet ⁽⁴⁾	2.51	74.9	17.8	57	175		1,360	0.1	NM	NM	NM	NM	NM	NA	NM	--	(41.7)	
Home Improvement							Mean	1.5 x	14.2 x	12.6 x	11.3 x	23.5 x	19.6 x	17.7 %	1.5 x	2.3 %	2.8 %	
							Median	1.5	14.4	14.3	13.5	21.8	19.1	15.0	1.4	2.1	11.3	
Planet Fitness	\$74.17	90.6 %	38.3 %	\$6,227	\$7,054		\$557	12.7 x	29.9 x	26.0 x	22.3 x	NM x	38.8 x	18.7 %	NM x	-- %	NM %	
Party City	5.97	35.2	(40.2)	560	2,555		2,433	1.1	6.9	6.2	6.0	3.6	3.3	14.9	0.2	--	9.4	
Barnes & Noble	6.69	85.7	(5.6)	489	683		3,553	0.2	6.1	4.8	4.6	20.9	22.1	NA	NM	9.0	0.9	
Build-A-Bear Workshop	4.94	52.8	25.1	73	52		338	0.2	9.2	3.1	2.5	NM	32.9	9.0	NM	--	(17.1)	
Town Sports Fitness ⁽⁵⁾	1.90	13.4	(70.3)	51	219		453	0.5	4.2	4.8	4.8	NM	NM	NA	NM	--	NM	
Entertainment (Book/Video/Music/Toy/Hobby)							Mean	2.9 x	11.3 x	9.0 x	8.0 x	12.3 x	24.3 x	14.2 %	0.2 x	9.0 %	(2.3) %	
							Median	0.5	6.9	4.8	4.8	12.3	27.5	14.9	0.2	9.0	0.9	

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) 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 June 2019, Transform Holdco (New Sears) announced that they had entered into a definitive merger agreement with Sears Hometown and Outlet to acquire its outstanding shares not owned by ESL Investments for a price of \$2.25 per share.

(5) In February 2018, Town Sports Fitness agreed to acquire Total Woman Gym and Spa.

HARDLINES (SPECIALTY) – OPERATING ANALYSIS

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 / EBITDA	(c) EBITDA-Capex / Int.		
Williams-Sonoma	625	3.7	3.5	2.4 %	\$637	37.0 %	15.9 %	11.2 %	7.9 %	3.4 %	7.8 %	--	0.5 x	0.3 x	2.1 x	57.3 x		
Aaron's	1,230	(1.5)	0.9	(0.5)	593	49.4	18.3	15.3	13.1	2.2	13.1	--	0.7	0.5	1.6	29.7		
Restoration Hardware	85	4.0	NA	5.0	396	40.3	19.2	15.6	12.6	5.0	10.6	--	4.3	4.2	4.6	3.3		
Rent-A-Center	3,665	4.7	6.8	9.1	216	63.0	15.9	8.1	5.6	0.8	7.3	BB-	2.5	1.4	4.2	4.7		
Michaels	1,260	0.8	(2.9)	(0.4)	741	38.1	22.3	14.2	12.4	2.7	11.5	BB-	3.7	3.3	4.5	4.0		
Bed Bath & Beyond	1,533	(1.1)	(1.4)	(1.8)	679	34.0	10.7	5.7	2.8	2.5	3.2	BB+	2.3	1.0	4.0	5.8		
Sleep Number	585	3.0	5.0	9.0	160	60.7	15.4	10.2	6.3	3.6	6.6	--	1.4	1.4	2.9	13.0		
Ethan Allen Interiors ⁽¹⁾	300	(11.4)	0.4	(4.2)	74	54.6	13.8	9.7	7.1	2.2	7.5	--	0.1	NM	1.9	NM		
At Home	191	2.7	(0.8)	2.1	165	32.0	22.8	13.6	8.9	29.6	(16.0)	B+	3.5	3.4	4.5	NM		
Haverty Furniture	120	0.3	(2.0)	(3.9)	65	54.7	11.8	8.1	4.7	2.2	5.9	--	--	NM	1.9	23.9		
The Lovesac Company	79	43.8	43.5	52.2	(5)	54.0	7.6	(2.5)	(4.5)	5.5	(8.0)	--	--	7.9	8.0	NM		
The Container Store	92	3.5	8.5	(0.8)	88	58.5	20.0	9.8	6.3	3.8	6.1	B	3.0	3.0	4.5	2.0		
Bassett Furniture Industries	102	(1.6)	(6.9)	(5.3)	22	60.3	13.4	4.9	2.0	4.1	0.7	--	0.0	NM	3.8	59.3		
Kirkland's	432	(1.3)	(10.7)	(3.3)	25	30.6	12.8	4.0	(0.7)	3.4	0.6	--	--	NM	4.1	13.6		
Pier 1 Imports	970	(11.0)	(13.7)	(10.5)	(135)	27.4	7.5	(9.0)	(13.0)	1.8	(10.8)	CCC-	NM	NM	15.7	NM		
Home Furnishings and Décor						Mean	46.3 %	15.2 %	7.9 %	4.8 %	4.9 %	3.1 %		1.6 x	2.6 x	4.6 x	19.7 x	
						Median	49.4	15.4	9.7	6.3	3.4	6.1		1.0	2.2	4.1	13.0	
The Home Depot ⁽²⁾	2,289	5.2	2.5	3.2 %	\$18,160	34.3 %	17.6 %	16.6 %	14.6 %	2.3 %	14.2 %	A	1.6 x	1.5 x	1.8 x	14.5 x		
Lowe's Companies	2,002	2.4	3.5	1.7	7,438	31.7	11.2	10.4	8.4	1.6	8.8	BBB+	2.4	1.9	2.6	9.5		
Sherwin-Williams	4,711	5.1	3.6	2.9	2,622	43.0	18.0	14.8	11.5	1.4	13.4	BBB	3.6	3.6	4.0	6.6		
Tractor Supply Company	1,775	5.1	5.0	5.7	891	34.2	15.4	11.1	8.8	3.3	7.8	--	0.7	0.6	2.2	33.4		
Floor and Décor	103	9.2	3.1	0.5	192	41.4	16.3	10.8	7.5	8.7	2.1	BB-	0.8	0.8	2.5	3.7		
Lumber Liquidators	413	2.6	(0.8)	0.4	37	36.0	6.5	3.4	2.1	1.3	2.1	--	1.8	1.3	3.8	14.1		
Tile Shop	140	(0.6)	(4.2)	5.0	39	70.3	21.8	11.2	2.6	7.9	3.3	--	1.6	1.5	3.7	3.4		
Sears Hometown and Outlet	639	(4.6)	(8.9)	(8.5)	(7)	24.2	2.4	(0.5)	(1.3)	0.3	(0.9)	--	NM	NM	11.5	NM		
Home Improvement						Mean	39.4 %	13.6 %	9.7 %	6.8 %	3.4 %	6.4 %		1.8 x	1.6 x	4.0 x	12.2 x	
						Median	35.1	15.8	10.9	8.0	2.0	5.6		1.6	1.5	3.2	9.5	
Planet Fitness	1,806	10.2	10.2	10.1 %	\$236	55.4 %	47.1 %	42.4 %	35.7 %	8.3 %	34.1 %	--	5.0 x	3.5 x	5.1 x	3.3 x		
Party City	966	(0.7)	(1.4)	(2.9)	368	25.4	26.3	15.1	11.9	3.3	11.9	--	5.5	5.4	5.7	2.6		
Barnes & Noble	627	(1.9)	(2.3)	1.1	113	30.2	11.9	3.2	1.1	3.2	(0.0)	--	1.8	1.7	4.9	NM		
Build-A-Bear Workshop ⁽³⁾	366				6	43.0	15.8	1.7	(2.9)	3.2	(1.5)	--	--	NM	5.4	NM		
Town Sports Fitness	189	1.6	(1.8)	1.1	52	62.6	42.3	11.6	3.2	3.1	8.4	B-	3.9	3.2	5.4	2.8		
Entertainment (Book/Video/Music/Toy/Hobby)						Mean	43.3 %	28.7 %	14.8 %	9.8 %	4.2 %	10.6 %		3.2 x	3.5 x	5.3 x	2.9 x	
						Median	43.0	26.3	11.6	3.2	3.2	8.4		3.9	3.4	5.4	2.8	

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) 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.)

	Share Price	% of 52	YTD %	Equity	Enterprise	(a)	LTM	EV / LTM	EV / EBITDA			P / E		LTG	P/E/G	Dividend	(b)	(c)
Company Name	7/19/2019	wk high	Change	Value	Value		Revenue	Revenue	LTM	2019E	2020E	2019E	2020E	Rate	2019E	Yield		ROE
Dick's Sporting Goods	\$37.13	90.1 %	19.0 %	\$3,417	\$3,694		\$8,448	0.4 x	5.3 x	5.5 x	5.5 x	11.2 x	10.8 x	5.2 %	2.2 x	3.0		17.0 %
Hibbett Sports ⁽¹⁾	19.84	67.0	38.7	355	267		1,077	0.2	3.2	3.3	3.5	9.4	9.0	6.5	1.5	--		10.0
Sportsman's Warehouse	4.26	63.7	(2.7)	184	372		843	0.4	6.2	6.0	5.6	7.9	7.3	8.0	1.0	--		37.1
Big 5 Sporting Goods	1.89	27.4	(27.0)	40	87		999	0.1	4.1	NM	NM	NM	NM	NA	NM	10.6		(0.3)
Sporting Goods							Mean	0.3 x	4.7 x	4.9 x	4.9 x	9.5 x	9.0 x	6.6 %	1.5 x	6.8 %		15.9 %
							Median	0.3	4.7	5.5	5.5	9.4	9.0	6.5	1.5	6.8		13.5
Central Garden & Pet Company ⁽²⁾	\$28.01	63.3 %	(18.7) %	\$1,515	\$1,884		\$2,296	0.8 x	9.3 x	8.5 x	8.0 x	15.7 x	13.8 x	7.0 %	2.2 x	-- %		11.3 %
Office Depot	1.99	52.1	(22.9)	1,087	1,956		10,954	0.2	4.0	3.7	3.7	5.9	6.1	11.9	0.5	5.0		3.5
Office / Pet																		
O'Reilly Automotive	\$396.82	95.7 %	15.2 %	\$31,062	\$34,466		\$9,664	3.6 x	16.4 x	15.6 x	14.7 x	22.4 x	20.2 x	16.0 %	1.4 x	-- %		NM %
AutoZone ⁽³⁾	1,172.25	98.8	39.8	28,754	33,688		11,434	2.9	13.4	13.1	12.9	19.1	17.6	12.2	1.6	--		NM
Advance Auto Parts	156.93	84.3	(0.3)	11,193	11,403		9,659	1.2	11.9	10.9	9.8	19.2	16.5	14.1	1.4	0.2		12.1
Monro Inc.	76.50	85.3	11.3	2,541	2,933		1,200	2.4	15.5	14.2	13.0	30.1	26.7	18.0	1.7	1.0		12.0
Automotive Parts/Service							Mean	2.5 x	14.3 x	13.5 x	12.6 x	22.7 x	20.2 x	15.1 %	1.5 x	0.6 %		12.1 %
							Median	2.7	14.4	13.7	12.9	20.8	18.9	15.0	1.5	0.6		12.1
CarMax	\$84.84	94.9 %	35.2 %	\$14,048	\$28,541		\$19,754	1.4 x	20.3 x	20.3 x	19.0 x	17.0 x	15.1 x	11.0 %	1.5 x	-- %		25.5 %
AutoNation	42.05	84.5	17.8	3,751	10,529		21,087	0.5	11.4	11.0	11.1	9.8	9.6	2.6	3.8	--		--
Penske Automotive Group	44.11	81.9	9.4	3,690	9,787		22,603	0.4	13.0	12.0	11.5	8.0	7.8	4.6	1.7	3.6		17.9
Lithia Motors	117.03	94.2	53.3	2,709	6,111		12,011	0.5	11.2	12.5	12.0	10.7	10.0	19.0	0.6	1.0		22.7
Asbury Automotive Group	84.44	96.9	26.7	1,648	3,677		6,936	0.5	10.3	11.6	11.5	9.5	9.2	15.6	0.6	--		36.3
Group 1 Automotive	83.34	98.8	58.1	1,484	4,413		11,550	0.4	9.3	11.3	11.3	8.2	8.2	5.1	1.6	1.2		13.9
Sonic Automotive	23.73	97.7	72.5	1,022	3,383		9,940	0.3	9.0	12.6	12.2	11.3	11.3	3.0	3.8	1.7		11.9
America's Car-Mart	85.80	82.5	18.4	573	726		669	1.1	10.1	9.5	8.4	12.7	10.5	19.6	0.6	--		19.4
Automotive ^(d)							Mean	0.7 x	11.8 x	12.6 x	12.1 x	10.9 x	10.2 x	10.1 %	1.8 x	1.9 %		18.5 %
							Median	0.5	10.8	11.8	11.5	10.2	9.8	8.1	1.6	1.5		18.6
Ulta	\$357.00	96.8 %	45.8 %	\$20,869	\$20,348		\$6,916	2.9 x	17.5 x	15.8 x	14.0 x	27.5 x	23.8 x	19.3 %	1.4 x	-- %		36.9 %
Sally Beauty	12.18	51.6	(28.6)	1,463	3,087		3,898	0.8	5.6	5.5	5.7	5.5	5.6	5.0	1.1	--		NM
Regis	18.38	82.1	8.4	723	742		1,100	0.7	8.0	9.4	NA	32.0	22.6	NA	NA	--		(1.6)
Beauty							Mean	1.5 x	10.4 x	10.2 x	9.8 x	21.7 x	17.3 x	12.2 %	1.3 x	-- %		17.6 %
							Median	0.8	8.0	9.4	9.8	27.5	22.6	12.2	1.3	--		17.6

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.

(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.

HARDLINES (SPECIALTY) – OPERATING ANALYSIS (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.		
Dick's Sporting Goods	857	(3.1)	0.0	(3.7) %	\$694	28.9 %	14.5 %	8.2 %	5.2 %	2.3 %	5.9 %	--	0.5 x	0.4 x	2.9 x	46.7 x		
Hibbett Sports	1,144	2.2	5.1	3.8	83	32.8	13.7	7.7	5.1	1.5	6.2	--	0.3	NM	2.8	95.6		
Sportsman's Warehouse	92	1.5	(5.7)	3.1	61	33.6	13.5	7.2	5.0	2.0	5.2	--	3.1	3.1	4.5	3.7		
Big 5 Sporting Goods	433	(2.7)	4.6	1.1	21	30.4	10.0	2.1	0.4	1.5	0.7	--	2.5	2.2	5.2	2.0		
Sporting Goods					Mean	31.4 %	12.9 %	6.3 %	3.9 %	1.8 %	4.5 %		1.6 x	1.9 x	3.9 x	37.0 x		
					Median	31.6	13.6	7.5	5.1	1.7	5.5		1.5	2.2	3.7	25.2		
Central Garden & Pet Company				%	\$203	29.8 %	10.4 %	8.8 %	6.7 %	1.5 %	7.3 %	BB	3.4 x	1.8 x	3.8 x	4.0 x		
Office Depot	1,359	(4.0)	(4.0)	(5.0)	485	23.1	8.4	4.4	3.1	1.8	2.6	B	3.0	1.8	4.4	2.5		
Office / Pet																		
O'Reilly Automotive	5,306	3.8	3.2	3.3 %	\$2,102	53.0 %	25.1 %	21.7 %	19.1 %	5.6 %	16.1 %	BBB	1.6 x	1.6 x	2.2 x	12.2 x		
AutoZone ⁽¹⁾	5,686	1.8	3.9	2.6	2,516	53.7	24.8	22.0	18.9	4.4	17.6	BBB	2.0	2.0	2.5	10.9		
Advance Auto Parts	5,077	2.3	2.7	3.4	958	44.1	15.7	9.9	7.5	2.3	7.6	BBB-	0.8	0.2	2.7	13.7		
Monro Inc.	1,295	0.4	(5.7)	2.2	189	38.8	18.5	15.8	11.1	3.7	12.1	--	2.1	2.1	2.7	5.4		
Automotive Parts/Service					Mean	47.4 %	21.0 %	17.4 %	14.2 %	4.0 %	13.3 %		1.6 x	1.5 x	2.5 x	10.5 x		
					Median	48.5	21.7	18.8	15.0	4.1	14.1		1.8	1.8	2.6	11.5		
CarMax ⁽²⁾	206	1.9	9.4 %	3.0 %	\$1,407	15.2 %	9.1 %	7.1 %	6.2 %	1.5 %	5.6 %	--	10.3 x	10.3 x	9.4 x	14.6 x		
AutoNation ⁽³⁾	325	0.5	(4.7)	(3.8)	922	16.3	4.7	4.4	3.5	1.9	2.5	BBB-	7.4	7.4	7.3	2.0		
Penske Automotive Group	339	1.6	(1.4)	0.2	752	15.1	4.8	3.3	2.9	1.3	2.0	BB	8.1	8.1	7.5	2.3		
Lithia Motors ⁽⁴⁾	182	1.2	3.2	1.0	547	15.1	5.6	4.5	3.9	1.2	3.3	BB+	6.3	6.2	6.3	3.2		
Asbury Automotive Group ⁽⁵⁾	106	4.0	1.0	4.0	356	16.1	5.5	5.1	4.6	0.6	4.5	BB+	5.7	5.7	5.8	3.5		
Group 1 Automotive ⁽⁶⁾	233	(0.7)	(1.0)	(1.3)	476	15.0	5.2	4.1	3.5	0.9	3.2	BB+	6.2	6.2	6.2	2.7		
Sonic Automotive ⁽⁷⁾	127	(1.9)	(4.6)	(6.7)	377	14.6	4.7	3.8	2.9	1.5	2.3	BB-	6.5	6.3	6.4	2.2		
America's Car-Mart	144	8.4	2.9	8.5	72	48.6	11.8	10.7	10.1	0.6	10.1	--	2.2	2.1	2.5	8.6		
Automotive					Mean	19.5 %	6.4 %	5.4 %	4.7 %	1.2 %	4.2 %		6.6 x	6.5 x	6.4 x	4.9 x		
					Median	15.2	5.3	4.5	3.7	1.3	3.3		6.4	6.2	6.3	3.0		
Ulta	1,196	8.1	7.0 %	9.4 %	\$1,164	37.1 %	20.7 %	16.8 %	12.7 %	4.6 %	12.2 %	--	-- x	NM x	1.1 x	NM x		
Sally Beauty	5,106	(1.5)	(0.5)	0.3	556	49.3	20.6	14.3	11.5	2.4	11.8	BB-	3.1	2.9	4.0	4.7		
Regis	7,838	0.5	(2.5)	0.5	92	34.4	21.5	8.4	5.3	3.0	5.4	--	1.0	0.2	4.0	13.2		
Beauty					Mean	40.2 %	20.9 %	13.2 %	9.8 %	3.3 %	9.8 %		1.4 x	1.6 x	3.1 x	9.0 x		
					Median	37.1	20.7	14.3	11.5	3.0	11.8		1.0	1.6	4.0	9.0		

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

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

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

HARDLINES (SPECIALTY) – TRADING ANALYSIS (CONT.)

Company Name	Share Price 7/19/2019	% of 52 wk high	YTD % 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	2019E	2020E	2019E	2020E				
Best Buy	\$74.71	88.6 %	41.1 %	\$19,951	\$19,408	\$42,912	0.5 x	6.9 x	6.8 x	6.7 x	13.1 x	12.4 x	8.2 %	1.6 x	2.7 %	44.9 %
Conns	18.95	44.4	0.5	605	1,540	1,545	1.0	10.6	6.8	6.4	6.9	6.0	23.0	0.3	--	13.5
GameStop	4.32	25.0	(65.8)	390	316	8,047	0.0	0.9	1.0	1.0	2.8	2.7	(75.9)	NM	35.2	(46.5)
Electronics						Mean	0.5 x	6.1 x	4.9 x	4.7 x	7.6 x	7.0 x	(14.9) %	1.0 x	18.9 %	4.0 %
						Median	0.5	6.9	6.8	6.4	6.9	6.0	8.2	1.0	18.9	13.5
Harley-Davidson	\$34.85	75.4 %	2.1 %	\$5,478	\$12,457	\$5,479	2.3 x	14.2 x	11.9 x	11.7 x	9.5 x	9.1 x	9.0 %	1.1 x	4.3 %	21.5 %
Polaris ⁽¹⁾	84.26	68.2	9.9	5,146	7,105	6,637	1.1	9.8	9.1	8.3	13.8	12.4	13.5	1.0	2.9	35.4
Fox Factory	80.64	94.8	37.0	3,078	3,124	651	4.8	27.2	21.4	19.2	31.0	27.8	15.4	2.0	--	26.4
Powersports						Mean	2.7 x	17.1 x	14.1 x	13.1 x	18.1 x	16.4 x	12.6 %	1.4 x	3.6 %	27.8 %
						Median	2.3	14.2	11.9	11.7	13.8	12.4	13.5	1.1	3.6	26.4
Acushnet	\$26.22	94.1 %	24.4 %	\$1,982	\$2,490	\$1,626	1.5 x	13.0 x	10.5 x	10.0 x	17.4 x	16.0 x	5.0 %	3.5 x	2.1 %	10.5 %
Callaway Golf	18.17	73.7	18.8	1,709	2,330	1,356	1.7	15.6	11.4	10.4	17.5	15.2	25.0	0.7	0.2	12.6
Johnson Outdoors	68.73	64.0	17.0	686	617	544	1.1	8.4	8.3	NM	15.2	NM	13.0	1.2	0.8	15.8
Vista Outdoor ⁽²⁾	7.51	38.7	(33.8)	434	1,114	2,059	0.5	11.9	8.7	9.5	21.2	25.5	NA	NM	--	NM
Escalade Inc.	11.52	81.7	0.6	167	166	176	0.9	10.2	NM	NM	NM	NM	NA	NM	4.3	16.4
Nautilus	2.06	13.4	(81.1)	61	58	366	0.2	6.4	NM	3.5	NM	14.7	15.0	NM	--	(0.8)
Sports Equipment						Mean	1.0 x	10.9 x	9.7 x	8.4 x	17.8 x	17.8 x	14.5 %	1.8 x	1.9 %	10.9 %
						Median	1.0	11.0	9.6	9.8	17.4	15.6	14.0	1.2	1.5	12.6
National Vision	\$31.70	68.0 %	12.5 %	\$2,480	\$3,002	\$1,590	1.9 x	22.4 x	16.0 x	14.1 x	NM x	39.6 x	17.2 %	NM x	-- %	2.3 %
Winmark Corporation	166.51	85.5	4.7	626	663	72	9.2	15.8	NM	NM	NM	NM	NA	NM	0.6	NM
Camping World ⁽³⁾	10.86	43.7	(5.3)	404	2,406	4,798	0.5	9.0	8.1	7.0	11.3	6.0	10.6	1.1	5.6	NM
MarineMax	16.57	63.5	(9.5)	378	612	1,215	0.5	8.3	7.4	6.7	8.9	8.0	30.0	0.3	--	11.4
Other Hardlines						Mean	3.0 x	13.9 x	10.5 x	9.3 x	10.1 x	17.9 x	19.3 %	0.7 x	3.1 %	6.8 %
						Median	1.2	12.4	8.1	7.0	10.1	8.0	17.2	0.7	3.1	6.8

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

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

HARDLINES (SPECIALTY) – OPERATING ANALYSIS (CONT.)

						Operating Efficiency						Credit Statistics								
	Store	Comp Store Sales			LTM	Gross	EBITDAR	EBITDA	EBIT	CapEx /	(a)	EBITDA -	(a)	Credit	(b)	Debt /	Net Debt /	Adj. Debt /	(c)	EBITDA-
Company Name	Count	LFY	Q(-1)	Q(-2)	EBITDA	Margin	Margin	Margin	Margin	Sales		CapEx / Sales		Rating		EBITDA	EBITDA	EBITDAR		Capex / Int.
Best Buy Co. ⁽¹⁾	1,240	4.8 %	1.1 %	3.0 %	\$2,800	23.3 %	8.3 %	6.5 %	4.7 %	1.9 %		4.6 %		BBB		0.4 x	NM x	1.6 x		27.3 x
Conn's ⁽²⁾	128	(2.2)	(8.2)	(1.4)	146	28.8	13.8	9.4	7.3	2.6		6.9		B		6.5	NM	6.3		NM
GameStop	5,700	1.8	(10.2)	3.4	369	27.9	8.9	4.6	3.4	1.2		3.4		BB-		1.3	NM	3.6		4.9
Electronics					Mean	26.7 %	10.4 %	6.8 %	5.1 %	1.9 %		5.0 %				2.7 x	NM x	3.8 x		16.1 x
					Median	27.9	8.9	6.5	4.7	1.9		4.6				1.3	NM	3.6		16.1
Harley-Davidson					\$878	31.0 %	16.5 %	16.0 %	11.9 %	4.2 %		11.9 %		BBB+		8.5 x	7.4 x	8.4 x		21.0 x
Polaris					726	25.1	11.6	10.9	7.6	3.9		7.1		--		2.6	2.5	2.8		5.8
Fox Factory					115	33.0	18.7	17.6	15.4	5.1		12.5		--		0.6	0.3	0.9		26.3
PowerSports					Mean	29.7 %	15.6 %	14.9 %	11.6 %	4.4 %		10.5 %				3.9 x	3.4 x	4.0 x		17.7 x
					Median	31.0	16.5	16.0	11.9	4.2		11.9				2.6	2.5	2.8		21.0
Acushnet					\$192	51.5 %	12.8 %	11.8 %	9.7 %	2.0 %		9.8 %		--		2.7 x	2.5 x	2.9 x		7.9 x
Callaway Golf					149	45.9	12.6	11.0	9.3	3.0		8.0		BB-		4.6	4.1	4.8		7.9
Johnson Outdoors					74	44.5	15.1	13.5	11.7	3.0		10.5		--		--	NM	0.6		NM
Vista Outdoor					94	20.2	5.7	4.6	0.8	2.1		2.5		B+		7.5	7.3	7.2		0.9
Escalade Inc.					16	25.3	9.8	9.3	7.1	1.8		7.5		--		0.2	NM	0.5		42.9
Nautilus					9	43.3	3.8	2.5	0.0	2.9		(0.4)		--		2.3	NM	3.6		NM
Sports Equipment					Mean	38.5 %	10.0 %	8.8 %	6.4 %	2.5 %		6.3 %				2.9 x	4.6 x	3.3 x		14.9 x
					Median	43.9	11.2	10.2	8.2	2.5		7.7				2.5	4.1	3.3		7.9
National Vision	1,105	6.7	6.2	4.3	\$134	53.1 %	14.3 %	8.4 %	3.6 %	6.8 %		1.7 %		--		4.4 x	3.9 x	5.1 x		0.7 x
Winmark Corporation	1,241				42	93.8	59.9	58.2	57.7	33.1		25.1		--		0.9	0.9	1.1		9.1
Camping World	226	(3.2)	(11.0) %	(3.9) %	268	28.3	8.1	5.6	4.5	2.1		3.5		--		7.8	7.5	7.2		1.5
MarineMax	67	10.0	12.0	1.0	74	25.3	6.8	6.1	5.1	1.2		4.9		--		4.0	3.2	4.2		5.9
Other Hardlines					Mean	50.2 %	22.3 %	19.6 %	17.7 %	10.8 %		8.8 %				4.3 x	3.9 x	4.4 x		4.3 x
					Median	40.7	11.2	7.3	4.8	4.4		4.2				4.2	3.5	4.7		3.7

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) 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) Conns SSS% for product sales.

OTHER – TRADING ANALYSIS

Company Name	Share Price 7/19/2019	% of 52 wk high	YTD % 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	2019E	2020E	2019E	2020E				
Tiffany & Co.	\$92.67	65.4 %	15.1 %	\$11,251	\$11,525	\$4,412	2.6 x	11.9 x	10.9 x	10.1 x	18.9 x	17.4 x	11.8 %	1.6 x	2.5 %	17.7 %
Signet Jewelers	18.63	26.2	(41.4)	972	2,076	6,221	0.3	4.7	4.7	4.7	6.2	6.1	6.5	1.0	7.9	(8.0)
Jewelry																
CVS Caremark ⁽¹⁾	\$55.94	68.1 %	(14.6) %	\$72,671	\$139,455	\$209,623	0.7 x	10.2 x	8.1 x	7.8 x	8.2 x	7.9 x	5.5 %	1.5 x	3.6 %	(0.3) %
Walgreens Boots Alliance ⁽²⁾	54.44	63.1	(20.3)	49,167	66,576	136,354	0.5	9.2	7.7	7.5	9.1	8.9	10.6	0.9	3.4	18.0
Rite Aid	6.79	16.8	(52.1)	365	3,791	21,624	0.2	7.9	7.2	7.6	NM	NM	NA	NM	--	NM
Fred's ⁽³⁾	0.42	11.8	(77.7)	15	103	1,254	0.1	NM	NM	NM	NM	NM	NA	NM	--	NM
Drug Stores						Mean	0.4 x	9.1 x	7.7 x	7.6 x	8.6 x	8.4 x	8.0 %	1.2 x	3.5 %	8.8 %
						Median	0.3	9.2	7.7	7.6	8.6	8.4	8.0	1.2	3.5	8.8
Casey's General Stores	\$164.80	99.6 %	28.6 %	\$6,059	\$7,371	\$8,365	0.9 x	13.1 x	12.4 x	11.1 x	29.9 x	25.0 x	9.6 %	3.1 x	3.7 %	15.2 %
Murphy USA	85.19	96.2	11.2	2,741	3,419	12,375	0.3	8.0	9.1	8.8	20.9	18.1	3.3	6.4	--	23.9
TravelCenters of America ⁽⁴⁾	3.49	57.2	(7.2)	141	438	6,244	0.1	4.8	3.7	3.2	NM	NM	5.0	NM	--	(1.7)
Convenience Stores						Mean	0.4 x	8.6 x	8.4 x	7.7 x	25.4 x	21.6 x	5.9 %	4.8 x	3.7 %	12.5 %
						Median	0.3	8.0	9.1	8.8	25.4	21.6	5.0	4.8	3.7	15.2
GNC	\$1.87	40.2 %	(21.1) %	\$157	\$1,156	\$2,227	0.5 x	5.7 x	6.1 x	6.0 x	4.2 x	3.4 x	29.0 %	0.1 x	-- %	NM %
Vitamin Shoppe	4.34	31.1	(8.4)	102	158	1,102	0.1	2.5	2.6	2.6	8.1	7.0	28.0	0.3	--	3.9
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

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	(b) Credit Rating	Debt / EBITDA	Net Debt / EBITDA	Adj. Debt / EBITDAR	(c) EBITDA-Capex / Int.	
Tiffany & Co.	321	4.0 %	(5.0) %	(1.0) %	\$969	63.0 %	31.5 %	22.0 %	16.6 %	6.9 %	15.0 %	BBB+	1.1 x	0.3 x	2.6 x	16.5 x	
Signet Jewelers	3,300	(0.1)	(1.3)	(2.0)	439	36.3	15.3	7.1	4.4	2.1	4.9	BB	1.6	1.1	4.0	7.7	
Jewelry																	
CVS Caremark ⁽¹⁾	9,900	0.5	0.4 %	0.5 %	\$13,633	16.6 %	7.8 %	6.5 %	5.0 %	1.1 %	5.4 %	BBB	5.5 x	4.9 x	5.6 x	3.9 x	
Walgreens Boots Alliance ⁽²⁾	18,500	1.5	1.1	0.0	7,226	22.3	7.9	5.3	4.0	1.2	4.1	BBB	2.4	2.3	3.6	8.6	
Rite Aid	2,466	0.6	1.4	0.7	478	21.4	5.1	2.2	0.6	0.9	1.3	B-	7.6	7.2	6.7	1.3	
Fred's	556	(1.7)	(8.5)	(9.7)	(72)	24.6	(1.9)	(5.7)	(8.0)	0.6	(6.4)	--	NM	NM	NM	NM	
Drug Stores					Mean	21.2 %	4.7 %	2.1 %	0.4 %	0.9 %	1.1 %		5.2 x	4.8 x	5.3 x	4.6 x	
					Median	21.9	6.5	3.8	2.3	1.0	2.7		5.5	4.9	5.6	3.9	
Casey's General Stores ⁽³⁾	2,146	(1.7)	(2.8) %	(3.4) %	565	23.4 %	6.8 %	6.7 %	3.8 %	4.7 %	2.0 %	--	2.4 x	2.3 x	2.4 x	3.0 x	
Murphy USA ⁽⁴⁾	1,473	(0.2)	5.4	1.3	426	4.6	3.6	3.4	2.3	1.5	1.9	BB+	2.0	1.6	2.2	4.5	
TravelCenters of America ⁽⁵⁾	301	(0.5)	2.0	(0.1)	92	8.3	6.2	1.5	0.1	7.2	(5.7)	--	3.5	3.2	5.4	NM	
Convenience Stores					Mean	12.1 %	5.5 %	3.9 %	2.1 %	4.5 %	(0.6) %		2.7 x	2.4 x	3.3 x	3.7 x	
					Median	8.3	6.2	3.4	2.3	4.7	1.9		2.4	2.3	2.4	3.7	
GNC	8,208	2.0 %	0.3 %	0.8 %	\$204	33.9 %	16.7 %	9.1 %	7.3 %	0.8 %	8.4 %	CCC+	4.2 x	3.7 x	5.0 x	1.4 x	
Vitamin Shoppe	769	(2.8)	(3.5)	(4.7)	63	46.8	6.0	5.7	1.9	2.3	3.3	--	0.9	0.9	1.2	7.1	
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

Company Name	Share Price	% of 52	YTD %	Equity	Enterprise	LTM	EV / LTM	EV / EBITDA			P / E		LTG	P/E/G	Dividend	(b)	(c)
	7/19/2019	wk high	Change	Value	Value	Revenue	Revenue	LTM	2019E	2020E	2019E	2020E	Rate	2019E	Yield		
PayPal	\$118.63	97.7 %	41.1 %	\$139,382	\$133,532	\$15,894	8.4 x	47.4 x	28.3 x	23.7 x	38.0 x	33.9 x	19.0 %	2.0 x	-- %	--	14.9 %
Shopify	330.00	97.3	138.4	37,136	35,139	1,179	29.8	NM	NM	NM	NM	NM	28.3	NM	--	--	(3.9)
Autohome Inc.	82.00	69.5	4.8	9,708	8,143	1,126	7.2	17.6	14.9	12.5	19.3	16.2	18.3	1.1	--	--	29.9
58com Inc.	57.22	73.7	5.6	8,501	7,923	2,040	3.9	18.9	18.2	13.8	19.8	15.6	18.3	1.1	--	--	11.3
Quotient Technology	11.10	69.5	3.9	1,040	911	398	2.3	56.6	13.4	10.7	48.3	33.1	17.3	2.8	--	--	(8.2)
Stamps.com	45.30	15.9	(70.9)	784	750	589	1.3	3.8	5.8	7.5	11.8	15.9	15.0	0.8	--	--	23.7
Park City Group	4.99	48.3	(16.4)	99	86	23	3.8	15.6	13.2	9.3	21.2	13.8	NA	NM	--	--	12.2
Autobytel	3.58	71.6	17.4	47	36	125	0.3	NM	NM	7.9	NM	NM	NA	NM	--	--	NM
Digital Retail Technology						Mean	7.1 x	26.7 x	15.6 x	12.2 x	26.4 x	21.4 x	19.4 %	1.5 x	-- %	--	11.4 %
						Median	3.8	18.3	14.1	10.7	20.5	16.1	18.3	1.1	--	--	12.2
Amazon.com ⁽¹⁾	\$1,964.52	95.8 %	30.8 %	\$967,196	\$978,300	\$241,545	4.1 x	31.1 x	22.8 x	17.8 x	72.6 x	50.3 x	39.7 %	1.8 x	-- %	--	30.1 %
Netflix	315.10	81.5	17.7	137,962	145,552	17,630	8.3	74.4	45.5	31.3	97.9	55.1	39.2	2.5	--	--	21.7
eBay ⁽²⁾	40.21	95.7	43.2	33,727	38,559	10,856	3.6	12.3	10.4	9.7	14.6	13.1	11.0	1.3	1.4	--	42.8
Wayfair	145.38	83.7	61.4	13,323	13,267	7,320	1.8	NM	NM	NM	NM	NM	NA	NM	--	--	NM
Chewy	30.69	74.2	NM	12,233	12,204	3,878	3.1	NM	NM	NM	NM	NM	85.0	NM	--	--	--
Etsy	65.85	89.8	38.4	7,914	7,642	652	11.7	63.9	39.4	29.5	60.8	46.1	20.7	2.9	--	--	23.9
Qurate Retail Group ⁽³⁾	12.92	51.6	(33.8)	5,541	12,767	13,925	0.9	6.5	6.5	6.3	7.0	6.1	20.0	0.3	--	--	11.0
Stitch Fix	26.90	51.3	57.4	2,714	2,422	1,464	1.7	56.3	50.7	53.2	NM	94.4	53.0	NM	--	--	14.5
Yelp	34.08	64.9	(2.6)	2,675	2,049	956	2.1	39.0	9.1	7.5	19.0	16.5	23.0	0.8	--	--	5.7
Revolve Group	34.14	70.6	NM	2,351	2,339	523	4.5	53.1	44.9	29.4	59.8	47.4	21.0	2.9	--	--	43.5
TheRealReal	24.14	80.3	NM	2,051	2,323	230	10.1	NM	NM	NM	NM	NM	NA	NM	--	--	--
Groupon	3.38	61.2	5.6	1,921	1,504	2,589	0.6	10.1	5.6	5.0	14.3	14.1	NA	NM	--	--	(10.5)
1-800-Flowers.com	19.13	87.9	56.4	1,230	1,120	1,219	0.9	14.4	12.7	11.4	35.4	27.5	22.0	1.6	--	--	10.4
Systemax	20.67	43.3	(13.5)	774	704	917	0.8	10.6	9.5	8.3	15.0	12.7	18.0	0.8	2.3	--	27.6
Overstock.com	17.54	36.5	29.2	619	577	1,744	0.3	NM	NM	NM	NM	NM	NA	NM	--	--	NM
BlueStem Brands	0.46	61.3	2.2	62	415	1,767	0.2	3.7	NM	NM	NM	NM	NA	NM	--	--	NM
PetMed Express	16.23	39.2	(30.2)	324	224	276	0.8	5.8	4.9	6.4	9.7	10.5	12.0	0.8	6.7	--	24.6
Blue Apron	8.29	16.3	(45.8)	108	164	613	0.3	NM	10.9	5.8	NM	NM	NA	NM	--	--	NM
Domestic eCommerce						Mean	3.1 x	29.3 x	21.0 x	17.0 x	36.9 x	32.8 x	30.4 %	1.6 x	3.5 %	--	17.5 %
						Median	1.7	14.4	10.9	9.7	19.0	22.0	21.5	1.5	2.3	--	18.1
Priceline	\$1,882.09	88.3 %	9.3 %	\$81,478	\$86,000	\$14,436	6.0 x	15.3 x	14.7 x	13.4 x	18.7 x	16.7 x	16.4 %	1.1 x	-- %	--	47.4 %
Expedia	135.10	96.7	19.9	20,097	21,207	11,324	1.9	16.3	9.5	8.5	19.3	16.6	22.6	0.9	0.9	--	7.8
TripAdvisor	44.87	65.0	(16.8)	6,238	5,514	1,613	3.4	22.3	11.7	10.6	22.8	20.5	15.8	1.4	--	--	9.3
Travelzoo	14.24	62.3	44.9	169	149	111	1.3	13.4	11.5	8.6	28.5	23.7	NA	NM	--	--	32.5
Domestic Travel Marketplaces						Mean	3.1 x	16.8 x	11.8 x	10.2 x	22.3 x	19.4 x	18.3 %	1.1 x	0.9 %	--	24.2 %
						Median	2.6	15.8	11.6	9.6	21.0	18.6	16.4	1.1	0.9	--	20.9
CarGurus	35.61	62.2	5.6	3,961	3,823	491	7.8	NM	61.9	43.0	86.9	60.5	47.6	1.8	--	--	41.8
Carvana ⁽⁴⁾	57.91	75.4	77.0	2,834	3,756	2,350	1.6	NM	NM	NM	NM	NM	NA	NM	--	--	NM
RumbleON	4.48	40.8	(16.7)	103	165	371	0.4	NM	NM	NM	NM	NM	NA	NM	--	--	NM
U.S. Auto Parts Network	1.22	67.8	34.1	43	47	286	0.2	NM	19.6	6.3	NM	NM	NA	NM	--	--	(22.8)
Automotive / Powersports						Mean	2.5 x	NM x	40.7 x	24.6 x	86.9 x	60.5 x	47.6 %	1.8 x	NM %	--	9.5 %
eCommerce						Median	1.0	NM	40.7	24.6	86.9	60.5	47.6	1.8	NM	--	9.5

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) 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 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.

(3) 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).

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

E-COMMERCE AND DIGITAL – OPERATING ANALYSIS

Company Name	Store Count	Operating Efficiency										Credit Statistics					
		Sales Growth			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)													
PayPal		18.0 %	12.0 %	12.9 %	\$2,815	45.3 %	18.3 %	17.7 %	14.2 %	5.4 %	12.3 %	BBB+	0.7 x	NM x	0.9 x	23.5 x	
Shopify		59.4	49.5	54.3	(85)	55.3	(5.1)	(7.2)	(9.1)	2.7	(9.9)	--	--	23.5	NM	NM	
Autohome Inc.		10.2	17.0	18.2	463	91.7	42.5	41.1	39.7	--	41.1	--	NM	NM	0.2	NM	
58com Inc.		23.4	14.5	23.5	418	89.2	22.2	20.5	17.5	--	20.5	--	0.3	NM	0.7	NM	
Quotient Technology		20.1	13.1	15.0	16	44.1	5.0	4.0	(2.6)	1.6	2.4	--	9.8	NM	9.1	0.7	
Stamps.com		25.2	1.8	28.5	197	76.5	34.1	33.4	29.0	0.5	32.9	--	0.4	NM	0.5	71.4	
Park City Group		16.4	(5.2)	(2.8)	6	72.5	NM	24.1	21.9	0.2	23.9	--	0.9	NM	0.9	NM	
Autobytel		(11.6)	(2.3)	(3.2)	(14)	17.9	(10.3)	(11.6)	(18.1)	0.6	(12.2)	--	--	0.7	NM	NM	
Digital Retail Technology					Mean	61.6 %	15.2 %	15.3 %	11.6 %	1.4 %	13.9 %		1.7 x	12.1 x	2.0 x	31.9 x	
					Median	63.9	18.3	19.1	15.9	0.5	16.4		0.4	12.1	0.8	23.5	
Amazon.com ⁽¹⁾		30.9 %	17.0 %	19.7 %	\$31,438	41.1 %	14.5 %	13.0 %	6.2 %	5.6 %	7.4 %	AA-	1.5 x	0.4 x	2.0 x	12.3 x	
Netflix		35.1	22.2	27.4	1,955	36.8	11.8	11.1	10.6	1.2	9.9	BB-	6.4	3.9	6.4	3.3	
eBay		8.3	2.4	NA	3,141	77.4	30.0	28.9	22.6	5.8	23.1	BBB+	3.0	1.5	3.1	7.7	
Wayfair		43.6	38.5	40.0	(481)	23.7	(5.6)	(6.6)	(7.7)	2.7	(9.3)	--	NM	0.1	NM	NM	
Chewy		67.9	67.4	59.1	(218)	21.1	(4.2)	(5.6)	(6.1)	1.1	(6.7)	--	--	0.1	NM	NM	
Etsy		36.8	40.1	46.8	120	69.0	19.0	18.3	15.5	0.3	18.1	--	2.9	NM	3.0	5.1	
Qurate Retail Group ⁽²⁾		35.2	(4.5)	30.9	1,953	34.4	14.6	14.0	10.1	2.1	11.9	BB	3.9	3.6	4.0	4.4	
Stitch Fix		25.5	29.1	25.1	43	44.7	4.4	2.9	2.0	2.0	1.0	--	--	NM	2.0	NM	
Yelp		10.8	5.8	11.1	52	94.0	10.9	5.5	2.8	1.9	3.6	--	--	NM	3.0	NM	
Revolve Group		24.8	21.2	25.3	44	53.5	9.1	8.4	7.9	1.5	7.0	--	--	NM	0.5	57.7	
TheRealReal		54.9	49.1	NA	(74)	64.6	(27.1)	(32.1)	(35.3)	6.4	(38.5)	--	NM	1.3	NM	NM	
Groupon		(7.3)	(7.7)	(8.4)	149	50.3	7.0	5.7	3.4	2.6	3.2	--	1.5	NM	2.3	3.7	
1-800-Flowers.com		(3.5)	4.1	8.6	78	42.2	8.6	6.4	3.9	2.8	3.5	--	1.2	NM	2.5	13.9	
Systemax		13.3	9.4	11.9	67	34.4	8.5	7.3	6.8	0.6	6.7	--	--	NM	0.9	NM	
Overstock.com		4.4	(17.4)	(0.8)	(171)	19.1	(9.4)	(9.8)	(10.9)	1.7	(11.5)	--	NM	0.7	NM	NM	
BlueStem Brands		(4.9)	(8.3)	(5.9)	113	39.1	8.0	6.4	3.4	1.2	5.2	--	4.2	3.1	4.5	1.8	
PetMed Express		3.5	(4.1)	(0.1)	39	31.6	NM	14.1	13.3	0.2	13.9	--	--	NM	--	NM	
Blue Apron		(24.2)	(27.9)	(25.0)	(51)	36.9	(6.7)	(8.3)	(13.9)	1.9	(10.2)	--	NM	NM	NM	NM	
Domestic eCommerce					Mean	45.2 %	5.5 %	4.4 %	1.9 %	2.3 %	2.1 %		1.8 x	1.6 x	2.6 x	12.2 x	
					Median	40.1	8.5	6.4	3.6	1.9	4.4		1.4	1.3	2.5	5.1	
Priceline		14.6 %	(3.1) %	14.6 %	\$5,626	100.0 %	40.0 %	39.0 %	35.9 %	2.9 %	36.0 %	A-	1.6 x	0.8 x	1.7 x	19.6 x	
Expedia		11.6	4.0	10.3	1,303	82.4	13.1	11.5	7.4	8.5	3.0	BBB	2.8	NM	3.2	1.9	
TripAdvisor		3.8	(0.5)	7.8	247	94.6	16.3	15.3	12.2	3.9	11.4	--	0.4	NM	0.7	16.7	
Travelzoo		4.5	(0.2)	0.2	11	89.4	15.1	10.0	8.6	0.7	9.2	--	--	NM	2.0	NM	
Domestic Travel Marketplaces					Mean	91.6 %	21.1 %	18.9 %	16.0 %	4.0 %	14.9 %		1.2 x	0.8 x	1.9 x	12.8 x	
					Median	92.0	15.7	13.4	10.4	3.4	10.3		1.0	0.8	1.9	16.7	
CarGurus		43.3 %	37.2 %	39.1	30	94.5	7.7	6.0	4.9	2.3	3.7	--	--	NM	1.3	NM	
Carvana		127.7	109.5	120.6	(209)	10.9	(8.0)	(8.9)	(10.1)	6.8	(15.7)	CCC+	NM	NM	NM	NM	
RumbleON		NM	NM	NM	(26)	7.0	(6.9)	(7.1)	(7.2)	(0.0)	(7.1)	--	NM	NM	NM	NM	
U.S. Auto Parts Network		(4.6)	(4.7)	(5.7)	(4)	26.5	(0.7)	(1.3)	(3.4)	2.0	(3.4)	--	NM	NM	NM	NM	
Automotive / Powersports eCommerce					Mean	34.7 %	(2.0) %	(2.8) %	(3.9) %	2.8 %	(5.6) %		-- x	NM x	1.3 x	NM x	
					Median	18.7	(3.8)	(4.2)	(5.3)	2.2	(5.2)		--	NM	1.3	NM	

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.)

	Share Price	% of 52	YTD %	Equity	Enterprise	(a)	LTM	EV / LTM	EV / EBITDA			P / E		LTG	P/E/G	Dividend	(b)	(c)									
Company Name	7/19/2019	wk high	Change	Value	Value		Revenue	Revenue	LTM	2019E	2020E	2019E	2020E	Rate	2019E	Yield	ROE										
Alibaba Group ⁽¹⁾	\$172.99	87.2 %	26.2 %	\$450,392	\$457,463		\$56,148	8.1	x	31.2	x	22.2	x	16.2	x	27.8	x	21.7	x	22.8 %	1.2	x	-- %	15.4 %			
JD.com	30.99	82.9	48.1	45,189	43,755		71,961	0.6		NM	26.9	19.7		NM	30.3	46.2	NM	--				--	3.9				
Mercado Libre	626.70	93.2	114.0	30,908	29,044		1,592	18.2		NM	NM	NM		NM	NM	145.5	NM	--				--	(0.9)				
Rakuten	10.51	86.2	56.5	14,216	17,253		10,287	1.7		7.9	9.5	10.6		16.8	33.9	(5.9)	NM	0.4				--	30.5				
Zalando SE	45.86	81.8	77.0	11,352	10,332		6,252	1.7		NM	24.0	20.4		NM	NM	30.8	NM	--				--	3.2				
Ocado Group	14.93	82.9	49.0	10,423	10,402		2,127	4.9		NM	NM	NM		NM	NM	NA	NM	--				--	(35.3)				
Delivery Hero	45.61	77.0	23.9	8,607	8,199		762	10.8		NM	NM	NM		NM	NM	NA	NM	--				--	(16.6)				
Farfetch	21.20	65.4	19.7	6,357	5,562		651	8.5		NM	NM	NM		NM	NM	NA	NM	--				--	(28.9)				
Start Today	17.30	38.9	(5.6)	5,283	5,287		1,069	4.9		21.2	16.8	13.5		25.3	20.6	30.5	0.8	1.6				--	NM				
Vipshop	7.51	72.7	37.5	4,998	4,266		12,809	0.3		8.7	6.7	5.6		11.0	9.4	17.0	0.6	--				--	14.9				
Boohoo.com	2.73	87.6	33.4	3,179	2,964		1,139	2.6		29.0	22.6	18.1		NM	36.6	27.3	NM	--				--	19.6				
ASOS	27.27	34.6	(5.6)	2,286	2,333		3,421	0.7		17.3	15.1	9.8		NM	32.4	24.5	NM	--				--	14.4				
Zooplus AG	129.04	71.9	(6.2)	922	943		1,554	0.6		NM	NM	32.3		NM	NM	NA	NM	--				--	(1.7)				
Uxin Limited	2.40	24.3	(50.6)	705	865		547	1.6		NM	39.9	5.0		NM	5.1	NA	NM	--				--	NM				
AO World	0.93	48.9	(43.0)	438	448		1,175	0.4		NM	NM	27.5		NM	NM	NA	NM	--				--	(20.5)				
N Brown Group	1.53	72.1	27.6	435	1,020		856	1.2		7.5	6.2	5.9		5.3	5.1	9.0	0.6	5.8				--	(15.1)				
Secoo	7.58	49.0	(16.4)	381	473		858	0.6		13.4	NM	NM		NM	NM	NA	NM	--				--	10.2				
Jumei International Holdings	2.31	82.5	26.2	274	(58)		624	(0.1)		4.3	NM	NM		NM	NM	NA	NM	--				--	3.1				
LightInTheBox Holding Company	1.45	68.7	18.9	97	126		208	0.6		NM	NM	NM		NM	NM	NA	NM	--				--	NM				
home24	3.51	10.6	(72.7)	91	(11)		361	(0.0)		0.1	0.4	1.3		NM	NM	NA	NM	--				--	NM				
Delticom AG	4.43	39.5	(46.5)	55	86		739	0.1		NM	5.4	4.6		9.0	7.1	68.9	0.1	--				--	(3.3)				
International E-Commerce							Mean	3.1	x	12.2	x	14.7	x	12.9	x	13.5	x	18.8	x	38.6	%	0.5	x	2.6	%	(1.8)	%
							Median	1.2		8.7		12.3		10.2		11.0		15.0		27.3		0.6		1.6		(0.9)	
Ctrip.com ⁽³⁾	\$38.16	82.1 %	41.0 %	\$21,121	\$22,374		\$4,827	4.6	x	38.5	x	21.5	x	15.7	x	27.2	x	21.8	x	21.7 %	1.3	x	-- %	5.1 %			
MakeMy Trip	27.85	74.8	14.5	2,867	2,556		486	5.3		NM	NM	NM		NM	NM	NA	NM	--				--	(11.5)				
trivago	4.06	53.8	(27.9)	1,428	1,207		970	1.2		31.5	14.5	11.3		31.5	24.1	124.4	0.3	--				--	1.0				
Tuniu Corporation	3.15	38.0	(35.2)	389	176		330	0.5		NM	NM	12.9		NM	23.4	NA	NM	--				--	(8.0)				
International Travel Marketplaces							Mean	2.9	x	35.0	x	18.0	x	13.3	x	29.4	x	23.1	x	73.0	%	0.8	x	-- %	(3.4)	%	
							Median	2.9		35.0		18.0		12.9		29.4		23.4		73.0		0.8		--	(3.5)		

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) 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 May 2019, Grupo SBF SA raised its bid for Netshoes to \$3.50 a share.

(3) In June 2018, Ctrip and Ocean Link Partners submitted an offer to acquire eHi Car Services.

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

Company Name	HQ	LTM EBITDA	Operating Efficiency							Credit Statistics					
			Gross	EBITDAR	EBITDA	EBIT	CapEx /	(a)	EBITDA -	Credit	(b)	Debt /	Net Debt /	Adj. Debt /	EBITDA -
			Margin	Margin	Margin	Margin	Sales		CapEx / Sales						Capex / Int.
Alibaba Group	China	\$14,682	45.8 %	27.4 %	26.1 %	16.3 %	9.4 %		16.7 %	A+		1.4 x	NM x	1.6 x	12.2 x
JD.com	China	611	14.1	1.9	0.8	(0.3)	4.0		(3.2)	BBB-		2.8	NM	4.6	NM
Mercado Libre	Argentina	20	57.2	2.1	1.3	(1.9)	6.8		(5.5)	--		36.3	NM	24.9	NM
Rakuten	Japan	2,197	4.9	NM	21.4	14.3	4.0		17.3	--		5.8	NM	5.8	36.3
Zalando SE	Germany	233	42.5	4.8	3.7	2.3	4.0		(0.3)	--		0.0	NM	1.3	NM
Ocado Group	UK	23	34.6	2.4	1.1	(3.7)	9.0		(7.9)	--		19.9	0.0	12.3	NM
Delivery Hero	Germany	(189)	52.2	(21.2)	(24.8)	(31.8)	4.5		(29.3)	--		NM	2.2	NM	NM
Farfetch	UK	(207)	49.3	(28.7)	(31.9)	(34.0)	3.2		(35.1)	--		--	3.8	NM	NM
Start Today	Japan	250	88.6	NM	23.4	21.7	2.6		20.8	--		0.8	0.0	0.8	NM
Vipshop	China	488	20.3	4.6	3.8	2.9	--		3.8	BBB		0.3	NM	1.3	20.1
Boohoo.com	UK	102	54.7	9.2	9.0	7.6	5.1		3.9	--		0.1	NM	0.3	NM
ASOS	UK	135	50.8	4.6	3.9	3.0	4.4		(0.5)	--		0.6	0.4	1.3	NM
Zooplus AG	Germany	8	25.5	1.4	0.5	(0.0)	0.2		0.3	--		11.7	2.6	8.1	4.4
Uxin Limited	China	(339)	66.9	(55.2)	(61.9)	(64.6)	--		(61.9)	--		NM	NM	NM	NM
AO World	UK	(1)	16.9	1.2	(0.1)	(0.9)	0.5		(0.6)	--		NM	NM	10.1	NM
N Brown Group	UK	137	76.9	16.3	16.0	15.2	0.5		15.4	--		5.0	4.5	5.0	6.8
Secoo	China	35	18.7	4.8	4.1	3.8	--		4.1	--		5.3	2.4	5.4	3.7
Jumei International Holdings	China	(13)	25.4	(0.5)	(2.1)	(6.0)	1.4		(3.6)	--		--	25.5	NM	NM
LightInTheBox Holding Company	China	(37)	28.0	(15.6)	(17.9)	(18.3)	--		(17.9)	--		NM	NM	NM	NM
home24	Germany	(79)	43.3	NM	(21.9)	(24.0)	2.1		(24.1)	--		NM	1.1	NM	NM
Delticom AG	Germany	(7)	21.8	0.2	(0.9)	(1.6)	1.1		(2.0)	--		NM	NM	50.3	NM
International E-Commerce		Mean	41.0 %	(4.3) %	(3.9) %	(6.1) %	2.6 %		(6.5) %			6.6 x	4.3 x	9.8 x	14.2 x
		Median	42.5	1.7	1.1	(0.9)	2.1		(0.6)			0.8	2.3	5.4	6.8
Ctrip.com	China	\$582	79.1 %	13.8 %	12.0 %	9.0 %	-- %		12.0 %	--		16.0 x	1.5 x	14.7 x	2.4 x
MakeMy Trip	India	(126)	41.0	(24.3)	(26.0)	(31.5)	--		(26.0)	--		NM	2.5	NM	NM
trivago	Germany	38	99.3	4.5	3.9	2.9	2.4		1.6	--		--	NM	0.7	7.3
Tuniu Corporation	China	(29)	52.5	(4.9)	(8.8)	(18.7)	--		(8.8)	--		NM	7.6	NM	NM
International Travel Marketplaces		Mean	68.0 %	(2.7) %	(4.7) %	(9.6) %	0.6 %		(5.3) %			8.0 x	3.9 x	7.7 x	4.8 x
		Median	65.8	(0.2)	(2.4)	(7.9)	--		(3.6)			8.0	2.5	7.7	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.

INTERNATIONAL – TRADING ANALYSIS

	Share Price	% of 52	YTD %	Equity	Enterprise	(a)	LTM	EV / LTM	EV / EBITDA			P / E		LTG	P/E/G	Dividend	(b)	(c)
Company Name	7/19/2019	wk high	Change	Value	Value		Revenue	Revenue	LTM	2019E	2020E	2019E	2020E	Rate	2019E	Yield	ROE	
Inditex	\$30.83	93.2 %	19.5 %	\$96,010	\$88,588		\$29,600	3.0 x	13.9 x	10.1 x	9.4 x	22.5 x	21.1 x	8.1 %	2.8 x	3.2 %	26.6 %	
Fast Retailing	635.32	97.5	23.6	64,838	59,118		20,690	2.9	21.9	20.0	17.7	NM	35.6	NA	NM	0.7	19.3	
H&M	17.98	97.5	26.4	29,764	31,029		23,197	1.3	11.7	10.8	10.0	22.1	20.7	1.8	12.3	5.8	23.8	
Next PLC	68.26	88.8	34.8	8,745	10,164		5,490	1.9	8.8	9.2	9.2	12.2	11.7	4.4	2.8	3.0	NM	
Ariztia	12.82	84.7	6.6	1,384	1,445		669	2.2	12.6	11.8	9.2	20.7	16.4	14.4	1.4	--	30.3	
Ted Baker	10.48	34.7	(46.7)	467	622		813	0.8	5.4	6.1	6.0	9.2	8.8	10.0	0.9	7.0	17.4	
Superdry	5.31	30.4	(10.5)	435	390		1,127	0.3	3.7	3.5	3.1	8.1	7.5	29.0	0.3	2.7	(29.4)	
Esprit	0.18	64.1	(9.3)	340	(130)		1,811	(0.1)	1.6	6.6	NM	NM	NM	NA	NM	--	(37.9)	
Roots Corporation	2.71	33.9	17.5	114	203		248	0.8	7.7	5.8	5.2	7.2	6.5	NA	NM	--	3.6	
Mothercare UK	0.24	66.8	20.1	83	92		669	0.1	NM	3.2	2.3	NM	12.0	NA	NM	--	NM	
International Specialty Retail							Mean	1.3 x	9.7 x	8.7 x	8.0 x	14.6 x	15.6 x	11.3 %	3.4 x	3.7 %	6.7 %	
							Median	1.1	8.8	7.9	9.2	12.2	12.0	9.1	2.1	3.1	18.3	
LVMH	\$428.97	98.2 %	43.9 %	\$215,900	\$224,234		\$53,613	4.2 x	16.7 x	14.6 x	13.4 x	25.9 x	23.8 x	10.2 %	2.5 x	1.6 %	21.7 %	
Hermes	719.03	98.6	28.5	74,972	71,130		6,831	10.4	26.9	25.4	23.4	NM	NM	9.4	NM	0.7	26.7	
Kering ⁽¹⁾	586.51	96.8	23.4	73,579	75,666		15,646	4.8	14.9	12.9	11.8	19.7	17.6	11.3	1.7	2.0	23.4	
Richemont	87.08	95.5	35.7	49,185	46,429		15,700	3.0	15.9	14.6	12.5	26.3	23.7	13.6	1.9	2.3	17.6	
Burberry	29.11	98.6	32.2	11,929	10,889		3,542	3.1	15.7	14.9	13.7	28.8	24.7	8.2	3.5	1.8	23.5	
Moncler	42.87	94.6	28.4	10,777	10,272		1,626	6.3	19.3	15.9	14.1	26.4	24.7	10.0	2.6	1.0	33.4	
Prada	3.24	64.1	(1.6)	8,294	8,661		3,598	2.4	14.2	13.8	12.3	28.9	28.9	16.2	1.8	2.1	7.2	
Canada Goose	44.24	61.2	1.2	4,870	4,913		621	7.9	30.5	22.1	18.1	36.1	29.5	23.9	1.5	--	44.7	
Hugo Boss	63.11	69.6	1.6	4,355	4,425		3,154	1.4	7.9	7.7	7.1	15.0	13.5	9.7	1.5	4.8	21.4	
Ferragamo	23.47	95.7	15.2	3,961	3,793		1,526	2.5	15.8	14.9	13.9	33.3	29.8	14.4	2.3	1.6	12.0	
Brunello Cucinelli	34.00	72.7	(2.0)	2,312	2,341		633	3.7	21.5	20.2	18.5	39.2	37.9	7.8	5.0	1.0	18.5	
Tod's	46.12	64.1	(3.2)	1,526	1,622		1,088	1.5	12.6	14.3	12.6	36.5	30.0	5.2	7.0	2.4	4.3	
Mulberry	3.35	40.0	(10.9)	199	187		217	0.9	43.1	NM	NM	NM	NM	NA	NM	1.9	(5.7)	
Luxury / Apparel / Accessories							Mean	4.0 x	19.6 x	15.9 x	14.3 x	28.7 x	25.8 x	11.7 %	2.9 x	1.9 %	19.1 %	
							Median	3.1	15.9	14.7	13.6	28.8	24.7	10.1	2.3	1.8	21.4	
Adidas	\$313.90	98.7 %	48.4 %	\$61,691	\$60,015		\$24,972	2.4 x	18.6 x	16.1 x	14.6 x	28.5 x	25.2 x	14.5 %	2.0 x	1.2 %	26.2 %	
Alimentation Couche-Tard	60.84	90.0	22.1	34,332	41,286		59,118	0.7	11.8	11.8	11.1	19.1	16.9	14.2	1.3	0.6	21.3	
Loblaw Companies	51.13	93.5	14.1	18,791	24,072		35,071	0.7	8.9	6.4	6.2	15.7	14.1	1.7	9.1	1.9	6.2	
Dollarama	37.16	92.6	56.0	11,696	13,126		2,697	4.9	20.1	15.1	14.1	26.3	22.7	11.6	2.3	0.4	NM	
Puma	67.21	98.5	38.6	10,049	10,094		5,428	1.9	19.9	13.7	11.8	36.1	29.9	24.3	1.5	0.6	14.6	
Gildan Activewear	39.38	97.2	29.6	8,020	8,852		2,885	3.1	16.2	14.5	12.9	20.2	17.1	15.9	1.3	1.4	15.6	
JD Sports ⁽²⁾	7.66	94.4	73.1	7,454	7,382		6,179	1.2	12.1	10.7	9.7	18.9	16.8	12.0	1.6	0.3	27.6	
Canadian Tire ⁽³⁾	110.49	78.6	5.5	7,033	13,663		9,810	1.4	11.4	8.4	8.0	11.2	10.3	NA	NM	2.9	15.6	
Pandora	38.42	54.1	(5.7)	3,716	4,782		3,382	1.4	4.5	4.7	4.7	6.0	6.2	0.4	15.0	7.0	NM	
Alpargatas	5.80	96.6	64.8	3,243	3,267		1,013	3.2	28.0	19.3	16.2	28.9	21.7	NA	NM	0.9	10.8	
ASICS	10.76	62.0	(16.1)	2,030	2,314		3,436	0.7	13.1	12.3	9.6	32.7	20.8	82.9	0.4	2.1	(11.8)	
Hudson's Bay Company ⁽⁴⁾	7.58	83.1	41.8	1,781	4,259		6,931	0.6	18.3	12.6	11.1	NM	NM	NA	NM	0.5	(10.9)	
SMCP	17.39	62.2	11.9	1,287	1,596		1,165	1.4	8.8	7.4	6.6	17.0	13.5	15.4	1.1	--	4.5	
Delta Galil	29.27	86.3	15.0	746	1,133		1,529	0.7	9.2	NM	NM	NM	NM	NA	NM	0.8	9.6	
Mizuno	22.91	65.0	7.7	581	631		1,607	0.4	6.6	6.3	5.9	11.3	10.1	NA	NM	2.0	6.5	
Geox	1.45	55.1	7.1	376	385		947	0.4	7.3	6.6	5.0	NM	14.4	NA	NM	1.9	(1.5)	
Various							Mean	1.6 x	13.4 x	11.1 x	9.8 x	20.9 x	17.1 x	19.3 %	3.6 x	1.6 %	9.6 %	
							Median	1.3	11.9	11.8	9.7	19.1	16.8	14.4	1.5	1.2	10.2	

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.

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 May 2018, Canadian Tire acquired Helly Hansen, a leading Norwegian manufacturer and retailer of outdoor wear.

(4) In September 2018, Hudson's Bay Company announced it sold select Real Estate Assets to and formed a JV with Signa to operate Kaufhof and Karstadt. In June 2018, Hudson's Bay Company announced the sale of Gilt Groupe to Rue La La.

INTERNATIONAL – OPERATING ANALYSIS

Company Name	Store Count	Comp Store Sales			LTM EBITDA	Operating Efficiency						Credit Statistics					
		LFY	Q(-1)	Q(-2)		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.	
Inditex	7,490	4.0 %	3.0 %	4.0	\$6,353	55.1 %	30.6 %	21.5 %	17.0 %	5.4 %	16.1 %	--	0.0 x	NM	1.8 x	78.7 x	
Fast Retailing ⁽¹⁾	3,588	6.2	(0.1)	NA	2,704	48.6	22.0	13.1	11.2	1.8	11.2	A	1.7	NM	3.4	54.8	
H&M	4,958				2,644	52.6	23.2	11.4	6.9	3.8	7.6	--	1.0	0.5	3.5	NM	
Next PLC	528				1,161	36.6	27.1	21.1	18.2	3.1	18.0	BBB	1.5	1.3	2.5	19.2	
Arizia	92	9.8	7.9	5.5 %	115	39.9	30.6	17.2	14.2	5.9	11.3	--	0.6	0.4	3.0	9.6	
Ted Baker	560				115	58.3	23.2	14.1	10.8	7.7	6.4	--	1.6	1.4	3.3	10.5	
Superdry	734				106	55.6	9.5	9.4	5.5	1.8	7.6	--	--	NM	0.1	50.8	
Esprit	495	(9.6)			(84)	50.3	11.7	(4.6)	(8.2)	1.6	(6.2)	--	--	5.6	8.4	NM	
Roots Corporation					26	56.5	10.9	10.7	6.9	10.8	(0.1)	--	3.2	3.2	3.3	NM	
Mothercare UK ⁽²⁾	1,227	(10.8)	(8.8)	(11.4)	1	3.6	8.7	0.2	(3.8)	1.1	(1.0)	--	23.2	6.9	6.4	NM	
International Specialty Retail					Mean	45.7 %	19.8 %	11.4 %	7.9 %	4.3 %	7.1 %		3.3 x	2.8 x	3.6 x	37.3 x	
					Median	51.5	22.6	12.2	8.9	3.5	7.6		1.2	1.4	3.3	35.0	
LVMH					\$13,398	66.6 %	32.8 %	25.0 %	21.3 %	6.4 %	18.6 %	A+	0.9 x	0.5 x	2.2 x	55.1 x	
Hermes	310				2,643	70.0	NA	38.7	35.1	4.2	34.4	--	0.0	NM	NA	NM	
Kering					5,091	74.6	43.9	32.5	28.9	6.1	26.5	A-	0.9	0.4	2.2	43.0	
Richemont					2,925	61.7	26.2	18.6	13.9	4.7	13.9	A+	2.7	NM	3.7	12.9	
Burberry	475	2.0 %	NA	1.0 %	694	68.4	32.5	19.6	16.4	2.3	17.3	--	0.1	NM	2.4	NM	
Moncler	208				533	77.4	NM	32.8	29.2	6.5	26.3	--	0.2	NM	0.2	NM	
Prada	634				610	72.0	36.4	17.0	10.3	9.0	8.0	--	1.7	0.6	4.0	18.5	
Canada Goose					161	62.2	29.8	25.9	24.0	3.6	22.3	--	0.7	0.3	1.4	13.1	
Hugo Boss	417				558	65.2	32.1	17.7	12.2	4.7	13.0	--	0.4	0.1	2.9	35.8	
Ferragamo	662				240	64.2	30.9	15.8	11.5	4.1	11.6	--	0.2	NM	3.0	28.7	
Brunello Cucinelli	127	10.7			109	48.8	30.1	17.2	12.6	4.9	12.3	--	0.8	0.2	3.0	62.8	
Tod's	404				129	49.2	24.3	11.9	7.9	4.4	7.5	--	2.5	0.8	4.3	55.4	
Mulberry	114	(1.0)	(7.0)		4	61.5	13.5	2.0	(1.7)	5.7	(3.7)	--	1.3	NM	5.3	NM	
Luxury / Apparel / Accessories					Mean	64.8 %	30.2 %	21.1 %	17.0 %	5.1 %	16.0 %		1.0 x	0.4 x	2.9 x	36.1 x	
					Median	65.2	30.9	18.6	13.9	4.7	13.9		0.8	0.4	3.0	35.8	
Adidas					\$3,234	52.5 %	16.6 %	13.0 %	11.2 %	2.8 %	10.2 %	--	0.6 x	NM	1.8 x	37.0 x	
Alimentation Couche-Tard ⁽³⁾	12,575	0.8 %	3.4 %	4.5 %	3,511	15.6	6.6	5.9	4.3	1.9	4.0	BBB	2.1	1.9	2.5	7.6	
Loblaw Companies ⁽⁴⁾	2,424	1.1	2.0	0.8	2,692	30.4	10.2	7.7	4.4	2.0	5.6	BBB	2.1	1.8	3.0	5.5	
Dollarama	1,236	2.7	9.5	2.6	652	47.8	33.1	24.2	22.4	3.6	20.6	--	2.2	2.1	3.2	14.5	
Puma					506	48.6	13.1	9.3	7.6	2.7	6.6	--	1.0	0.1	2.4	25.5	
Gildan Activewear					547	27.4	20.2	19.0	13.8	3.7	15.3	--	1.7	1.5	2.0	15.6	
JD Sports					610	47.5	NA	9.9	7.7	3.7	6.2	--	0.3	NM	NA	39.1	
Canadian Tire	1,700				1,194	33.7	17.7	12.2	10.1	3.1	9.1	BBB+	5.1	4.7	5.4	6.4	
Pandora					1,063	74.3	37.7	31.4	27.0	3.2	28.3	--	1.1	1.0	1.9	NM	
Alpargatas	748				117	43.9	17.6	11.5	9.3	1.8	9.7	--	1.3	NM	2.9	17.2	
ASICS					176	46.5	NA	5.1	2.1	1.2	4.0	--	3.8	1.5	NA	14.6	
Hudson's Bay Company ⁽⁵⁾	342	(0.2)	(2.1)	(1.4)	233	39.3	7.7	3.4	(3.8)	4.4	(1.1)	B	10.1	10.0	7.8	NM	
SMCP					182	73.6	26.7	15.6	12.2	5.2	10.4	--	2.0	1.7	3.7	5.9	
Delta Galil	180				124	36.8	11.8	8.1	5.3	2.6	5.5	--	3.3	3.0	4.2	4.1	
Mizuno					95	41.3	NA	5.9	4.3	1.2	4.7	--	1.9	0.5	NA	26.7	
Geox ⁽⁶⁾	1,015	(2.3)	3.4	NA	53	50.0	16.5	5.6	1.8	3.2	2.4	--	1.1	0.2	4.3	2.3	
Various					Mean	44.3 %	18.1 %	11.7 %	8.7 %	2.9 %	8.8 %		2.5 x	2.3 x	3.5 x	15.8 x	
					Median	45.2	16.6	9.6	7.7	2.9	6.4		2.0	1.7	3.0	14.5	

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.

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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