



Quarterly Macroeconomic & Market Update



PJT

SOLOMON

January 21, 2020

Global Consumer Retail Group

Senior Team



Peter J. Solomon
*Founder and
Chairman*



Marc Cooper
*Chief Executive
Officer*



David Shiffman
*Managing Director,
Co-Head*



Cathy Leonhardt
*Managing Director,
Co-Head*



**Michael
Gottschalk**
*Managing Director,
Consumer*



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



Jeffrey Derman
*Managing
Director,
Retail*



**Gregory
Grambling**
*Managing Director,
Restaurants*



Patrick Furlong
Director



Flore Gimello
Vice President

Additional Team Members

Eric Bormel, Senior Associate

Addison Bakken, Associate

Peter Diamond, Senior Associate

Gaurav Ghosh, Senior Associate

Joshua Heft, Senior Associate

Susan Wang, Senior Associate

Brandon Yoshimura, Senior 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 Consumer Retail Group Transactions

<p>PENDING</p> <p>NEW SEASONS MARKET</p> <p>Sold to</p> <p>GOODFOOD HOLDINGS</p> <p>Served as financial advisor to New Seasons Market LLC</p>	<p>PENDING \$115,000,000</p> <p>TAILORED BRANDS</p> <p>Sale of the Joseph Abboud trademarks to</p> <p>W H P GLOBAL</p> <p>Serving as financial advisor to Tailored Brands</p>	<p>JANUARY 2020</p> <p>Payless SHOESOURCE</p> <p>Served as restructuring advisor to Payless ShoeSource in its Chapter 11 bankruptcy proceedings</p>	<p>JANUARY 2020 \$67,674,000</p> <p>GENESCO</p> <p>Acquired</p> <p>Togast LLC</p> <p>Served as financial advisor to Genesco</p>	<p>DECEMBER 2019</p> <p>five BELOW</p> <p>Has acquired select assets from</p> <p>hollar</p> <p>Advised Five Below on its acquisition of e-commerce, fulfillment and select other assets from Hollar.com</p>	<p>DECEMBER 2019</p> <p>PVH BR</p> <p>Formed a JV and acquired</p> <p>McGregor</p> <p>Served as financial advisor to PVH and Basic Resources</p>
<p>NOVEMBER 2019</p> <p>HBC</p> <p>Sale of</p> <p>LORD + TAYLOR to LE TOTE</p> <p>Served as financial advisor to Hudson's Bay Company</p>	<p>OCTOBER 2019 \$190,000,000</p> <p>sears HOMETOWN STORE</p> <p>Sold to</p> <p>Transform Holdco</p> <p>Served as financial advisor to the Special Committee of Independent Directors of Sears Hometown and Outlet</p>	<p>OCTOBER 2019</p> <p>five BELOW</p> <p>Led the Series A financing round in</p> <p>NERD ST GAMERS</p> <p>Served as financial advisor to Five Below</p>	<p>OCTOBER 2019 \$130,000,000</p> <p>sears outlet</p> <p>Sold to</p> <p>FRANCHISE GROUP INC.</p> <p>Served as financial advisor to the Special Committee of Independent Directors of Sears Hometown and Outlet</p>	<p>SEPTEMBER 2019</p> <p>fred's</p> <p>Served as financial advisor to Fred's on potential asset sales</p>	<p>JUNE 2019</p> <p>ARTERIORES</p> <p>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>Received an investment from</p> <p>Global Private Equity Investor Group</p> <p>Served as financial advisor to Moose Knuckles</p>	<p>MAY 2019</p> <p>B&G Foods, Inc.</p> <p>Has acquired</p> <p>CLABBER GIRL</p> <p>Served as financial advisor to B&G Foods, Inc.</p>	<p>APRIL 2019 \$300,000,000</p> <p>OpCapita</p> <p>Acquired</p> <p>maurices from ascena</p> <p>Served as financial advisor to OpCapita</p>	<p>MARCH 2019 \$35,000,000</p> <p>charming 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 \$100,000,000</p> <p>GENESCO</p> <p>Has divested</p> <p>Lids Sports Group to Fanatics AMES WATSON</p> <p>Served as financial advisor to Genesco</p>	<p>DECEMBER 2018</p> <p>fred's</p> <p>Sold 179 stores' pharmacy prescription files to</p> <p>Walgreens</p> <p>Served as financial advisor to Fred's</p>
<p>NOVEMBER 2018 €3,250,000,000</p> <p>HBC</p> <p>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 \$113,000,000</p> <p>HIBBETT SPORTS</p> <p>Acquired</p> <p>city G.E.R.A.</p> <p>Served as financial advisor to Hibbett Sports</p>	<p>OCTOBER 2018</p> <p>vf</p> <p>Divested</p> <p>REEF to THE ROCKPORT GROUP</p> <p>Served as financial advisor to V.F. Corporation</p>	<p>OCTOBER 2018 \$437,000,000</p> <p>PERRY ELLIS</p> <p>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>Sold to</p> <p>Walmart</p> <p>Served as financial advisor to Bare Necessities</p>	<p>OCTOBER 2018</p> <p>Hero</p> <p>Divested</p> <p>SIGNATURE BRANDS LLC to TRAUB</p> <p>Served as financial advisor to Hero Group</p>

Selected Consumer Retail Group Transactions (Cont.)

<p>SEPTEMBER 2018 \$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>Charlesbank II</p> <p>Acquired the assets of THE ROCKPORT GROUP</p> <p>Served as financial advisor to Charlesbank</p>	<p>AUGUST 2018 \$2,500,000,000</p> <p>VARSITY BRANDS</p> <p>Sold to BainCapital</p> <p>Served as co-advisor to Charlesbank Capital Partners and Partners Group</p>	<p>JUNE 2018 \$558,000,000</p> <p>FINISH LINE</p> <p>Sold to JD</p> <p>Served as financial advisor to the Special Committee of Finish Line</p>	<p>MAY 2018</p> <p>DSW</p> <p>Acquired the remaining outstanding equity interests of town shoes</p> <p>Served as financial advisor to DSW</p>	<p>MARCH 2018</p> <p>GR GROUPE ROCHER</p> <p>Acquired ARBONNE</p> <p>Served as financial advisor to Groupe Rocher</p>
<p>MARCH 2018 \$305,000,000</p> <p>APOLLO</p> <p>Acquired QDOBA from Jack in the box</p> <p>Served as financial advisor to Apollo</p>	<p>FEBRUARY 2018 ** \$788,000,000</p> <p>DUFREY</p> <p>Spin off of HUDSON GROUP <i>Retail Specialists</i></p> <p>Co-Manager</p>	<p>MARCH 2018</p> <p>FLIGHT CLUB</p> <p>Merged with GOAT</p> <p>Served as financial advisor to Flight Club</p>	<p>NOVEMBER 2017</p> <p>EL RANCHO <i>Supermercado</i></p> <p>Strategic investment by Albertsons</p> <p>Served as financial advisor to El Rancho</p>	<p>SEPTEMBER 2017</p> <p>central grocers</p> <p>Sold assets to SUPERVALU</p> <p>Served as financial advisor to Central Grocers</p>	<p>MAY 2017 ** \$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>Sold of selected assets to Kroger and fresh ENCOUNTER <i>Markets of Convenience</i></p> <p>Served as financial advisor to Marsh Supermarkets</p>	<p>JUNE 2017 ** \$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 \$446,000,000</p> <p>Nutraceutical</p> <p>Acquired by HGGC</p> <p>Served as financial advisor to Nutraceutical International</p>	<p>APRIL 2017 ** \$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 ** \$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>MARCH 2017</p> <p>HAGGAR CLOTHING</p> <p>Centre Lane Partners and Grand Wealth (subsidiary of Yue Yuen Industrial (Holdings) Limited) have recapitalized Haggar, resulting in Grand Wealth acquiring 100% of shares outstanding</p> <p>Served as financial advisor to Haggar</p>
<p>MARCH 2017</p> <p>ModCloth</p> <p>Has been sold to Jet Walmart</p> <p>Served as financial advisor to ModCloth</p>	<p>MARCH 2017 ** \$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 \$174,200,000</p> <p>MBS TEXTBOOK EXCHANGE, LLC</p> <p>Sold to BARNES & NOBLE</p> <p>Served as financial advisor to MBS Textbook Exchange and owner Leonard Riggio</p>	<p>JANUARY 2017</p> <p>FINISH LINE</p> <p>Has divested JackRabbit and CriticalPoint</p> <p>Served as financial advisor to The Finish Line</p>	<p>SEPTEMBER 2016 \$145,000,000</p> <p>TSC TRACTOR SUPPLY CO</p> <p>Acquired petsense</p> <p>Served as financial advisor to Tractor Supply Company</p>	<p>AUGUST 2016 \$196,600,000</p> <p>Skullcandy</p> <p>Sold to MILL ROAD CAPITAL</p> <p>Served as financial advisor to Skullcandy</p>

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

Table of Contents

SECTION

I	Macroeconomic Update	5
II	Financial and M&A Markets Update	17
III	Retail Market Update	22
IV	Retail Trading and Operating Comparables Analysis	27

Macroeconomic Update



Current Macroeconomic Summary

Positive Developments

- ✓ **In December, China and the United States agreed on the terms of a “Phase One” trade deal that was signed on January 13, 2020**
 - Reduces some U.S. tariffs while boosting Chinese purchases of American farm, energy and manufactured goods
 - The U.S. will not proceed with 15% tariffs on \$160 billion of Chinese goods, including those on consumer electronics
 - The U.S. will cut the September 1st tariff rate in half to 7.5% on ~\$120 billion of Chinese goods
 - China agreed to measures concerning IP and currency devaluation
- ✓ **Federal Reserve unanimously left rates unchanged at 1.5-1.75%; the Fed is still targeting a 1.6% median Fed Funds rate, implying rate stability in 2020**
- ✓ **Consumer prices rose 0.2% in December 2019, with few signs that the underlying trend in inflation is strengthening**
- ✓ **Recent record equity market valuations**
 - S&P 500 increased 28.7% in 2019
- ✓ **U.S. Real GDP increased +2.1% in Q3 2019 after +2.0% in Q2 2019**
 - Driven by higher public spending, residential investment and exports
- ✓ **Labor market strength continues with low unemployment and positive wage growth**
 - In December 2019, U.S. employers added 145,000 jobs, as hiring continues to be strong in a record 111th straight month of gains
 - Unemployment rate remained flat at 3.5% in December, a 50-year low, in part due an increase in the Labor Force Participation Rate
 - December was the 22nd consecutive month with an unemployment rate of 4.0% or lower
 - December 2019 hourly wage growth was 2.9 % over December 2018
- ✓ **U.S. retail sales increased 0.2% in November 2019**
- ✓ **Loose monetary policy continues around the globe; several national banks have maintained zero or negative policy rates through Q3 2019**
 - ECB will announce its strategy on January 23, 2020
- ✓ **Consumer spending rose a better than expected 2.9% in Q3 2019 after rising 4.3% in Q2 2019**
- ✓ **The U.S. homeownership rate increased back to 64.8% after falling for two consecutive quarters**

Continued Concerns

- ✗ **Geopolitical tensions continue to impact global sentiment**
 - U.S. / Iran escalation and other continued tensions in the Middle East have increased oil prices as fears of disruptions to production continue
 - Brexit appears highly likely after Conservatives won a majority in the U.K. general election; British GDP has already been impacted significantly
 - Phase One of the U.S.–China trade deal’s enforcement is already a concern as China has not increased its grain import from the US
 - Phase Two of the U.S. China trade deal could come in stages, but its uncertainty has effected markets
- ✗ **Volatile global equity and credit markets, notwithstanding a 10-year bull market with valuations in many asset classes near all-time highs**
 - The Treasury Yield Curve has un-inverted, but many are still wary of the recent inversion’s signal
 - While the VIX did not spike as significantly as it did in 2018, many investors continue to track the index
- ✗ **Economic activity in the manufacturing sector contracted again in December 2019, as PMI decreased to 47.2, the lowest since June 2009**
- ✗ **Increasing the minimum wage to \$15 / hour could result in 1.3 million Americans losing their jobs according to a recent Government forecast**
- ✗ **IMF expects slower, but stable global and U.S. growth of 3.0% and 2.4% in 2020, respectively**
- ✗ **In 2019, the budget deficit totaled \$984 billion, \$205 billion more than the shortfall recorded in 2018**
 - The increase was mainly caused by increased military spending, entitlement programs, rising interest rates on government debt and low tax revenue earlier in the year
 - Tax revenue growth has lagged the broader economy while federal spending has steadily increased
- ✗ **Local economic consequences of SALT deduction legislation**
- ✗ **Underfunded states, municipalities, pension liabilities and U.S. territories (e.g., Puerto Rico)**

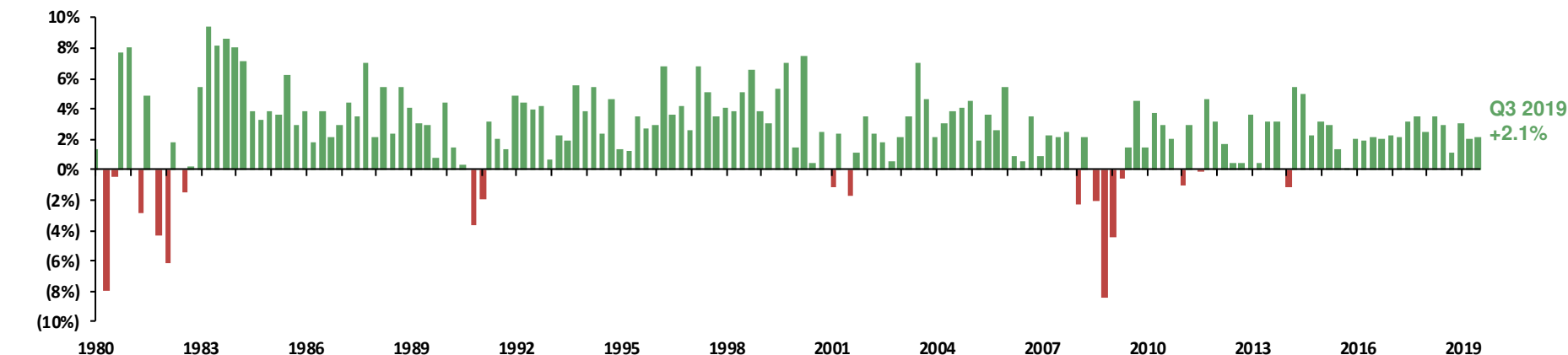


U.S. Real GDP Increased 2.1% In Q3 2019

Federal Reserve has set its 2020 GDP forecast at 2.1%

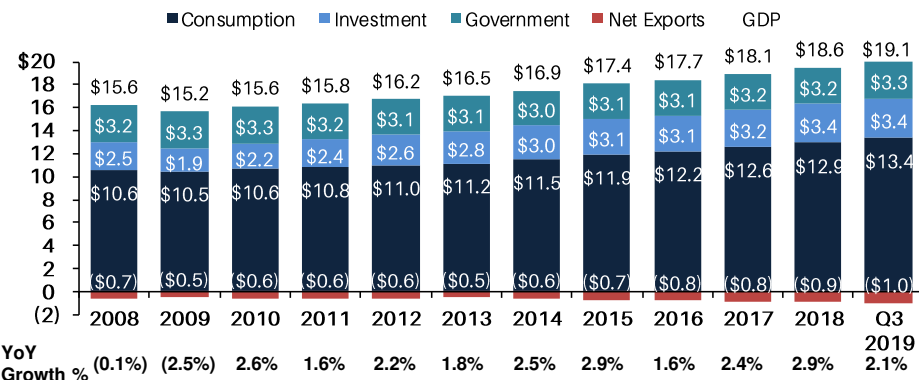
U.S. Real GDP Growth (Constant 2009 Dollars)

(Annualized Quarter over Quarter % Change)



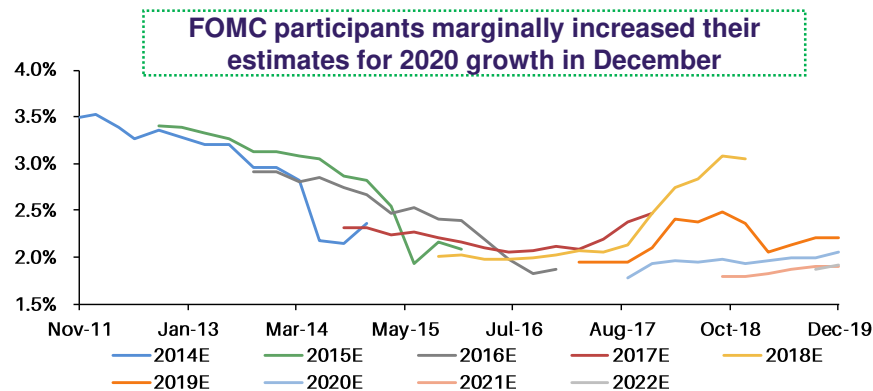
Source: Bureau of Economic Analysis as of January 2020.

U.S. Real GDP (Constant 2009 Dollars)



Source: Bureau of Economic Analysis as of January 2020.

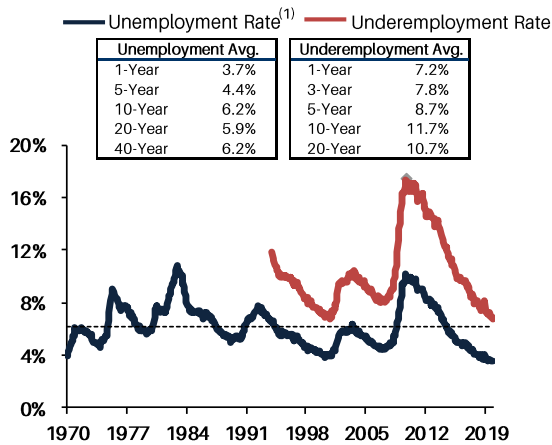
FOMC GDP Growth Projections Over Time



Source: FOMC as of January 2020 (December represents latest available data).

Unemployment And Initial Claims Near 50-Year Lows; Job Openings And The Quit Rate Remain Elevated; Labor Force Participation Has Recently Increased

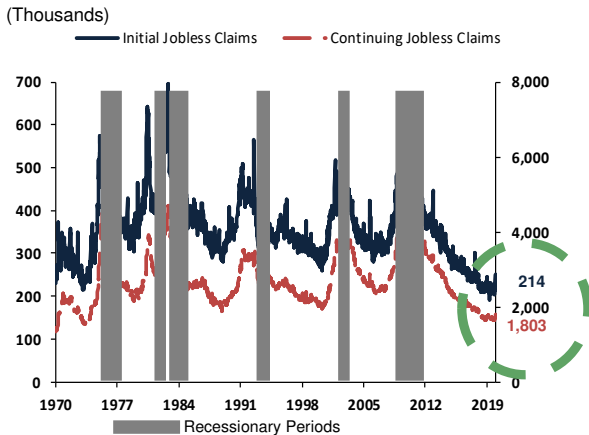
U.S. Unemployment Rate (a)



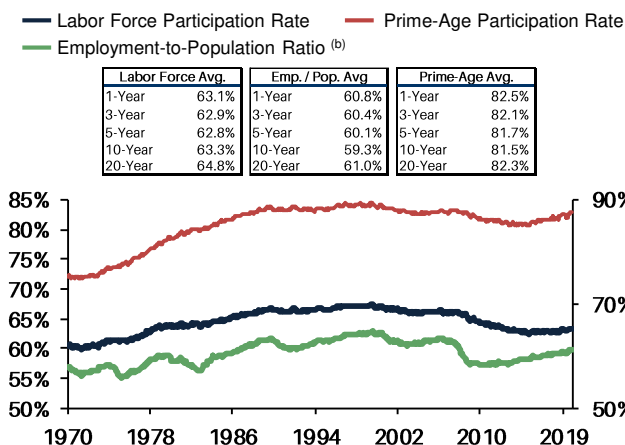
Source: BLS as of January 2020 (December represents latest available data).

(a) 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.

Initial and Continuing Jobless Claims



Labor Force Participation & Employment Rates



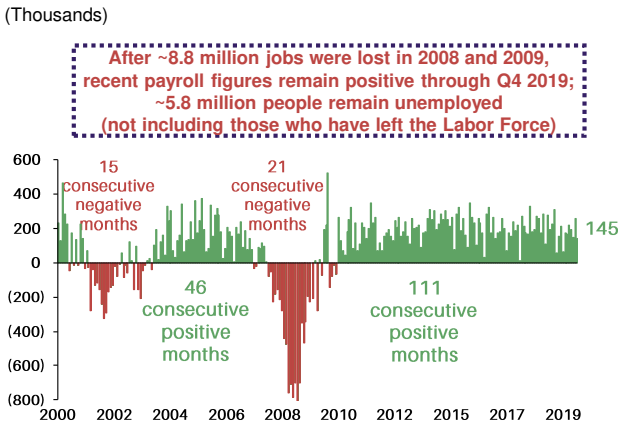
Source: BLS as of January 2020 (December represents latest available data).

(b) 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.

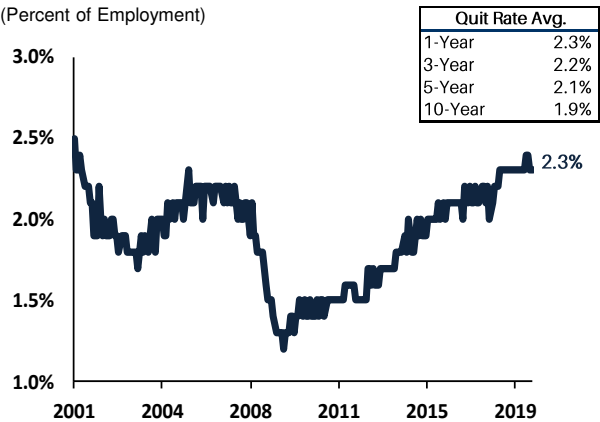
Job Openings



Change in Nonfarm Payrolls



Quit Rate



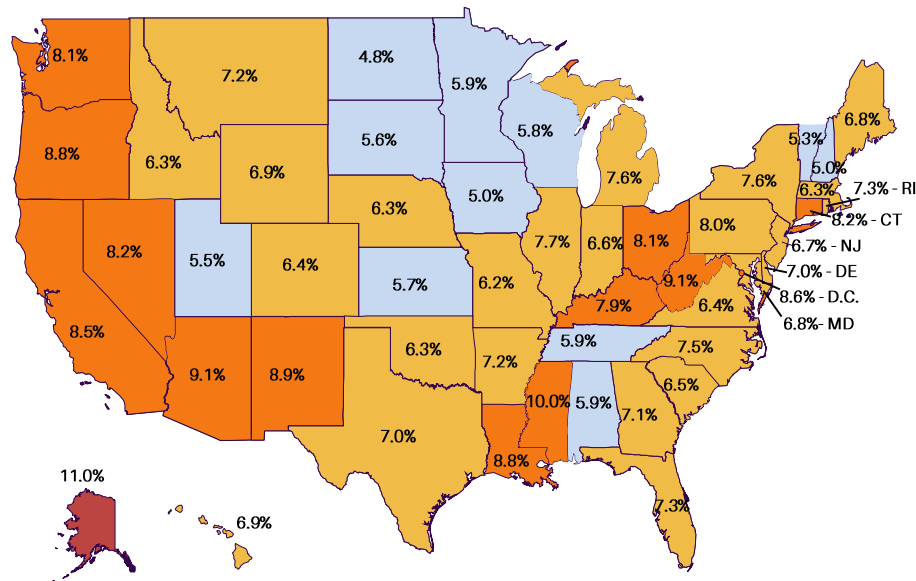
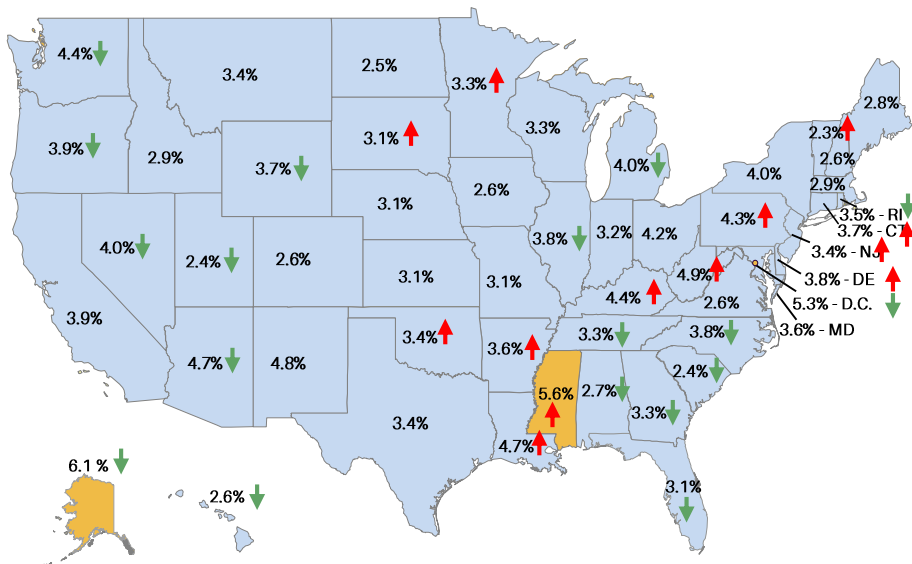
Source: BLS as of January 2020 (October represents latest available data).

While Unemployment And Underemployment ^(a) Are Lower Than Long-Term Averages, Some States Continue To Endure Elevated Underemployment





December unemployment decreased to 3.5% and underemployment decreased to 6.7%

Current U.S. Unemployment Rate: 3.5% (b)

Current U.S. Underemployment Rate: 6.7% ^(c)



Unemployment Rate		Unemployment Avg.	
	> 10.0%	1-Year	3.7%
	7.6% - 10.0%	5-Year	4.4%
	5.1% - 7.5%	10-Year	6.2%
	0.0% - 5.0%	20-Year	5.9%
		40-Year	6.2%

Underemployment Rate		Underemployment Avg.	
	> 10.0%	1-Year	7.2%
	8.1% - 10.0%	3-Year	7.8%
	6.1% - 8.0%	5-Year	8.7%
	0.0% - 6.0%	10-Year	11.7%
		20-Year	10.7%

Source: BLS as of January 2020.

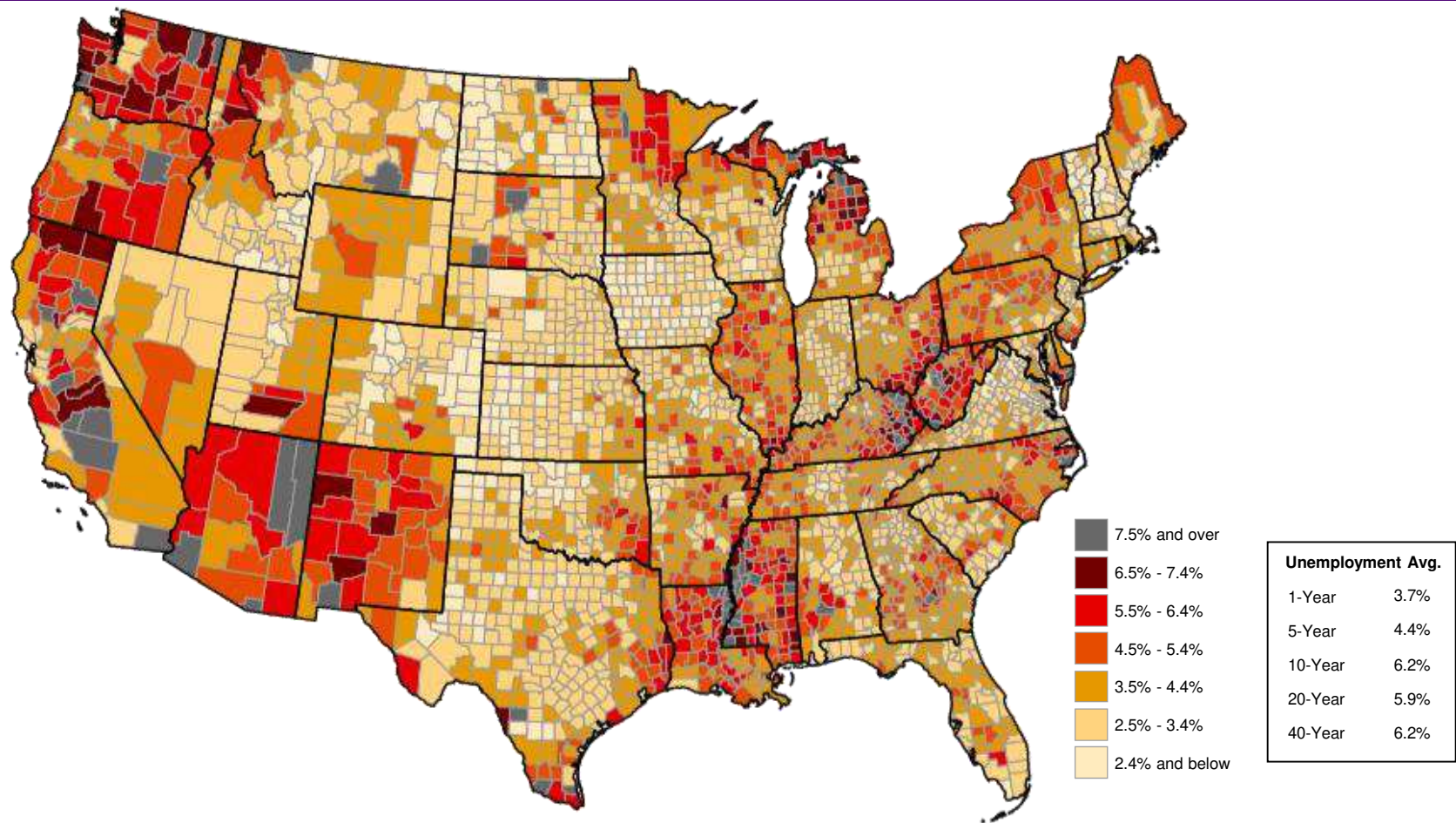
a) Includes unemployed workers who are actively looking for work, involuntarily part-time workers and marginally attached workers (those who desire and are available for a job but are not actively looking).

b) National unemployment rate (U-3) reflects December 2019; state unemployment rates reflect November 2019 (the latest available data); arrows demonstrate decreases (green) and increases (red) in a state's unemployment rate over the prior month.

c) National underemployment rate (U-6) reflects December 2019; state underemployment rates reflect 12-month average for period ending Q3 2019, the latest available data. State underemployment figures are updated quarterly.

Unemployment By County – 12-Month Average

Current U.S. Unemployment Rate: 3.5% (a)

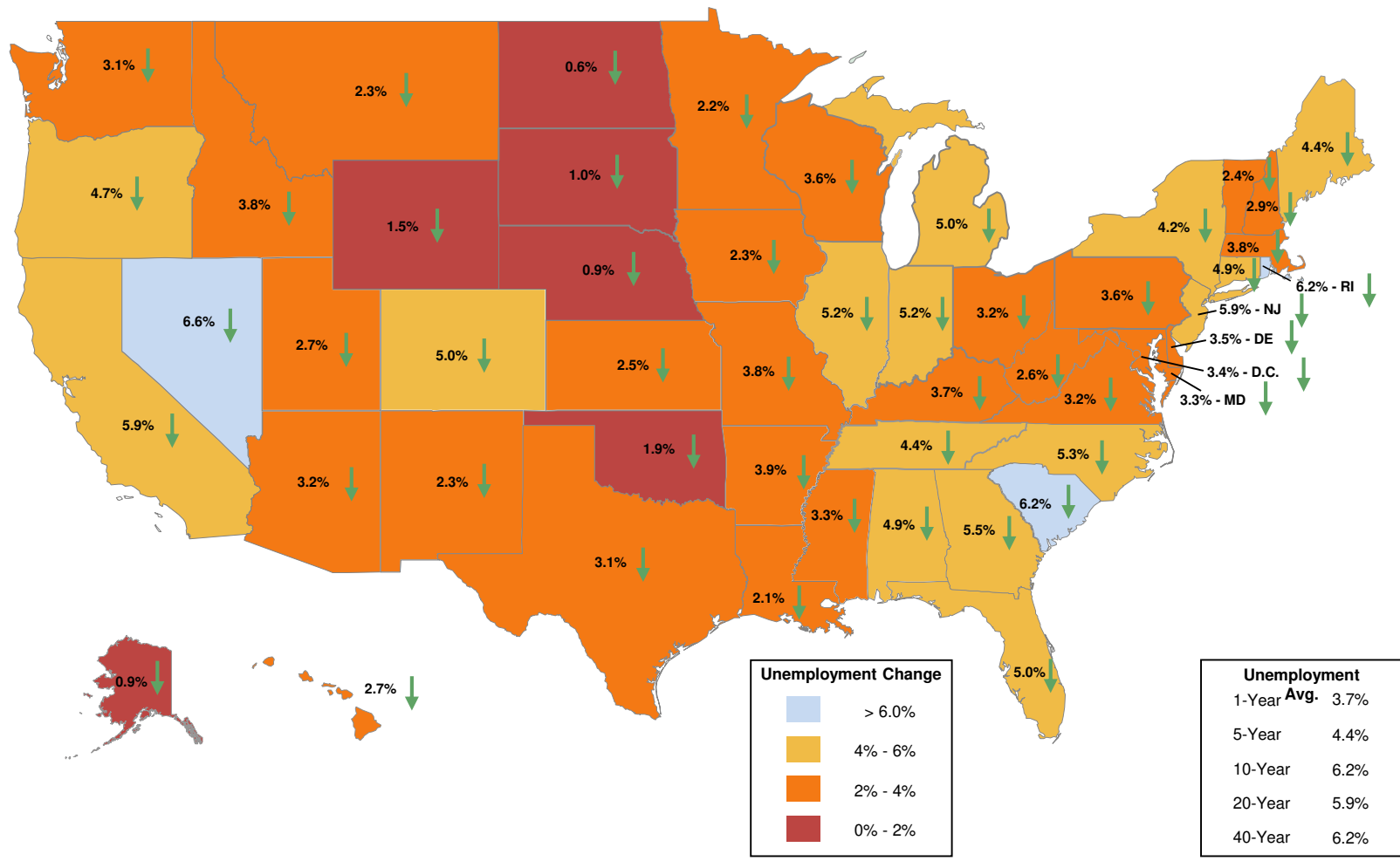


Source: Bureau of Labor Statistics as of January 2020 (data reflects November 2019, the latest available data).

a) National unemployment rate (U-3) reflects December 2019.

Every State's Unemployment Rate Is Lower Than In 2012, In Some Cases Significantly Lower

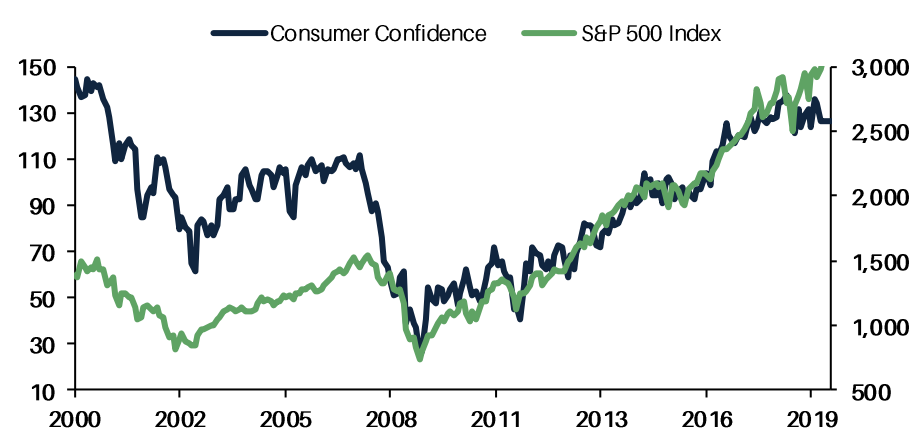
U.S. Unemployment Rate Change Since 2012: 4.3% (a)



Source: BLS as of January 2020.
a) National unemployment rate (U-3) reflects December 2019; state unemployment rates reflect November 2019 (the latest available data); arrows demonstrate decreases (green) and increases (black or white) in a state's unemployment rate over November 2012.

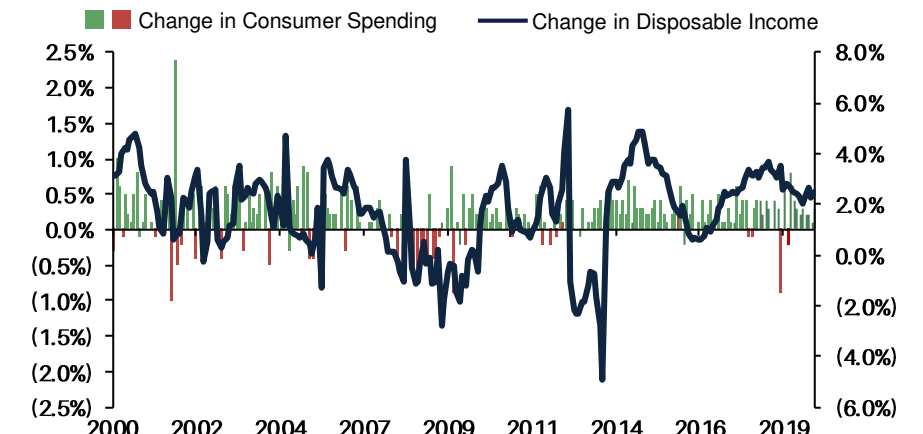
Consumer Confidence Has Declined Over The Past Few Months Though U.S. Retail Sales Continue To Increase, Particularly Online, Notwithstanding A Strong Savings Rate

Consumer Confidence and S&P 500



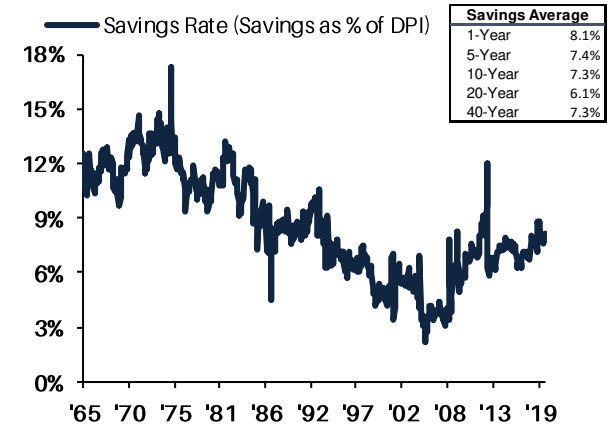
Source: Conference Board Consumer Confidence Index as of January 2020 (December represents the latest available data); S&P 500 Index as of December 2019.

U.S. Real Consumer Spending and Disposable Income



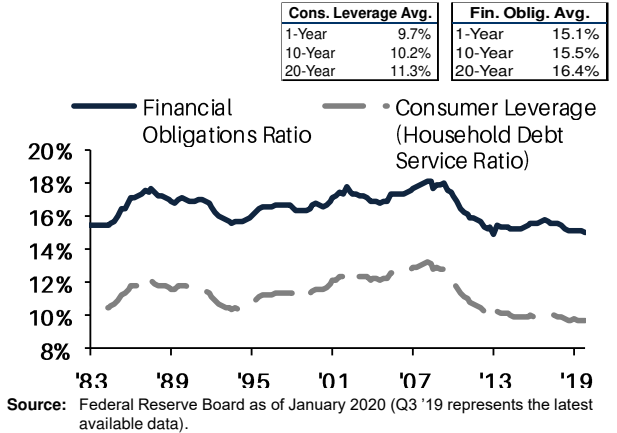
Source: BEA as of January 2020 (November represents latest available data).

Savings Rate



Source: Federal Reserve Bank of St. Louis as of January 2020 (November represents the latest available data). DPI is Disposable Personal Income.

Cons. Lev. (a) and Fin. Oblig. Ratio (b)

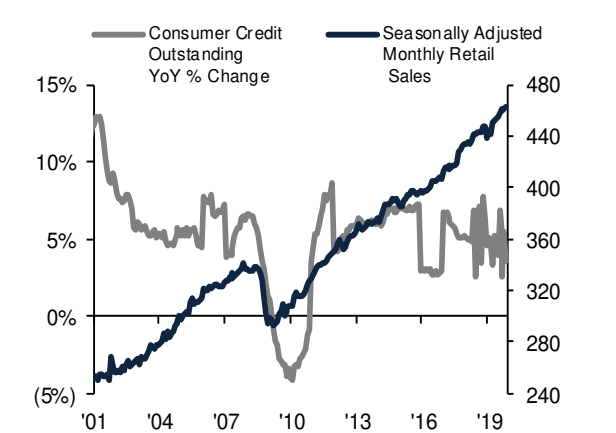


Source: Federal Reserve Board as of January 2020 (Q3 '19 represents the latest available data).

a) Reflects the ratio of debt payments to disposable income. Debt payments include interest and principal payments on revolving and closed-end debt.

b) Reflects the ratio of debt payments, automobile lease payments, rental payments on tenant-occupied property, homeowners' insurance and property tax payments to disposable income.

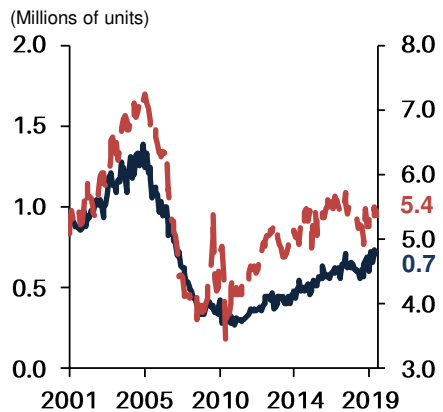
Consumer Credit and Retail Sales



Source: Federal Reserve Board (Consumer Credit) and Census (Retail Sales) as of January 2020 (November represents the latest available data for Retail Sales and November for Consumer Credit).

Homebuilder Confidence Has Recently Increased As Mortgage Rates Decreased And The Number Of Mortgage Applications Increased

Home Sales



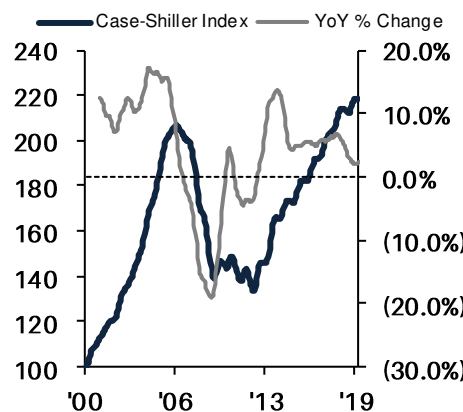
Source: U.S. Department of Commerce; Bureau of The Census Construction Reports as of January 2020.

Homebuilder Confidence



Source: National Association of Home Builders as of January 2020.

Home Prices



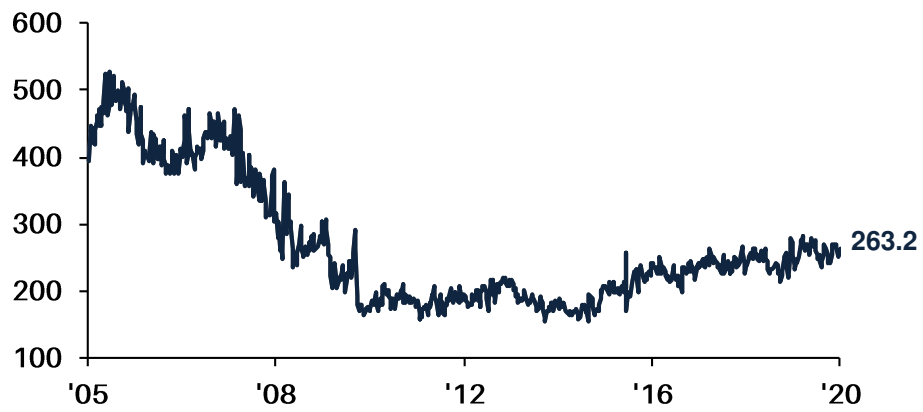
Source: S&P / Case-Shiller Composite-20 Home Price Index as of January 2020.

30-Yr Fixed Rate



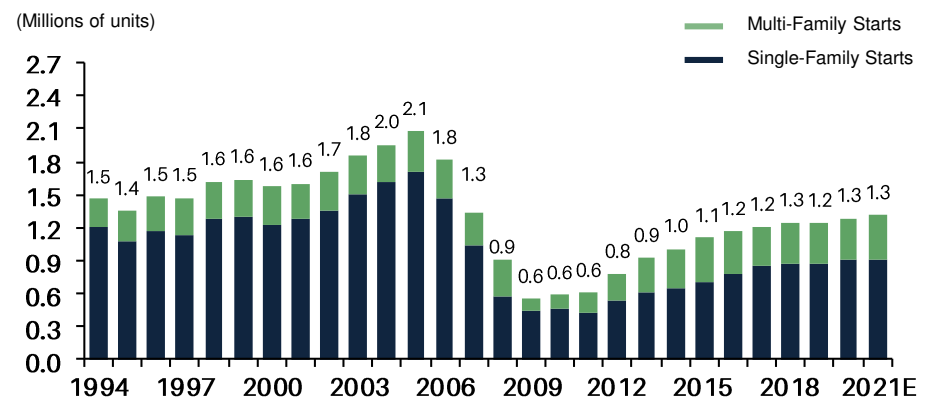
Source: Freddie Mac as of January 2020.

Mortgage Applications



Source: Mortgage Bankers Association as of January 2020.

Housing Starts



Source: National Association of Home Builders (Housing Starts) as of January 2020.

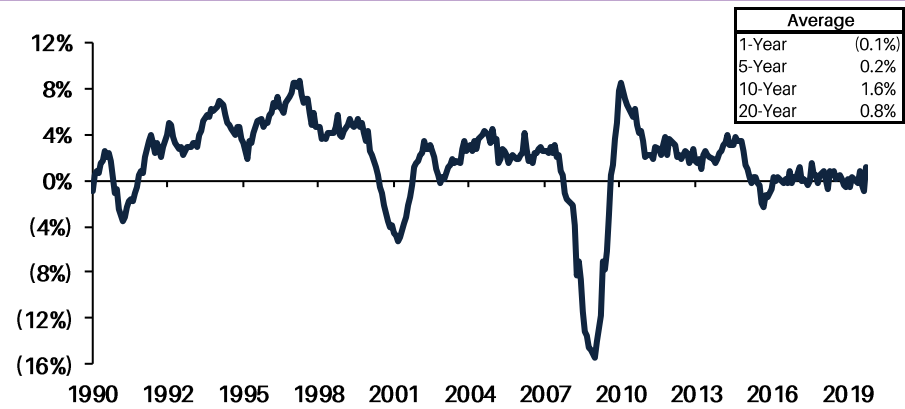
The PMI And CEO Confidence Have Recently Declined With Capacity Utilization And Durable Goods Orders

Purchasing Managers Index (PMI)



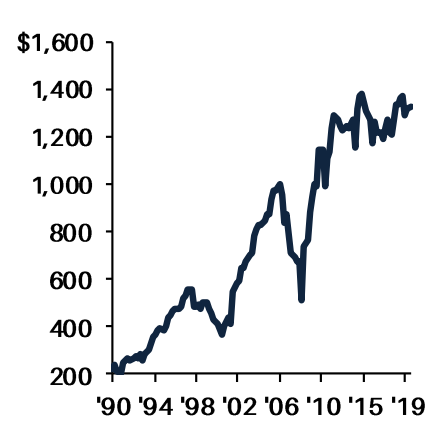
Source: ISM as of January 2020.

U.S. Industrial Production Growth Rate



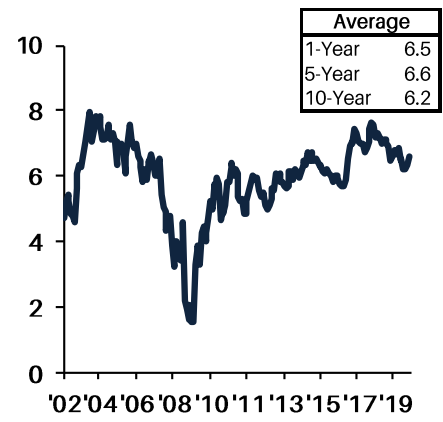
Source: ISM as of January 2020.

After-Tax Corp. Profits



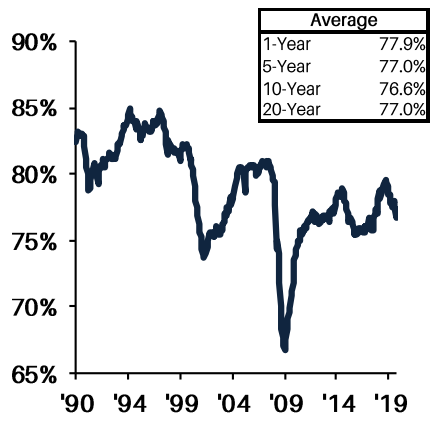
Source: BEA as of January 2020.

CEO Confidence Index



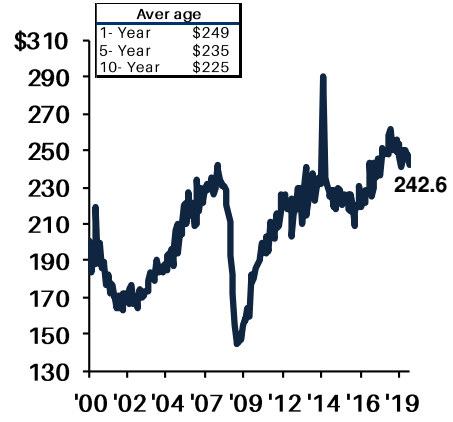
Source: CEO Magazine as of January 2020.

U.S. Capacity Utilization



Source: Federal Reserve as of January 2020.
Figures include the manufacturing, mining and electric and gas utilities industries.

Durable Goods Orders



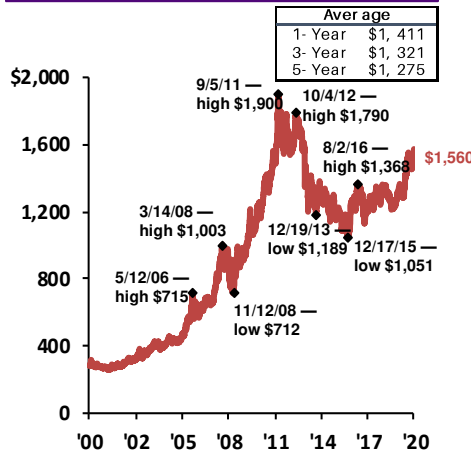
Source: U.S. Census Bureau as of January 2020.

Oil Prices and Gold Have Increased Amid Middle East Tension; Dollar Strength Persists

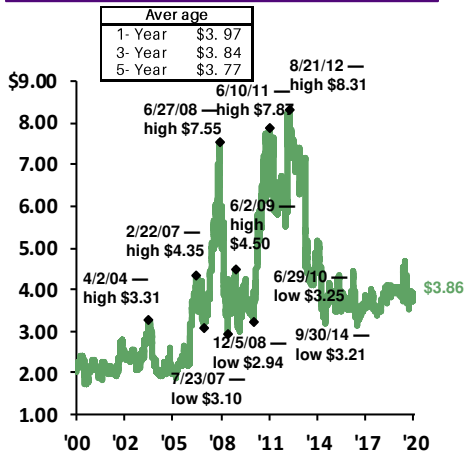
NYMEX Crude Oil Price (\$/Barrel)



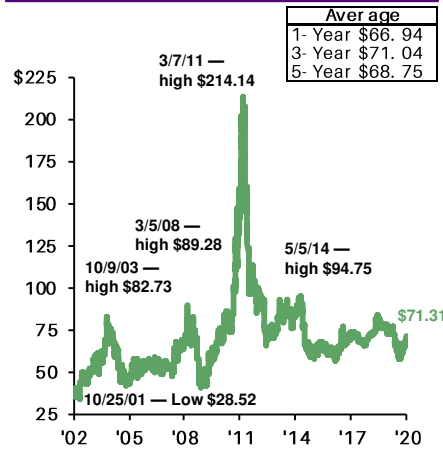
Gold (\$/Troy Oz.)



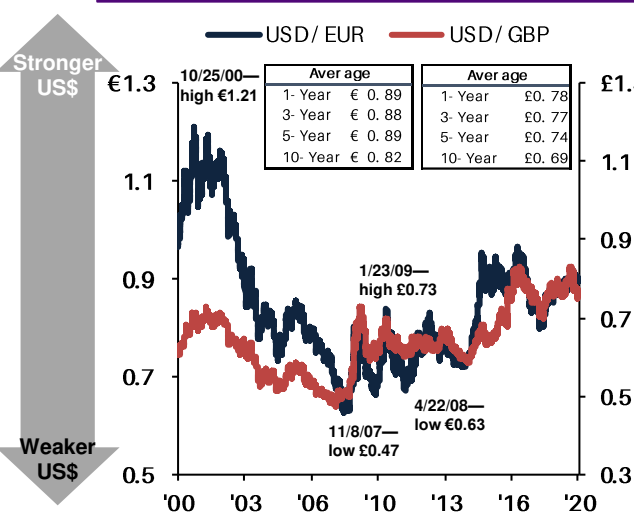
Corn (\$/Bushel)



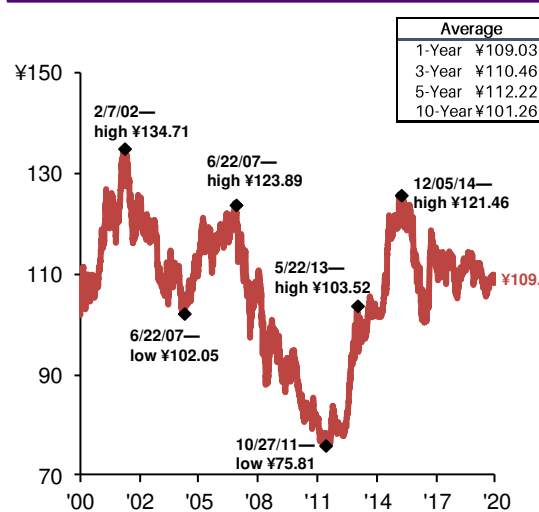
Cotton (\$/Bushel)



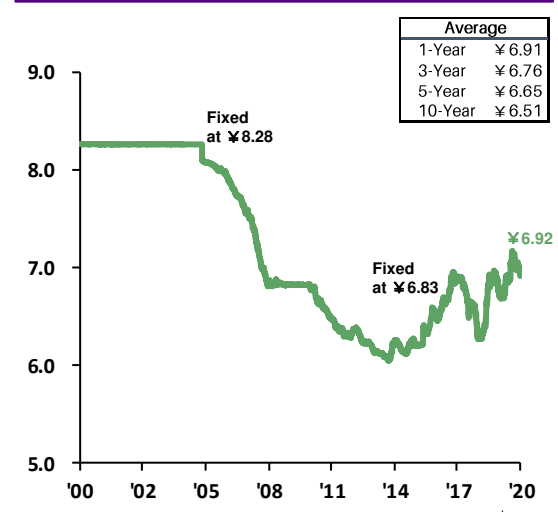
USD / EUR & USD / GBP



USD / JPY



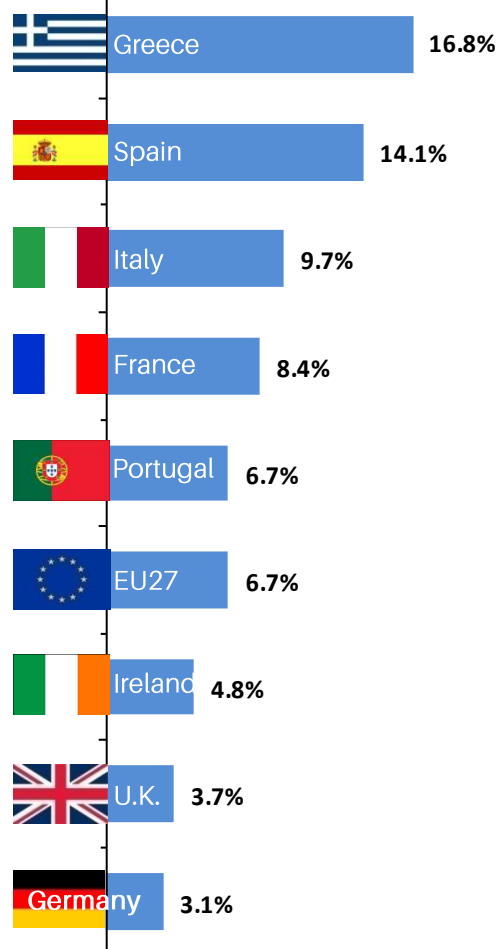
USD / CNY



Notwithstanding Brexit Concerns, Eurozone Bond Yields Have Fallen To Record Lows Amid Moderate GDP Growth

Euro-Zone Unemployment and GDP Growth

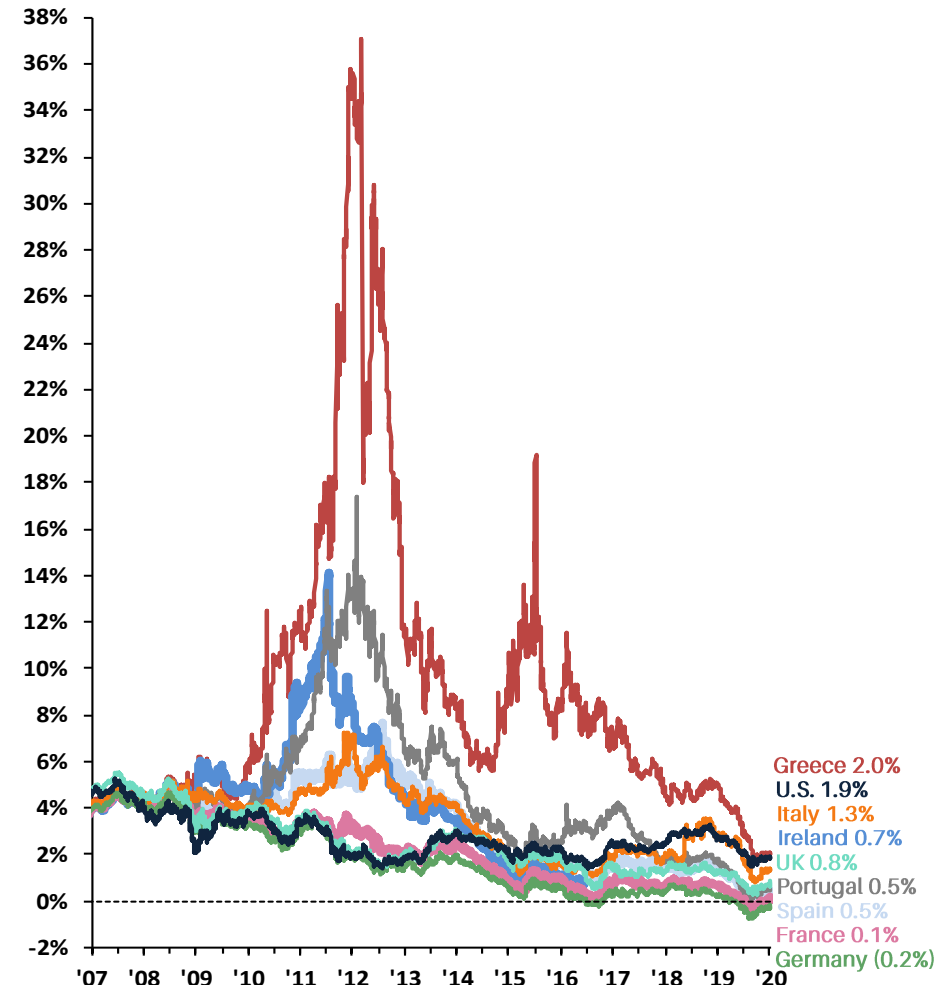
November '19 Unemployment Rate ^(a)



GDP Growth ^(b)
Q2 '19 / Q3 '19

Greece	1.3%	0.6%
Spain	0.4%	0.4%
Italy	0.1%	0.1%
France	0.3%	0.3%
Portugal	0.6%	0.3%
EU27	0.2%	0.3%
Ireland	(0.1%)	1.7%
U.K.	(0.2%)	0.4%
Germany	(0.2%)	0.1%

Sovereign Credit Yields (10-Yr Benchmark)



Source: Eurostat, Hellenic Statistic Authority and Bloomberg as of January 2020.

a) Greece and U.K data represent September 2019, Portugal represent November 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.

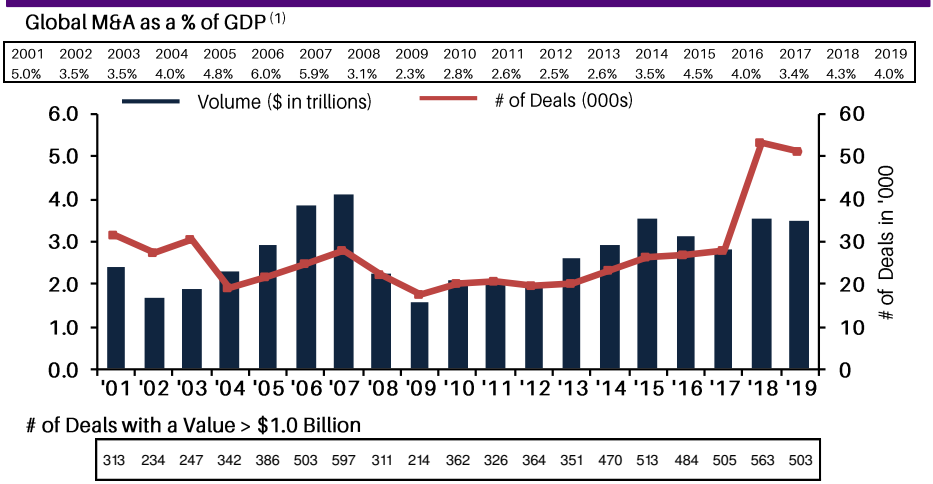
b) Represents percentage change compared with the previous quarter. (3) Ireland data available till June 2016.

Financial and M&A Markets Update

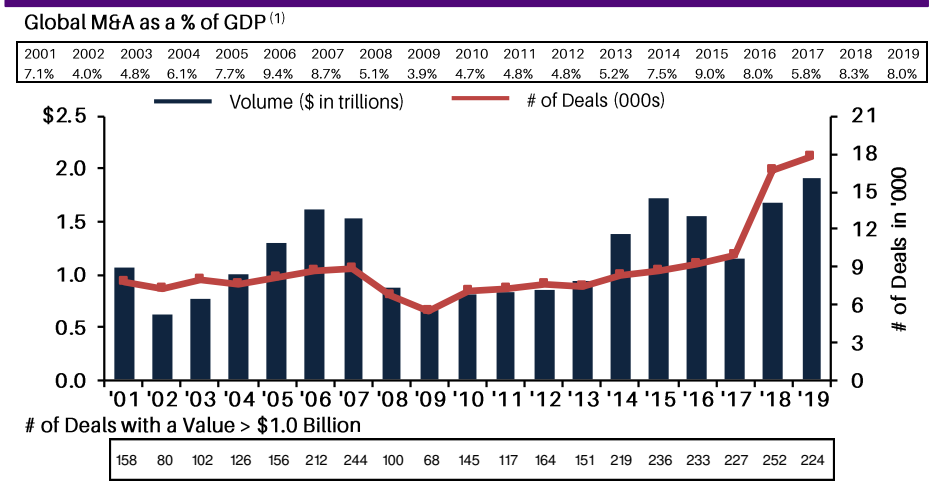


Global M&A Remained Robust in 2019, Particularly in the U.S., Notwithstanding A Slight Decline In U.S. LBO Volume

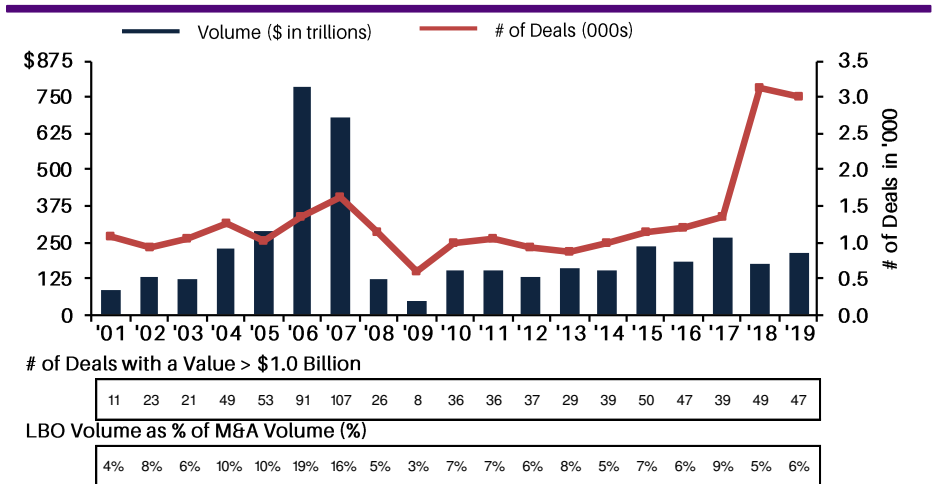
Global Announced M&A Volume (Inflation Adjusted)



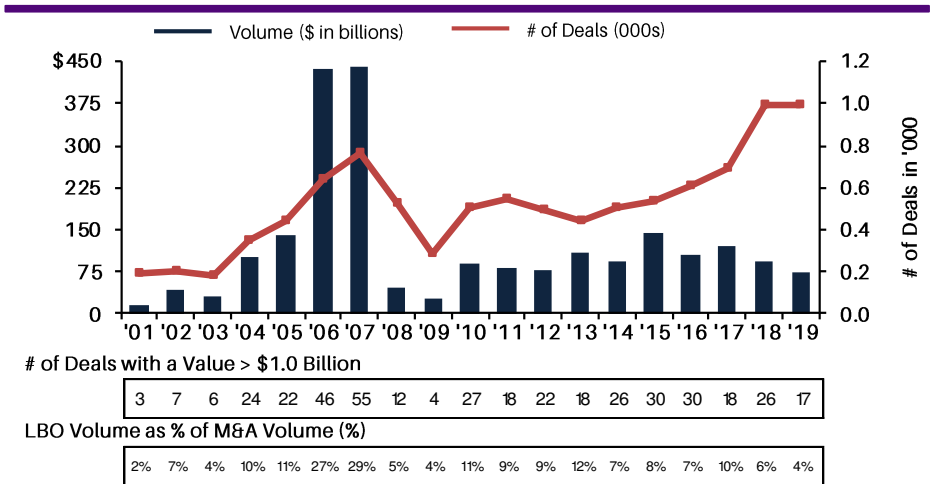
U.S. Announced M&A Volume (Inflation Adjusted)



Global Announced LBO Volume (Inflation Adjusted)



U.S. Announced LBO Volume (Inflation Adjusted)

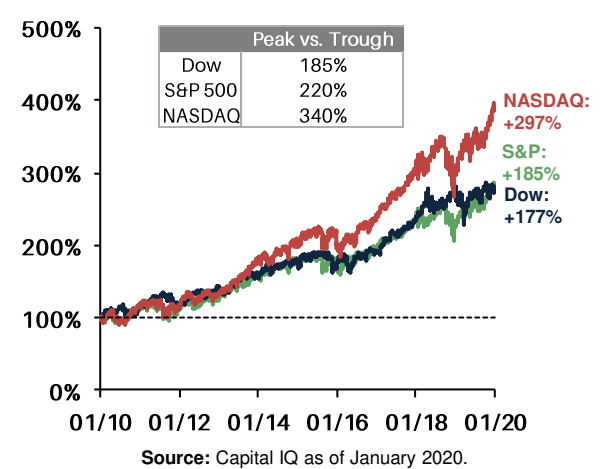


Source: Capital IQ as of January 2020.
Note: Inflation adjusted volume numbers are adjusted to the CPI-U Index.
a) Global and U.S. GDP figures at current prices per the International Monetary Fund.

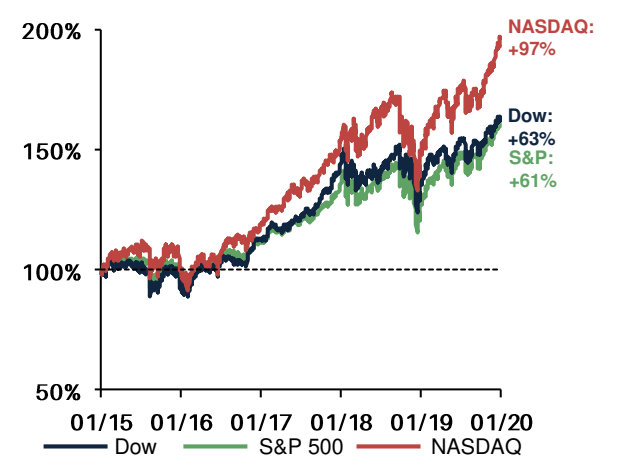
U.S. Equity Markets Rebounded Significantly In 2019, With The Dow, S&P And Nasdaq All Hitting Record Highs and Quickly Rebounding After The Recent Middle East Flare-Up

Equity Market Performance

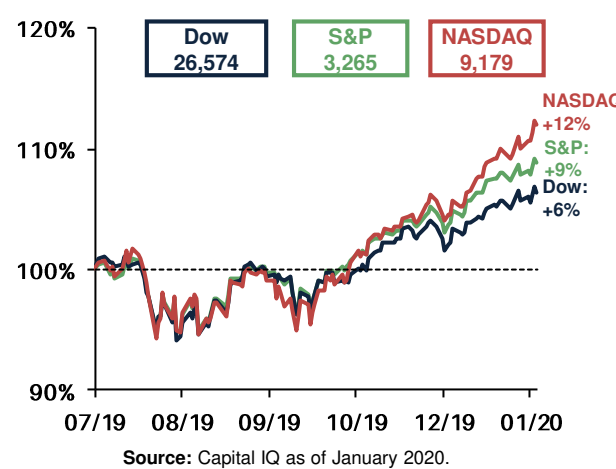
10 Year



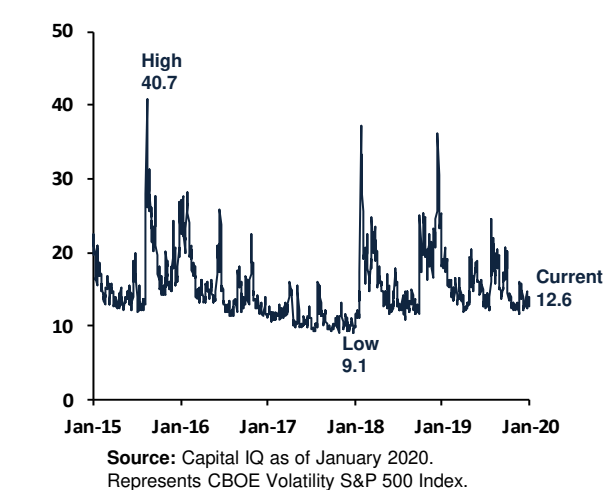
5 Year



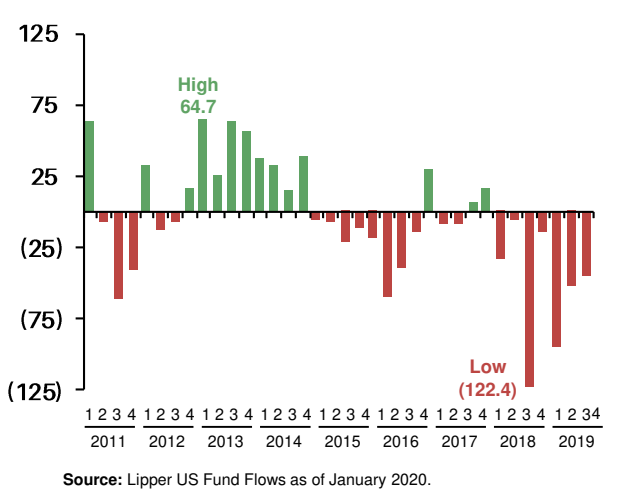
6 Months



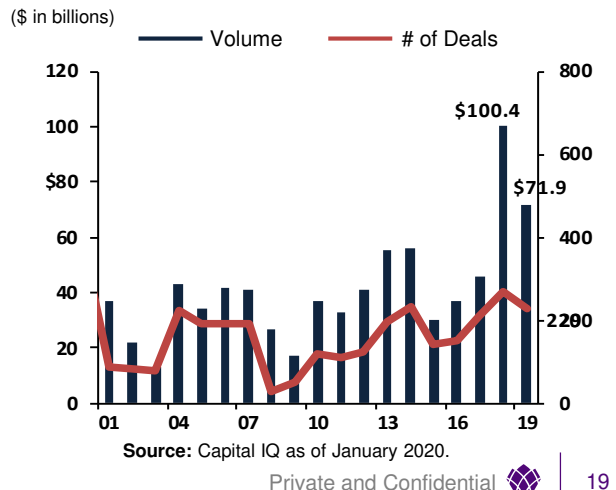
VIX S&P Volatility Index



Equity Mutual Fund Flows

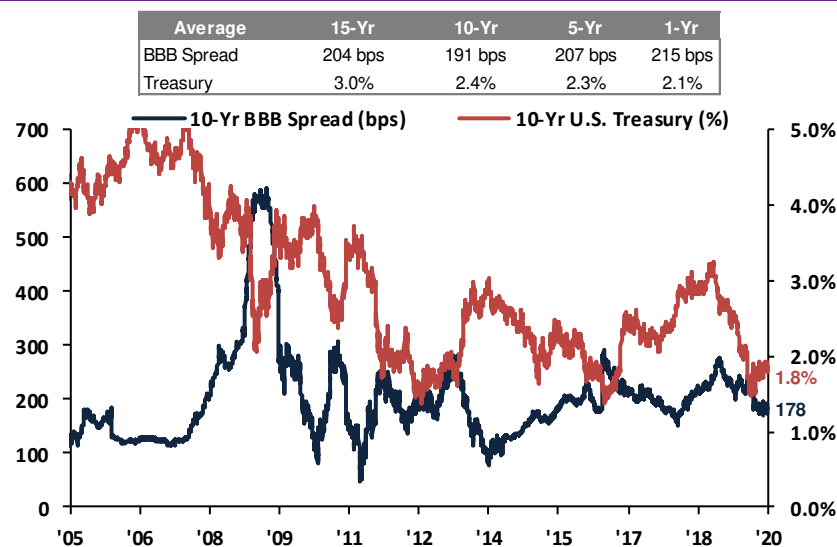


IPO Volume and # of Deals

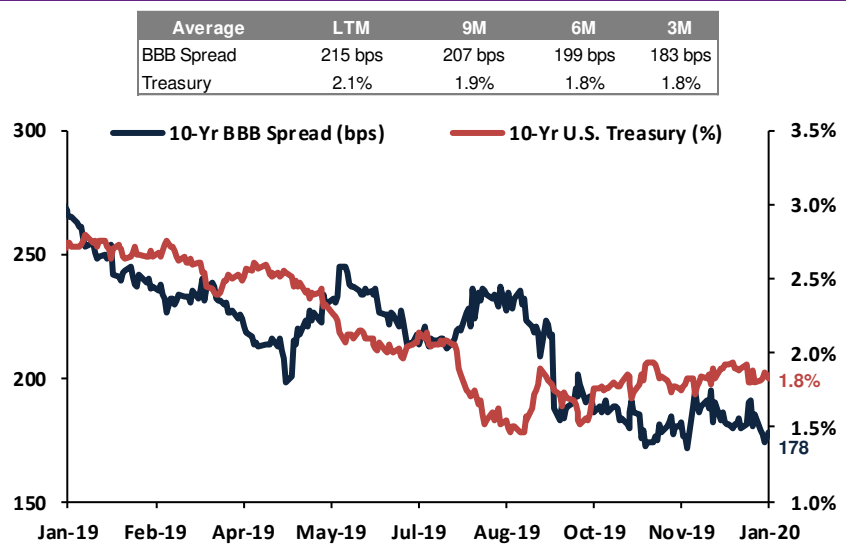


All-In BBB Yields Remain Near Their Lowest Point In Nearly Three Years

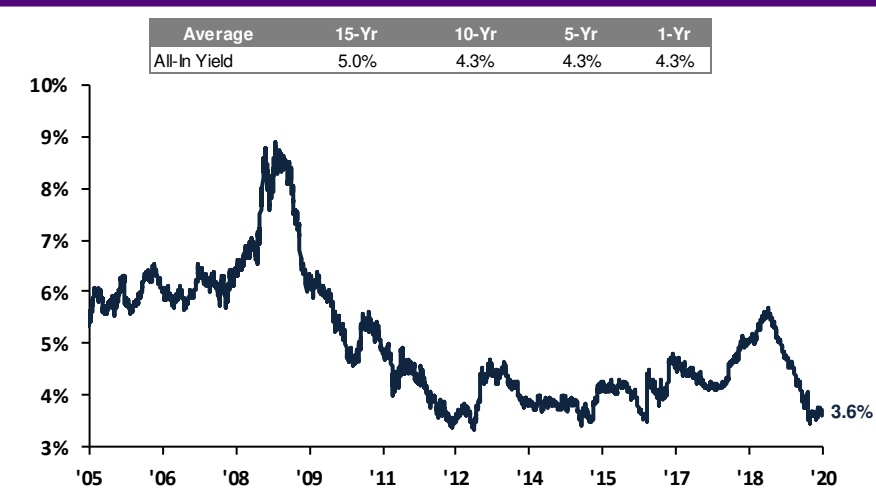
10-Year BBB Spread Over Treasuries (15 Years)



10-Year BBB Spread Over Treasuries (LTM)



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



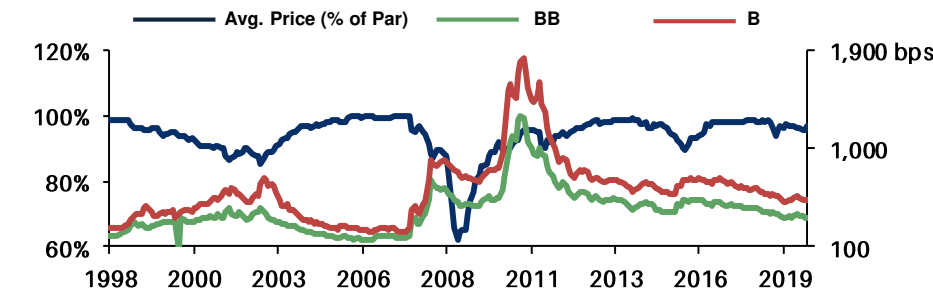
10-Year BBB All-In Yield (LTM)



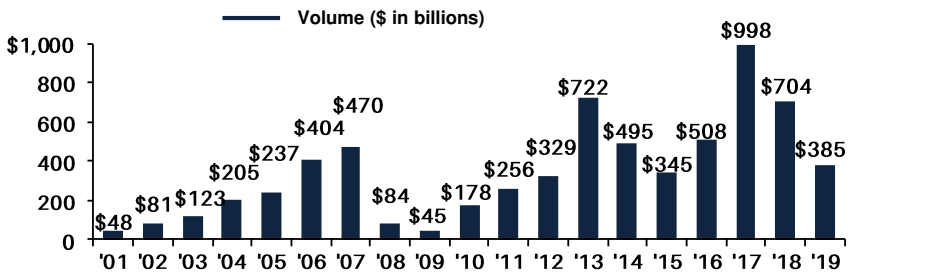
High Yield Spreads Continue To Tighten Relative To Long-Term Averages

Leveraged Loan Update

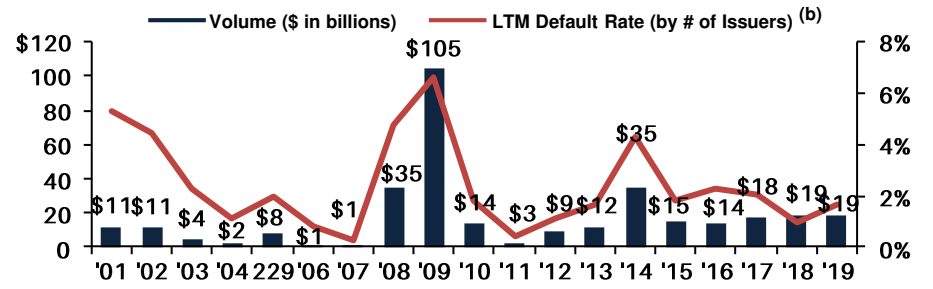
Leveraged Loan Average Price and BB and B Spreads (a)



Institutional Leveraged Loan New-Issue Activity (Inflation Adjusted)



Leveraged Loan Defaults (Inflation Adjusted)



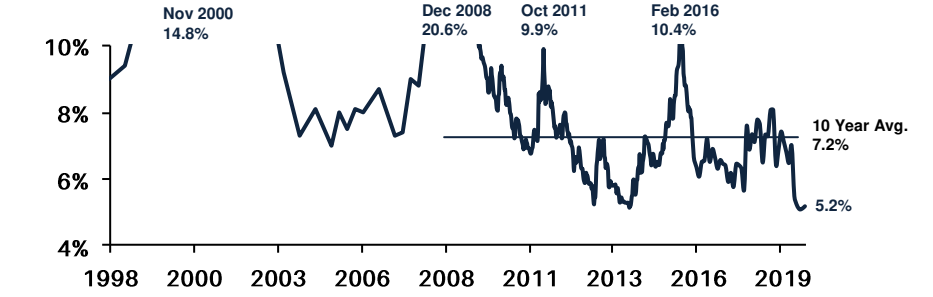
Source: Wall Street research and market indices as of January 2020.
Note: Inflation adjusted volume numbers are adjusted to the CPI-U Index.

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

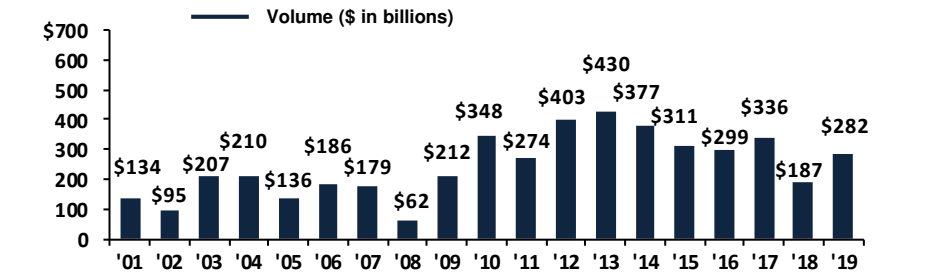
b) Represents par-weighted default rates.

High-Yield Bond Update

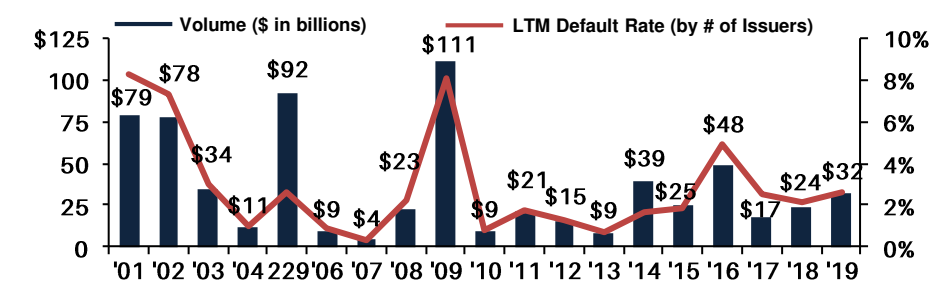
Average High-Yield Bond Yields



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



High-Yield Bond Defaults (Inflation Adjusted)



Retail Market Update



Retail Sector News Update

Food Retail & Restaurants

Retail

Recent Events

- 1/17/2020: **Tailored Brands** announced its sale of the Joseph Abboud Trademarks to **WHP Global** for \$115 million. **PJ Solomon** served as financial advisor to **Tailored Brands**
- 1/16/2020: **Gap** cancelled the spin-off of **Old Navy**
- 1/15/2020: **Pfizer** reportedly planning to IPO its **consumer health business joint venture** with **GlaxoSmithKline** within three to four years
- 1/15/2019: **Payless ShoeSource** emerged from its Chapter 11 bankruptcy proceedings. **PJ Solomon** served as its financial advisor
- 1/14/2019: **Five Below** announced the acquisition of select **Hollar.com** assets. **PJ Solomon** served as financial advisor to **Five Below**
- 1/14/2020: **New Guards Group** acquired retailer **Opening Ceremony**, and subsequently closed all its stores
- 1/13/2020: **Daniela Botto**, a Chile-based manufacturer of women's apparel, reportedly considering sale of minority stake
- 1/10/2020: **Casper Sleep** filed initial public offering. Reported LTM revenue of ~\$411 million and EBITDA of (\$86.5) million
- 1/9/2020: **Cortec Group** acquired **Enthusiast Auto Holdings**, a digital platform for performance auto industry participants
- 1/9/2020: **Flowr Corporation** filed a preliminary short form base shelf prospectus to raise CAD \$175 million
- 1/9/2020: **Apollo Global** announced the closing of the previously announced acquisition of **Shutterfly** and global photo retailer **Snapfish**
- 1/9/2020: **Pentland Group** acquired **Speedo North America** business from **PVH** for \$170MM cash consideration
- 1/7/2020: **Town Sports International** announced its acquisition of **Flywheel Studios** for ~\$25 million
- 1/7/2020: Fresh produce delivery firm **GrubMarket** acquired food companies **Eating with the Seasons** and **EJ Food Distributor**

Recent Events (Cont.)

- 1/5/2020: **Hudson's Bay** entered into amended agreement to be taken private at USD \$11.00 per share, with the support of activist investor Catalyst Group
- 12/30/2019: **Hudson's Bay Netherlands** declared bankrupt
- 12/30/2019: **Toms Shoes** creditors gained ownership of company
- 12/30/2019: **Franchise Group** acquired **American Freight Group**, a retail chain offering brand-name furniture, mattresses and home accessories, for \$450 million
- 12/18/2019: **Genesco** announced the acquisition of footwear licensee **Togast** for \$33.7 million in cash and a potential earn-out of \$34 million. **PJ Solomon** served as financial advisor to **Genesco**
- 12/17/2019: **Cengage** and **McGraw-Hill** merger nearing approval by US Department of Justice
- 12/17/2019: **Cardinal Pet Care**, a global manufacturer of dog treats and grooming products, reported to be exploring a sale
- 12/16/2019: **Capri Holdings** acquired Italian shoe manufacturer **Alberto Gozzi**
- 12/11/2019: **New Seasons Market** and **New Leaf Community Markets** sold to **E-Mart Good Food Holdings**. **PJ Solomon** served as financial advisor to **New Seasons Market**
- 12/11/2019: Flora based dairy products maker **Perfect Day** raised \$140MM Series C round led by **Temasek**
- 12/10/2019: Italian shoe maker **Golden Goose** launched auction process
- 12/9/2019: **Johnson Outdoors** exploring M&A opportunities after finishing the year with net cash of ~\$80 million, an all-time high
- 12/6/2019: **Vroom**, operator of an online auto retail platform, announced it had raised \$246MM in a Series G funding round led by **AutoNation**
- 12/5/2019: **Aerotech Golf** acquired by **TRUE Sports**



Retail Sector News Update

Food Retail & Restaurants

Retail

Recent Events

- 12/4/2019: **Hunter Douglas** announced its acquisition of **3 Day Blinds**
- 12/2/2019: **FEMSA** in talks to acquire Brazilian drugstore chain **DPSP**
- 12/2/2019: **Hostess Brands** to buy **Voortman Cookies** from **Swander Pace** for \$320 million
- 12/2/2019: **Christy Sports** received a significant investment from **TZP Capital Partners III**
- 12/1/2019: **Destination Maternity** to be acquired out of bankruptcy by **Marquee Brands** for \$50 million
- 11/25/2019: **eBay** announced the sale of **StubHub** to **viagogo** for \$4.05 billion
- 11/25/2019: **Nexus** sells **Krispy Kreme de Mexico** to **Krispy Kreme Doughnut**
- 11/22/2019: **Bumble Bee Foods** files for Chapter 11 with \$925 million stalking horse bid from **Taiwan's FCF Fisher Co.** for ~\$925 million
- 11/21/2019: **Firmstone Holdings** to be acquired by **Anchorstone Holdings** for HKD 120 million
- 11/20/2019: **Universal Corporation** announced that it was in negotiations to acquire **FruitSmart**, a premier fruit and vegetable processor and supplier
- 11/19/2019: **T.J.Maxx** owner **TKX** buys 25% stake in Russian retailer **Familia** for \$225 million
- 11/18/2019: **Mountaineer Mart**, a 17-store chain based in Buckhannon, W.Va, was acquired by **Par Mar Convenience Stores**
- 11/18/2019: **Qdoba** is rumored to be for sale
- 11/17/2019: **Jefferies Financial Group** announced that it has entered into a definitive agreement to sell its remaining 31% (worth ~\$210MM) interest in **National Beef** to **Marfig Global Foods**

Recent Events (Cont.)

- 11/14/2019: **Worldwide Golf** rumored to be exploring a sale
- 11/13/2019: **PlayMonster** (Audax Private Equity) announced it has acquired **Kahootz Toys**
- 11/13/2019: **Bouclair** announced it has been acquired by **Alston Investments**
- 11/11/2019: **HBC** closed the sale of **Lord & Taylor** to **Le Tote** for \$100 million
- 11/11/2019: **KKR** announced it had pitched **Walgreen Boots Alliance** on a take private buyout
- 11/8/2019: **Sequential Brands** announced it was evaluating acquisitions and potential divestitures
- 11/5/2019: **Bow & Drape** to be acquired by **Win Brands Group**
- 11/5/2019: **Rebecca Taylor and Parker** acquired by **Vince Holding** for \$19.7 million
- 11/5/2019: **Walgreens Boots Alliance** rumored to be in informal talks on potential take-private transaction
- 11/4/2019: **Nutribrand's** controlling stake acquired by **Verus International**
- 11/4/2019: **Axreal**, France's largest grain cooperative, said it had sealed its previously announced acquisition of **Cargill's** malt business
- 11/1/2019: **Barney's** announced its sale to **Authentic Brands Group** for \$271.4 million. As part of the bid by ABG, HBC's Saks Fifth Avenue will license the Barney's name
- 11/1/2019: **Fitbit**, the wearable health device retailer, is being acquired by **Google** in an all-cash deal that values the company at \$2.1 billion
- 10/31: **Herschel**, the Vancouver-based backpack and travel accessory manufacturer, received a minority investment of \$60 million from a consortium led by **Eurazeo**

Retail Trading and Operating Comparables Analysis



Broadlines – Trading Analysis

Company Name	Share Price 1/14/2020	% 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	2020E	2021E					
Wal-Mart Stores	\$116.18	92.7 %	(2.2) %	\$329,623	\$386,801	\$521,086	0.7 x	11.8 x	11.8 x	11.4 x	22.2 x	20.9 x	5.1 %	4.4 x	1.8 %	18.7 %	
Costco Wholesale	299.75	97.5	2.0	132,417	129,967	154,674	0.8	20.4	20.5	18.5	34.2	31.7	9.1	3.8	0.9	25.5	
Target	125.26	96.2	(2.3)	63,474	74,177	77,690	1.0	10.3	10.6	10.1	18.1	16.8	8.5	2.1	2.1	28.6	
Dollar General	157.98	94.6	1.3	40,222	42,709	27,246	1.6	15.6	15.3	14.1	21.4	19.1	11.8	1.8	0.8	25.5	
Dollar Tree	90.57	75.7	(3.7)	21,435	25,271	23,501	1.1	11.3	11.3	10.5	17.0	15.3	5.3	3.2	--	(22.8)	
Five Below	114.26	77.1	(10.6)	6,361	6,230	1,762	3.5	25.9	22.6	18.6	30.5	25.6	22.0	1.4	--	26.3	
Ollie's Bargain Outlet	54.24	52.6	(16.9)	3,453	3,444	1,380	2.5	18.5	17.5	14.9	23.4	20.1	16.8	1.4	--	14.8	
BJ's Wholesale Club	23.19	78.9	2.0	3,183	4,985	13,135	0.4	8.5	8.9	8.3	14.0	12.3	10.9	1.3	--	NM	
Big Lots	29.86	75.5	4.0	1,166	1,628	5,315	0.3	3.1	4.6	4.4	7.4	7.2	7.2	1.0	4.0	37.9	
Discount Stores						Mean	1.3 x	13.9 x	13.7 x	12.3 x	20.9 x	18.8 x	10.7 %	2.3 x	1.9 %	19.3 %	
						Median	1.0	11.8	11.8	11.4	21.4	19.1	9.1	1.8	1.8	25.5	
The TJX Companies	\$62.72	99.5 %	2.7 %	\$75,464	\$75,639	\$40,638	1.9 x	14.7 x	14.5 x	13.7 x	21.9 x	19.7 x	10.0 %	2.2 x	1.5 %	NM %	
Ross Stores	118.96	97.0	2.2	42,693	41,863	15,733	2.7	17.2	16.8	15.6	23.8	21.4	9.1	2.6	0.9	NM	
Burlington Stores	229.79	97.4	0.8	15,110	15,980	7,066	2.3	20.4	18.2	16.7	28.1	23.9	14.8	1.9	--	NM	
PriceSmart	64.90	81.2	(8.6)	1,963	1,962	3,256	0.6	11.0	10.9	9.9	22.2	NM	8.0	2.8	1.1	9.9	
Citi Trends	22.87	98.0	(1.1)	263	207	772	0.3	5.9	NM	NM	NM	NM	NA	NM	1.4	7.7	
Tuesday Morning	1.61	54.9	(13.0)	74	127	1,004	0.1	8.9	12.2	5.2	NM	NM	NA	NM	--	(8.3)	
Off-Price						Mean	1.3 x	13.0 x	14.5 x	12.2 x	24.0 x	21.7 x	10.5 %	2.4 x	1.2 %	3.1 %	
						Median	1.2	12.9	14.5	13.7	23.0	21.4	9.6	2.4	1.2	7.7	
Kohl's	\$46.53	61.3 %	(8.7) %	\$7,285	\$10,093	\$19,965	0.5 x	4.6 x	4.8 x	5.0 x	10.0 x	10.2 x	7.3 %	1.4 x	5.8 %	12.9 %	
Nordstrom	41.50	84.9	1.4	6,443	8,635	15,470	0.6	5.9	5.8	5.7	11.9	12.3	6.3	1.9	3.6	NM	
Macy's	17.86	67.4	5.1	5,518	9,925	25,449	0.4	5.1	4.5	4.8	7.4	7.8	(9.5)	NM	8.5	16.5	
Dillard's	69.93	80.6	(4.8)	1,727	2,315	6,437	0.4	5.6	5.6	5.8	21.0	19.7	(14.3)	NM	0.9	7.9	
J. C. Penney Company	0.80	41.8	(28.6)	256	4,312	11,460	0.4	6.6	8.3	8.0	NM	NM	NA	NM	--	(22.7)	
Stage Stores	3.13	32.9	(61.5)	90	429	1,675	0.3	NM	NM	NM	NM	NM	NM	NM	--	(44.6)	
Department Stores						Mean	0.4 x	5.6 x	5.8 x	5.9 x	12.6 x	12.5 x	(2.5) %	1.6 x	4.7 %	(6.0) %	
						Median	0.4	5.6	5.6	5.7	10.9	11.3	(1.6)	1.6	4.7	7.9	

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.



Broadlines – Operating Analysis

	Store	Comp Store Sales				LTM	Operating Efficiency						Credit Statistics					
Company Name	Count	LFY	Q(-1)		Q(-2)	EBITDA	Gross Margin	EBITDAR Margin	EBITDA Margin	EBIT Margin	CapEx / Sales (a)	EBITDA - CapEx / Sales (a)	Credit Rating (b)	Total Debt / EBITDA	Net Debt / EBITDA	Adj. Debt / EBITDAR (c)	EBITDA-Capex / Int.	
Wal-Mart Stores ⁽¹⁾	11,300	3.6 %	3.1 %	2.8 %	\$32,663	24.8 %	6.9 %	6.3 %	4.2 %	2.1 %	4.1 %	AA	1.8 x	1.5 x	2.2 x	8.2 x		
Costco Wholesale ⁽²⁾	785	6.4	5.0	5.2	6,379	13.0	4.3	4.1	3.1	1.9	2.2	A+	1.1	NM	1.3	22.3		
Target	1,862	5.0	4.5	3.4	7,201	29.6	9.6	9.3	6.0	3.9	5.3	A	1.6	1.5	1.8	8.9		
Dollar General	16,094	3.2	4.6	4.0	2,731	30.4	14.5	10.0	8.2	2.6	7.4	BBB	1.0	0.9	2.6	20.3		
Dollar Tree	15,262	3.3	2.8	2.4	2,238	35.8	15.7	9.5	6.8	4.2	5.4	BBB-	1.9	1.7	3.5	7.5		
Five Below	894	3.9	2.9	1.4	241	35.7	21.3	13.7	10.8	10.7	3.0	--	--	NM	2.2	NM		
Ollie's Bargain Outlet	345	4.2	(1.4)	(1.7)	186	39.6	17.6	13.5	12.3	5.5	8.0	--	0.0	NM	1.4	NM		
BJ's Wholesale Club	219	2.2	1.1	1.6	589	18.5	6.9	4.5	3.3	1.4	3.1	B+	3.1	3.1	4.1	3.8		
Big Lots ⁽³⁾	1,421	1.2	(0.1)	1.2	532	40.4	16.6	10.0	4.3	5.9	4.1	BBB-	1.0	0.9	3.0	13.1		
Discount Stores						Mean	29.8 %	12.6 %	9.0 %	6.6 %	4.2 %	4.7 %	1.3 x	1.6 x	2.4 x	12.0 x		
						Median	30.4	14.5	9.5	6.0	3.9	4.1	1.1	1.5	2.2	8.9		
The TJX Companies	4,519	6.0 %	4.0 %	2.0 %	\$5,130	33.7 %	17.0 %	12.6 %	10.5 %	3.1 %	9.6 %	A+	0.4 x	0.0 x	1.9 x	63.6 x		
Ross Stores	1,810	4.0	5.0	3.0	2,440	31.8	19.3	15.5	13.4	3.3	12.2	A-	0.1	NM	1.3	NM		
Burlington Stores	726	3.2	2.7	3.8	783	41.9	16.3	11.1	8.3	4.7	6.4	BB+	1.3	1.1	2.8	8.8		
PriceSmart	44	(0.6)	1.5	(0.8)	178	16.5	6.1	5.5	3.7	4.4	1.1	--	0.8	NM	1.3	9.6		
Citi Trends	566	1.6	2.6	(1.2)	35	37.4	11.7	4.5	2.2	2.3	2.3	--	--	NM	3.7	NM		
Tuesday Morning	707	0.4	(0.7)	0.7	14	35.0	13.5	1.4	(1.2)	1.6	(0.2)	--	4.1	3.7	5.8	NM		
Off-Price						Mean	32.7 %	14.0 %	8.4 %	6.2 %	3.2 %	5.2 %	NM x	NM x	2.8 x	27.3 x		
						Median	34.3	14.9	8.3	6.0	3.2	4.3	NM	NM	2.3	9.6		
Kohl's	1,100	1.7 %	0.4 %	(2.9) %	\$2,192	39.5 %	12.5 %	11.0 %	6.3 %	4.0 %	7.0 %	BBB	1.5 x	1.3 x	2.1 x	6.5 x		
Nordstrom ⁽⁴⁾	381	3.5	1.2	(1.9)	1,475	36.1	11.2	9.5	5.3	6.2	3.3	BBB	1.8	1.5	2.4	4.9		
Macy's ⁽⁵⁾	871	2.0	(3.5)	0.3	1,941	40.3	9.0	7.6	5.0	3.2	4.4	BBB-	2.4	2.3	3.0	5.2		
Dillard's	259	2.0	0.0	(2.0)	410	33.2	6.8	6.4	3.0	1.5	4.9	BB+	1.6	1.4	1.9	7.3		
J. C. Penney Company	850	3.1	(9.3)	(9.0)	652	36.5	7.1	5.7	0.9	2.6	3.1	CCC	6.5	6.2	6.4	1.2		
Stage Stores ⁽⁶⁾	772	(1.9)	17.4	1.8	(0)	29.3	6.7	(0.0)	(3.6)	2.0	(2.1)	--	NM	NM	9.3	NM		
Department Stores						Mean	35.8 %	8.9 %	6.7 %	2.8 %	3.3 %	3.4 %	2.8 x	2.5 x	4.2 x	5.0 x		
						Median	36.3	8.0	7.0	4.0	2.9	3.9	1.8	1.5	2.7	5.2		

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) Excludes business acquisitions where applicable and available.

b) S&P Credit Rating.

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

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

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

3) Big Lots SSS% excludes gas.

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

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

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



Softlines (Specialty) – Trading Analysis

	Share Price	% of 52	YTD %	Equity	Enterprise	(a)	LTM	EV / LTM	EV / EBITDA			P / E		LTG	P/E/G	Dividend	(b)	(c)
Company Name	1/14/2020	wk high	Change	Value	Value		Revenue	Revenue	LTM	2019E	2020E	2020E	2021E	Rate	2019E	Yield		ROE
Lululemon Athletica	\$243.77	98.5 %	5.2 %	\$31,762	\$31,176		\$3,749	8.3 x	32.8 x	30.4 x	25.7 x	42.1 x	35.8 x	20.0 %	2.1 x	-- %	37.1 %	
Gap ⁽¹⁾	18.14	57.8	2.6	6,772	6,939		16,332	0.4	3.6	4.6	4.8	10.9	11.1	9.3	1.2	5.3	22.9	
L Brands ⁽²⁾	20.03	69.0	10.5	5,538	10,777		13,059	0.8	5.6	6.0	6.2	9.0	8.7	11.3	0.8	6.0	NM	
Urban Outfitters	26.46	77.3	(4.7)	2,592	2,255		3,943	0.6	5.3	5.8	5.4	11.5	10.6	8.7	1.3	--	16.3	
Lands End	15.94	82.6	(5.1)	516	965		1,403	0.7	14.5	12.7	11.7	25.7	NM	20.0	1.3	--	3.2	
Chico's FAS	4.19	65.8	10.0	497	416		2,036	0.2	5.4	4.7	4.2	NM	29.9	15.0	NM	8.4	(4.2)	
Vera Bradley ⁽³⁾	11.25	77.5	(4.7)	378	373		456	0.8	8.0	6.1	5.6	10.7	NM	16.3	0.7	--	3.6	
Duluth Trading	9.51	35.4	(9.7)	309	465		607	0.8	10.2	8.8	7.8	13.8	14.2	20.0	0.7	--	10.0	
Express	4.77	76.4	(2.1)	305	137		2,041	0.1	1.9	1.8	1.7	NM	NM	NA	NM	--	(4.1)	
Tailored Brands ⁽⁴⁾	4.23	31.2	2.2	205	1,337		3,156	0.4	4.7	5.7	5.7	3.6	NM	NA	NM	--	NM	
Ascena Retail Group ⁽⁵⁾	6.59	10.3	(14.0)	65	1,151		5,452	0.2	4.8	NM	NM	NM	NM	NA	NM	--	NM	
J. Jill	1.26	16.8	11.5	55	278		694	0.4	4.1	4.8	4.6	NM	23.9	(58.0)	NM	--	NM	
Destination XL Group	1.04	37.1	(18.8)	52	130		474	0.3	6.2	7.4	NM	NM	NM	NA	NM	--	(28.5)	
RTW Retailwinds ⁽⁶⁾	0.61	17.8	(23.5)	40	(23)		850	(0.0)	NM	NM	NM	NM	NM	NA	NM	--	(34.0)	
Francesca's	8.48	38.6	(18.3)	26	24		408	0.1	1.9	NM	NM	NM	NM	NA	NM	--	(45.5)	
Specialty Apparel / Accessories							Mean	0.9 x	7.8 x	8.2 x	7.6 x	15.9 x	19.2 x	7.0 %	1.1 x	6.6 %	(2.1) %	
							Median	0.4	5.4	5.9	5.6	11.2	14.2	15.0	1.2	6.0	3.2	
Carter's	\$108.37	96.8 %	(0.9) %	\$4,784	\$5,400		\$3,505	1.5 x	10.9 x	10.8 x	10.3 x	15.3 x	14.6 x	6.1 %	2.5 x	1.8 %	33.2 %	
American Eagle Outfitters	14.73	60.6	0.2	2,460	2,195		4,238	0.5	4.3	4.5	4.4	9.8	9.7	5.1	1.9	3.7	20.6	
Buckle	25.65	89.9	(5.1)	1,245	1,000		894	1.1	6.8	6.6	6.5	12.4	15.3	(5.2)	NM	9.6	23.8	
Abercrombie & Fitch Co.	18.32	59.8	6.0	1,150	991		3,594	0.3	3.6	4.2	3.5	14.7	12.1	14.0	1.0	4.4	5.5	
The Children's Place	66.73	57.1	6.7	1,005	1,123		1,888	0.6	7.2	6.3	5.8	11.1	9.8	8.0	1.4	3.4	20.4	
Zumiez	34.59	96.9	0.1	893	714		1,010	0.7	7.1	6.9	6.4	13.1	11.9	15.0	0.9	--	14.7	
The Cato Corporation	16.02	81.2	(7.9)	379	155		827	0.2	3.1	NM	NM	NM	NM	NA	NM	8.2	10.9	
Tilly's	8.88	67.8	(27.5)	264	133		617	0.2	2.5	2.8	2.6	9.6	9.3	11.0	0.9	--	13.7	
Specialty Apparel / Accessories -Teen/Jrs/Children							Mean	0.6 x	5.7 x	6.0 x	5.7 x	12.3 x	11.8 x	7.7 %	1.4 x	5.2 %	17.8 %	
							Median	0.6	5.5	6.3	5.8	12.4	11.9	8.0	1.2	4.1	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.

1) In February 2019, Gap Inc. announced the spin-off of Old Navy. In January 2020, Gap cancelled its proposed spin-off.

2) In January 2018, L Brands closed the divestiture of La Senza to an affiliate of Regent LP.

3) In June 2019, Vera Bradley announced the acquisition of 75% of Creative Genius for \$75 million (5.4x LTM EBITDA).

4) In January 2020, Tailored Brands announced the divestiture of the Joseph Abboud trademarks to WHP Global. In August 2019, Tailored Brands announced the divestiture of its corporate apparel business to the existing corporate apparel U.K. executive team for \$62 million.

5) In March 2019, Ascena closed the divestiture of a majority interest in its Maurices, Inc. chain to OpCapita for \$300 million.

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



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	EBITDA - CapEx / Sales	Credit Rating	Debt / EBITDA	Net Debt / EBITDA	Adj. Debt / EBITDAR	EBITDA-Capex / Int.		
Lululemon Athletica ⁽¹⁾	479	7.0 %	10.0 %	10.0 %	\$951	55.5 %	30.7 %	25.4 %	21.4 %	7.6 %	17.8 %	--	-- x	NM x	1.0 x	NM x		
Gap ⁽²⁾	3,396	0.0	(4.0)	(4.0)	1,908	45.7	19.5	11.7	8.2	6.9	4.8	BB	0.7	0.1	2.8	10.1		
L Brands ⁽³⁾	2,944	3.0	(2.0)	(1.0)	1,936	38.6	21.1	14.8	10.3	3.5	11.3	BB-	2.9	2.7	3.8	3.9		
Urban Outfitters ⁽⁴⁾	623	8.0	3.0	(3.0)	422	32.5	17.7	10.7	7.9	5.0	5.7	--	--	NM	2.4	NM		
Lands End	64	3.9	8.3	7.5	67	42.7	6.1	4.7	2.6	2.9	1.9	B	7.0	6.7	6.8	0.9		
Chico's FAS	1,373	(4.9)	(2.2)	(6.1)	78	35.1	13.8	3.8	(0.1)	2.0	1.9	--	0.6	NM	4.5	NM		
Vera Bradley	154	(10.3)	4.7	2.1	47	57.0	18.5	10.2	5.6	2.8	7.4	--	--	NM	2.7	NM		
Duluth Trading	58				46	53.1	9.0	7.5	4.1	5.2	2.3	--	3.5	3.4	3.9	2.5		
Express	600	(1.0)	(5.0)	(7.0)	73	50.8	13.6	3.6	(0.6)	1.9	1.7	--	--	NM	4.4	NM		
Tailored Brands ⁽⁵⁾	1,451	0.8	(3.7)	(4.9)	285	40.7	16.8	9.0	6	3.1	5.9	B	4.0	4.0	4.9	2.6		
Ascena Retail Group ⁽⁶⁾	3,363	0.0	0.0	0.0	239	55.6	17.5	4.4	(1.3)	2.3	2.1	CCC	5.6	4.5	5.9	1.0		
J. Jill	290	0.9	(7.0)	(1.2)	67	62.9	18.3	9.7	4.3	3.5	6.2	--	3.6	3.3	4.7	2.2		
Destination XL Group ⁽⁷⁾	326	3.0	0.2	0.0	21	43.2	18.1	4.4	(1.0)	2.7	1.7	--	4.0	3.7	5.5	2.4		
RTW Retailwinds	414	0.4	(4.0)	(4.8)	4	46.6	10.4	0.4	(1.9)	1.1	(0.7)	--	0.7	NM	5.8	NM		
Francesca's	714	(14.0)	1.0	(5.0)	12	38.1	13.6	3.0	(2.5)	1.9	1.2	--	1.5	NM	5.0	5.5		
Specialty Apparel / Accessories						Mean	46.5 %	16.3 %	8.2 %	4.2 %	3.5 %	4.7 %	2.3 x	3.6 x	4.3 x	3.5 x		
						Median	45.7	17.5	7.5	4.1	2.9	2.3	1.5	3.6	4.5	2.5		
Carter's ⁽⁸⁾	1,087	2.8 %	(0.6) %	3.8 %	\$494	43.0 %	18.9 %	14.1 %	11.4 %	1.8 %	12.3 %	BB+	1.6 x	1.2 x	2.7 x	11.5 x		
American Eagle Outfitters	1,094	8.0	5.0	2.0	514	43.9	20.4	12.1	8.0	4.6	7.5	--	--	NM	2.4	NM		
Buckle	449	(0.9)	4.7	1.8	147	59.6	24.5	16.5	13.7	0.9	15.6	--	--	NM	2.0	NM		
Abercrombie & Fitch Co. ⁽⁹⁾	881	3.0	0.0	0.0	277	59.7	17.9	7.7	3.7	5.8	1.9	BB-	0.9	NM	3.8	3.4		
The Children's Place ⁽¹⁰⁾	955	4.6	0.8	(3.8)	156	34.6	16.2	8.2	4.4	7.1	1.1	--	1.2	0.8	3.5	2.9		
Zumiez	719	5.6	5.5	3.6	101	34.9	18.6	10.0	7.6	1.9	8.1	--	--	NM	2.8	NM		
The Cato Corporation	1,298	0.0	4.0	4.0	49	38.0	14.5	6.0	4.6	0.7	5.2	--	--	NM	3.5	NM		
Tilly's	239	4.0	3.1	0.6	52	39.5	15.9	8.5	5.1	2.5	6.0	--	--	NM	2.8	NM		
Specialty Apparel / Accessories -Teen/Jrs/Children						Mean	44.1 %	18.4 %	10.4 %	7.3 %	3.2 %	7.2 %	NM x	NM x	2.9 x	5.9 x		
						Median	41.3	18.3	9.3	6.3	2.2	6.8	NM	NM	2.8	3.4		

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

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

- a) Excludes business acquisitions where applicable and available.
- b) S&P Credit Rating.
- c) Debt adjusted for the capitalization of operating leases at 6.0x rent expense.
- 1) Lululemon SSS% excludes e-commerce.
- 2) Gap SSS% for total company.
- 3) L Brands SSS% for consolidated L Brands.
- 4) Urban Outfitters SSS% for Urban Outfitters segment.
- 5) Tailored Brands SSS% for Men's Wearhouse segment.
- 6) Ascena Retail Group SSS% excludes e-commerce segment.
- 7) Destination XL Group SSS% for total company.
- 8) Carter's SSS% includes e-commerce and retail stores.
- 9) Abercrombie & Fitch SSS% for stores only.
- 10) The Children's Place SSS% includes e-commerce sales



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	1/14/2020	wk high	Change	Value	Value		Revenue	Revenue	LTM	2019E	2020E	2020E	2021E	Rate	2019E	Yield	ROE											
Foot Locker ⁽¹⁾	\$39.10	57.5	%	0.3	%	\$4,089	\$3,467	\$8,056	0.4	x	3.8	x	3.8	x	3.9	x	7.4	x	7.0	x	8.0	%	0.9	x	3.9	%	21.1	%
Boot Barn	44.79	93.1		0.6		1,279	1,467	820	1.8		15.5		15.5		12.4		21.6		18.9		20.0		1.1		--		17.4	
Designer Brands ⁽²⁾	15.96	51.9		1.4		1,145	1,266	3,518	0.4		5.2		5.2		4.6		8.8		6.9		11.6		0.8		6.3		6.7	
Genesco ⁽³⁾	44.48	83.6		(7.2)		654	679	2,195	0.3		5.4		4.8		4.8		9.0		8.3		NA		NM		--		7.9	
Shoe Carnival	37.12	88.7		(0.4)		527	493	1,031	0.5		7.2		7.0		6.5		12.1		10.6		10.0		1.2		0.9		13.4	
Footwear Retail							Mean	0.7	x	7.4	x	7.3	x	6.4	x	11.8	x	10.3	x	12.4	%	1.0	x	3.7	%	13.3	%	
							Median	0.4		5.4		5.2		4.8		9.0		8.3		10.8		1.0		3.9		13.4		
Nike ⁽⁴⁾	\$102.92	99.1	%	1.6	%	\$160,285	\$160,551	\$40,781	3.9	x	26.9	x	27.9	x	24.5	x	32.3	x	28.1	x	15.2	%	2.1	x	1.0	%	NM	%
Skechers USA	42.43	95.4		(1.8)		6,651	6,010	4,993	1.2		9.7		9.5		8.6		16.6		14.8		12.4		1.3		--		18.3	
Deckers Brands	168.49	93.2		(0.2)		4,714	4,580	2,087	2.2		11.8		13.7		11.4		17.5		16.3		13.1		1.3		--		31.6	
Steve Madden ⁽⁵⁾	42.11	94.0		(2.1)		3,541	3,358	1,764	1.9		15.1		14.8		14.2		20.4		18.6		8.0		2.6		1.4		16.0	
Crocs	42.90	98.4		2.4		2,943	3,040	1,184	2.6		20.7		18.6		14.6		21.7		18.2		16.0		1.4		--		35.5	
Wolverine World Wide	33.83	85.2		0.3		2,736	3,556	2,246	1.6		13.9		11.7		11.1		13.5		12.2		12.5		1.1		1.2		18.2	
Caleres	21.86	67.7		(8.0)		886	1,329	2,943	0.5		6.5		6.4		6.3		8.3		7.7		NA		NM		1.3		(1.9)	
Weyco	23.56	68.4		(10.9)		231	233	307	0.8		7.6		NM		NM		NM		NM		NA		NM		4.1		10.5	
Rocky Brands	28.20	82.6		(4.2)		208	202	262	0.8		8.2		7.7		7.6		13.4		NM		20.0		0.7		2.0		10.2	
Footwear Wholesale							Mean	1.7	x	13.4	x	13.8	x	12.3	x	18.0	x	16.5	x	13.9	%	1.5	x	1.8	%	17.3	%	
							Median	1.6		11.8		12.7		11.2		17.1		16.3		13.1		1.3		1.4		17.1		

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

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

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

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

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

1) In February 2019, Foot Locker made an \$100 million investment into specialty sneaker retailer, GOAT.

2) In March 2019, DSW changed its name to Designer Brands International.

3) In February 2019, Genesco closed the divestiture of Lids to Fanatics and Ames Watson for \$101 million. In January 2020, announced the acquisition of Togast LLC for \$67 million.

4) In October 2019, Nike announced its divestiture of Hurley International to Bluestar Alliance. In August 2019, Nike announced the acquisition of Celect.

5) In August 2019, Steve Madden closed the acquisition of GREATS for an undisclosed amount and BB Dakota for \$43 million.



Apparel and Footwear – Operating Analysis

Company Name	Store Count	Comp Store Sales				LTM EBITDA	Operating Efficiency						Credit Statistics					
		LFY	Q(-1)	Q(-2)	Margin		Margin	Margin	Margin	CapEx / Sales	EBITDA - CapEx / Sales	Rating	Debt / EBITDA	Net Debt / EBITDA	Adj. Debt / EBITDAR	EBITDA-Capex / Int.		
Foot Locker	3,160	2.7 %	5.7 %	0.8 %	\$905	37.4 %	20.7 %	11.2 %	9.0 %	2.0 %	9.2 %	BB+	0.1 x	NM x	2.8 x	74.5 x		
Boot Barn	248	10.0	7.8	9.4	95	35.3	17.4	11.5	9.1	3.4	8.1	--	2.1	2.0	3.4	4.3		
Designer Brands	521	6.1	0.3	(0.6)	244	35.8	14.4	6.9	4.5	2.2	4.8	--	1.0	0.5	3.6	20.0		
Genesco	1,492	5.0	3.0	3.0	125	48.4	20.9	5.7	4.2	1.5	4.2	--	0.6	0.2	4.5	26.7		
Shoe Carnival	393	4.3	3.5	1.4	69	29.9	12.6	6.7	4.9	1.7	5.0	--	--	NM	2.8	NM		
Footwear Retail						Mean	37.4 %	17.2 %	8.4 %	6.4 %	2.1 %	6.3 %	0.8 x	0.9 x	3.4 x	31.4 x		
						Median	35.8	17.4	6.9	4.9	2.0	5.0	0.6	0.5	3.4	23.3		
Nike	1,182	6.0 %	6.0 %	6.0 %	\$5,961	45.1 %	16.7 %	14.6 %	12.8 %	2.5 %	12.1 %	AA-	0.6 x	0.0 x	1.3 x	38.7 x		
Skechers USA ⁽¹⁾	779	9.2	7.7	4.9	617	47.9	17.9	12.4	10.2	4.4	7.9	--	0.2	NM	2.0	54.4		
Deckers Brands ⁽²⁾	151	1.9	7.2	16.2	387	51.6	22.2	18.6	16.5	1.4	17.1	--	0.1	NM	1.1	80.2		
Steve Madden	227	2.8	5.1	6.2	223	37.7	16.2	12.7	11.5	0.8	11.9	--	--	NM	1.3	NM		
Crocs ⁽³⁾	368	10.8	12.5	11.8	147	49.9	19.0	12.4	10.3	3.3	9.1	--	1.3	0.7	2.9	14.7		
Wolverine World Wide	94				256	41.0	12.7	11.4	10.0	1.6	9.8	BB+	3.6	3.2	3.9	8.0		
Caleres ⁽⁴⁾	1,192	1.5	2.5	1.5	206	40.8	13.1	7.0	5.0	2.2	4.8	BB	2.4	2.1	4.1	5.1		
Weyco	9	13.0	3.0	14.0	31	40.7	13.4	10.0	8.9	1.7	8.4	--	0.5	0.0	1.9	NM		
Rocky Brands					25	35.4	9.7	9.4	7.4	2.6	6.8	--	--	NM	0.2	NM		
Footwear Wholesale						Mean	43.3 %	15.7 %	12.0 %	10.3 %	2.3 %	9.8 %	1.0 x	1.2 x	2.1 x	33.5 x		
						Median	41.0	16.2	12.4	10.2	2.2	9.1	0.5	0.7	1.9	26.7		

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) Skechers SSS% for domestic segment.

2) Deckers SSS% for retail segment.

3) Crocs SSS% for Americas segment.

4) Caleres SSS% for Famous Footwear division.



Apparel and Footwear – 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	1/14/2020	wk high	Change	Value	Value		Revenue	Revenue	LTM	2019E	2020E	2020E	2021E	Rate	2019E	Yield		ROE
V.F. Corporation ⁽¹⁾	\$96.53	96.3 %	(3.1) %	\$38,552	\$40,624		\$14,157	2.9 x	22.0 x	20.8 x	18.7 x	25.4 x	22.7 x	12.6 %	2.0 x	1.8 %	34.6 %	
Under Armour (Class A)	21.12	76.2	(2.2)	8,997	9,172		5,216	1.8	23.2	21.7	18.5	NM	34.3	31.4	NM	--	5.4	
Ralph Lauren	119.49	89.4	1.9	8,916	8,229		6,367	1.3	8.3	8.3	7.9	14.3	12.9	7.9	1.8	2.3	14.1	
Tapestry	28.63	72.2	6.2	7,900	8,715		6,004	1.5	7.7	7.6	7.1	10.7	10.4	9.1	1.2	4.7	16.9	
Levi Strauss & Co.	18.99	77.5	(1.6)	7,458	7,556		5,786	1.3	11.3	10.3	9.2	16.2	15.0	4.2	3.8	1.5	37.4	
PVH ⁽²⁾	99.90	74.4	(5.0)	7,289	9,922		9,792	1.0	7.6	7.9	7.9	10.0	9.1	6.0	1.7	0.2	11.0	
Columbia Sportswear Company	97.58	88.9	(2.6)	6,589	6,348		3,005	2.1	12.4	12.3	11.6	19.0	17.1	11.5	1.7	1.0	19.2	
Capri Holdings	36.00	72.0	(5.6)	5,459	7,686		5,570	1.4	7.4	7.4	6.6	6.9	6.3	3.5	1.9	--	14.7	
Hanesbrands	14.27	73.6	(3.9)	5,161	8,677		6,984	1.2	8.0	7.9	8.0	8.1	7.6	2.0	4.1	4.2	NM	
Kontoor Brands	41.20	95.3	(1.9)	2,346	3,299		2,622	1.3	11.5	9.7	9.0	11.3	10.6	NA	NM	5.4	--	
Guess?	22.52	96.7	0.6	1,478	1,709		2,673	0.6	8.6	7.8	7.3	13.2	11.6	NA	NM	2.0	6.2	
G-III Apparel Group	30.47	69.3	(9.0)	1,457	2,077		3,173	0.7	7.4	7.2	7.2	10.0	9.3	5.8	1.7	--	11.7	
Oxford Industries	73.86	86.5	(2.1)	1,259	1,237		1,124	1.1	9.0	8.9	8.5	16.3	15.7	NA	NM	2.0	14.2	
Movado Group	20.14	50.1	(7.4)	464	401		709	0.6	5.4	NM	NM	12.8	NM	NA	NM	4.0	11.2	
Fossil	7.92	41.0	0.5	400	517		2,293	0.2	3.4	2.6	2.6	NM	NM	(10.0)	NM	--	0.9	
Clarus Corporation	13.17	87.2	(2.9)	392	415		226	1.8	20.3	18.8	14.9	15.9	13.4	NA	NM	0.8	6.1	
Delta Apparel	28.11	88.6	(9.6)	196	332		432	0.8	12.4	9.6	8.8	15.2	NM	15.0	1.0	--	5.2	
Vince	15.94	57.7	(7.9)	186	232		291	0.8	13.5	15.5	14.1	NM	NM	NA	NM	--	3.5	
Centric Brands ⁽³⁾	1.99	36.2	(8.3)	118	1,411		2,147	0.7	9.5	NM	NM	NM	NM	NA	NM	--	NM	
Apparel/Active/Accessories							Mean	1.2 x	11.0 x	10.8 x	9.9 x	13.7 x	14.0 x	8.3 %	2.1 x	2.5 %	12.5 %	
							Median	1.2	9.0	8.9	8.5	13.2	12.3	7.0	1.8	2.0	11.2	
Cintas	\$281.52	99.2 %	4.6 %	\$29,208	\$31,720		\$7,131	4.4 x	19.8 x	20.4 x	18.4 x	30.9 x	27.9 x	10.4 %	3.0 x	0.9 %	30.1 %	
UniFirst Corporation	212.37	97.5	5.1	4,021	3,664		1,836	2.0	10.6	12.9	12.1	26.1	NM	NA	NM	0.5	11.8	
Superior Group of Companies	14.03	74.7	3.6	214	328		363	0.9	10.2	11.3	10.2	14.8	NM	13.5	1.1	2.9	8.9	
Lakeland Industries	10.90	84.1	0.9	87	79		105	0.8	14.1	10.6	8.1	15.9	NM	10.0	1.6	--	0.2	
Uniform / Protectivewear							Mean	2.0 x	13.7 x	13.8 x	12.2 x	21.9 x	27.9 x	11.3 %	1.9 x	1.4 %	12.7 %	
							Median	1.4	12.4	12.1	11.1	21.0	27.9	10.4	1.6	0.9	10.3	
Sequential Brands Group ⁽⁴⁾	\$0.33	14.5 %	(3.6) %	\$22	\$518		\$155	3.3 x	7.3 x	NM x	NM x	NM x	NM x	NA %	NM x	--	(11.6) %	
Xcel Brands ⁽⁵⁾	1.41	40.1	(6.3)	25	39.4		40.3	1.0	6.6	4.7	3.6	3.7	NM	NA	NM	--	1.6	
Iconix Brand Group	1.64	30.4	21.5	19	677		149	4.6	9.8	8.7	9.7	NM	NM	NA	NM	--	NM	
Licensing / Brand Management							Mean	3.0 x	7.9 x	6.7 x	6.7 x	3.7 x	NM x	NM %	NM x	-- %	(5.0) %	
							Median	3.3	7.3	6.7	6.7	3.7	NM	NM	NM	--	(5.0)	

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

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

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

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

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

1) In May 2019, VF completed the spin-off Kontoor brands.

2) In December 2019, PVH announced it will sell Speedo North America Business to Pentland Group. In December 2019, PVH and Basic Resources formed a JV and acquired McGregor. In May 2019, PVH closed the acquisition of the remaining interest in Gazal.

3) In October 2018, Centric Brands completed its acquisition of BGB for \$1.38 billion.

4) In April 2019, Sequential Brands announced the divestiture of Martha Stewart, Emeril Lagasse brands to Marquee for ~\$175 million with an earnout of up to an additional \$40 million.

5) In February 2019, Xcel Brands closed the acquisition of the intellectual property of Longaberger.



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) Rating	(b) Debt / EBITDA	Net Debt / EBITDA	(c) Adj. Debt / EBITDA	EBITDA-Capex / Int.		
V.F. Corporation	1,413				1,843	51.7 %	16.1 %	13.0 %	14.1 %	1.6 %	11.4 %	A	1.4 x	1.1 x	2.6 x	16.9 x		
Under Armour (Class A)	167				395	46.3	10.5	7.6	4.0	3.0	4.6	BB	1.5	0.4	2.8	10.4		
Ralph Lauren Corporation	1,213	0.0	2.0	1.0	993	61.9	22.7	15.6	11.4	3.7	11.9	A-	0.9	NM	2.5	40.1		
Tapestry ⁽¹⁾	1,544	(0.2)	(3.1)	0.1 %	1,130	67.7	28.3	18.8	14.3	4.8	14.0	BBB-	1.4	0.7	3.0	12.5		
Levi Strauss & Co.	1,388				669	53.5	16.2	11.6	9.5	3.3	8.3	BB+	1.5	0.1	2.8	8.4		
PVH ⁽²⁾	1,835				1,303	54.7	19.4	13.3	10.0	3.5	9.8	BBB-	2.4	2.0	3.6	8.0		
Columbia Sportswear Company	136				510	50.3	22.2	17.0	13.5	4.2	12.8	--	--	NM	1.4	NM		
Capri Holdings ⁽³⁾	1,264				1,037	60.6	27.5	18.6	14.3	3.5	15.1	BBB-	2.3	2.1	3.5	21.0		
Hanesbrands	268				1,082	39.6	18.2	15.5	13.6	1.5	14.0	BB	3.5	3.2	3.9	5.2		
Kontoor Brands					288	39.7	12.4	11.0	9.8	0.6	10.4	BB-	3.5	3.3	3.8	13.0		
Guess?	1,743	4.0	3.0	2.0	200	36.8	18.7	7.5	4.8	3.1	4.4	--	1.6	1.0	4.2	9.6		
G-III Apparel Group	288				279	35.5	12.3	8.8	7.6	1.3	7.5	BB	2.4	2.2	3.4	5.2		
Oxford Industries ⁽⁴⁾	228	4.0	6.0	3.0	138	56.7	18.5	12.2	8.6	2.9	9.3	--	--	NM	2.0	66.1		
Movado Group	46				75	54.3	13.5	10.5	8.7	1.8	8.8	--	0.7	NM	1.9	66.7		
Fossil	454	(2.0)	(2.0)	(4.0)	154	52.7	13.3	6.7	4.0	1.0	5.8	BB-	1.7	0.8	3.8	3.9		
Clarus Corporation					20	35.5	9.5	9.1	5.5	1.9	7.1	--	1.2	1.1	1.4	12.4		
Delta Apparel					27	19.7	8.6	6.2	3.5	1.4	4.8	--	5.1	5.1	5.4	2.7		
Vince	63	10.7	9.5	7.1	17	49.3	14.3	5.9	3.3	1.3	4.6	--	2.7	2.7	4.6	3.2		
Centric Brands	97				148	25.9	9.3	6.9	2.9	0.5	6.4	--	8.9	8.7	8.1	0.8		
Apparel/Active/Accessories					Mean	47.0 %	16.4 %	11.4 %	8.6 %	2.4 %	9.0 %		2.3 x	2.3 x	3.4 x	17.0 x		
					Median	50.3	16.1	11.0	8.7	1.9	8.8		1.6	2.0	3.4	10.0		
Cintas					\$1,603	46.0 %	23.7 %	22.5 %	17.3 %	3.7 %	18.8 %	A-	1.7 x	1.6 x	1.9 x	12.6 x		
UniFirst Corporation					344	37.3	19.7	18.7	13.0	6.8	11.9	--	--	NM	0.3	NM		
Superior Group of Companies					32	35.2	9.4	8.8	6.5	2.0	6.8	--	3.7	3.5	3.9	5.2		
Lakeland Industries					6	32.7	6.4	5.4	3.9	1.5	3.9	--	0.3	NM	1.2	31.3		
Uniform / Protectivewear					Mean	37.8 %	14.8 %	13.9 %	10.2 %	3.5 %	10.3 %		1.4 x	2.6 x	1.8 x	16.4 x		
					Median	36.2	14.6	13.8	9.8	2.9	9.4		1.0	2.6	1.6	12.6		
Sequential Brands Group					\$71	52.0 %	49.1 %	45.7 %	43.1 %	0.2 %	45.6 %	--	6.2 x	6.1 x	6.2 x	1.1 x		
Xcel Brands	6				6	78.6	16.7	14.7	6.3	3.2	11.5	--	3.5	2.5	3.8	4.1		
Iconix Brand Group	69				69	100.0	48.6	46.4	45.1	0.3	46.1	CCC	9.4	8.7	9.2	1.2		
Licensing / Brand Management					Mean	76.9 %	38.1 %	35.6 %	31.5 %	1.2 %	34.4 %		6.3 x	5.8 x	6.4 x	2.1 x		
					Median	78.6	48.6	45.7	43.1	0.3	45.6		6.2	6.1	6.2	1.2		

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) 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) Tapestry SSS% for North American segment.

2) PVH SSS% for Calvin Klein North America.

3) Michael Kors SSS% for North American segment.

4) Oxford Industries SSS% for Tommy Bahama division.



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	1/14/2020	wk high	Change	Value	Value		Revenue	Revenue	LTM	2019E	2020E	2020E	2021E	Rate	2019E	Yield		ROE
Williams-Sonoma	\$76.01	99.9 %	3.5 %	\$5,888	\$6,133		\$5,891	1.0 x	9.3 x	8.9 x	8.7 x	15.2 x	14.6 x	10.0 %	1.5 x	2.5 %	31.1 %	
Restoration Hardware	223.36	91.7	4.6	4,243	5,650		2,653	2.1	12.1	11.7	9.9	16.3	14.3	19.1	0.9	--	NM	
Aaron's	59.02	75.0	3.3	3,963	4,160		3,937	1.1	6.6	9.7	8.5	13.1	11.0	18.1	0.7	0.3	11.0	
Bed Bath & Beyond	15.39	78.6	(11.1)	1,904	2,597		11,360	0.2	5.5	3.9	4.3	11.4	8.5	(0.9)	NM	4.4	(33.8)	
Rent-A-Center ⁽¹⁾	29.86	100.0	3.5	1,635	1,812		2,664	0.7	7.9	7.2	6.9	11.3	9.9	NA	NM	3.9	37.7	
Sleep Number	47.39	90.9	(3.8)	1,347	1,559		1,669	0.9	8.7	9.0	8.7	15.8	14.4	11.9	1.3	--	NM	
Michaels	7.24	44.5	(10.5)	1,063	3,637		5,139	0.7	5.0	4.9	4.9	3.3	3.1	6.4	0.5	--	NM	
Ethan Allen Interiors	17.65	76.4	(7.4)	469	424		733	0.6	5.8	6.1	5.8	11.2	10.5	20.0	0.6	4.8	8.1	
Franchise Group ⁽²⁾	20.35	74.0	(12.3)	419	651		163	4.0	39.6	NM	NM	NM	NM	NA	NM	4.9	(12.7)	
Haverty Furniture	19.68	78.4	(2.4)	386	296		798	0.4	5.4	6.1	5.8	15.2	12.7	10.0	1.5	4.1	9.0	
At Home	5.81	23.2	5.6	372	1,006		1,321	0.8	6.6	6.6	6.1	9.4	6.7	NA	NM	--	5.2	
The Container Store	4.31	45.4	2.1	212	489		921	0.5	5.7	5.7	5.3	9.5	8.0	NA	NM	--	9.9	
The Lovesac Company	12.73	27.2	(20.7)	185	157		205	0.8	NM	NM	NM	NM	NM	NA	NM	--	(15.7)	
Bassett Furniture Industries	16.67	77.2	(0.1)	169	136		455	0.3	6.4	6.4	4.8	17.5	13.1	16.0	1.1	3.0	2.7	
Kirkland's	1.20	10.2	(3.2)	17	37		611	0.1	5.8	NM	NM	NM	4.8	16.0	NM	--	(33.9)	
Pier 1 Imports	3.91	12.6	(38.9)	16	362		1,390	0.3	NM	NM	NM	NM	NM	NA	NM	--	NM	
Home Furnishings and Décor							Mean	0.9 x	9.3 x	7.2 x	6.6 x	12.4 x	10.1 x	12.7 %	1.0 x	3.5 %	1.5 %	
							Median	0.7	6.5	6.5	6.0	12.3	10.5	13.9	1.0	4.0	6.7	
The Home Depot	\$222.81	93.1 %	2.0 %	\$243,048	\$269,965		\$110,934	2.4 x	14.7 x	15.0 x	14.6 x	21.3 x	19.5 x	10.8	2.0 x	2.4 %	NM %	
Lowe's Companies	120.07	97.7	0.3	92,031	108,956		71,768	1.5	14.0	13.8	12.3	17.9	15.9	15.4	1.2	1.8	NM	
Sherwin-Williams	574.47	96.2	(1.6)	52,596	61,314		17,851	3.4	22.5	19.9	17.8	23.6	21.2	14.1	1.7	0.8	34.9	
Tractor Supply Company	90.18	78.9	(3.5)	10,676	11,270		8,293	1.4	12.2	11.9	11.0	17.2	15.6	11.7	1.5	1.6	37.2	
Floor and Décor	47.40	89.4	(6.7)	4,790	4,849		1,955	2.5	22.8	20.5	16.8	35.1	29.4	22.2	1.6	--	20.7	
Lumber Liquidators	9.17	63.5	(6.1)	263	347		1,088	0.3	13.0	10.1	9.3	19.1	14.1	30.0	0.6	--	(36.7)	
Home Improvement							Mean	1.9 x	16.5 x	15.2 x	13.7 x	22.4 x	19.3 x	17.4 %	1.4 x	1.7 %	14.0 %	
							Median	2.0	14.4	14.4	13.5	20.2	17.7	14.7	1.5	1.7	27.8	
Planet Fitness	\$79.88	97.5 %	7.0 %	\$6,534	\$7,478		\$625	12.0 x	28.0 x	27.0 x	23.0 x	NM x	34.3 x	18.5 %	NM x	-- %	NM %	
Party City ⁽³⁾	2.69	21.7	15.0	254	2,261		2,423	0.9	7.5	7.4	7.0	2.8	2.7	NA	NM	--	(18.6)	
Town Sports Fitness	2.81	44.3	64.3	79	246		464	0.5	5.4	5.9	6.2	NM	NM	NA	NM	--	NM	
Build-A-Bear Workshop	3.93	60.5	21.3	58	52		335	0.2	6.1	3.6	3.0	NM	NM	NA	NM	--	(17.6)	
Entertainment (Book/Video/Music/Toy/Hobby)							Mean	3.4 x	11.8 x	11.0 x	9.8 x	2.8 x	18.5 x	18.5 %	NM x	NM %	(18.1) %	
							Median	0.7	6.8	6.7	6.6	2.8	18.5	18.5	NM	NM	(18.1)	

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

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

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

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

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

1) In June 2018, Vintage Capital announced the acquisition of Rent-A-Center for ~\$1.4 billion. Transaction terminated December 2018.

2) In December 2019, announced the acquisition of American Freight & Mattress for \$450 million. In December 2019, Franchise Group announced its acquisition of Revolution Financial. In December 2019, Franchise Group closed the acquisition of Vitamin Shoppe, Inc. In September 2019, Liberty Tax changed its name to Franchise Group. In August 2019, Franchise Group acquired the Sears Outlet business of Hoffman Estates, Illinois-based Sears Hometown and Outlet Stores in an all cash transaction valued at approximately \$132.9 million.

3) In August 2019, Party City closed the divestiture of its Canadian retail and wholesale business, which includes 65 locations, to Canadian Tire for C\$174m (9.9x LTM EBITDA of these 65 stores).



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	(c) Adj. Debt / EBITDAR	EBITDA-Capex / Int.		
Williams-Sonoma	626	3.7	5.5	6.5 %	\$661	36.6 %	16.0 %	11.2 %	8.0 %	3.1 %	8.1 %	--	0.6 x	0.4 x	2.2 x	52.4 x		
Restoration Hardware	85	4.0	NA	NA	468	41.0	21.3	17.6	14.6	6.0	11.7	--	3.1	3.0	3.6	3.3		
Aaron's	1,163	(1.5)	(2.9)	0.1	634	47.8	19.1	16.1	13.8	2.4	13.7	--	0.5	0.3	1.4	30.4		
Bed Bath & Beyond	1,534	(1.1)	(6.7)	(6.6)	473	32.4	9.1	4.2	1.1	2.3	1.9	BB	3.4	1.5	4.8	3.5		
Rent-A-Center	3,609	4.7	4.5	5.8	229	62.0	16.3	8.6	6.2	0.7	7.9	BB-	1.1	0.8	3.4	5.7		
Sleep Number	602	3.0	10.0	8.0	179	61.5	15.9	10.7	7.0	3.5	7.2	--	1.2	1.2	2.8	10.9		
Michaels	1,274	0.8	(2.2)	0.3	727	37.8	22.2	14.2	12.3	2.2	11.9	B+	3.7	3.5	4.5	4.0		
Ethan Allen Interiors ⁽¹⁾	301	(2.7)	(5.5)	(5.2)	73	55.7	14.3	10.0	7.4	1.3	8.6	--	0.0	NM	1.8	NM		
Franchise Group	1,534	(1.1)	(6.7)	(6.6)	16	57.8	13.3	10.1	0.3	2.7	7.4	--	15.1	9.8	12.8	1.9		
Haverty Furniture	122	0.3	1.5	(3.1)	55	54.3	10.6	6.9	4.1	2.0	4.9	--	--	NM	2.1	31.0		
At Home	213	2.7	(2.0)	(0.4)	151	29.6	20.7	11.5	6.7	22.6	(11.1)	B	4.3	4.2	5.1	NM		
The Container Store	93	3.5	5.4	7.8	86	58.1	19.6	9.4	5.9	4.8	4.5	B	3.3	3.2	4.7	1.8		
The Lovesac Company	84	43.8	32.5	40.7	(6)	52.1	7.0	(3.2)	(5.2)	4.5	(7.6)	--	--	4.3	8.7	NM		
Bassett Furniture Industries	104	(1.6)	(6.5)	(14.8)	21	60.5	13.2	4.7	1.7	3.6	1.1	--	--	NM	3.9	85.0		
Kirkland's	432	(1.3)	(6.4)	(11.2)	6	28.9	9.9	1.1	(3.6)	2.7	(1.7)	--	3.9	3.2	5.8	NM		
Pier 1 Imports	942	(11.0)	(11.4)	(12.6)	(156)	24.9	5.3	(11.2)	(15.3)	1.1	(12.3)	CCC-	NM	NM	23.6	NM		
Home Furnishings and Décor						Mean	46.3 %	14.6 %	7.6 %	4.1 %	4.1 %	3.5 %	2.7 x	2.9 x	5.7 x	20.9 x		
						Median	50.0	15.1	9.7	6.1	2.7	6.1	1.2	3.1	4.2	5.7		
The Home Depot ⁽²⁾	2,290	5.2	3.6	3.0 %	\$18,315	34.1 %	17.5 %	16.5 %	14.5 %	2.4 %	14.1 %	A	1.6 x	1.5 x	1.8 x	13.5 x		
Lowe's Companies	2,004	2.4	2.2	2.3	7,775	31.9	11.7	10.8	8.9	1.7	9.1	BBB+	2.3	2.2	2.6	9.3		
Sherwin-Williams	4,727	5.1	8.1	4.3	2,729	43.8	18.4	15.3	12.1	1.7	13.6	BBB	3.3	3.2	3.7	6.8		
Tractor Supply Company	1,814	5.1	2.9	3.2	921	34.3	15.4	11.1	8.8	2.8	8.3	--	0.7	0.6	2.2	35.6		
Floor and Décor	113	9.2	4.6	3.0	213	41.6	16.4	10.9	7.4	9.4	1.5	BB-	0.7	0.3	2.5	3.0		
Lumber Liquidators	419	2.6	(3.6)	0.0	27	35.6	5.6	2.5	1.3	1.6	0.9	--	3.3	3.1	4.8	5.3		
Home Improvement						Mean	36.9 %	14.2 %	11.2 %	8.8 %	3.3 %	7.9 %	2.0 x	1.8 x	2.9 x	12.3 x		
						Median	35.0	15.9	11.0	8.9	2.1	8.7	1.9	1.8	2.5	8.1		
Planet Fitness	1,899	10.2	7.9	8.8 %	\$267	55.1 %	47.3 %	42.6 %	35.9 %	9.5 %	33.1 %	--	4.4 x	3.6 x	4.5 x	3.5 x		
Party City	941	(0.7)	(2.6)	(2.1)	300	22.7	23.5	12.4	8.9	2.7	9.7	--	6.8	6.7	6.4	2.0		
Town Sports Fitness	187	1.6	(2.9)	(3.4)	46	74.2	40.6	9.9	1.6	3.3	6.6	CCC	4.1	3.6	5.5	2.3		
Build-A-Bear Workshop ⁽³⁾	371				9	43.9	16.6	2.5	(1.7)	3.7	(1.2)	--	--	NM	5.1	NM		
Entertainment (Book/Video/Music/Toy/Hobby)						Mean	49.0 %	32.0 %	16.9 %	11.2 %	4.8 %	12.1 %	3.8 x	4.6 x	5.4 x	2.6 x		
						Median	49.5	32.1	11.1	5.3	3.5	8.1	4.2	3.6	5.3	2.3		

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) 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.)

Company Name	Share Price 1/14/2020	% 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) (c) ROE
								LTM	2019E	2020E	2020E	2021E				
Dick's Sporting Goods ⁽¹⁾	\$49.40	99.2 %	(0.2) %	\$4,342	\$4,973	\$8,634	0.6 x	7.1 x	7.0 x	6.9 x	12.9 x	12.2 x	5.9 %	2.2 x	2.2	18.6 %
Hibbett Sports	26.60	85.9	(5.1)	461	394	1,177	0.3	4.5	4.4	4.5	9.9	8.6	12.2	0.8	--	8.4
Sportsman's Warehouse ⁽¹⁾	6.30	70.7	(21.6)	272	445	871	0.5	7.9	7.8	6.8	10.7	8.1	15.0	0.7	--	25.3
Big 5 Sporting Goods	4.06	84.9	35.3	87	150	1,000	0.2	5.8	NM	NM	NM	NM	NA	NM	4.9	1.7
Sporting Goods						Mean	0.4 x	6.3 x	6.4 x	6.1 x	11.1 x	9.6 x	11.0 %	1.2 x	3.6 %	13.5 %
						Median	0.4	6.4	7.0	6.8	10.7	8.6	12.2	0.8	3.6	13.5
Central Garden & Pet Company	\$31.88	78.5 %	2.6 %	\$1,677	\$1,873	\$2,383	0.8 x	9.1 x	9.0 x	9.1 x	18.9 x	18.0 x	7.1 %	2.7 x	-- %	9.5 %
Office Depot	2.42	63.4	(11.7)	1,322	2,169	10,809	0.2	4.2	4.0	4.1	6.1	6.5	11.9	0.5	4.1	1.4
Office / Pet						Mean	0.5 x	6.6 x	6.5 x	6.6 x	12.5 x	12.3 x	9.5 %	1.6 x	4.1 %	5.4 %
						Median	0.5	6.6	6.5	6.6	12.5	12.3	9.5	1.6	4.1	5.4
O'Reilly Automotive	\$438.51	96.5 %	0.1 %	\$33,177	\$36,838	\$9,982	3.7 x	16.9 x	16.6 x	15.6 x	22.0 x	19.8 x	13.3 %	1.7 x	-- %	NM %
AutoZone	1,136.60	89.2	(4.6)	26,815	32,088	12,015	2.7	12.3	12.6	12.1	16.8	15.5	10.5	1.6	--	NM
Advance Auto Parts	148.90	81.6	(7.0)	10,252	10,425	9,701	1.1	10.8	10.3	9.6	16.6	14.8	14.7	1.1	0.2	12.5
Monro Inc.	75.52	84.2	(3.4)	2,513	2,973	1,238	2.4	15.3	14.6	13.8	27.5	24.2	18.0	1.5	1.2	11.5
Automotive Parts/Service						Mean	2.5 x	13.8 x	13.5 x	12.8 x	20.7 x	18.6 x	14.1 %	1.5 x	0.7 %	12.0 %
						Median	2.5	13.8	13.6	12.9	19.4	17.6	14.0	1.6	0.7	12.0
CarMax	\$91.94	91.5 %	4.9 %	\$15,022	\$30,060	\$20,747	1.4 x	21.2 x	21.3 x	20.3 x	16.9 x	16.3 x	10.7 %	1.6 x	-- %	24.3 %
AutoNation	46.14	86.7	(5.1)	4,116	9,822	21,199	0.5	10.3	10.8	10.6	9.7	9.5	0.8	11.5	--	13.7
Penske Automotive Group	48.25	89.7	(3.9)	3,911	10,088	22,727	0.4	13.6	12.3	11.8	8.5	8.4	1.1	7.5	3.4	16.3
Lithia Motors	141.71	85.7	(3.6)	3,294	6,583	12,377	0.5	11.7	12.9	12.0	11.0	10.1	14.9	0.7	0.8	20.5
Asbury Automotive Group ⁽²⁾	101.88	82.5	(8.9)	1,971	3,831	7,101	0.5	10.5	11.7	9.4	9.4	8.5	16.8	0.6	--	33.5
Group 1 Automotive	100.35	91.1	0.3	1,797	4,755	11,841	0.4	10.3	11.8	11.4	9.1	8.1	3.5	2.6	1.2	13.4
Sonic Automotive	30.76	86.9	(0.8)	1,327	3,613	10,280	0.4	10.1	12.0	11.4	10.8	10.6	(0.1)	NM	1.3	14.1
America's Car-Mart	108.01	97.2	(1.5)	713	890	700	1.3	10.8	11.6	10.3	11.5	NM	7.4	1.6	--	21.0
Automotive						Mean	0.7 x	12.3 x	13.1 x	12.1 x	10.9 x	10.2 x	6.9 %	3.7 x	1.7 %	19.6 %
						Median	0.5	10.6	11.9	11.4	10.3	9.5	5.4	1.6	1.2	18.4
Ulta	\$282.62	76.6 %	11.6 %	\$16,155	\$15,946	\$7,217	2.2 x	13.5 x	13.4 x	12.5 x	21.6 x	19.5 x	14.3 %	1.5 x	-- %	37.9 %
Sally Beauty	16.29	74.1	(10.7)	1,897	3,420	3,876	0.9	6.0	6.0	5.9	6.9	NM	3.7	1.9	--	NM
Regis	16.50	70.9	(7.7)	587	647	1,028	0.6	26.0	7.2	7.7	26.6	13.8	NA	NA	--	(9.0)
Beauty						Mean	1.2 x	15.2 x	8.9 x	8.7 x	18.4 x	16.6 x	9.0 %	1.7 x	-- %	14.5 %
						Median	0.9	13.5	7.2	7.7	21.6	16.6	9.0	1.7	--	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.

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 2019, Dick's announced the divestiture of 8 Field & Stream locations to Sportsman's Warehouse Holdings for \$28 million.

2) In December 2019, Asbury Automotive Group announced the acquisition of Park Place Dealerships for \$1 billion (10x EV / EBITDA).



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	(b) Credit Rating	Debt / EBITDA	Net Debt / EBITDA	Adj. Debt / EBITDAR	(c) EBITDA-Capex / Int.											
Dick's Sporting Goods	855	(3.1)	6.0	3.2	%	\$702	29.1	%	14.4	%	8.1	%	5.1	%	2.6	%	5.5	%	--	1.0	x	0.9	x	3.2	x	31.9	x	
Hibbett Sports	1,097	2.2	10.7	0.3		88	32.5		13.4		7.5		4.9		1.3		6.2		--	0.1		NM		2.7		NM		
Sportsman's Warehouse	103	1.5	4.8	1.7		56	33.4		12.8		6.5		4.3		2.9		3.5		--	3.1		3.1		4.5		3.3		
Big 5 Sporting Goods	433	(2.7)	0.3	0.7		26	30.5		10.5		2.6		0.8		1.3		1.3		--	2.6		2.4		5.2		4.0		
Sporting Goods						Mean	31.4	%	12.8	%	6.2	%	3.8	%	2.0	%	4.1	%		1.7	x	2.1	x	3.9	x	13.1	x	
						Median	31.5		13.1		7.0		4.6		2.0		4.5			1.8		2.4		3.9		4.0		
Central Garden & Pet Company					%	\$205	29.5	%	10.4	%	8.6	%	6.5	%	1.3	%	7.3	%	BB	3.4	x	1.0	x	3.8	x	4.1	x	
Office Depot	1,317	(4.0)	(4.0)	(4.0)		519	23.1		8.8		4.8		3.3		1.7		3.1		B	2.8		1.6		4.2		3.4		
Office / Pet						Mean	26.3	%	9.6	%	6.7	%	4.9	%	1.5	%	5.2	%		3.1	x	1.3	x	4.0	x	3.7	x	
						Median	26.3		9.6		6.7		4.9		1.5		5.2			3.1		1.3		4.0		3.7		
O'Reilly Automotive	5,420	3.8	5.0	3.4	%	\$2,185	53.1	%	25.2	%	21.9	%	19.2	%	6.4	%	15.5	%	BBB	1.7	x	1.7	x	2.3	x	11.4	x	
AutoZone ⁽¹⁾	5,790	3.0	3.4	3.0		2,606	53.7		24.5		21.7		18.5		4.2		17.5		BBB	2.1		2.0		2.6		10.7		
Advance Auto Parts	5,043	2.3	1.2	0.0		963	43.9		15.7		9.9		7.5		2.7		7.3		BBB-	0.8		0.2		2.7		15.7		
Monro Inc.	1,360	0.4	0.0	0.8		195	38.6		18.4		15.7		11.0		3.8		12.0		--	2.4		2.4		2.9		5.3		
Automotive Parts/Service						Mean	47.3	%	21.0	%	17.3	%	14.1	%	4.2	%	13.1	%		1.7	x	1.6	x	2.6	x	10.8	x	
						Median	48.5		21.5		18.7		14.8		4.0		13.7			1.9		1.8		2.6		11.0		
CarMax ⁽²⁾	213	1.9	10.0	%	6.3	%	\$1,417	14.9	%	8.8	%	6.8	%	5.8	%	1.5	%	5.3	%	--	10.7	x	10.6	x	9.6	x	13.6	x
AutoNation ⁽³⁾	325	0.5	3.4	(0.5)		950	16.4		4.8		4.5		3.7		1.4		3.0		BBB-	6.1		6.0		6.0		2.5		
Penske Automotive Group	333	1.6	2.9	(2.1)		744	14.9		4.8		3.3		2.8		1.3		1.9		BB	8.4		8.3		7.6		2.1		
Lithia Motors ⁽⁴⁾	184	1.2	7.6	5.8		564	15.3		5.6		4.6		3.9		1.1		3.5		BB+	5.9		5.8		5.9		3.2		
Asbury Automotive Group ⁽⁵⁾	107	4.0	2.0	2.0		365	16.2		5.5		5.1		4.7		0.7		4.5		BB+	5.1		5.1		5.2		3.4		
Group 1 Automotive ⁽⁶⁾	240	(0.7)	5.1	6.1		463	15.1		4.9		3.9		3.3		0.8		3.1		BB+	6.5		6.4		6.4		2.7		
Sonic Automotive ⁽⁷⁾	99	(1.9)	6.7	2.6		358	14.6		4.4		3.5		2.6		0.6		2.9		BB-	6.7		6.4		6.5		2.8		
America's Car-Mart	145	8.4	12.2	3.3		82	48.1		12.9		11.8		11.2		0.6		11.2		--	2.2		2.1		2.5		9.6		
Automotive						Mean	19.4	%	6.5	%	5.4	%	4.7	%	1.0	%	4.4	%		6.4	x	6.3	x	6.2	x	5.0	x	
						Median	15.2		5.2		4.5		3.8		1.0		3.3			6.3		6.2		6.2		3.0		
Ulta	1,241	8.1	3.2	%	6.2	%	\$1,185	39.2	%	20.3	%	16.4	%	12.4	%	4.2	%	12.2	%	--	--	x	NM	x	1.2	x	NM	x
Sally Beauty	5,061	0.3	1.1	0.1		565	49.3		21.0		14.6		11.8		2.8		11.8		BB-	2.8		2.7		3.8		4.8		
Regis	7,092	(0.5)	(2.0)	(0.1)		25	30.6		11.3		2.4		(0.8)		2.5		(0.0)		--	4.8		2.4		5.7		NM		
Beauty						Mean	39.7	%	17.5	%	11.1	%	7.8	%	3.2	%	8.0	%		2.5	x	2.6	x	3.6	x	4.8	x	
						Median	39.2		20.3		14.6		11.8		2.8		11.8			2.8		2.6		3.8		4.8		

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

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

- a) Excludes business acquisitions where applicable and available.
- b) S&P Credit Rating.
- c) Debt adjusted for the capitalization of operating leases at 6.0x rent expense.
- 1) AutoZone SSS% for domestic segment.
- 2) CarMax SSS% for used vehicle units.
- 3) AutoNation SSS% for retail used vehicle sales.
- 4) Lithia Motors SSS% for new vehicle sales.
- 5) 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	% of 52	YTD %	Equity	Enterprise	(a)	LTM	EV / LTM	EV / EBITDA			P / E		LTG	P/E/G	Dividend	(b)	(c)
	1/14/2020	wk high	Change	Value	Value		Revenue	Revenue	LTM	2019E	2020E	2020E	2021E	Rate	2019E	Yield		ROE
Best Buy	\$90.47	98.5 %	3.0 %	\$23,412	\$23,340		\$43,243	0.5 x	8.0 x	8.1 x	7.9 x	14.5 x	13.5 x	8.0 %	1.8 x	2.2 %		49.9 %
GameStop	4.71	27.9	(22.5)	310	440		7,335	0.1	2.3	3.2	2.8	10.2	6.0	(177.2)	NM	--		NM
Conns	10.57	38.3	(14.7)	303	1,264		1,565	0.8	8.4	6.4	6.9	4.8	NM	NA	NM	--		13.8
Electronics							Mean	0.5 x	6.2 x	5.9 x	5.9 x	9.9 x	9.7 x	(84.6) %	1.8 x	2.2 %		31.9 %
							Median	0.5	8.0	6.4	6.9	10.2	9.7	(84.6)	1.8	2.2		31.9
Polaris	\$95.03	91.1 %	(6.6) %	\$5,813	\$7,484		\$6,757	1.1 x	10.4 x	9.3 x	8.7 x	13.9 x	12.8 x	15.0 %	0.9 x	2.6 %		33.1 %
Harley-Davidson	35.64	86.1	(4.2)	5,431	12,360		5,435	2.3	14.7	12.8	12.3	10.0	9.7	9.0	1.1	4.2		20.6
Fox Factory	68.29	78.6	(1.8)	2,631	2,688		722	3.7	21.2	18.5	16.7	23.5	21.0	14.3	1.6	--		25.4
Powersports							Mean	2.4 x	15.4 x	13.5 x	12.5 x	15.8 x	14.5 x	12.8 %	1.2 x	3.4 %		26.4 %
							Median	2.3	14.7	12.8	12.3	13.9	12.8	14.3	1.1	3.4		25.4
Acushnet	\$32.56	98.7 %	0.2 %	\$2,447	\$2,846		\$1,656	1.7 x	13.6 x	11.8 x	11.3 x	18.8 x	18.8 x	5.0 %	3.8 x	1.7 %		12.5 %
Callaway Golf ⁽¹⁾	21.88	98.7	3.2	2,059	2,545		1,570	1.6	15.9	11.9	11.4	18.4	15.7	25.0	0.7	0.2		10.4
Johnson Outdoors	78.61	85.5	2.5	786	614		562	1.1	8.3	8.7	7.8	15.7	NM	12.0	1.3	0.9		17.0
Vista Outdoor	7.17	58.9	(4.1)	415	970		1,888	0.5	11.3	8.1	8.4	24.3	NM	NA	NM	--		NM
Escalade Inc.	9.08	69.8	(7.6)	130	130		184	0.7	8.7	NM	NM	NM	NM	NA	NM	5.5		6.5
Nautilus	3.72	31.4	112.6	111	125		320	0.4	NM	NM	NM	NM	NM	15.0	NM	--		NM
Sports Equipment							Mean	1.0 x	11.6 x	10.1 x	9.7 x	19.3 x	17.3 x	14.3 %	1.9 x	2.1 %		11.6 %
							Median	0.9	11.3	10.2	9.9	18.6	17.3	13.5	1.3	1.3		11.5
National Vision	\$32.99	92.5 %	1.7 %	\$2,610	\$3,123		\$1,678	1.9 x	20.4 x	16.4 x	14.8 x	NM x	35.1 x	15.4 %	NM x	-- %		1.4 %
Winmark Corporation	199.38	96.7	0.5	782	805		72	11.1	18.9	NM	NM	NM	NM	NA	NM	0.5		NM
Camping World	15.82	93.3	7.3	592	2,303		4,909	0.5	10.6	12.4	10.0	18.6	13.3	10.0	1.9	3.9		NM
MarineMax	17.13	81.3	2.6	368	642		1,237	0.5	8.5	8.8	8.6	9.8	9.4	30.0	0.3	--		10.0
Other Hardlines							Mean	3.5 x	14.6 x	12.5 x	11.2 x	14.2 x	19.3 x	18.5 %	1.1 x	2.2 %		5.7 %
							Median	1.2	14.7	12.4	10.0	14.2	13.3	15.4	1.1	2.2		5.7

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

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

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

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

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

1) In January 2019, Callaway closed the acquisition of Jack Wolfskin for \$476 million.



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.	
Best Buy Co. ⁽¹⁾	1,230	4.8 %	1.7 %	1.6 %	\$2,920	23.3 %	8.5 %	6.8 %	4.8 %	1.8 %	4.9 %	BBB	0.4 x	NM x	1.6 x	30.5 x	
GameStop	5,600	0.3	(23.2)	(11.6)	192	28.1	6.9	2.6	1.3	1.2	1.4	B+	2.2	0.7	4.6	2.3	
Conns ⁽²⁾	137	(2.2)	(8.4)	(2.3)	151	29.3	14.1	9.7	7.4	3.7	5.9	B	6.4	NM	6.3	NM	
Electronics					Mean	26.9 %	9.9 %	6.3 %	4.5 %	2.3 %	4.1 %		3.0 x	NM x	4.1 x	16.4 x	
					Median	28.1	8.5	6.8	4.8	1.8	4.9		2.2	NM	4.6	16.4	
Polaris					\$721	25.2 %	11.3 %	10.7 %	7.3 %	3.8 %	6.9 %	--	2.5 x	2.3 x	2.7 x	5.8 x	
Harley-Davidson					842	30.8	16.0	15.5	11.5	4.0	11.5	BBB+	8.8	8.2	8.7	20.2	
Fox Factory					127	32.6	18.6	17.5	15.3	4.9	12.6	--	0.6	0.3	0.9	27.8	
PowerSports					Mean	29.5 %	15.3 %	14.6 %	11.4 %	4.2 %	10.3 %		4.0 x	3.6 x	4.1 x	17.9 x	
					Median	30.8	16.0	15.5	11.5	4.0	11.5		2.5	2.3	2.7	20.2	
Acushnet					\$210	51.9 %	13.6 %	12.7 %	10.5 %	1.8 %	10.8 %	--	2.0 x	1.7 x	2.3 x	8.8 x	
Callaway Golf					160	45.7	11.8	10.2	8.3	3.0	7.2	BB-	3.6	3.0	3.9	3.6	
Johnson Outdoors					74	44.4	14.8	13.1	11.3	3.0	10.1	--	--	NM	0.7	NM	
Vista Outdoor					86	20.1	5.7	4.5	0.7	2.2	2.4	B	6.8	6.5	6.6	0.9	
Escalade Inc.					15	23.7	8.6	8.0	5.8	1.5	6.5	--	0.4	0.0	0.7	36.2	
Nautilus					(18)	38.4	(4.2)	(5.5)	(8.8)	3.3	(8.8)	--	NM	NM	NM	NM	
Sports Equipment					Mean	37.4 %	8.4 %	7.2 %	4.7 %	2.5 %	4.7 %		2.5 x	2.8 x	2.8 x	12.4 x	
					Median	41.4	10.2	9.1	7.1	2.6	6.9		2.0	2.4	2.3	6.2	
National Vision	1,145	6.7 %	5.7 %	4.4 %	\$153	52.8 %	15.0 %	9.1 %	4.2 %	6.1 %	3.0 %	--	4.0 x	3.3 x	4.8 x	1.5 x	
Winmark Corporation	1,255				43	94.3	60.7	58.9	58.4	15.4	43.5	--	0.7	0.5	0.9	17.4	
Camping World	200	(3.2)	(5.0)	(6.3)	217	27.5	6.9	4.4	3.3	1.4	3.0	--	8.8	8.2	7.8	1.3	
MarineMax	59	1.0	(9.0)	3.0	75	26.1	6.8	6.1	5.1	1.4	4.7	--	4.1	3.6	4.3	5.0	
Other Hardlines					Mean	50.2 %	22.3 %	19.6 %	17.8 %	6.1 %	13.6 %		4.4 x	3.9 x	4.4 x	6.3 x	
					Median	40.1	11.0	7.6	4.7	3.8	3.9		4.1	3.5	4.5	3.2	

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) 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

	Share Price	% of 52	YTD %	Equity	Enterprise	(a)	LTM	EV / LTM	EV / EBITDA			P / E		LTG	P/E/G	Dividend	(b)	(c)
Company Name	1/14/2020	wk high	Change	Value	Value		Revenue	Revenue	LTM	2019E	2020E	2020E	2021E	Rate	2019E	Yield		ROE
Tiffany & Co. ⁽¹⁾	\$134.04	100.0 %	0.3 %	\$16,236	\$16,693		\$4,387	3.8 x	17.2 x	16.6 x	15.8 x	27.1 x	26.0 x	7.0 %	3.9 x	1.7 %	17.7 %	
Signet Jewelers	21.00	60.7	(3.4)	1,099	2,321		6,161	0.4	5.2	5.1	5.2	6.4	8.9	8.0	0.8	7.0	(10.4)	
Jewelry							Mean	2.1 x	11.2 x	10.9 x	10.5 x	16.8 x	17.5 x	7.5 %	2.4 x	4.4 %	3.6 %	
							Median	2.1	11.2	10.9	10.5	16.8	17.5	7.5	2.4	4.4	3.6	
CVS Caremark ⁽²⁾	\$73.83	95.8 %	(0.6) %	\$96,050	\$157,896		\$243,331	0.6 x	10.0 x	9.2 x	8.9 x	10.4 x	9.8 x	4.7 %	2.2 x	2.7 %	9.0 %	
Walgreens Boots Alliance	54.62	72.9	(7.4)	48,386	66,108		137,412	0.5	9.8	7.7	8.1	9.3	8.9	8.5	1.1	3.4	14.6	
Rite Aid	12.28	51.4	(20.6)	660	3,967		21,581	0.2	7.7	7.6	7.5	37.1	NM	NA	NM	--	(30.9)	
GNC	2.34	66.9	(13.3)	198	1,155		2,146	0.5	6.0	5.8	6.2	4.6	5.2	19.0	0.2	--	NM	
Drug Stores							Mean	0.5 x	8.4 x	7.6 x	7.7 x	15.3 x	7.9 x	10.7 %	1.2 x	3.0 %	(2.4) %	
							Median	0.5	8.8	7.7	7.8	9.8	8.9	8.5	1.1	3.0	9.0	
Casey's General Stores	\$168.13	93.8 %	5.7 %	\$6,186	\$7,460		\$8,302	0.9 x	12.3 x	12.6 x	11.2 x	24.8 x	23.0 x	11.5 %	2.2 x	3.7 %	16.1 %	
Murphy USA	113.30	93.5	(3.2)	3,485	4,225		12,150	0.3	9.2	9.9	9.8	19.8	19.0	7.2	2.8	--	24.5	
TravelCenters of America	16.36	61.2	(4.6)	132	422		6,128	0.1	4.2	4.6	3.2	NM	9.1	NA	NM	--	(3.4)	
Convenience Stores							Mean	0.4 x	8.6 x	9.0 x	8.1 x	22.3 x	17.0 x	9.3 %	2.5 x	3.7 %	12.4 %	
							Median	0.3	9.2	9.9	9.8	22.3	19.0	9.3	2.5	3.7	16.1	

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

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

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

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 2019, LVMH announced the acquisition of Tiffany & Co. for \$16.2 billion (\$135 per share).

2) In September 2019, the Justice Department approved CVS's acquisition of Aetna. In November 2018, CVS closed the acquisition of Aetna for ~\$69 billion (11.5x EV / EBITDA).

3) In December 2018, TravelCenters of America closed the divestiture of 225 standalone convenience stores to EG Group Limited for \$330.8 million.



Other – Operating Analysis

	Store	Comp Store Sales			LTM	Operating Efficiency						Credit Statistics					
Company Name	Count	LFY	Q(-1)	Q(-2)	EBITDA	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.	323	4.0 %	(3.0) %	(4.0) %	\$971	62.6 %	31.7 %	22.1 %	16.4 %	6.9 %	15.3 %	BBB+	1.0 x	0.5 x	2.5 x	15.2 x	
Signet Jewelers	3,300	(0.1)	2.1	(1.5)	449	36.2	15.6	7.3	4.6	2.2	5.1	BB-	1.8	1.3	4.0	8.1	
Jewelry					Mean	49.4 %	31.7 %	22.1 %	16.4 %	6.9 %	15.3 %		1.4 x	0.9 x	3.3 x	11.7 x	
					Median	49.4	31.7	22.1	16.4	6.9	15.3		1.4	0.9	3.3	11.7	
CVS Caremark ⁽¹⁾	9,900	0.5	0.6 %	0.4 %	\$15,751	17.5 %	7.8 %	6.5 %	4.8 %	1.0 %	5.5 %	BBB	4.4 x	3.9 x	4.7 x	4.4 x	
Walgreens Boots Alliance ⁽²⁾	18,750	2.0	(0.5)	(1.2)	6,736	21.6	7.6	4.9	3.6	1.2	3.7	BBB	2.7	2.5	3.8	7.5	
Rite Aid	2,464	0.6	0.1	0.4	516	21.4	5.3	2.4	0.8	0.9	1.5	CCC+	7.0	6.4	6.4	1.4	
GNC	7,779	2.0 %	1.6 %	(0.7) %	\$193	34.1 %	16.5 %	9.0 %	7.2 %	0.8 %	8.2 %	CCC+	4.5 x	3.9 x	5.2 x	1.5 x	
Drug Stores					Mean	20.2 %	6.9 %	4.6 %	3.1 %	1.0 %	3.6 %		4.7 x	4.3 x	5.0 x	4.4 x	
					Median	21.4	7.6	4.9	3.6	1.0	3.7		4.4	3.9	4.7	4.4	
Casey's General Stores ⁽³⁾	2,181	(1.7)	(1.8) %	(2.0) %	606	24.6 %	7.3 %	7.3 %	4.3 %	5.3 %	2.0 %	--	2.2 x	2.1 x	2.2 x	3.1 x	
Murphy USA ⁽⁴⁾	1,479	(0.2)	7.2	5.7	459	5.0	3.9	3.8	2.5	1.6	2.2	BB+	2.2	1.6	2.3	4.8	
TravelCenters of America ⁽⁵⁾	304	(0.5)	3.9	2.3	101	8.5	6.4	1.6	0.1	6.7	(5.1)	--	3.2	2.9	5.3	NM	
Convenience Stores					Mean	12.7 %	5.9 %	4.2 %	2.3 %	4.5 %	(0.3) %		2.5 x	2.2 x	3.2 x	3.9 x	
					Median	8.5	6.4	3.8	2.5	5.3	2.0		2.2	2.1	2.3	3.9	

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

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

a) Excludes business acquisitions where applicable and available.

b) S&P Credit Rating.

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

1) 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

	Share Price	% of 52	YTD %	Equity	Enterprise	(a)	LTM	EV / LTM	EV / EBITDA			P / E		LTG	P/E/G	Dividend	(b)	(c)
Company Name	1/14/2020	wk high	Change	Value	Value		Revenue	Revenue	LTM	2019E	2020E	2020E	2021E	Rate	2019E	Yield		ROE
Amazon.com	\$1,869.44	91.8 %	1.2 %	\$926,863	\$934,149		\$265,469	3.5	27.3 x	22.4 x	18.5 x	67.7 x	47.9 x	25.0 %	2.7 x	-- %	23.7 %	
eBay ⁽¹⁾	35.35	84.2	(2.1)	28,758	33,425		10,856	3.1	10.7	9.1	8.8	12.3	10.9	10.5	1.2	1.6	39.2	
Broadlines							Mean	3.3 x	19.0 x	15.7 x	13.6 x	40.0 x	29.4 x	17.8 %	1.9 x	1.6 %	31.4 %	
							Median	3.3	19.0	15.7	13.6	40.0	29.4	17.8	1.9	1.6	31.4	
Qurate Retail Group	\$8.79	39.4 %	4.3 %	\$3,655	\$10,885		\$13,661	0.8	5.7 x	5.4 x	5.5 x	4.4 x	4.8 x	14.5 %	0.3 x	-- %	(5.2) %	
Stitch Fix	24.92	66.1	(2.9)	2,535	2,238		1,656	1.4	NM	NM	55.0	NM	56.3	56.4	NM	--	7.0	
TheRealReal	18.11	60.3	(3.9)	1,554	1,183		283	4.2	NM	NM	NM	NM	NM	NA	NM	--	--	
Revolve Group	20.64	42.7	12.4	1,422	1,370		581	2.4	26.6	25.0	18.0	30.4	19.6	25.5	1.2	--	36.3	
Softlines							Mean	2.2 x	16.1 x	15.2 x	26.2 x	17.4 x	26.9 x	32.2 %	0.7 x	NM %	9.5 %	
							Median	1.9	16.1	15.2	18.0	17.4	19.6	25.5	0.7	NM	3.5	
Chewy	\$31.13	75.3 %	7.3 %	\$12,408	\$12,273		\$4,580	2.7 x	NM x	NM x	NM x	NM x	NM x	85.0 %	NM x	-- %	-- %	
Wayfair	103.59	59.6	14.6	9,647	9,782		8,608	1.1	NM	NM	NM	NM	NM	NA	NM	--	NM	
Etsy ⁽²⁾	49.15	67.0	10.9	5,824	5,812		748	7.8	44.5	31.5	25.5	40.6	32.7	18.2	2.2	--	27.0	
Carvana	86.02	86.7	(6.6)	4,327	5,441		3,421	1.6	NM	NM	NM	NM	NM	NA	NM	--	NM	
CarGurus	35.45	78.3	0.8	3,969	3,804		557	6.8	NM	52.3	37.9	54.5	38.3	43.5	1.3	--	20.3	
Groupon	2.66	66.8	11.3	1,502	1,164		2,407	0.5	9.9	4.4	4.1	11.1	9.9	NA	NM	--	(13.8)	
Systemax	24.80	93.3	(1.4)	931	833		942	0.9	12.4	11.6	10.4	16.8	14.3	16.0	1.0	1.9	19.0	
1-800-Flowers.com	14.27	65.5	(1.6)	922	983		1,266	0.8	12.6	11.9	10.0	22.0	NM	21.0	1.0	--	11.8	
PetMed Express	26.89	96.7	14.3	537	442		275	1.6	13.0	11.0	14.2	17.2	NM	14.0	1.2	4.0	20.7	
Overstock.com	8.81	29.6	25.0	342	324		1,541	0.2	NM	NM	NM	NM	NM	NA	NM	--	NM	
Purple	10.70	96.8	22.8	220	230		383	0.6	20.2	7.0	4.5	18.8	13.7	NA	NM	--	NM	
U.S. Auto Parts Network	2.65	89.0	20.5	95	105		282	0.4	NM	38.3	14.6	NM	NM	NA	NM	--	(27.9)	
Blue Apron	5.22	21.2	(20.7)	69	138		501	0.3	NM	NM	NM	NM	NM	NA	NM	--	NM	
BlueStem Brands	0.25	33.3	8.7	34	367		1,710	0.2	3.4	NM	NM	NM	NM	NA	NM	--	NM	
RumbleON	0.59	8.4	(28.0)	25	92		829	0.1	NM	NM	NM	NM	NM	NA	NM	--	NM	
Hardlines / Other E-Commerce							Mean	1.7 x	16.6 x	21.0 x	15.1 x	25.8 x	21.8 x	33.0 %	1.4 x	3.0 %	7.1 %	
							Median	0.8	12.6	11.7	12.3	18.8	14.3	19.6	1.2	3.0	15.4	
Priceline	\$2,071.48	98.9 %	0.9 %	\$86,703	\$87,758		\$14,940	5.9 x	15.2 x	15.1 x	14.0 x	18.0 x	16.2 x	14.7 %	1.2 x	-- %	NM %	
Expedia	110.41	76.7	2.1	15,997	18,049		11,879	1.5	12.9	8.6	7.9	15.8	13.3	17.6	0.9	1.2	8.9	
TripAdvisor	31.05	51.0	2.2	4,328	3,479		1,571	2.2	14.3	8.0	7.5	16.5	15.1	12.5	1.3	--	7.6	
Travelzoo	11.09	48.5	3.6	130	118		112	1.1	9.4	8.7	7.9	18.8	NM	NA	NM	--	46.1	
Domestic Travel Marketplaces							Mean	2.7 x	12.9 x	10.1 x	9.3 x	17.3 x	14.9 x	14.9 %	1.1 x	1.2 %	20.9 %	
							Median	1.9	13.6	8.6	7.9	17.3	15.1	14.7	1.2	1.2	8.9	

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 2019, eBay announced the divestiture of StubHub to viagogo for \$4.05 billion.

2) In August 2019, Etsy closed the acquisition of Reverb for \$275 million.



E-Commerce and Digital – Operating Analysis

Company Name	Store Count	Operating Efficiency										Credit Statistics								
		Sales Growth			LTM	Gross	EBITDAR	EBITDA	EBIT	CapEx /	(a)	EBITDA -	(a)	Credit	(b)	Debt /	Net Debt /	Adj. Debt /	(c)	EBITDA-
		LFY	Q(-1)	Q(-2)	EBITDA	Margin	Margin	Margin	Margin	Sales		CapEx / Sales		Rating	EBITDA	EBITDA	EBITDAR		Capex / Int.	
Amazon.com		30.9 %	23.7 %	19.9 %	\$34,192	41.1 %	14.3 %	12.9 %	5.4 %	5.8 %		7.1 %	AA-		1.5 x	0.2 x	1.9 x		12.3 x	
eBay		8.3	0.0	1.8	3,112	77.2	29.8	28.7	22.3	5.0		23.6	BBB+		2.5	1.5	2.6		5.2	
Broadlines					Mean	59.1 %	22.1 %	20.8 %	13.9 %	5.4 %		15.4 %			2.0 x	0.9 x	2.3 x		8.8 x	
					Median	59.1	22.1	20.8	13.9	5.4		15.4			2.0	0.9	2.3		8.8	
Qurate Retail Group		35.2	(4.4)	(3.8)	1,926	34.1	14.7	14.1	10.3	2.6		11.5	BB		4.0	3.7	4.1		4.2	
Stitch Fix		28.6	21.5	35.8	29	44.6	3.4	1.7	0.8	1.9		(0.2)	--		--	NM	3.0		NM	
TheRealReal		54.9	71.3	52.8	(86)	64.7	(25.5)	(30.5)	(33.9)	7.3		(37.8)	--		--	4.3	NM		NM	
Revolve Group		24.8	22.5	22.8	52	53.9	9.6	8.9	8.3	2.2		6.7	--		--	NM	0.5		61.3	
Softlines					Mean	49.3 %	0.5 %	(1.5) %	(3.6) %	3.5 %		(5.0) %			1.0 x	4.0 x	2.5 x		32.7 x	
					Median	49.2	6.5	5.3	4.5	2.4		3.2			--	4.0	3.0		32.7	
Chewy		67.9 %	52.7 %	51.1 %	(\$234)	22.8	(3.7)	(5.1)	(5.6)	1.0		(6.1)	--		--	0.6	NM		NM	
Wayfair		43.6	35.2	41.6	(639)	23.9	(6.5)	(7.4)	(8.8)	2.7		(10.1)	--		NM	NM	NM		NM	
Etsy		36.8	31.6	36.8	131	68.3	18.1	17.4	13.8	1.1		16.3	--		6.4	NM	6.4		5.9	
Carvana		127.7	104.7	107.5	(213)	12.4	(5.8)	(6.2)	(7.3)	5.5		(11.7)	CCC+		NM	NM	NM		NM	
CarGurus		43.3	26.3	31.5	35	94.1	7.9	6.2	5.0	2.7		3.5	--		0.0	NM	1.3		NM	
Groupon		(7.3)	(16.4)	(13.7)	118	51.6	6.2	4.9	2.6	2.8		2.1	--		1.9	NM	2.8		2.2	
Systemax		13.3	3.4	7.5	67	34.3	8.4	7.1	6.7	0.8		6.3	--		--	NM	0.9		NM	
1-800-Flowers.com		8.4	10.5	12.8	78	42.1	7.8	6.1	3.8	2.5		3.6	--		1.2	0.8	2.2		19.3	
PetMed Express		3.5	(2.0)	(8.5)	34	29.9	NM	12.4	11.6	0.2		12.2	--		--	NM	--		NM	
Overstock.com		4.4	(21.2)	(22.6)	(112)	19.3	(6.8)	(7.2)	(8.4)	1.7		(8.9)	--		--	0.7	NM		NM	
Groupon		45.2	65.8	36.0	11	40.9	4.2	3.0	2.2	1.9		1.1	--		3.1	0.4	4.0		0.9	
U.S. Auto Parts Network		(4.6)	(0.3)	(4.3)	(5)	28.2	(1.1)	(1.7)	(3.8)	2.1		(3.8)	--		NM	NM	NM		NM	
Blue Apron		(24.2)	(33.9)	(33.6)	(17)	38.7	(1.9)	(3.4)	(10.0)	1.2		(4.6)	--		NM	NM	NM		NM	
BlueStem Brands		(4.9)	(13.4)	(8.3)	109	38.1	8.0	6.4	3.4	1.2		5.2	--		4.1	3.0	4.5		1.8	
RumbleON		NM	NM	NM	(32)	6.1	(3.7)	(3.9)	(4.0)	(0.0)		(3.9)	--		NM	NM	NM		NM	
Hardlines / Other E-Commerce					Mean	36.7 %	2.2 %	1.9 %	0.1 %	1.8 %		0.1 %			1.7 x	1.1 x	2.8 x		6.0 x	
					Median	34.3	1.6	3.0	2.2	1.7		1.1			0.6	0.7	2.5		2.2	
Priceline		14.6 %	3.9 %	8.8 %	\$5,790	99.1 %	39.8 %	38.8 %	35.7 %	2.5 %		36.3 %	A-		1.5 x	0.2 x	1.6 x		20.1 x	
Expedia		11.6	8.6	9.5	1,404	82.5	13.4	11.8	8.1	9.3		2.5	BBB		3.5	0.3	3.8		1.8	
TripAdvisor		3.8	(6.6)	(2.5)	244	94.1	16.5	15.5	12.2	4.8		10.7	--		0.3	NM	0.7		24.0	
Travelzoo		4.5	0.8	0.4	13	89.6	16.4	11.3	10.2	0.4		10.9	--		--	NM	1.9		NM	
Domestic Travel Marketplaces					Mean	91.4 %	21.5 %	19.3 %	16.6 %	4.3 %		15.1 %			1.3 x	0.3 x	2.0 x		15.3 x	
					Median	91.9	16.5	13.7	11.2	3.6		10.8			0.9	0.3	1.7		20.1	

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

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

a) 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.



E-Commerce and Digital – Trading Analysis (Cont.)

Company Name	Share Price 1/14/2020	% 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)	(c)
									LTM	2019E	2020E	2020E	2021E					ROE
Alibaba Group	\$226.49	98.0 %	6.8 %	\$607,610	\$610,589		\$64,834	9.4 x	33.2 x	28.5 x	21.1 x	26.5 x	21.0 x	24.3 %	1.1 x	-- %		23.7 %
JD.com	40.29	98.3	14.4	58,830	54,778		78,876	0.7	35.8	27.8	18.5	29.6	22.7	47.3	0.6	--		4.0
Mercado Libre	652.07	93.3	14.0	32,414	30,471		2,050	14.9	NM	NM	NM	NM	NM	NA	NM	--		(9.7)
Rakuten	8.33	69.9	(1.8)	11,295	14,669		11,046	1.3	10.6	7.8	10.1	NM	29.1	19.1	NM	0.5		2.5
Broadlines							Mean	6.6 x	26.6 x	21.3 x	16.5 x	28.1 x	24.2 x	30.2 %	0.9 x	0.5 %		5.1 %
							Median	5.4	33.2	27.8	18.5	28.1	22.7	24.3	0.9	0.5		3.3
Zalando SE	\$50.63	94.5 %	1.0 %	\$12,590	\$11,554		\$6,831	1.7 x	32.8 x	25.0 x	21.3 x	NM x	NM x	32.8 %	NM x	-- %		4.6 %
Vipshop	14.85	96.1	4.8	9,935	9,416		13,086	0.7	14.2	11.4	8.5	12.4	11.1	19.0	0.7	--		17.6
Start Today ⁽¹⁾	18.02	74.1	(4.9)	5,501	5,497		1,106	5.0	19.6	17.4	14.3	22.2	19.2	9.5	2.3	1.5		NM
Boohoo.com	4.35	98.7	12.0	5,067	4,826		1,337	3.6	39.5	34.5	26.0	NM	NM	29.7	NM	--		25.8
ASOS	43.33	81.3	(1.4)	3,626	3,744		3,561	1.1	NM	23.2	15.0	NM	38.5	42.3	NM	--		5.5
Farfetch ⁽²⁾	11.53	36.5	11.4	3,457	3,201		834	3.8	NM	NM	NM	NM	NM	NA	NM	--		(23.2)
N Brown Group	1.86	87.2	(12.2)	531	1,158		802	1.4	8.4	6.8	6.6	6.0	5.7	NA	NM	5.0		(5.4)
Secoo	7.12	67.7	20.9	358	481		965	0.5	12.8	NM	NM	8.2	5.9	NA	NM	--		10.9
Softlines							Mean	2.2 x	21.2 x	19.7 x	15.3 x	12.2 x	16.1 x	26.7 %	1.5 x	3.2 %		5.1 %
							Median	1.6	16.9	20.3	14.6	10.3	11.1	29.7	1.5	3.2		5.5
Delivery Hero	\$72.75	91.4 %	(7.4) %	\$14,250	\$13,340		\$979	13.6 x	NM x	NM x	NM x	NM x	NM x	NA %	NM x	-- %		(17.6) %
Ocado Group	16.97	90.5	1.9	11,874	11,851		2,196	5.4	NM	NM	NM	NM	NM	NA	NM	--		(35.3)
Uxin Limited	2.90	49.5	28.3	851	1,047		551	1.9	NM	NM	NM	NM	NM	NA	NM	--		NM
Zooplus AG	88.96	63.3	(6.2)	638	663		1,635	0.4	NM	37.6	23.4	NM	NM	NA	NM	--		(6.8)
AO World	1.14	64.1	(3.0)	538	553		1,262	0.4	NM	NM	27.0	NM	NM	NA	NM	--		(15.8)
Jumei International Holdings	18.50	66.1	(9.8)	219	(112)		625	(0.2)	8.4	NM	NM	NM	NM	NA	NM	--		3.1
home24	6.63	51.8	22.4	175	113		393	0.3	NM	NM	NM	NM	NM	NA	NM	--		NM
LightInTheBox Holding Company	1.03	56.9	(1.9)	115	141		226	0.6	NM	NM	NM	NM	NM	NA	NM	--		NM
Delticom AG	4.99	54.5	(1.1)	62	131		710	0.2	NM	NM	8.0	NM	15.0	NA	NM	--		(24.7)
Hardlines							Mean	2.5 x	8.4 x	37.6 x	19.5 x	NM x	15.0 x	NM %	NM x	NM %		(16.2) %
							Median	0.4	8.4	37.6	23.4	NM	15.0	NM	NM	NM		(16.7)
MakeMy Trip	\$25.25	78.2 %	10.3 %	\$2,600	\$2,382		\$505	4.7 x	NM x	NM x	NM x	NM x	NM x	NA %	NM x	-- %		(11.3) %
trivago	2.95	46.5	12.6	1,039	813		942	0.9	13.5	10.9	9.5	24.6	19.0	20.4	1.2	--		2.9
Tuniu Corporation	2.38	41.1	(5.6)	294	57		335	0.2	NM	NM	11.3	23.3	19.0	NA	NM	--		(12.1)
International Travel Marketplaces							Mean	1.9 x	13.5 x	10.9 x	10.4 x	24.0 x	19.0 x	20.4 %	1.2 x	NM %		(6.8) %
							Median	0.9	13.5	10.9	10.4	24.0	19.0	20.4	1.2	NM		(11.3)

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) 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 September 2019, Yahoo Japan announced the acquisition of 50.1% of Start Today for an Enterprise Value of \$7.3 billion.

2. In January 2020, Farfetch announced the acquisition of Opening Ceremony. In August 2019, Farfetch announced the acquisition of New Guards Group for \$675 million. In December 2018, Farfetch announced the acquisition of Stadium Goods for \$250 million.



E-Commerce and Digital – Operating Analysis (Cont.)

		Operating Efficiency										Credit Statistics					
Company Name	HQ	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 / EBITDA (c)	EBITDA-Capex / Int.	
		LFY	Q(-1)	Q(-2)													
Alibaba Group	China	50.6			\$18,368	46.3 %	29.6 %	28.3 %	19.3 %	7.4 %	20.9 %	A+	1.2 x	NM x	1.4 x	17.4 x	
JD.com	China	27.5			1,529	14.1	3.0	1.9	0.8	1.7	0.2	BBB	1.0	NM	2.7	2.0	
Mercado Libre	Argentina	18.3			(21)	55.5	(0.2)	(1.0)	(4.2)	6.3	(7.3)	--	NM	98.9	NM	NM	
Rakuten	Japan	16.6			1,380	2.3	NM	12.5	4.7	7.6	4.9	BBB-	9.9	0.9	9.9	7.4	
Braodlines					Mean	49.7 %	8.8 %	7.9 %	5.3 %	3.0 %	4.9 %		1.9 x	9.0 x	2.8 x	9.8 x	
					Median	38.7	6.2	6.1	3.4	2.1	2.5		1.2	0.7	2.2	6.0	
Zalando SE	Germany	20.0			\$352	42.9 %	6.2 %	5.1 %	3.0 %	3.7 %	1.4 %	--	0.0 x	NM x	1.0 x	3.5 x	
Vipshop	China	15.9			661	21.2	5.9	5.1	4.3	--	5.1	BBB	0.4	NM	1.2	41.5	
Start Today	Japan	20.3			281	88.9	NM	25.4	23.5	3.7	21.7	--	0.7	NM	0.7	NM	
Boohoo.com	UK	47.8			122	54.3	9.4	9.1	7.7	1.9	7.3	--	0.1	NM	0.2	NM	
ASOS	UK	13.1			79	48.8	3.1	2.2	1.3	3.5	(1.3)	--	1.5	1.5	2.8	NM	
Farfetch	UK	56.1			(220)	45.3	(23.1)	(26.3)	(33.1)	4.9	(31.3)	--	--	1.4	NM	NM	
N Brown Group	UK	(5.5)			138	78.2	17.6	17.2	16.4	0.9	16.3	--	5.1	4.5	5.1	6.2	
Secoo	China	44.0			38	18.7	4.6	3.9	3.6	--	3.9	--	5.9	3.3	5.9	2.5	
Softlines					Mean	45.4 %	3.8 %	5.6 %	3.0 %	3.1 %	2.3 %		2.4 x	15.0 x	3.2 x	11.0 x	
					Median	45.8	6.0	5.6	4.0	3.3	4.4		1.2	2.4	2.5	6.2	
Delivery Hero	Germany	46.6			(\$336)	39.3 %	(30.7) %	(34.3) %	(39.4) %	5.3 %	(39.6) %	--	NM x	2.7 x	NM x	NM x	
Ocado Group	UK	9.9			24	34.6	2.4	1.1	(3.7)	9.0	(7.9)	--	19.9	0.0	12.3	NM	
Uxin Limited	China	72.8			(181)	66.9	(26.2)	(32.9)	(35.8)	--	(32.9)	--	NM	NM	NM	NM	
Zooplus AG	Germany	16.0			(0)	25.5	0.9	(0.0)	(0.3)	0.0	(0.0)	--	NM	NM	11.7	NM	
AO World	UK	13.3			(1)	16.3	1.2	(0.1)	(1.0)	0.9	(1.0)	--	NM	NM	9.3	NM	
Jumei International Holdings	China	(26.3)			(13)	25.4	(0.5)	(2.1)	(6.0)	1.4	(3.6)	--	--	25.5	NM	NM	
home24	Germany	13.4			(68)	43.6	NM	(17.4)	(21.2)	3.5	(20.9)	--	NM	0.7	NM	NM	
LightInTheBox Holding Company	China	(28.9)			(12)	38.6	(3.1)	(5.4)	(5.9)	--	(5.4)	--	NM	NM	NM	NM	
Delticom AG	Germany	(3.3)			(20)	21.9	(1.7)	(2.9)	(3.7)	1.0	(3.9)	--	NM	NM	NM	NM	
Hardlines					Mean	47.8 %	4.8 %	3.8 %	1.2 %	3.0 %	0.8 %		2.5 x	8.2 x	3.7 x	10.8 x	
					Median	42.9	3.5	3.9	3.0	2.1	1.4		1.2	1.4	2.6	6.2	
MakeMy Trip	India	(28.0)			(\$121)	43.0 %	(22.5) %	(24.0) %	(28.2) %	0.7 %	(24.6) %	--	NM x	1.8 x	NM x	NM x	
trivago	Germany	(11.6)			60	99.1	6.9	6.4	5.4	1.0	5.4	--	--	NM	0.4	52.6	
Tuniu Corporation	China	4.6			(47)	49.3	(10.2)	(14.1)	(23.7)	--	(14.1)	--	NM	5.5	NM	NM	
International Travel Marketplaces					Mean	63.8 %	(8.6) %	(10.5) %	(15.5) %	0.6 %	(11.1) %		NM x	3.7 x	0.4 x	52.6 x	
					Median	49.3	(10.2)	(14.1)	(23.7)	0.7	(14.1)		NM	3.7	0.4	52.6	

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) 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	1/14/2020	wk high	Change	Value	Value		Revenue	Revenue	LTM	2019E	2020E	2020E	2021E	Rate	2019E	Yield		ROE
Inditex	\$34.94	97.9 %	0.2 %	\$108,827	\$100,285		\$30,536	3.3 x	14.9 x	11.5 x	10.8 x	24.0 x	22.5 x	8.2 %	2.9 x	2.8 %		27.0 %
Fast Retailing	574.91	90.2	(2.6)	58,682	52,715		20,600	2.6	18.0	18.5	17.1	36.6	30.8	NA	NM	0.8		16.8
H&M	19.42	88.5	(3.0)	32,137	32,788		23,901	1.4	11.7	11.2	10.5	21.5	19.9	5.8	3.7	5.3		23.6
Next PLC	89.08	92.9	(2.6)	11,381	13,004		5,497	2.4	11.2	9.0	8.9	14.4	13.7	5.8	2.5	2.4		NM
Aritzia	18.19	97.6	24.8	1,983	1,967		738	2.7	14.4	13.1	9.3	23.5	19.3	14.5	1.6	--		26.6
Kathmandu	2.19	97.6	(0.9)	646	659		361	1.8	10.5	8.5	6.2	11.5	10.4	9.7	1.2	4.8		13.4
Superdry	5.44	72.3	(17.1)	446	458		1,076	0.4	6.0	3.0	2.6	9.8	7.4	NA	NM	1.0		(37.9)
Esprit	0.20	73.7	(1.9)	374	(52)		1,665	(0.0)	1.4	NM	NM	NM	NM	NA	NM	--		(27.2)
Ted Baker	4.75	18.0	(10.6)	212	396		802	0.5	4.8	3.4	3.1	19.8	13.0	10.0	2.0	16.1		0.5
Mothercare UK	0.23	71.4	3.0	86	118		623	0.2	17.8	8.0	4.7	NM	NM	NA	NM	--		NM
Roots Corporation	1.51	41.5	(3.9)	64	166		255	0.6	6.5	3.3	3.0	5.3	5.1	(18.4)	NM	--		0.4
International Specialty Retail							Mean	1.4 x	10.6 x	9.0 x	7.6 x	18.5 x	15.8 x	5.1 %	2.3 x	4.7 %		4.8 %
							Median	1.4	11.2	8.7	7.6	19.8	13.7	8.2	2.2	2.8		13.4
LVMH	\$478.09	99.9 %	4.1 %	\$240,656	\$252,195		\$55,638	4.5 x	18.6 x	16.2 x	15.1 x	26.9 x	24.4 x	11.9 %	2.3 x	1.4 %		21.8 %
Kering	656.79	98.5	1.2	82,111	84,662		16,497	5.1	15.5	13.0	12.0	20.7	18.9	11.0	1.9	1.8		21.9
Hermes	776.04	100.0	5.0	80,893	77,021		7,096	10.9	28.3	25.3	23.1	43.0	39.1	9.6	4.5	0.7		27.6
Richemont	78.96	87.4	0.5	44,600	42,790		16,171	2.6	14.9	13.5	11.0	24.3	20.2	10.7	2.3	2.6		8.4
Burberry	29.58	96.1	3.0	11,993	11,126		3,623	3.1	15.4	11.2	9.9	24.1	21.6	9.2	2.6	1.9		27.7
Moncler	46.13	95.4	3.8	11,640	11,827		1,660	7.1	21.8	18.4	16.3	27.3	24.4	9.2	3.0	1.0		36.3
Prada	3.78	88.8	(8.9)	9,668	10,355		3,524	2.9	18.1	9.3	8.7	37.5	31.0	18.8	2.0	1.8		--
Canada Goose	34.50	54.0	(4.8)	3,810	4,047		704	5.7	23.8	21.5	14.6	22.2	18.3	34.8	0.6	--		42.7
Ferragamo	20.85	86.5	0.2	3,516	3,375		1,519	2.2	10.1	9.2	8.8	31.1	26.9	9.8	3.2	1.8		11.4
Hugo Boss	48.06	63.2	(0.0)	3,306	3,502		3,152	1.1	7.2	4.5	4.3	12.3	11.2	3.4	3.6	--		22.8
Brunello Cucinelli	40.24	99.9	15.0	2,737	2,788		638	4.4	25.1	15.1	14.0	NM	NM	7.9	NM	0.8		18.7
Tod's	44.99	77.8	(1.6)	1,489	1,592		1,029	1.5	19.7	9.1	8.5	NM	NM	(21.2)	NM	2.5		0.7
Mulberry	3.63	85.6	(2.3)	216	211		217	1.0	NM	NM	NM	NM	NM	NA	NM	1.8		(12.0)
Luxury / Apparel / Accessories							Mean	4.0 x	18.2 x	13.9 x	12.2 x	26.9 x	23.6 x	9.6 %	2.6 x	1.6 %		17.5 %
							Median	3.1	18.4	13.3	11.5	25.6	23.0	9.7	2.4	1.8		21.8

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.

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.



International – 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.	
Inditex	7,486	4.0 %	5.0 %	3.0	\$6,727	55.2 %	31.2 %	22.0 %	17.6 %	5.1 %	17.0 %	--	0.0 x	NM x	1.8 x	37.6 x	
Fast Retailing ⁽¹⁾	3,589	1.0	3.5	(0.9)	2,934	48.8	22.8	14.2	11.2	1.9	12.3	A	1.5	NM	3.2	54.6	
H&M	4,978				2,792	52.6	23.5	11.7	7.2	3.7	8.0	--	0.7	0.2	3.4	NM	
Next PLC	507				1,163	37.4	27.1	21.2	18.3	3.3	17.8	BBB	1.6	1.4	2.5	19.6	
Aritzia	93	9.8	8.4	7.9 %	137	40.9	31.9	18.5	15.4	5.0	13.6	--	0.4	NM	2.8	5.8	
Kathmandu	169	0.6			63	60.9	30.1	17.5	15.2	2.1	15.4	--	0.3	0.2	2.7	44.7	
Superdry	768				76	55.5	15.1	7.1	4.2	1.1	6.0	--	0.7	0.2	3.5	10.1	
Esprit	410	(5.9)			(37)	50.3	13.9	(2.3)	(5.8)	1.3	(3.5)	--	--	11.4	7.0	NM	
Ted Baker	560				83	56.4	19.4	10.3	6.5	7.8	2.5	--	2.4	2.2	4.1	1.8	
Mothercare UK ⁽²⁾	965	(10.8)	(2.0)	(3.2)	7	11.7	6.2	1.1	(1.3)	(1.1)	2.2	--	4.8	4.8	5.8	1.2	
Roots Corporation					26	55.8	10.3	10.1	6.1	7.0	3.1	--	4.0	4.0	4.0	0.8	
International Specialty Retail					Mean	47.8 %	21.1 %	11.9 %	8.6 %	3.4 %	8.6 %		1.5 x	3.0 x	3.7 x	19.6 x	
					Median	52.6	22.8	11.7	7.2	3.3	8.0		0.7	1.8	3.4	10.1	
LVMH	4,590				\$13,530	66.2 %	32.2 %	24.3 %	21.2 %	6.4 %	17.9 %	A+	1.1 x	0.7 x	2.3 x	29.3 x	
Kering					5,455	74.5	44.4	33.1	29.8	6.1	27.0	A-	0.9	0.4	2.2	33.7	
Hermes	310				2,722	69.3	NA	38.4	34.9	4.1	34.3	--	0.0	NM	NA	NM	
Richemont					2,875	61.7	25.3	17.8	13.6	4.4	13.4	A+	2.7	NM	3.7	11.5	
Burberry	467	2.0 %	4.0	4.0 %	723	68.4	32.9	20.0	16.9	2.7	17.2	--	0.1	NM	2.4	41.6	
Moncler	255				542	77.6	NM	32.7	28.8	6.6	26.0	--	1.3	0.3	1.3	34.9	
Prada	637				573	71.8	35.7	16.3	9.9	10.4	5.9	--	1.6	1.0	4.0	5.3	
Canada Goose					170	61.0	28.0	24.2	22.1	4.2	19.9	--	1.6	1.4	2.2	10.3	
Ferragamo	656				335	64.9	37.2	22.1	11.4	4.2	17.9	--	0.2	NM	2.5	17.6	
Hugo Boss	419				486	65.2	29.8	15.4	12.2	5.4	10.1	--	0.7	0.4	3.2	12.9	
Brunello Cucinelli	130	7.2			111	49.9	30.3	17.4	12.9	5.0	12.4	--	1.1	0.5	3.2	11.2	
Tod's	432				81	48.2	20.3	7.9	3.7	4.7	3.1	--	3.9	1.3	5.2	3.4	
Mulberry	123	(3.0)	3.0		1	60.7	12.2	0.7	(3.3)	5.3	(4.6)	--	8.6	NM	6.1	NM	
Luxury / Apparel / Accessories					Mean	64.6 %	29.9 %	20.8 %	16.5 %	5.3 %	15.4 %		1.8 x	0.8 x	3.2 x	19.2 x	
					Median	65.2	30.3	20.0	13.6	5.0	17.2		1.1	0.6	2.9	12.9	

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.

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.



International – Trading Analysis (Cont.)

Company Name	Share Price	% of 52	YTD %	Equity	Enterprise	(a)	LTM	EV / LTM	EV / EBITDA			P / E		LTG	P/E/G	Dividend	(b)	(c)
	1/14/2020	wk high	Change	Value	Value		Revenue	Revenue	LTM	2019E	2020E	2020E	2021E	Rate	2019E	Yield		ROE
Adidas	\$347.64	99.6 %	8.0 %	\$67,785	\$66,617		\$25,552	2.6 x	17.3 x	16.2 x	15.9 x	28.5 x	25.2 x	14.7 %	1.9 x	-- %		26.9 %
Puma	84.49	99.9	11.0	12,550	12,372		5,844	2.1	21.7	16.7	14.4	35.5	29.3	23.2	1.5	--		16.3
JD Sports	11.16	99.6	2.0	10,863	10,810		7,308	1.5	11.9	8.8	7.9	22.8	20.1	14.3	1.6	0.2		24.9
Gildan Activewear	29.33	71.7	(0.4)	5,836	6,721		2,908	2.3	12.4	12.2	11.0	15.0	14.1	5.9	2.6	1.8		14.7
Alpargatas	8.20	99.2	3.2	4,249	4,239		1,008	4.2	36.0	26.7	21.7	34.4	26.6	25.0	1.4	--		8.4
ASICS	14.70	84.4	(10.8)	2,686	2,962		3,423	0.9	16.8	14.8	12.3	28.0	22.2	81.6	0.3	1.5		(11.9)
SMCP	10.44	53.7	(0.7)	779	1,113		1,185	0.9	6.4	3.8	3.4	9.1	8.5	15.7	0.6	--		3.5
Delta Galil	27.23	78.4	0.2	694	1,130		1,640	0.7	7.1	NM	NM	NM	NM	NA	NM	0.9		10.1
Mizuno	24.59	88.7	(2.0)	625	592		1,603	0.4	5.8	5.6	5.2	10.9	9.9	NA	NM	1.8		6.9
Geox	1.30	59.4	(1.5)	336	653		905	0.7	15.2	5.6	5.2	NM	NM	NA	NM	2.1		(3.5)
Other Brands							Mean	1.6 x	15.1 x	12.3 x	10.8 x	23.0 x	19.5 x	25.8 %	1.4 x	1.4 %		9.6 %
							Median	1.2	13.8	12.2	11.0	25.4	21.2	15.7	1.5	1.7		9.3
Alimentation Couche-Tard	\$33.50	98.2 %	6.3 %	\$37,664	\$43,403		\$57,469	0.8 x	11.7 x	11.3 x	11.2 x	19.6 x	17.5 x	10.3 %	1.9 x	0.6 %		21.8 %
Loblaw Companies	51.23	87.8	(0.0)	18,662	24,094		36,544	0.7	9.0	6.4	6.1	14.4	13.3	1.7	8.3	1.9		9.3
Dollarama	34.39	86.1	0.5	10,763	12,158		2,899	4.2	17.9	14.3	13.0	21.7	18.2	10.2	2.1	0.4		NM
Canadian Tire ⁽¹⁾	109.58	90.8	2.3	6,850	13,601		10,160	1.3	10.8	8.3	7.9	10.1	9.2	NA	NM	3.2		15.5
Pandora	52.33	97.6	21.2	4,853	5,938		3,248	1.8	5.9	5.6	6.3	8.6	8.6	1.5	5.9	5.1		NM
Hudson's Bay Company ⁽²⁾	8.34	99.8	10.1	1,967	3,522		7,155	0.5	15.1	11.3	9.2	NM	NM	NA	NM	0.5		NM
Other Retail							Mean	1.5 x	11.7 x	9.5 x	8.9 x	14.9 x	13.3 x	5.9 %	4.6 x	1.9 %		15.6 %
							Median	1.0	11.3	9.8	8.5	14.4	13.3	6.0	4.0	1.2		15.5

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

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

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

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

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

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

1) In October 2019, Canadian Tire closed the acquisition of Party City Canada for \$174 million.

2) In November 2019, HBC divested Lord & Taylor to Le Tote and retained 25% stake. In January 2020, HBC announced a take private at C\$11.00 per share. In October 2019, HBC completed divestiture of European Real Estate and Retail Joint Venture.



International – 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.	
Adidas	748				\$3,857	52.8 %	18.8 %	15.1 %	11.0 %	2.2 %	12.9 %	--	0.6 x	NM x	1.6 x	23.9 x	
Puma					570	48.9	13.5	9.7	8.0	2.5	7.3	--	0.6	NM	2.1	29.1	
JD Sports					911	47.0	NA	12.5	7.9	2.6	9.8	--	0.3	NM	NA	11.8	
Gildan Activewear					543	26.9	19.9	18.7	13.6	4.6	14.1	--	1.8	1.6	2.0	12.9	
Alpargatas					118	44.6	18.3	11.7	10.0	2.8	8.8	--	0.9	NM	2.7	9.3	
ASICS					176	46.3	NA	5.2	2.1	1.2	4.0	--	3.9	1.5	NA	9.1	
SMCP					173	73.6	25.7	14.6	11.7	6.2	8.4	--	2.3	1.9	3.9	2.7	
Delta Galil		180				159	35.8	13.4	9.7	5.4	1.9	7.8	--	3.0	2.7	3.9	5.7
Mizuno					102	41.1	NA	6.3	4.7	1.2	5.1	--	1.6	NM	NA	31.8	
Geox ⁽¹⁾	975		(2.3)	(3.0)	(2.2)	43	50.2	15.7	4.8	0.9	3.2	1.5	--	8.1	7.4	6.6	1.2
Other Brands					Mean	56.9 %	25.3 %	16.4 %	12.4 %	4.3 %	12.2 %		1.9 x	1.6 x	3.2 x	16.4 x	
					Median	60.7	25.5	15.4	11.4	4.2	10.1		1.3	1.3	3.2	12.9	
Alimentation Couche-Tard ⁽²⁾	9,735	4.1 %	3.3 %	2.5 %	\$3,706	16.4 %	7.2 %	6.4 %	4.8 %	2.3 %	4.2 %	BBB	1.8 x	1.5 x	2.2 x	7.6 x	
Loblaw Companies ⁽³⁾	2,428	1.1	0.1	0.6	2,670	30.6	9.8	7.3	4.7	1.9	5.4	BBB	2.2	1.9	3.2	3.8	
Dollarama	1,271	2.7	5.3	4.7	679	47.3	32.4	23.4	21.7	3.6	19.8	--	2.1	2.1	3.2	13.4	
Canadian Tire	1,700				1,258	33.8	17.9	12.4	10.5	2.9	9.5	BBB+	4.9	4.6	5.2	5.1	
Pandora					1,010	75.7	37.4	31.1	25.6	2.5	28.6	--	1.2	1.1	2.0	44.5	
Hudson's Bay Company ⁽⁴⁾	246	(0.2)	(1.7)	(0.4)	233	38.0	7.6	3.3	(4.9)	4.2	(0.9)	--	10.3	6.7	7.8	NM	
Other Retail					Mean	40.3 %	18.7 %	14.0 %	10.4 %	2.9 %	11.1 %		3.7 x	3.0 x	3.9 x	14.9 x	
					Median	35.9	13.9	9.8	7.6	2.7	7.4		2.2	2.0	3.2	7.6	

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.

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) Geox SSS% for company-operated stores.

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

3) Loblaw Companies SSS% for food retail segment.

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



Macroeconomic and Capital Markets Overview

Key Commodity Prices

	Current	Yr. Prior	% Change
Gold (per troy oz)	\$1,544.60	\$1,313.60	17.6%
Crude Oil (per barrel)	58.26	52.39	11.2%
Natural Gas (per mm BTU)	2.15	3.25	(33.8%)
Corn (per bushel)	3.89	3.97	(1.9%)
Cotton (per pound)	0.71	0.73	(2.8%)

Select Macroeconomic Indicators

	Current	Yr. Prior	% Change
Q3 Real GDP (\$ bn)	\$19,121	\$18,368	4.1%
Unemployment Rate	3.5%	4.3%	(0.8%)
CPI	259	253	2.3%
Consumer Confidence ^(a)	127	127	(0.1%)
Total November Retail Sales (\$ bn) ^(b)	463	449	3.1%

Key Currency Exchange Rates

	Current	Yr. Prior	% Change
CAD / USD	C\$1.31	C\$1.33	(1.6%)
Yuan / USD	¥6.89	¥6.76	1.9%
Euro / USD	€0.90	€0.88	2.4%
Pound / USD	£0.77	£0.78	(1.8%)
Yen / USD	¥110.09	¥108.62	1.4%

Select Domestic Stock Indices

	Current	1 Month	LTM	YTD
Dow Jones	28,940	2.9%	20.3%	1.4%
Nasdaq Composite	9,251	5.9%	31.7%	3.1%
S&P 500	3,283	3.6%	25.8%	1.6%
S&P 500 Retailing	2,471	3.8%	18.5%	0.9%
S&P 600 Consumer Discretionary	590	1.8%	8.2%	0.1%
Russell 2000	1,676	2.3%	16.0%	0.4%

Key Interest Rates

3-Month Treasury	1.57%	LIBOR Overnight	1.53%
12-Month Treasury	1.53%	Fed Funds Overnight	1.54%
5 Year Treasury	1.63%	Prime Rate	4.75%
10-Year Treasury	1.82%		
30-Year Treasury	2.27%		

Select International Stock Indices

	Current	1 Month	LTM	YTD
DAX Index	13,456	1.3%	23.5%	1.6%
IBEX 35 Index	9,528	(0.4%)	7.7%	(0.2%)
FTSE 100	7,622	3.7%	10.5%	1.1%
CAC 40	6,041	2.1%	26.2%	1.1%
Euro Stoxx 50 Index	3,775	1.2%	23.0%	0.8%

Source: Capital IQ as of January 14, 2020.

a) Conference Board Consumer Confidence Index.

b) Total monthly retail sales excludes Food Services.

