



HOULIHAN  
CAPITAL

*Value. Added.*



Industry Observations – September 30, 2018

## Internet and Multiline Retail Industry

## Select Internet and Multiline Retail Industry Public Company Industry Data As of September 30, 2018

(USD in millions, except per share data)

Company Name	Ticker	Market Data					LTM Operating Data			Forward Estimates	
		Price at 09/30/18	% of 52 Week High	Equity Value	Enterprise Value	Debt / Total Capital	Total Assets	LTM Revenue	LTM EBITDA	CY 2018 Revenue Estimate	CY 2018 EBITDA Estimate
Internet and Catalog Retail											
Amazon.com, Inc.	AMZN	\$2,003.00	97.7%	\$976,945.6	\$995,684.6	54.7%	#####	\$220,957.0	\$24,905.0	\$232,460.7	\$33,020.5
Expedia Group, Inc.	EXPE	\$ 130.48	84.6%	\$ 19,500.4	\$ 20,773.4	38.5%	\$ 19,141.0	\$ 10,982.8	\$ 1,282.8	\$11,223.3	\$1,910.7
Groupon, Inc.	GRPN	\$ 3.77	62.9%	\$ 2,142.9	\$ 1,704.6	41.1%	\$ 1,403.9	\$ 2,710.0	\$ 141.2	\$2,625.2	\$283.2
Stitch Fix, Inc.	SFIX	\$ 43.77	83.5%	\$ 4,283.7	\$ 3,996.4	0.0%	\$ 481.6	\$ 1,226.5	\$ 53.6	\$1,355.8	\$43.7
Netflix, Inc.	NFLX	\$ 374.13	88.4%	\$162,917.7	\$167,353.4	62.5%	\$ 23,366.2	\$ 14,893.3	\$ 1,713.8	\$15,816.6	\$1,994.8
Nutrisystem, Inc.	NTRI	\$ 37.05	60.9%	\$ 1,082.5	\$ 998.9	0.0%	\$ 195.4	\$ 692.7	\$ 88.4	\$693.2	\$105.9
Shutterfly, Inc.	SFLY	\$ 65.89	65.7%	\$ 2,203.5	\$ 3,225.4	71.4%	\$ 2,046.4	\$ 1,605.6	\$ 174.6	\$1,998.8	\$397.8
TripAdvisor, Inc.	TRIP	\$ 51.07	81.9%	\$ 7,024.5	\$ 6,346.5	0.0%	\$ 2,192.0	\$ 1,590.0	\$ 216.0	\$1,613.0	\$415.5
Multiline Retail											
Big Lots, Inc.	BIG	\$ 41.79	64.9%	\$ 1,685.9	\$ 2,050.3	41.1%	\$ 1,828.7	\$ 5,246.6	\$ 361.1	\$5,229.10	\$368.4
Burlington Stores, Inc.	BURL	\$ 162.92	92.8%	\$ 11,005.4	\$ 12,069.1	88.3%	\$ 2,930.6	\$ 6,409.2	\$ 722.4	\$6,659.18	\$788.7
Dillard's, Inc.	DDS	\$ 76.34	77.3%	\$ 2,097.2	\$ 2,783.4	32.4%	\$ 3,582.6	\$ 6,498.1	\$ 516.9	\$6,394.88	\$500.7
Dollar General Corporation	DG	\$ 109.30	97.1%	\$ 29,022.9	\$ 31,536.3	30.3%	\$ 12,943.9	\$ 24,590.8	\$ 2,512.5	\$25,563.26	\$2,635.1
Dollar Tree, Inc.	DLTR	\$ 81.55	69.9%	\$ 19,399.8	\$ 23,794.3	39.7%	\$ 16,103.6	\$ 22,756.5	\$ 2,626.5	\$22,860.57	\$2,500.8
Nordstrom, Inc.	JWN	\$ 59.81	90.2%	\$ 10,081.9	\$ 11,472.9	70.6%	\$ 8,490.0	\$ 15,959.0	\$ 1,641.0	\$15,868.67	\$1,628.9
Kohl's Corporation	KSS	\$ 74.55	90.5%	\$ 12,428.4	\$ 15,294.4	41.7%	\$ 12,915.0	\$ 19,413.0	\$ 2,479.0	\$19,383.91	\$2,420.8
Macy's, Inc.	M	\$ 34.73	82.7%	\$ 10,661.2	\$ 15,107.2	48.4%	\$ 18,668.0	\$ 24,978.0	\$ 2,627.0	\$25,124.40	\$2,708.0
Target Corporation	TGT	\$ 88.21	97.6%	\$ 46,429.4	\$ 58,593.4	54.4%	\$ 39,996.0	\$ 73,580.0	\$ 6,839.0	\$75,203.48	\$6,564.1

Notes: LTM (latest twelve months); Enterprise Value (market capitalization less total cash and short-term investments plus short-term borrowings and total long-term debt); EBITDA (earnings before interest, taxes, depreciation and amortization)

Source: Capital IQ

The material contained in this publication is meant to provide general information regarding valuation topics. This publication does not constitute investment advice with respect to the securities of any company discussed herein, is not intended to provide information upon which to base an investment decision, and should not be construed as such. Professional advice should be obtained before taking any action based on the information contained herein.

Publicly available information utilized in this publication has been obtained from sources deemed to be reliable. Houlihan does not guarantee the accuracy or completeness of the information provided within this publication. The material presented reflects information known to the authors at the time this publication was written and this information is subject to change.

## Select Internet and Multiline Retail Public Company Valuation Metrics As of September 30, 2018

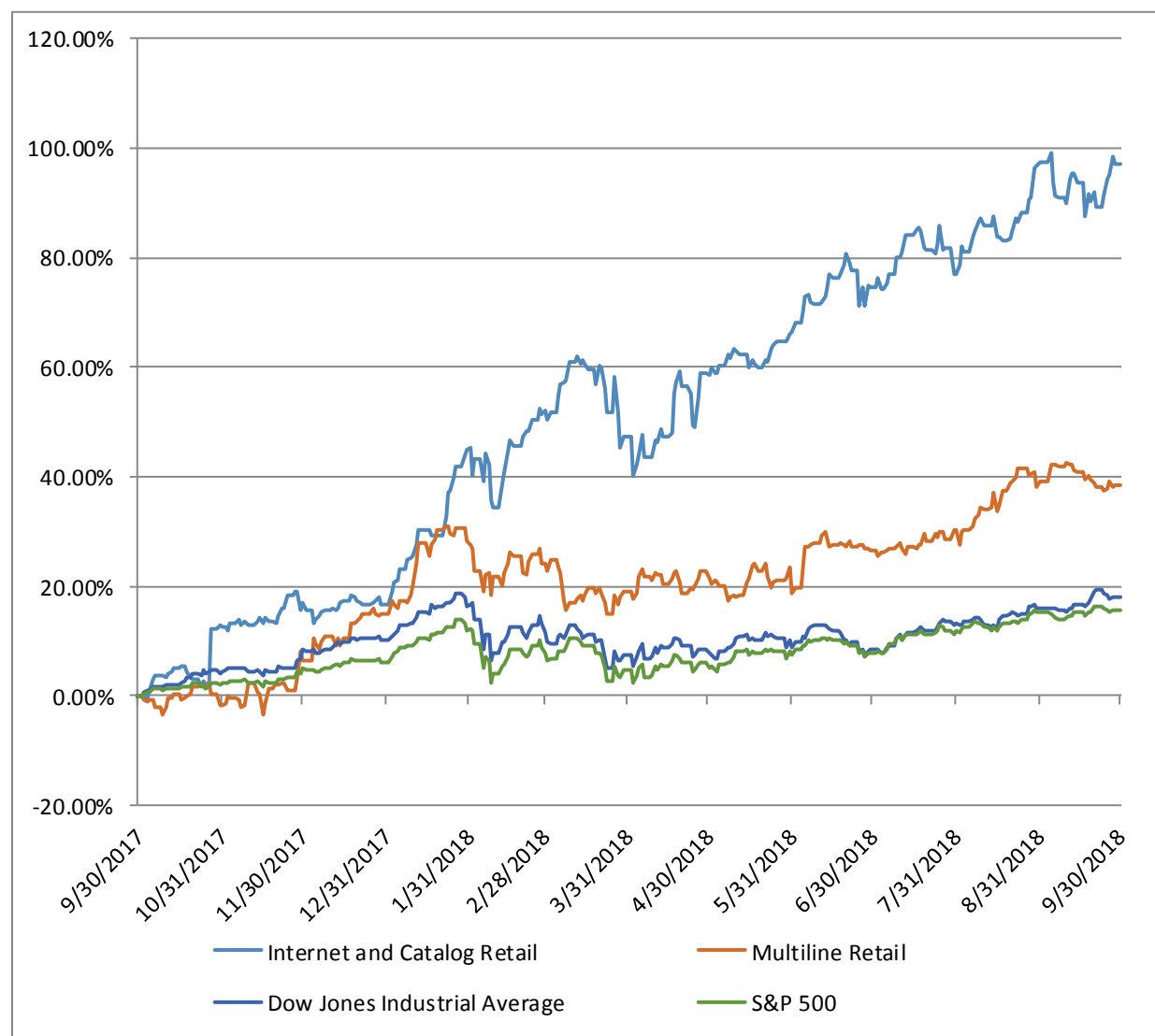
(USD in millions, except per share data)

Company Name	Ticker	LTM Operating Statistics						Trading Multiples			
		Return On Assets	Return On Equity	Return On Capital	Revenue Growth	EBITDA Growth	EBITDA Margin	TEV/ LTM Revenue	TEV/ CY 2018 Revenue	TEV/ LTM EBITDA	TEV/ CY 2018 EBITDA
Internet and Catalog Retail											
Amazon.com, Inc.	AMZN	5.2%	27.9%	8.7%	37.1%	92.6%	11.3%	4.5x	4.3x	40.0x	30.2x
Expedia Group, Inc.	EXPE	2.4%	7.0%	4.5%	11.7%	-0.6%	11.7%	1.9x	1.9x	16.2x	10.9x
Groupon, Inc.	GRPN	3.4%	1.2%	9.8%	-5.8%	61.2%	5.2%	0.6x	0.6x	12.1x	6.0x
Stitch Fix, Inc.	SFIX	7.3%	21.4%	12.8%	25.5%	36.3%	4.4%	3.3x	2.9x	74.6x	91.4x
Netflix, Inc.	NFLX	5.1%	30.3%	9.5%	36.8%	110.5%	11.5%	11.2x	10.6x	97.7x	83.9x
Nutrisystem, Inc.	NTRI	23.4%	40.7%	33.3%	2.7%	-6.7%	12.8%	1.4x	1.4x	11.3x	9.4x
Shutterfly, Inc.	SFLY	2.8%	-3.3%	3.3%	38.7%	19.5%	10.9%	2.0x	1.6x	18.5x	8.1x
TripAdvisor, Inc.	TRIP	4.7%	1.5%	6.7%	2.5%	23.4%	13.6%	4.0x	3.9x	29.4x	15.3x
	Mean	6.8%	15.8%	11.1%	18.7%	42.0%	10.2%	3.6x	3.4x	37.5x	31.9x
	Median	4.9%	14.2%	9.1%	18.6%	29.9%	11.4%	2.6x	2.4x	23.9x	13.1x
Multiline Retail											
Big Lots, Inc.	BIG	9.3%	27.6%	17.2%	0.9%	-6.9%	6.9%	0.4x	0.4x	5.7x	5.6x
Burlington Stores, Inc.	BURL	11.9%	1530.2%	26.5%	11.4%	20.3%	11.3%	1.9x	1.8x	16.7x	15.3x
Dillard's, Inc.	DDS	5.0%	15.2%	7.5%	3.0%	1.9%	8.0%	0.4x	0.4x	5.4x	5.6x
Dollar General Corporation	DG	10.4%	28.8%	14.5%	8.0%	3.1%	10.2%	1.3x	1.2x	12.6x	12.0x
Dollar Tree, Inc.	DLTR	8.0%	25.4%	10.4%	7.3%	11.3%	11.5%	1.0x	1.0x	9.1x	9.5x
Nordstrom, Inc.	JWN	7.2%	53.3%	16.2%	6.4%	-2.8%	10.3%	0.7x	0.7x	7.0x	7.0x
Kohl's Corporation	KSS	7.3%	18.1%	9.9%	2.2%	7.2%	12.8%	0.8x	0.8x	6.2x	6.3x
Macy's, Inc.	M	5.5%	32.1%	9.3%	-1.9%	7.1%	10.5%	0.6x	0.6x	5.8x	5.6x
Target Corporation	TGT	7.0%	27.8%	11.3%	5.1%	-3.8%	9.3%	0.8x	0.8x	8.6x	8.9x
	Mean	7.9%	195.4%	13.6%	4.7%	4.2%	10.1%	0.9x	0.9x	8.5x	8.4x
	Median	7.3%	27.8%	11.3%	5.1%	3.1%	10.3%	0.8x	0.8x	7.0x	7.0x

Notes: LTM (latest twelve months); NTM (next twelve months); EBITDA (earnings before interest, taxes, depreciation and amortization); TEV (total enterprise value)

Source: Capital IQ

## Select Internet and Multiline Retail Public Company LTM Equity Performance As of September 30, 2018



Note: The indices are derived from the equity performance of the previously listed companies. Source: Capital IQ

## Recent M&A Activity in the Internet and Multiline Retail

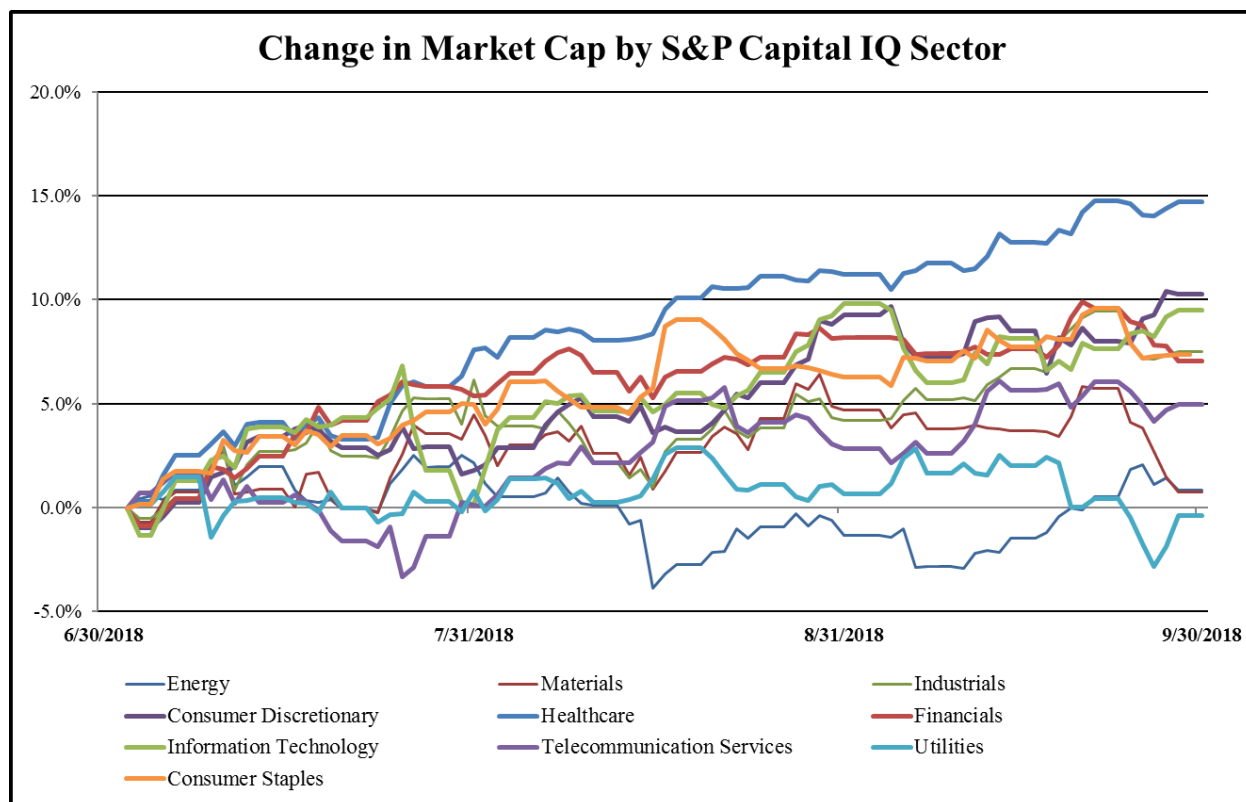
### September 30, 2017 to September 30, 2018

(USD in millions)

Close Date	Target	Acquirer	Target Company Primary Industry	Implied Enterprise Value
12/29/2017	HSN, Inc.	QVC Group (nka:Qurate Retail Group, Inc.)	Internet and Direct Marketing	\$2,630.20
10/10/2017	Eat24Hours.com, Inc.	GrubHub Holdings Inc.	Internet and Direct Marketing	\$287.32
12/20/2017	Healthy Directions, LLC	Direct Digital LLC	Internet and Direct Marketing	\$71.00
4/25/2018	Falmouth Shopping Center	N/A	Department Stores	\$21.00
2/20/2018	Ramona Flea Market	United Flea Markets, LLC	General Merchandise Stores	\$11.25
9/30/2017	LuckyVitamin Corporation	TSG Consumer Partners	Internet and Direct Marketing	\$7.10
10/3/2017	TicketsWest.com, Inc.	Paciolan	Internet and Direct Marketing	\$6.00
10/5/2017	Bob Brandi Inc and Bob Brandi Stores Inc.	Applegreen plc	General Merchandise Stores	\$5.40
12/18/2017	Hearing Help Express, Inc.	IntriCon Corporation	Internet and Direct Marketing	\$2.64
12/15/2017	All Assets and Liabilities of Bloom That, Inc.	FTD Companies, Inc.	Internet and Direct Marketing	\$2.50
4/11/2018	Vacation.Rentals of Vacarent, LLC	Donuts Inc.	Internet and Direct Marketing	\$0.50
6/5/2018	Cosmo Ventures Inc.	N/A	Internet and Direct Marketing	\$0.04
9/30/2018	Engineer Supply LLC	ProClick Ventues, Inc.	Internet and Direct Marketing	NA
9/24/2018	Plasso, Inc.	GoDaddy Inc.	Internet and Direct Marketing	NA
9/14/2018	Lime Lush Boutique LLC	N/A	Internet and Direct Marketing	NA
9/11/2018	BirdCages4Less/ Pets Alley	Rev Commerce LLC	Internet and Direct Marketing	NA
9/4/2018	Puff Pack, LLC	MJIC, Inc.	Internet and Direct Marketing	NA
8/31/2018	Cardinal's Sport Center, Inc.	Athletic Supply, Inc.	Internet and Direct Marketing	NA
8/29/2018	Flight Plan LLC	Garmin Ltd.	Internet and Direct Marketing	NA
8/23/2018	Consumer Club, Inc.	Court Square Capital Partners L.P.	Internet and Direct Marketing	NA
8/23/2018	All Things Jeep	Tum 5, Inc.	Internet and Direct Marketing	NA
8/20/2018	Mid-South Services, LLC	Five Star Food Service, Inc.	Internet and Direct Marketing	NA
8/17/2018	Suit-Up Inc/ Xedo Inc.	Tip Top Tux LLC	Internet and Direct Marketing	NA
8/9/2018	VIDA & Co.	Cimpress N.V.	Internet and Direct Marketing	NA
8/2/2018	Buttery, Inc.	Drizly, Inc.	Internet and Direct Marketing	NA
7/26/2018	The Escapist Magazine	Enthusiast Gaming Media Inc.	Internet and Direct Marketing	NA
7/24/2018	Significant Assets of Rukkus Inc.	TickPick LLC.	Internet and Direct Marketing	NA
7/16/2018	Universal Screen Arts, Inc.	MavenHill Capital	Internet and Direct Marketing	NA
7/12/2018	butter LONDON, LLC	Astral Brands, Inc.	Internet and Direct Marketing	NA
7/10/2018	Blowfish Direct LLC	Caleres, Inc.	Internet and Direct Marketing	NA
6/25/2018	Krauss, Inc.	N/A	Internet and Direct Marketing	NA
6/20/2018	EdgiLife Media, Inc.	Awesome Office, Inc.	Internet and Direct Marketing	NA
6/20/2018	Assets of The USA Savings Club, LLC	Xalles Holdings Inc.	Internet and Direct Marketing	NA
6/19/2018	DV8 Offroad	Drake Automotive Group, Inc.	Internet and Direct Marketing	NA
6/6/2018	Business Operations of foodjunky, Inc.	Delivery.com, LLC	Internet and Direct Marketing	NA
5/17/2018	Pacifier, Inc.	N/A	Department Stores	NA
5/15/2018	Joy for All	Ageless Innovation LLC	Internet and Direct Marketing	NA
5/4/2018	Domaine Global LLC (nka:Verax eMarketplace LLC)	Verax Research Services, Inc.	Internet and Direct Marketing	NA
5/1/2018	Assets of Razorgator LLC	TickPick LLC.	Internet and Direct Marketing	NA
4/25/2018	InstaCandy Inc	Alpine Subscriptions LLC	Internet and Direct Marketing	NA
4/17/2018	LEEA Customs Inc. (nka:Nakidparts.com)	RPI Designs, LLC	Internet and Direct Marketing	NA
4/13/2018	IMPACT Plus, Inc.	Shumsky Enterprises, Inc.	Internet and Direct Marketing	NA
4/12/2018	Metro Vending Services, Inc.	Continental Services	Internet and Direct Marketing	NA
3/22/2018	Athlete Originals LLC and Artist Original	Printfly Corporation	Internet and Direct Marketing	NA
3/16/2018	SchoolKidz.com, Inc.	Skyview Capital LLC	Internet and Direct Marketing	NA
3/13/2018	SelfStorageAuction.Com	iBid4storage.com, Inc.	Internet and Direct Marketing	NA
3/1/2018	SitStay, Inc.	BuddyRest Pet Products	Internet and Direct Marketing	NA
2/27/2018	AutoAnything, Inc.	Kingswood Capital Management, LLC	Internet and Direct Marketing	NA
2/27/2018	Midwest Sportswear & Athletic Supply Inc.	BSN Sports, Inc.	Internet and Direct Marketing	NA
2/13/2018	Viyet Inc	Sotheby's	Internet and Direct Marketing	NA
2/7/2018	Varese Sarabande Records, Inc.	Concord Music Group, Inc.	Internet and Direct Marketing	NA
2/6/2018	Strength in Members	Concord Direct	Internet and Direct Marketing	NA
1/16/2018	Zilla Holdings, LLC	AIA Corporation	Internet and Direct Marketing	NA

Source: Capital IQ

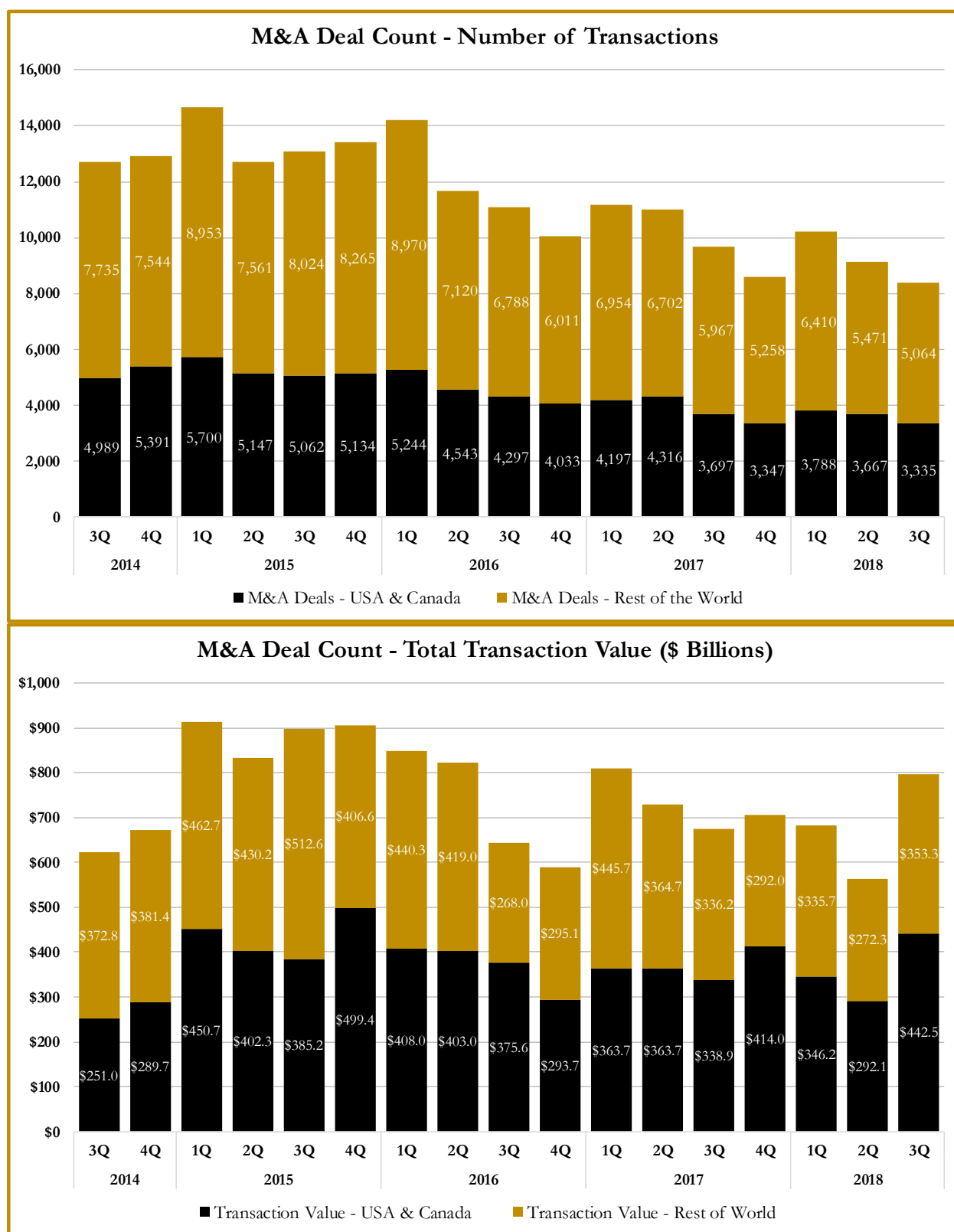
## S&P Capital IQ - Sector Last 3 Month Equity Performance As of September 30, 2018



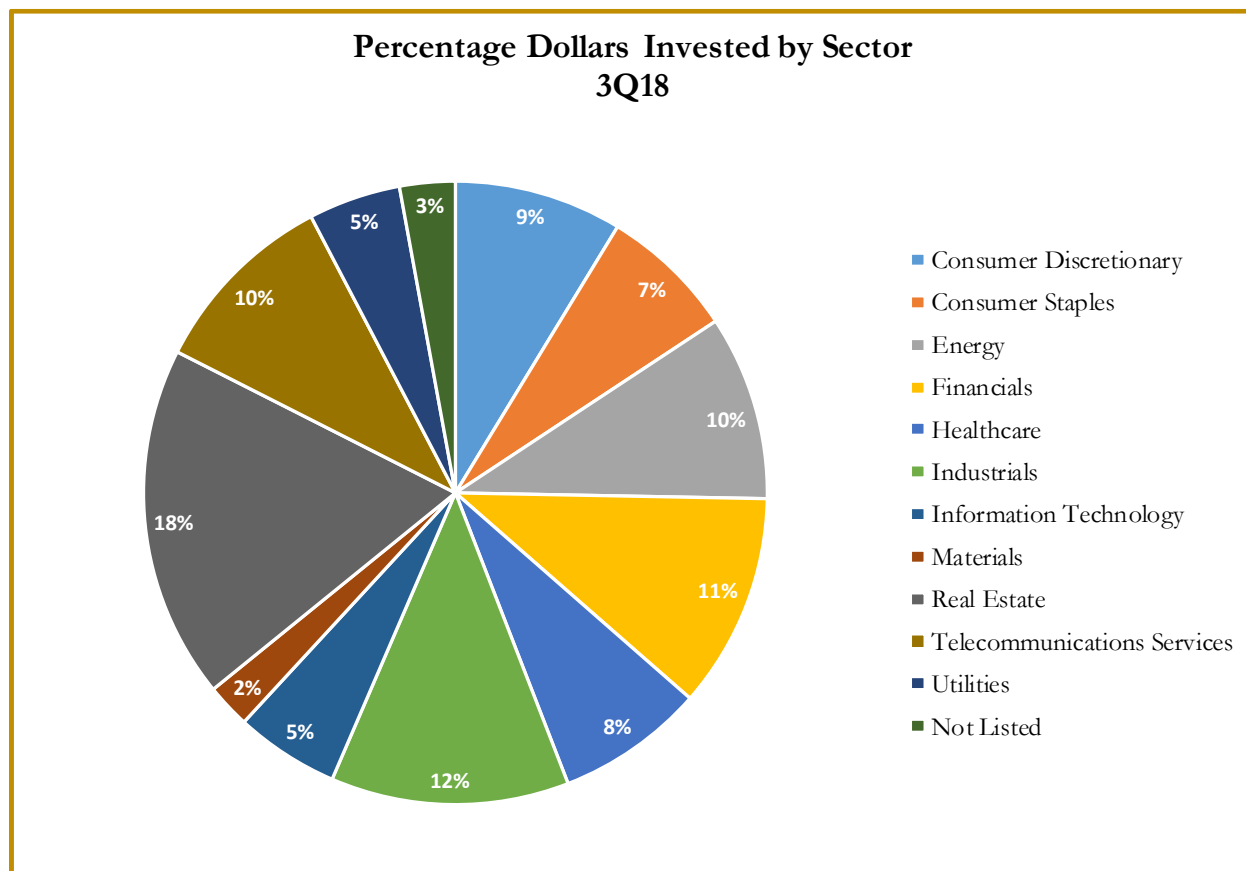
Note: The indices are derived from the equity performance of the S&P Capital IQ Sectors. Source: Capital IQ

## M&A Deal Flow Statistics by S&P Capital IQ Sector

### As of September 30, 2018



## M&A Deal Flow Statistics by S&P Capital IQ Sector As of September 30, 2018







## About Us

Houlihan Capital is a leading, solutions-driven valuation, financial advisory and boutique investment banking firm. We pride ourselves on being thought leaders in an ever-changing landscape.

Houlihan Capital is SOC-compliant, a FINRA and SIPC member and committed to the highest levels of professional ethics and standards.

## Valuation & Financial Advisory

We provide an array of services that include enterprise valuations, portfolio valuation, valuation of carried interest, transaction opinions, tax and financial reporting compliance, purchase price allocations, and a wide variety of consulting services through our Financial Advisory Group.

## Investment Banking

Through our Investment Banking Group, we offer sell side/buy side advisory and capital raises. Through our Special Situations desk, we provide services that fit outside the archetypal verticals, including liquidity solutions, transactional advisory, and secondary market advisory and trading.

## Litigation Support

Our team provides support for a wide variety of situations including commercial and shareholder disputes, derivatives and structured finance litigation, and fraudulent conveyance.

**For additional information about our  
industry expertise and services, visit:**

**[www.houlihancapital.com](http://www.houlihancapital.com)**

---

<b>Andrew Smith</b> asmith@houlihancapital.com 312.450.8610	<b>Paul Clark</b> pclark@houlihancapital.com 312.450.8656	<b>Michael Norton</b> mnorton@houlihancapital.com 312.450.8628	<b>Monica Blocker</b> mblocker@houlihancapital.com 312.450.8699
---	---	--	---

---