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Industry Observations – September 30, 2018

Retail Industry

Select Retail 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
Department Stores											
Dillard's, Inc.	DDS	\$76.34	77.3%	\$2,097.16	\$2,835.83	32.4%	\$3,582.63	\$6,498.12	\$516.87	\$6,394.88	\$500.70
J. C. Penney Company, Inc.	JCP	\$1.66	34.9%	\$522.57	\$4,490.46	77.6%	\$8,058.00	\$12,154.00	\$792.00	\$12,065.50	\$606.15
Kohl's Corporation	KSS	\$74.55	90.5%	\$12,428.44	\$16,528.12	41.7%	\$12,915.00	\$19,413.00	\$2,479.00	\$19,383.91	\$2,420.79
Macy's, Inc.	M	\$34.73	82.7%	\$10,661.16	\$16,046.50	48.4%	\$18,668.00	\$24,978.00	\$2,627.00	\$25,124.40	\$2,707.95
Nordstrom, Inc.	JWN	\$59.81	90.2%	\$10,081.90	\$12,607.35	70.6%	\$8,490.00	\$15,959.00	\$1,641.00	\$15,868.67	\$1,628.91
Ross Stores, Inc.	ROST	\$99.10	98.5%	\$37,000.54	\$37,590.15	11.1%	\$5,963.76	\$14,723.25	\$2,417.37	\$14,942.60	\$2,389.04
The TJX Companies, Inc.	TJX	\$56.01	99.4%	\$69,538.29	\$68,091.75	29.9%	\$14,111.43	\$37,742.78	\$4,973.13	\$38,467.01	\$4,973.39
General Merchandising											
Big Lots, Inc.	BIG	\$41.79	64.9%	\$1,685.86	\$2,175.78	41.1%	\$1,828.73	\$5,246.57	\$361.12	\$5,229.10	\$368.42
Dollar General Corporation	DG	\$109.30	97.1%	\$29,022.91	\$33,721.69	30.3%	\$12,943.95	\$24,590.81	\$2,512.46	\$25,563.26	\$2,635.14
Dollar Tree, Inc.	DLTR	\$81.55	69.9%	\$19,399.80	\$25,293.00	39.7%	\$16,103.60	\$22,756.50	\$2,626.50	\$22,860.57	\$2,500.81
Macy's, Inc.	FDO	\$34.52	79.7%	\$11,600.50	\$16,046.50	48.4%	\$18,668.00	\$24,978.00	\$2,627.00	\$25,124.40	\$2,707.95
Five Below, Inc.	FIVE	\$130.06	95.5%	\$10,661.16	\$6,609.77	0.0%	\$772.34	\$1,406.06	\$210.57	\$1,539.28	\$226.20
Target Corporation	TGT	\$88.21	97.6%	\$46,429.42	\$58,272.35	54.4%	\$39,996.00	\$73,580.00	\$6,839.00	\$75,203.48	\$6,564.09
Tuesday Morning Corporation	TUES	\$3.20	78.0%	\$146.77	\$181.81	24.3%	\$435.56	\$1,014.89	\$9.47	\$1,022.36	\$15.42

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

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Select Retail 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
Clothing and Apparel											
Abercrombie & Fitch Co.	ANF	\$21.12	71.1%	\$1,409.76	\$1,083.03	20.6%	\$2,260.85	\$3,625.58	\$337.18	\$3,572.99	\$289.76
American Eagle Outfitters, Inc.	AEO	\$24.83	83.1%	\$4,404.00	\$3,684.17	0.0%	\$1,850.75	\$3,976.97	\$534.54	\$4,037.19	\$517.79
Ansell Limited	ANN	\$18.28	85.2%	\$2,447.49	\$2,264.81	26.3%	\$2,522.50	\$1,489.80	\$226.40	\$2,126.61	\$326.08
Ascena Retail Group, Inc.	ASNA	\$4.57	86.5%	\$878.35	\$1,946.45	62.5%	\$3,570.50	\$6,578.30	\$514.60	\$6,538.99	\$433.30
Destination XL Group, Inc.	DXLG	\$2.50	82.0%	\$122.88	\$211.73	47.7%	\$234.24	\$474.76	\$21.69	\$470.38	\$23.55
DSW Inc.	DSW	\$33.88	97.8%	\$2,720.35	\$2,002.47	0.0%	\$1,445.02	\$2,932.11	\$275.41	\$3,033.85	\$273.77
Express, Inc.	EXPR	\$11.06	94.7%	\$811.59	\$577.31	9.6%	\$1,126.26	\$2,155.59	\$147.44	\$2,159.02	\$138.57
Foot Locker, Inc.	FL	\$50.98	85.8%	\$5,857.40	\$5,010.72	4.8%	\$3,832.00	\$7,887.00	\$918.00	\$7,796.28	\$885.55
The Gap, Inc.	GPS	\$28.85	80.9%	\$11,098.83	\$10,347.43	27.2%	\$8,010.00	\$16,484.00	\$1,941.00	\$16,540.92	\$1,921.54
Guess?, Inc.	GES	\$22.60	83.9%	\$1,831.17	\$1,699.27	4.4%	\$1,589.90	\$2,508.28	\$172.85	\$2,580.53	\$178.97
L Brands, Inc.	LTD	\$29.85	48.3%	\$10,166.34	\$15,102.34	124.1%	\$7,620.00	\$13,050.00	\$2,186.00	\$13,229.87	\$1,916.20
Tilly's, Inc.	TLYS	\$18.95	74.4%	\$557.29	\$406.31	0.0%	\$301.58	\$598.18	\$55.83	\$600.02	\$57.25
Urban Outfitters, Inc.	URBN	\$40.90	77.9%	\$4,463.61	\$3,909.92	0.0%	\$2,158.54	\$3,830.04	\$467.09	\$3,965.44	\$512.40
Zumiez Inc.	ZUMZ	\$26.35	80.6%	\$672.43	\$424.44	1.6%	\$530.47	\$979.26	\$90.03	\$986.86	\$86.26

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

Select Retail Public Company Valuation Metrics As of September 30, 2018

(USD in millions, except per share data)

		LTM Operating Statistics						Trading Multiples			
Company Name	Ticker	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
Department Stores											
Dillard's, Inc.	DDS	5.0%	15.2%	7.5%	3.0%	1.9%	8.0%	0.4x	0.4x	5.4x	5.7x
J. C. Penney Company, Inc.	JCP	1.8%	-5.1%	2.6%	-4.1%	-11.5%	6.5%	0.4x	0.4x	5.8x	7.4x
Kohl's Corporation	KSS	7.3%	18.1%	9.9%	2.2%	7.2%	12.8%	0.8x	0.9x	6.2x	6.8x
Macy's, Inc.	M	5.5%	32.1%	9.3%	-1.9%	7.1%	10.5%	0.6x	0.6x	5.8x	5.9x
Nordstrom, Inc.	JWN	7.2%	53.3%	16.2%	6.4%	-2.8%	10.3%	0.7x	0.8x	7.0x	7.7x
Ross Stores, Inc.	ROST	22.8%	50.9%	38.4%	10.4%	10.6%	16.4%	2.4x	2.5x	14.9x	15.7x
The TJX Companies, Inc.	TJX	19.4%	60.9%	36.9%	11.3%	10.2%	13.2%	1.8x	1.8x	13.9x	13.7x
	Mean	9.8%	32.2%	17.3%	3.9%	3.2%	11.1%	1.0x	1.1x	8.4x	9.0x
	Median	7.2%	32.1%	9.9%	3.0%	7.1%	10.5%	0.7x	0.8x	6.2x	7.4x
General Merchandising											
Big Lots, Inc.	BIG	9.3%	27.6%	17.2%	0.9%	-6.9%	6.9%	0.4x	0.4x	5.7x	5.9x
Dollar General Corporation	DG	10.4%	28.8%	14.5%	8.0%	3.1%	10.2%	1.3x	1.3x	12.6x	12.8x
Dollar Tree, Inc.	DLTR	8.0%	25.4%	10.4%	7.3%	11.3%	11.5%	1.0x	1.1x	9.1x	10.1x
Macy's, Inc.	FDO	5.5%	32.1%	9.3%	-1.9%	7.1%	10.5%	0.6x	0.6x	5.8x	5.9x
Five Below, Inc.	FIVE	16.3%	28.4%	24.8%	27.4%	35.0%	15.0%	5.0x	4.3x	33.2x	29.2x
Target Corporation	TGT	7.0%	27.8%	11.3%	5.1%	-3.8%	9.3%	0.8x	0.8x	8.6x	8.9x
Tuesday Morning Corporation	TUES	-2.4%	-9.9%	-4.5%	4.2%	N/A	0.9%	0.2x	0.2x	18.6x	11.8x
	Mean	7.7%	22.9%	11.9%	7.3%	7.6%	9.2%	1.3x	1.2x	13.3x	12.1x
	Median	8.0%	27.8%	11.3%	5.1%	5.1%	10.2%	0.8x	0.8x	9.1x	10.1x

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 Retail Public Company Valuation Metrics As of September 30, 2018

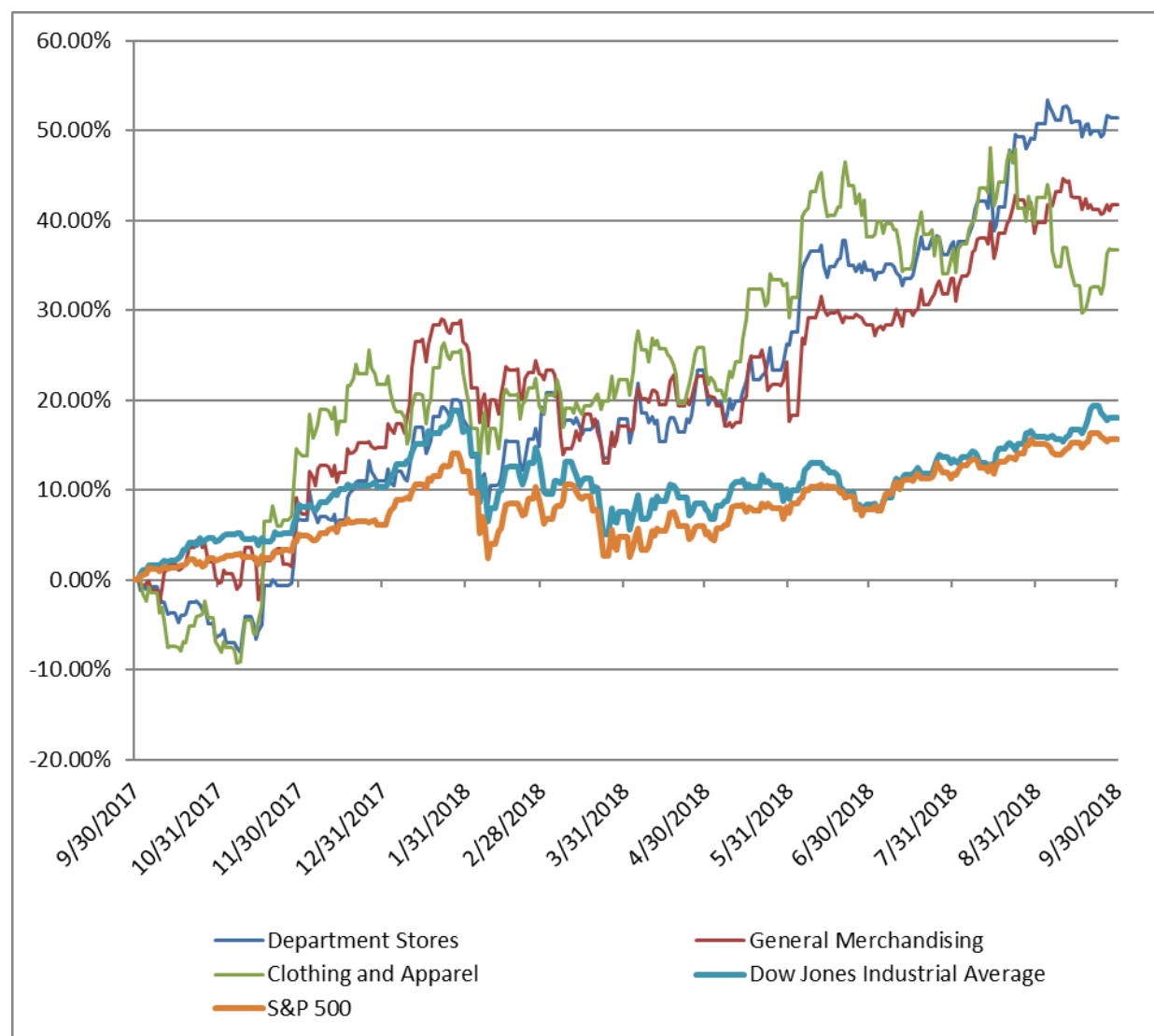
(USD in millions, except per share data)

		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
Company Name	Ticker										
Clothing and Apparel											
Abercrombie & Fitch Co.	ANF	4.0%	3.6%	6.2%	9.9%	85.5%	9.3%	0.3x	0.3x	3.4x	3.7x
American Eagle Outfitters, Inc.	AEO	13.0%	21.6%	19.2%	9.1%	11.4%	13.4%	1.0x	0.9x	7.6x	7.1x
Ascena Retail Group, Inc.	ASNA	2.6%	-4.9%	4.2%	-1.1%	-5.7%	7.8%	0.3x	1.1x	3.8x	6.9x
Ansell Limited	ANN	4.9%	10.1%	6.0%	8.4%	8.4%	15.2%	1.6x	0.3x	10.7x	4.5x
Destination XL Group, Inc.	DXLG	-2.1%	-18.5%	-3.9%	4.7%	-9.4%	4.6%	0.4x	0.5x	8.2x	9.0x
DSW Inc.	DSW	8.6%	0.2%	13.1%	6.8%	5.3%	9.4%	0.8x	0.7x	8.8x	7.3x
Express, Inc.	EXPR	3.3%	5.9%	5.4%	0.7%	-1.7%	6.8%	0.3x	0.3x	4.7x	4.2x
Foot Locker, Inc.	FL	11.9%	11.4%	16.4%	2.4%	-13.5%	11.6%	0.6x	0.6x	5.5x	5.7x
The Gap, Inc.	GPS	11.0%	28.5%	19.7%	6.6%	-3.1%	11.8%	0.7x	0.6x	5.5x	5.4x
Guess?, Inc.	GES	4.2%	0.7%	6.9%	13.0%	28.8%	6.9%	0.7x	0.7x	9.7x	9.5x
L Brands, Inc.	LTD	13.0%	NM	21.0%	6.4%	-6.4%	16.8%	1.0x	1.1x	6.1x	7.9x
Tilly's, Inc.	TLYS	6.9%	15.3%	11.9%	4.6%	10.6%	9.3%	0.7x	0.7x	7.8x	7.1x
Urban Outfitters, Inc.	URBN	10.6%	13.1%	15.7%	8.6%	16.8%	12.2%	1.0x	1.0x	8.3x	7.6x
Zumiez Inc.	ZUMZ	7.8%	10.0%	11.5%	14.1%	34.7%	9.2%	0.6x	0.4x	6.1x	4.9x
	Mean	7.1%	7.5%	11.0%	6.7%	11.6%	10.3%	0.7x	0.7x	6.9x	6.5x
	Median	7.3%	10.0%	11.7%	6.7%	6.8%	9.4%	0.7x	0.7x	6.8x	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

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

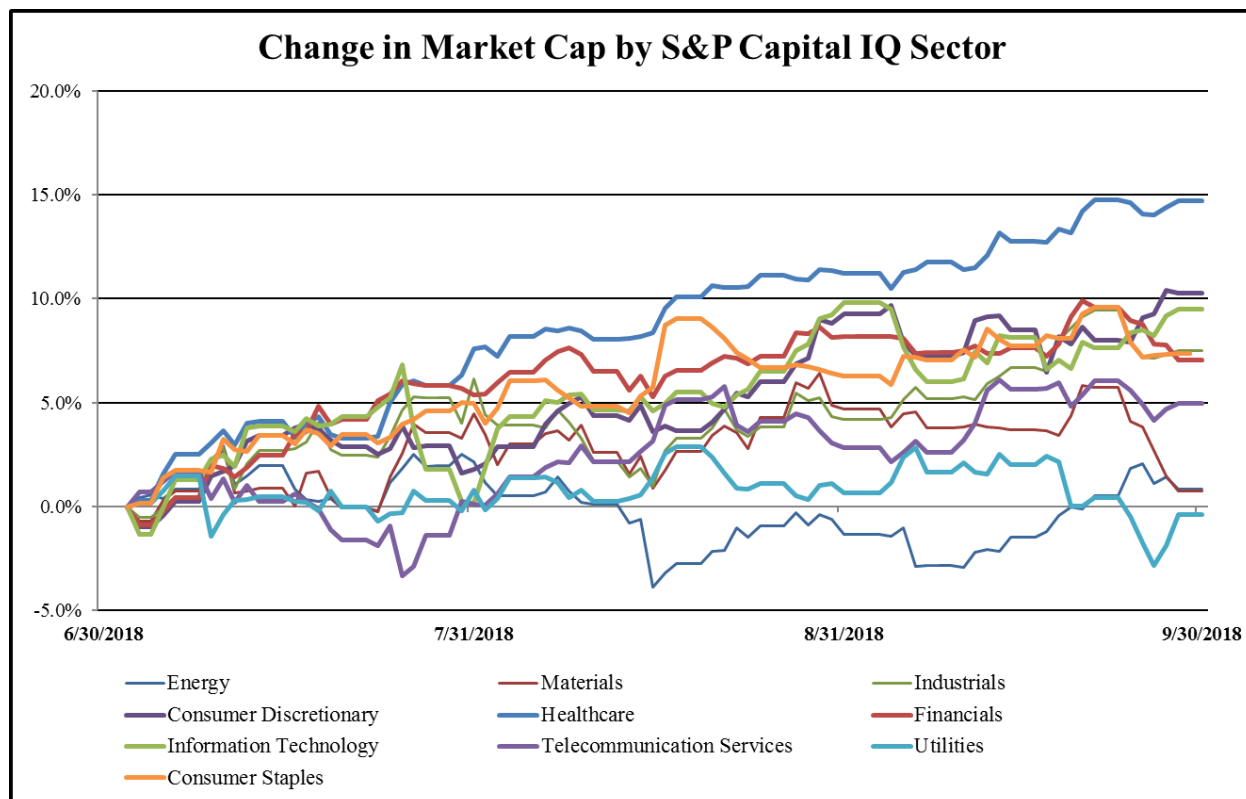
Recent M&A Activity in the Retail Industry September 30, 2017 to September 30, 2018

(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
6/22/2018	Relish Labs LLC	The Kroger Co.	Specialty Stores	\$700.00
8/20/2018	Garcadia Auto, LLC	Garff Enterprises, Inc.; Garff Ventures, LLC; Garff	Automotive Retail	\$566.67
6/18/2018	The Finish Line, Inc.	ID Sports Fashion plc	Apparel Retail	\$464.45
10/10/2017	Eat24Hours.com, Inc.	GrubHub Holdings Inc.	Internet and Direct Marketing	\$287.32
3/15/2018	Lazydays RV SuperCenter, Inc.	Andina Acquisition Corp. II (nka:Lazydays Holdings, Inc.)	Automotive Retail	\$255.70
7/17/2018	Retail Fuel & Jiffy Mart Convenience Store Assets In	Global Partners LP	Automotive Retail	\$134.00
10/23/2017	Mayor's Jewelers, Inc.	Aurum Holdings Ltd.	Apparel Retail	\$108.00
4/9/2018	Grossinger MotorCorp, Inc.	AutoCanada Inc.	Automotive Retail	\$86.00
11/28/2017	Jet Pep, Inc., Certain Assets	CrossAmerica Partners LP	Automotive Retail	\$72.25
12/20/2017	Healthy Directions, LLC	Direct Digital LLC	Internet and Direct Marketing	\$71.00
10/3/2017	38 Fee Simple Properties	Getty Realty Corp.	Automotive Retail	\$68.30
4/2/2018	Thompson and Company of Tampa, Inc.	Scandinavian Tobacco Group A/S	Specialty Stores	\$62.00
4/17/2018	30 Convenience Store and Gasoline Station Properties	Getty Realty Corp.	Automotive Retail	\$52.00
4/2/2018	26 Retail Fuel Outlets of 7-Eleven, Inc.	Sunoco LP	Automotive Retail	\$50.00
8/15/2018	Arizona based La-Z-Boy Furniture Galleries Stores of	La-Z-Boy Incorporated	Homefurnishing Retail	\$40.00
4/11/2018	Advanced Sports, Inc.	Ideal Bike Corporation	Distributors	\$40.00
12/29/2017	Maurice Sporting Goods, Inc.	Middleton Partners LLC	Distributors	\$39.00
4/18/2018	Fenix Parts, Inc.	Stellax Capital Management LP	Distributors	\$37.34
3/19/2018	Business and Certain Assets of Collins & Company, Inc.	Patrick Industries, Inc.	Home Improvement Retail	\$36.50
8/31/2018	Jennifer Convertibles, Inc.	Morris Holdings Limited	Homefurnishing Retail	\$35.00
7/24/2018	10 Company-Operated Gas Stations and Convenience	Global Partners LP	Automotive Retail	\$32.00
1/22/2018	Vitamin World (V.I.), Inc.	Feihe International, Inc.	Specialty Stores	\$28.00
1/2/2018	Grieco Ford Fort Lauderdale	Grieco Automotive Group	Automotive Retail	\$22.50
4/25/2018	Falmouth Shopping Center	N/A	Department Stores	\$21.00
8/31/2018	Substantially All of the Assets of Summit Stoneworks, LLC	L.A.R.K. Industries, Inc.	Home Improvement Retail	\$19.50
8/13/2018	Wholesale Wine Business of Truett-Hurst, Inc.	Precept Wine, LLC	Distributors	\$18.33
4/16/2018	Mining Boys, Inc.	CarSmarrt, Inc.	Computer and Electronics Retail	\$12.00
2/28/2018	Seven Stores	N/A	Homefurnishing Retail	\$11.50
2/20/2018	Ramona Flea Market	United Flea Markets, LLC	General Merchandise Stores	\$11.25
10/12/2017	International Dioxide, Inc.	Superior Plus U.S. Holdings Inc.	Distributors	\$11.10
5/16/2018	Nissan of Bradenton	Garber Automotive Group	Automotive Retail	\$9.05
10/19/2017	Uncle Dan's Ltd.	Camping World Holdings, Inc.	Apparel Retail	\$8.20
9/30/2017	LuckyVitamin Corporation	TSG Consumer Partners	Internet and Direct Marketing	\$7.10
12/30/2017	ApplianceSmart, Inc.	Live Ventures Incorporated	Home Improvement Retail	\$6.50
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
10/1/2017	OneClick International, LLC	Cooltech Holding Corp. (nka:Cool Holdings, Inc.)	Computer and Electronics Retail	\$4.66
4/24/2018	Lone Star Western & Casual LLC	BootBam Inc.	Apparel Retail	\$4.40
9/17/2018	Two JS LLC	Medicine Man Technologies, Inc.	Specialty Stores	\$3.05
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
8/3/2018	Marvin Leeds Marketing Services Inc.	Warpaint London PLC	Distributors	\$2.16
12/5/2017	Indian River Glass, Inc.	Northfield Holding Corp.	Home Improvement Retail	\$1.80
6/29/2018	Assets of Sigel's Beverages, L.P.	Twin Liquors L.P.	Distributors	\$1.42
2/2/2018	Fashion To Figure	New York & Company, Inc.	Apparel Retail	\$1.40
11/30/2017	IP Motor Sports Inc.	Scepter Holdings, Inc.	Automotive Retail	\$1.00
9/18/2018	Coastal Med Tech, Inc.	Protech Home Medical Corp.	Specialty Stores	\$0.88
8/7/2018	Hamburg Trading Company	WNY Gasoline LLC	Automotive Retail	\$0.83
11/27/2017	All Soft Gels Inc. (nka:Brain Scientific Inc.)	N/A	Distributors	\$0.79
8/14/2018	The Caravel Group, LLC	M Line Holdings, Inc.	Distributors	\$0.65
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
9/28/2018	Team Sports, Inc.	Athletic Supply, Inc.	Distributors	NA
9/28/2018	Top Rocker Harley-Davidson, Inc.	N/A	Automotive Retail	NA

Source: Capital IQ

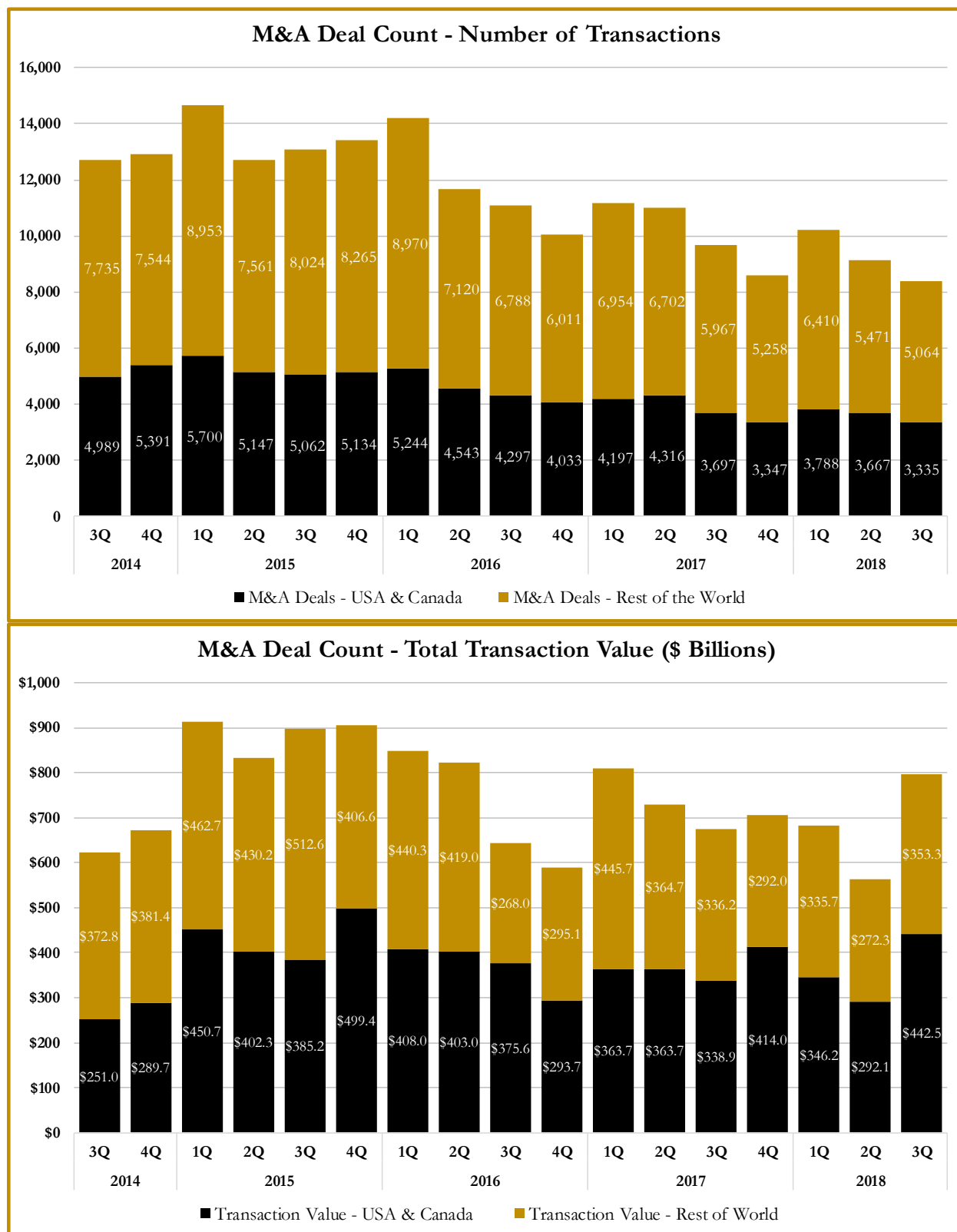
S&P Capital IQ - Sector Last 3 Month Equity Performance As of September 30, 2018



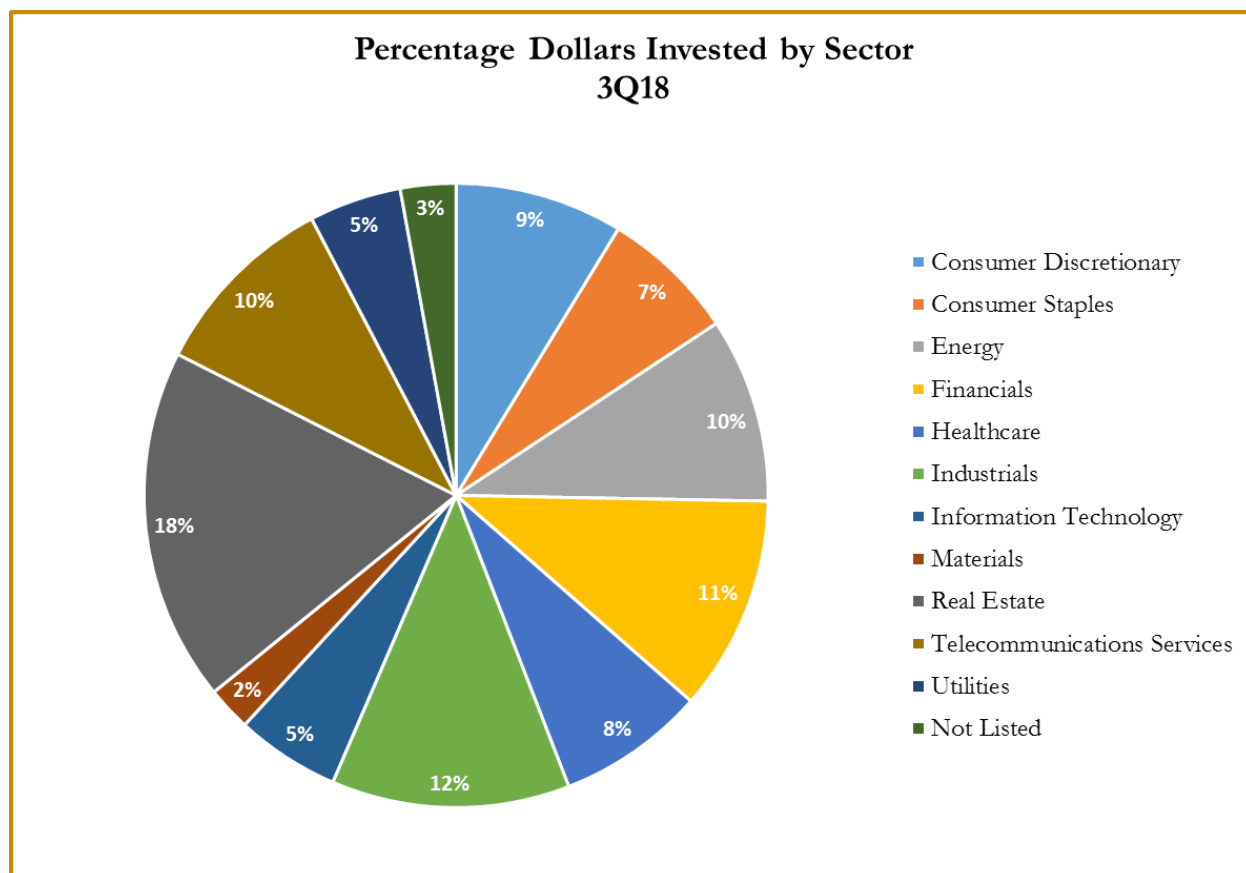
Note: The indices are derived from the equity performance of the S&P Capital IQ Sectors. Source: Capital IQ

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

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

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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.

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www.houlihancapital.com

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