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Industry Observations – December 31, 2018

Internet and Multiline Retail Industry

Select Internet and Multiline Retail Industry Public Company Industry Data As of December 31, 2018

(USD in millions, except per share data)

Company Name	Ticker	Market Data					LTM Operating Data			Forward Estimates	
		Price at 12/31/18	% 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	\$1,501.97	73.2%	\$734,416.2	\$751,870.2	53.1%	#####	\$232,887.0	\$27,762.0	\$275,087.8	\$42,393.8
Expedia Group, Inc.	EXPE	\$ 112.65	80.6%	\$ 16,782.0	\$ 18,691.0	39.6%	\$ 18,033.0	\$ 11,223.0	\$ 1,263.0	\$12,337.7	\$2,238.0
Groupon, Inc.	GRPN	\$ 3.20	56.6%	\$ 1,826.5	\$ 1,487.0	37.7%	\$ 1,642.1	\$ 2,636.7	\$ 151.0	\$2,424.2	\$268.1
Stitch Fix, Inc.	SFIX	\$ 17.09	32.6%	\$ 1,701.1	\$ 1,442.8	0.0%	\$ 550.8	\$ 1,297.2	\$ 55.8	\$1,650.0	\$40.0
Netflix, Inc.	NFLX	\$ 267.66	63.2%	\$116,722.5	\$121,991.6	66.4%	\$ 25,974.4	\$ 15,794.3	\$ 1,688.4	\$20,255.4	\$3,102.1
Nutrisystem, Inc.	NTRI	\$ 43.88	81.9%	\$ 1,280.9	\$ 1,188.4	0.0%	\$ 195.4	\$ 692.7	\$ 88.4	\$743.4	\$116.7
Shutterstock, Inc.	SFLY	\$ 40.26	40.1%	\$ 1,352.9	\$ 2,365.2	62.1%	\$ 2,302.2	\$ 1,961.8	\$ 297.7	\$2,153.8	\$325.0
TripAdvisor, Inc.	TRIP	\$ 53.94	78.2%	\$ 7,425.7	\$ 6,762.7	0.0%	\$ 2,167.0	\$ 1,615.0	\$ 299.0	\$1,741.5	\$473.4
Multiline Retail											
Big Lots, Inc.	BIG	\$ 28.92	44.9%	\$ 1,158.2	\$ 1,715.9	51.1%	\$ 2,133.0	\$ 5,286.8	\$ 347.7	\$5,323.73	\$329.2
Burlington Stores, Inc.	BURL	\$ 162.67	90.2%	\$ 10,965.2	\$ 11,967.4	85.0%	\$ 3,206.9	\$ 6,605.6	\$ 750.6	\$7,296.83	\$881.5
Dillard's, Inc.	DDS	\$ 60.31	61.1%	\$ 1,600.9	\$ 2,282.5	31.9%	\$ 3,986.6	\$ 6,556.3	\$ 501.0	\$6,475.33	\$456.6
Dollar General Corporation	DG	\$ 108.08	91.2%	\$ 28,412.5	\$ 31,056.2	31.4%	\$ 13,121.0	\$ 25,104.7	\$ 2,540.4	\$27,493.63	\$2,801.7
Dollar Tree, Inc.	DLTR	\$ 90.32	77.4%	\$ 21,493.4	\$ 25,828.9	38.8%	\$ 16,649.3	\$ 22,978.7	\$ 2,590.1	\$23,887.87	\$2,589.3
Nordstrom, Inc.	JVN	\$ 46.61	68.8%	\$ 7,799.0	\$ 9,358.0	69.1%	\$ 8,709.0	\$ 16,079.0	\$ 1,612.0	\$16,400.78	\$1,672.0
Kohl's Corporation	KSS	\$ 66.34	79.7%	\$ 10,954.7	\$ 13,828.7	41.8%	\$ 14,118.0	\$ 19,474.0	\$ 2,479.0	\$19,588.49	\$2,430.7
Macy's, Inc.	M	\$ 29.78	70.9%	\$ 9,156.4	\$ 13,932.4	49.5%	\$ 20,361.0	\$ 25,141.0	\$ 2,638.0	\$24,936.78	\$2,396.0
Target Corporation	TGT	\$ 66.09	73.1%	\$ 34,488.0	\$ 47,523.0	55.6%	\$ 43,572.0	\$ 74,527.0	\$ 6,733.0	\$77,626.94	\$6,509.2

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 December 31, 2018

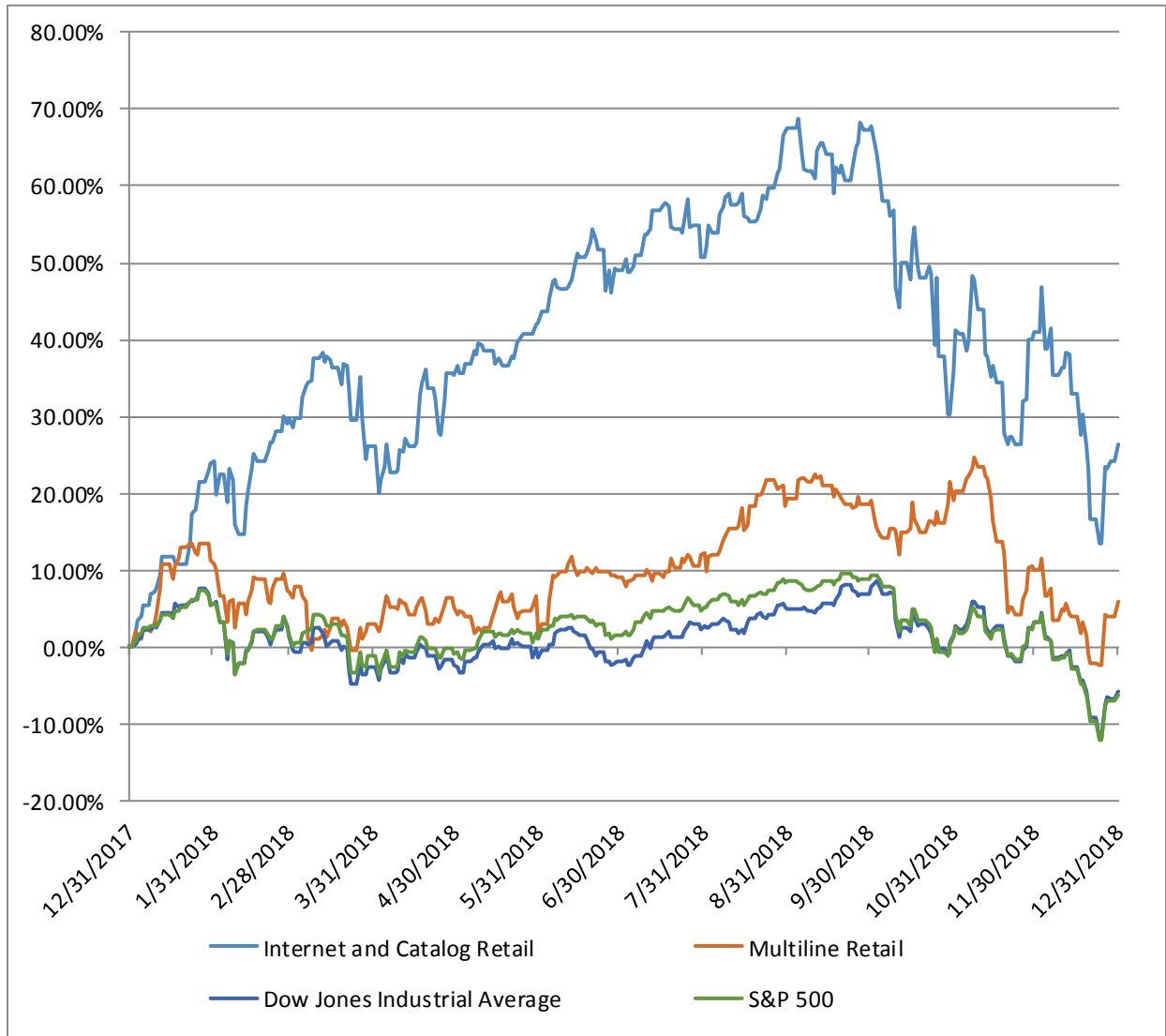
(USD in millions, except per share data)

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	5.3%	28.3%	9.4%	30.9%	78.1%	11.9%	3.2x	2.7x	27.1x	17.7x
Expedia Group, Inc.	EXPE	2.7%	6.7%	4.9%	11.6%	9.1%	11.3%	1.7x	1.5x	14.8x	8.4x
Groupon, Inc.	GRPN	3.4%	0.6%	10.1%	-7.3%	35.2%	5.7%	0.6x	0.6x	9.8x	5.5x
Stitch Fix, Inc.	SFIX	6.5%	18.5%	12.2%	25.1%	141.5%	4.3%	1.1x	0.9x	25.8x	36.1x
Netflix, Inc.	NFLX	4.5%	27.5%	7.8%	35.1%	85.4%	10.7%	7.7x	6.0x	72.3x	39.3x
Nutrisystem, Inc.	NTRI	23.4%	40.7%	33.3%	2.7%	-6.7%	12.8%	1.7x	1.6x	13.5x	10.2x
Shutterstock, Inc.	SFLY	4.8%	8.2%	6.0%	64.8%	79.6%	15.2%	1.2x	1.1x	7.9x	7.3x
TripAdvisor, Inc.	TRIP	5.2%	8.0%	7.3%	3.8%	72.8%	18.5%	4.2x	3.9x	22.6x	14.3x
	Mean	7.0%	17.3%	11.4%	20.8%	61.9%	11.3%	2.7x	2.3x	24.2x	17.3x
	Median	5.0%	13.4%	8.6%	18.3%	75.5%	11.6%	1.7x	1.6x	18.7x	12.2x
Multiline Retail											
Big Lots, Inc.	BIG	7.5%	26.5%	13.9%	1.6%	-11.1%	6.6%	0.3x	0.3x	4.9x	5.2x
Burlington Stores, Inc.	BURL	11.4%	1137.2%	28.0%	12.9%	20.1%	11.4%	1.8x	1.6x	15.9x	13.6x
Dillard's, Inc.	DDS	4.3%	15.1%	7.2%	4.1%	3.5%	7.6%	0.3x	0.4x	4.6x	5.0x
Dollar General Corporation	DG	10.3%	30.1%	14.5%	7.5%	1.9%	10.1%	1.2x	1.1x	12.2x	11.1x
Dollar Tree, Inc.	DLTR	7.6%	25.0%	10.0%	6.8%	6.4%	11.3%	1.1x	1.1x	10.0x	10.0x
Nordstrom, Inc.	JWN	6.9%	45.4%	15.5%	6.5%	-1.9%	10.0%	0.6x	0.6x	5.8x	5.6x
Kohl's Corporation	KSS	6.7%	19.0%	10.0%	1.3%	8.5%	12.7%	0.7x	0.7x	5.6x	5.7x
Macy's, Inc.	M	5.1%	34.1%	9.6%	-0.5%	9.3%	10.5%	0.6x	0.6x	5.3x	5.8x
Target Corporation	TGT	6.3%	29.2%	11.0%	5.8%	-3.9%	9.0%	0.6x	0.6x	7.1x	7.3x
	Mean	7.4%	151.3%	13.3%	5.1%	3.7%	9.9%	0.8x	0.8x	7.9x	7.7x
	Median	6.9%	29.2%	11.0%	5.8%	3.5%	10.1%	0.6x	0.6x	5.8x	5.8x

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 December 31, 2018



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

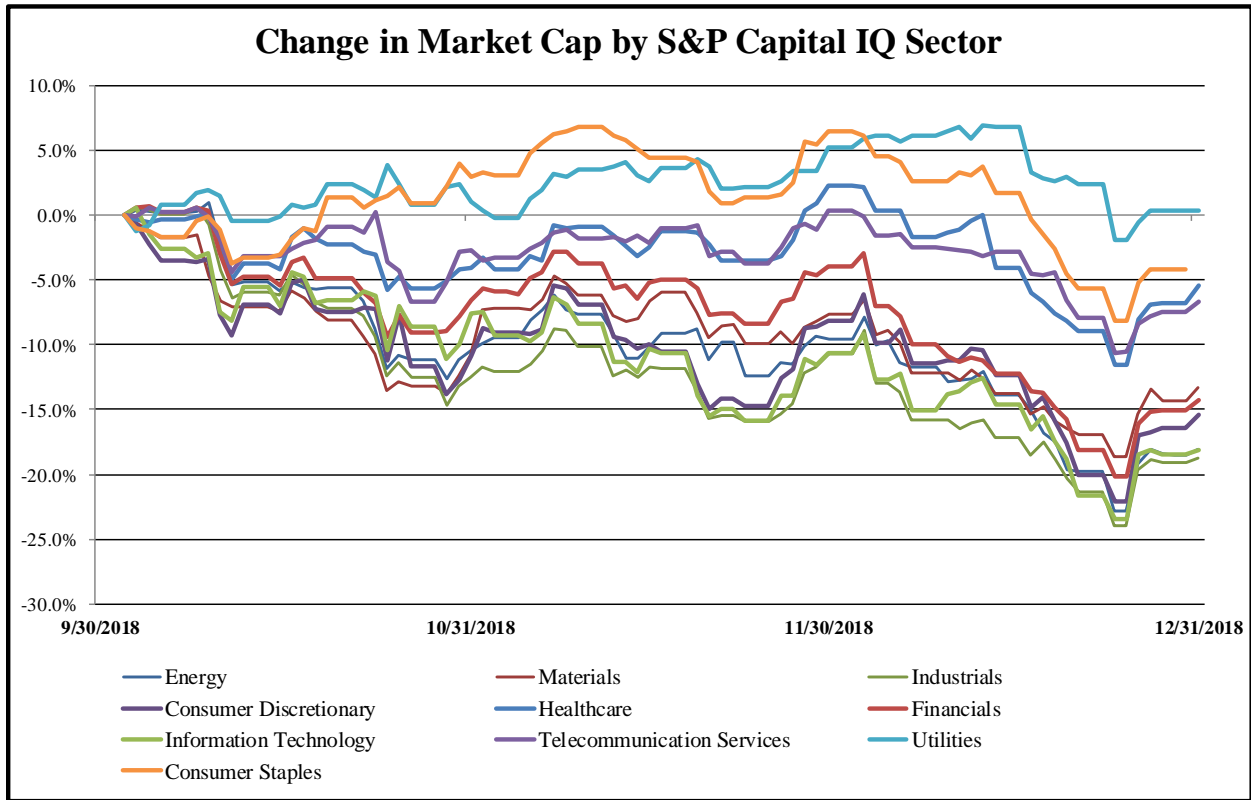
Recent M&A Activity in the Internet and Multiline Retail December 31, 2017 to December 31, 2018

(USD in millions)

Close Date	Target	Acquirer	Target Company Primary Industry	Implied Enterprise Value
4/25/2018	Falmouth Shopping Center	N/A	Department Stores	\$21.00
11/15/2018	FOH Online Corp.	Bendon Limited	Internet and Direct Marketing	\$14.15
2/20/2018	Ramona Flea Market	United Flea Markets, LLC	General Merchandise Stores	\$11.25
11/8/2018	CafePress Inc.	Snapfish, LLC	Internet and Direct Marketing	\$5.51
9/14/2018	Heavygardens.com	GrowGeneration Corp.	Internet and Direct Marketing	\$1.69
11/8/2018	Online Distribution Platform of KushCo Holdings, Inc.	Smoke Cartel, Inc.	Internet and Direct Marketing	\$1.62
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
12/29/2018	BuyIpeDirect.com	Ipe Woods USA, LLC	Internet and Direct Marketing	NA
12/12/2018	Lax Shop, LLC	N/A	Internet and Direct Marketing	NA
12/6/2018	FoodyDirect.com, Inc.	Goldbely, Inc.	Internet and Direct Marketing	NA
12/4/2018	ReadyRefresh	Century Springs Bottling Co., Inc.	Internet and Direct Marketing	NA
9/30/2018	One Click Internet Ventures, LLC	FGX International Inc.	Internet and Direct Marketing	NA
10/31/2018	Tablet, Inc.	Compagnie Générale des Établissements Michelin	Internet and Direct Marketing	NA
12/31/2017	FOH Online Corp.	Cullen Investments Limited	Internet and Direct Marketing	NA
11/28/2018	Tikes Bikes	WeeBikeShop Inc	Internet and Direct Marketing	NA
11/14/2018	Surprise Ride Inc.	Fat Brain Toys, LLC	Internet and Direct Marketing	NA
11/12/2018	KellyCo Inc.	Mollenhour Gross, LLC	Internet and Direct Marketing	NA
10/25/2018	United People Power, Inc.	DCA Asset Management, Inc.	Internet and Direct Marketing	NA
11/8/2018	United Vending and Market Services Inc	Continental Services	Internet and Direct Marketing	NA
11/2/2018	Reserve Media, Inc.	Resy Network, Inc.	Internet and Direct Marketing	NA
11/1/2018	Sofos CBD, Inc.	One Step Vending Corp.	Internet and Direct Marketing	NA
10/31/2018	Sundance Holdings Group, LLC	Webster Capital (nka:Webster Equity Partners); Webster	Internet and Direct Marketing	NA
9/30/2018	Engineer Supply LLC	ProClick Ventures, Inc.	Internet and Direct Marketing	NA
10/12/2018	BareWeb, Inc.	Walmart Inc.	Internet and Direct Marketing	NA
10/2/2018	Oasis Luxury Rentals Inc.	Vacasa, LLC	Internet and Direct Marketing	NA
9/30/2018	Stuteville Chevrolet Buick GMC of Ponca City, L.L.C.	Stuteville Automotive Group	Internet and Direct Marketing	NA
8/31/2018	Cardinal's Sport Center, Inc.	Athletic Supply, Inc.	Internet and Direct Marketing	NA
11/6/2018	Greenlight Technologies Inc.	Leafbuyer Technologies, 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
8/23/2018	Consumer Club, Inc.	Court Square Capital Partners L.P.	Internet and Direct Marketing	NA
8/29/2018	Flight Plan LLC	Garmin Ltd.	Internet and Direct Marketing	NA
10/30/2018	FragranceNet.com, Inc.	JTG B.V.	Internet and Direct Marketing	NA
8/23/2018	All Things Jeep	Tun 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
8/3/2018	Apt2B Inc.	The RoomPlace, Inc.	Internet and Direct Marketing	NA
8/2/2018	Buttery, Inc.	Drizily, Inc.	Internet and Direct Marketing	NA
7/3/2018	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
5/4/2018	Domaine Global LLC (nka:Verax eMarketplace LLC)	Verax Research Services, Inc.	Internet and Direct Marketing	NA
11/29/2018	The 4 Less Corp.	MedCareers Group, Inc.	Internet and Direct Marketing	NA

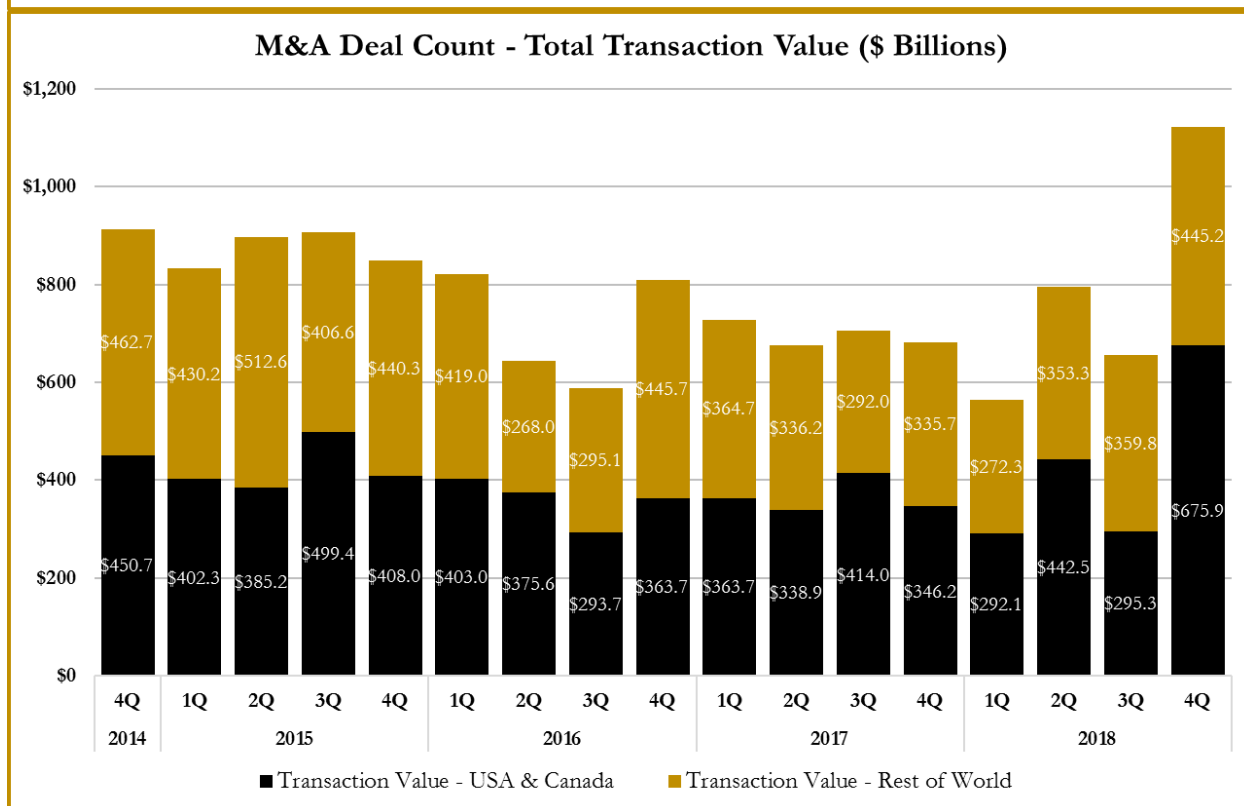
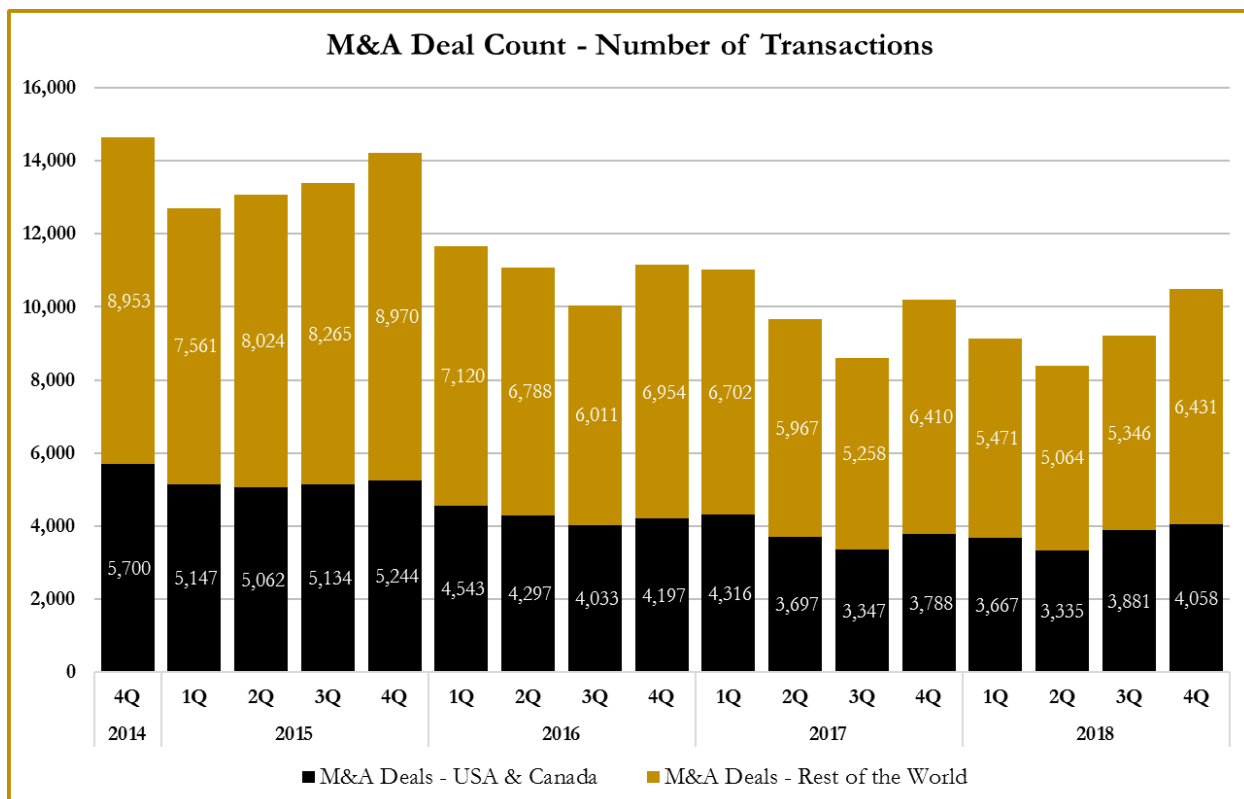
Source: Capital IQ

S&P Capital IQ - Sector Last 3 Month Equity Performance
As of December 31, 2018

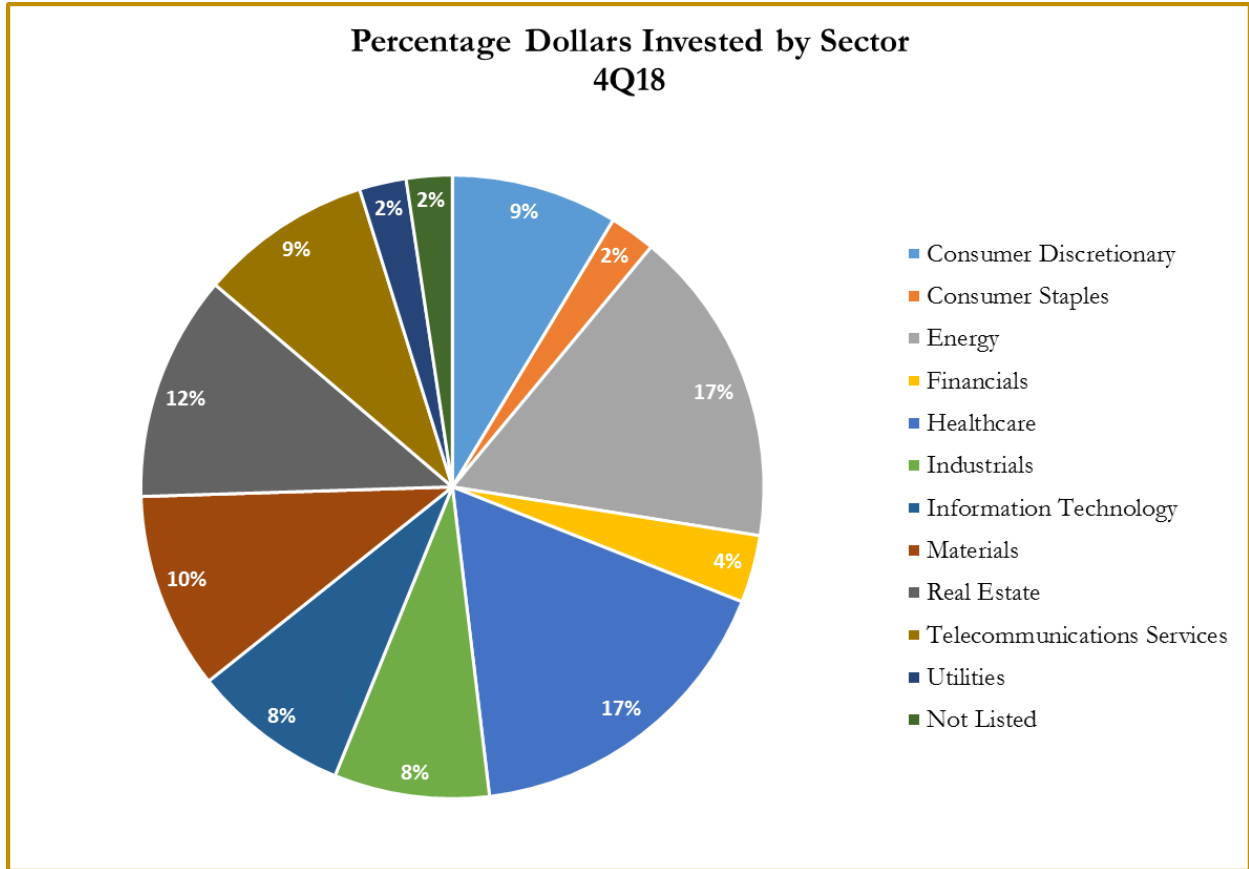


Note: The indices are derived from the equity performance of the S&P Capital IQ Sectors. Source: Capital IQ

M&A Deal Flow Statistics by S&P Capital IQ Sector As of December 31, 2018



M&A Deal Flow Statistics by S&P Capital IQ Sector
As of December 31, 2018





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