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Industry Observations – March 31, 2019

## Internet and Multiline Retail Industry

## Select Internet and Multiline Retail Industry Public Company Industry Data As of March 31, 2019

(USD in millions, except per share data)

Company Name	Ticker	Market Data					LTM Operating Data			Forward Estimates	
		Price at 03/31/19	% of 52 Week High	Equity Value	Enterprise Value	Debt / Total Capital	Total Assets	LTM Revenue	LTM EBITDA	CY 2019 Revenue Estimate	CY 2019 EBITDA Estimate
Internet and Catalog Retail											
Amazon.com, Inc.	AMZN	\$1,780.75	86.8%	\$874,709.5	\$882,748.5	53.1%	#####	\$232,887.0	\$27,762.0	\$275,188.0	\$42,210.5
Expedia Group, Inc.	EXPE	\$ 119.00	85.1%	\$ 17,515.6	\$ 20,338.6	39.6%	\$ 18,033.0	\$ 11,223.0	\$ 1,263.0	\$12,332.0	\$2,235.4
Groupon, Inc.	GRPN	\$ 3.55	64.3%	\$ 2,024.6	\$ 1,416.3	37.7%	\$ 1,642.1	\$ 2,636.7	\$ 151.0	\$2,422.5	\$268.2
Stitch Fix, Inc.	SFIX	\$ 28.23	53.8%	\$ 2,822.1	\$ 2,545.3	0.0%	\$ 557.1	\$ 1,371.6	\$ 56.3	\$1,732.7	\$39.4
Netflix, Inc.	NFLX	\$ 356.56	84.3%	\$155,673.6	\$162,239.2	66.2%	\$ 27,218.6	\$ 16,614.5	\$ 1,705.4	\$20,213.5	\$3,097.6
Nutrisystem, Inc.	NTRI	\$ -	#DIV/0!	\$ -	\$ -	0.0%	\$ 204.2	\$ 691.0	\$ 92.7	\$0.0	\$0.0
Shutterstock, Inc.	SFLY	\$ 40.64	40.5%	\$ 1,384.5	\$ 2,038.6	64.2%	\$ 2,302.2	\$ 1,961.8	\$ 271.9	\$2,153.8	\$325.1
TripAdvisor, Inc.	TRIP	\$ 51.45	74.6%	\$ 7,107.1	\$ 6,520.1	5.3%	\$ 2,167.0	\$ 1,615.0	\$ 237.0	\$1,737.1	\$472.7
Multiline Retail											
Big Lots, Inc.	BIG	\$ 38.02	75.5%	\$ 1,522.6	\$ 1,995.2	42.8%	\$ 2,023.3	\$ 5,238.1	\$ 336.2	\$5,348.33	\$363.4
Burlington Stores, Inc.	BURL	\$ 156.68	86.9%	\$ 10,405.1	\$ 11,277.2	75.4%	\$ 3,079.2	\$ 6,658.9	\$ 762.2	\$7,282.35	\$865.6
Dillard's, Inc.	DDS	\$ 72.02	72.9%	\$ 1,897.6	\$ 2,342.6	25.3%	\$ 3,431.4	\$ 6,503.3	\$ 485.4	\$6,484.98	\$460.6
Dollar General Corporation	DG	\$ 119.30	98.4%	\$ 30,960.6	\$ 33,589.8	30.9%	\$ 13,204.0	\$ 25,625.0	\$ 2,574.5	\$27,468.57	\$2,723.1
Dollar Tree, Inc.	DLTR	\$ 105.04	99.8%	\$ 25,021.0	\$ 28,864.2	43.0%	\$ 13,501.2	\$ 22,823.3	\$ 2,421.6	\$23,672.17	\$2,429.7
Nordstrom, Inc.	JWN	\$ 44.38	65.5%	\$ 6,879.0	\$ 8,607.0	75.5%	\$ 7,886.0	\$ 15,860.0	\$ 1,578.0	\$16,107.81	\$1,617.0
Kohl's Corporation	KSS	\$ 68.77	82.6%	\$ 11,220.9	\$ 13,785.9	38.8%	\$ 12,469.0	\$ 20,229.0	\$ 2,397.0	\$19,352.21	\$2,418.2
Macy's, Inc.	M	\$ 24.03	57.2%	\$ 7,389.2	\$ 10,978.2	43.4%	\$ 19,194.0	\$ 25,739.0	\$ 2,198.0	\$24,996.45	\$2,395.7
Target Corporation	TGT	\$ 80.26	88.8%	\$ 41,440.9	\$ 53,332.9	54.3%	\$ 41,290.0	\$ 75,356.0	\$ 6,701.0	\$77,806.10	\$6,588.2

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 March 31, 2019

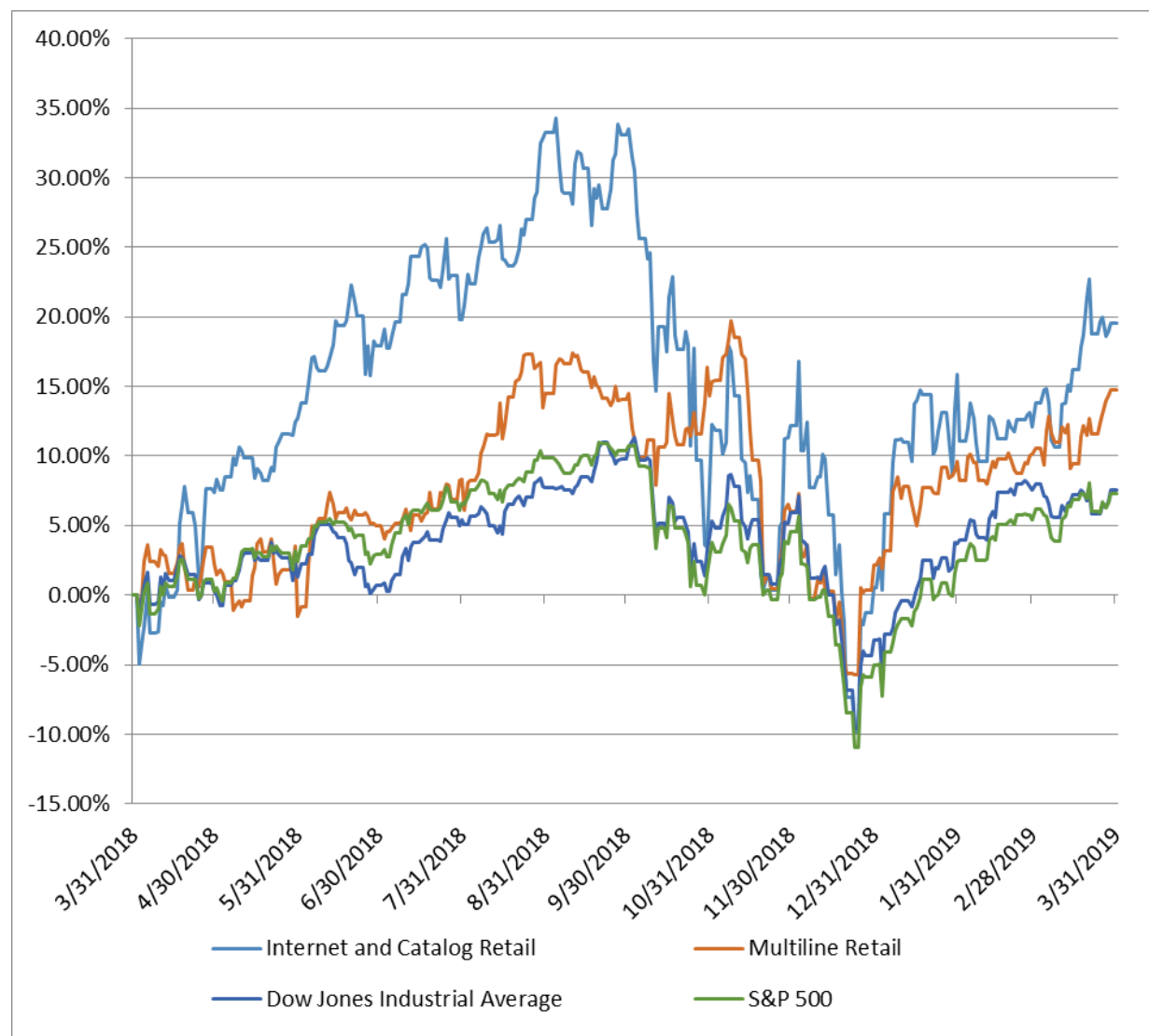
(USD in millions, except per share data)

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 2019 Revenue	TEV/ LTM EBITDA	TEV/ CY 2019 EBITDA
Internet and Catalog Retail											
Amazon.com, Inc.	AMZN	5.3%	28.3%	9.4%	30.9%	78.1%	11.9%	3.8x	3.2x	31.8x	20.9x
Expedia Group, Inc.	EXPE	2.7%	6.7%	4.9%	11.6%	9.1%	11.3%	1.8x	1.6x	16.1x	9.1x
Groupon, Inc.	GRPN	3.4%	0.6%	10.1%	-7.3%	35.2%	5.7%	0.5x	0.6x	9.4x	5.3x
Stitch Fix, Inc.	SFIX	5.7%	16.2%	8.8%	25.3%	46.0%	4.1%	1.9x	1.5x	45.2x	64.6x
Netflix, Inc.	NFLX	4.3%	26.0%	7.4%	30.2%	54.4%	10.3%	9.8x	8.0x	95.1x	52.4x
Nutrisystem, Inc.	NTRI	23.7%	41.5%	34.0%	-0.8%	-5.9%	13.4%	0.0x	N/A	0.0x	N/A
Shutterfly, Inc.	SFLY	4.9%	8.2%	6.0%	64.8%	64.1%	13.9%	1.0x	0.9x	7.5x	6.3x
TripAdvisor, Inc.	TRIP	5.3%	8.0%	7.3%	3.8%	37.0%	14.7%	4.0x	3.8x	27.5x	13.8x
	Mean	6.9%	16.9%	11.0%	19.8%	39.8%	10.7%	2.9x	2.8x	29.1x	24.6x
	Median	5.1%	12.2%	8.1%	18.4%	41.5%	11.6%	1.8x	1.6x	21.8x	13.8x
Multiline Retail											
Big Lots, Inc.	BIG	7.6%	23.0%	13.2%	-0.5%	-16.9%	6.4%	0.4x	0.4x	5.9x	5.5x
Burlington Stores, Inc.	BURL	12.0%	202.6%	27.9%	9.1%	13.9%	11.4%	1.7x	1.5x	14.8x	13.0x
Dillard's, Inc.	DDS	4.6%	10.1%	7.0%	1.3%	-3.6%	7.5%	0.4x	0.4x	4.8x	5.1x
Dollar General Corporation	DG	10.3%	25.3%	14.4%	9.2%	6.4%	10.0%	1.3x	1.2x	13.0x	12.3x
Dollar Tree, Inc.	DLTR	7.5%	-24.8%	9.9%	2.6%	-7.4%	10.6%	1.3x	1.2x	11.9x	11.9x
Nordstrom, Inc.	JWN	7.1%	61.0%	15.6%	2.5%	-0.9%	9.9%	0.5x	0.5x	5.5x	5.3x
Kohl's Corporation	KSS	6.9%	14.6%	9.4%	0.7%	-0.4%	11.8%	0.7x	0.7x	5.8x	5.7x
Macy's, Inc.	M	4.9%	18.0%	8.3%	0.4%	-2.8%	8.5%	0.4x	0.4x	5.0x	4.6x
Target Corporation	TGT	6.5%	25.5%	10.6%	3.6%	-2.2%	8.9%	0.7x	0.7x	8.0x	8.1x
	Mean	7.5%	39.5%	12.9%	3.2%	-1.5%	9.5%	0.8x	0.8x	8.3x	7.9x
	Median	7.1%	23.0%	10.6%	2.5%	-2.2%	9.9%	0.7x	0.7x	5.9x	5.7x

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 March 31, 2019



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

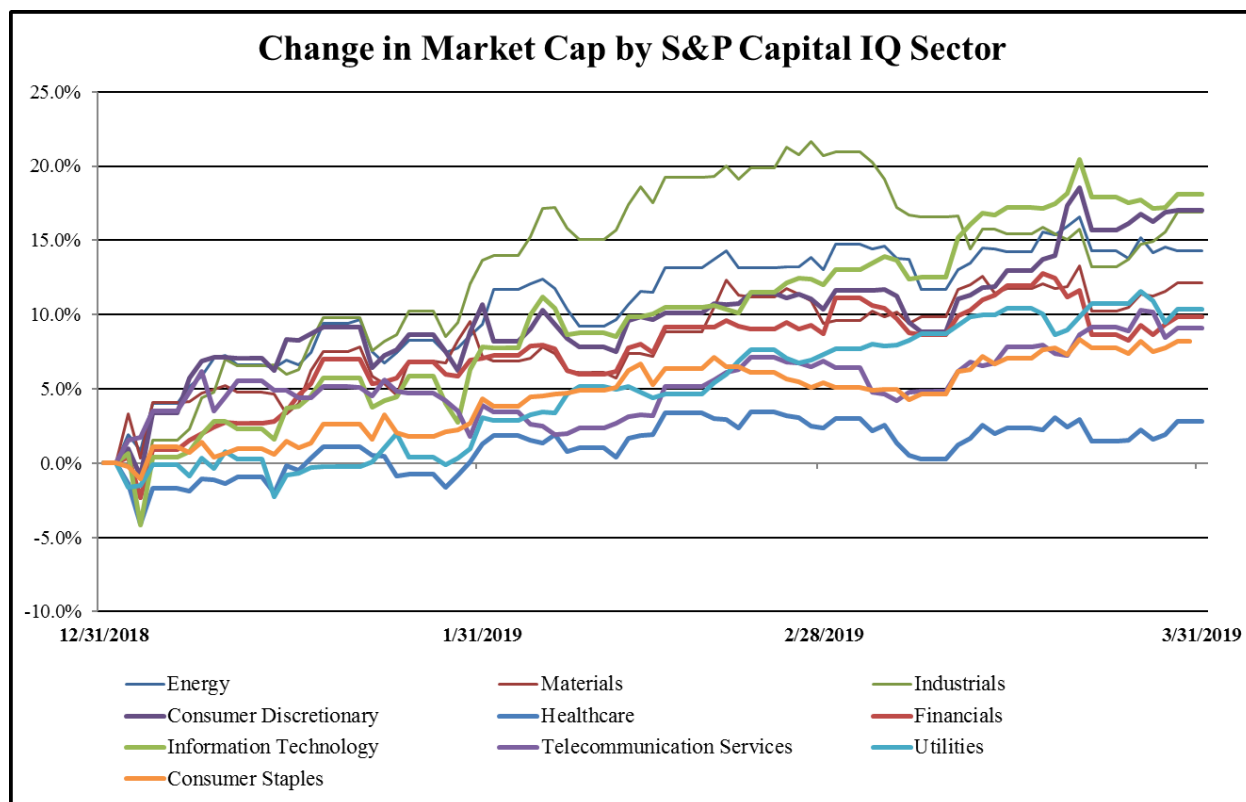
### March 31, 2018 to March 31, 2019

(USD in millions)

Close Date	Target	Acquirer	Target Company Primary Industry	Implied Enterprise Value
2/11/2019	Substantially all of the Assets of Sears Holdings	ESL Investments, Inc.	Department Stores	\$5,200.00
3/8/2019	Nutrisystem, Inc.	Tivity Health, Inc.	Internet and Direct Marketing	\$1,340.68
4/25/2018	Falmouth Shopping Center	N/A	Department Stores	\$21.00
12/3/2018	FOH Online Corp.	Bendon Limited	Internet and Direct Marketing	\$14.15
11/8/2018	CafePress Inc.	Snapfish, LLC	Internet and Direct Marketing	\$5.51
11/6/2018	Greenlight Technologies Inc.	Leafbuyer Technologies, Inc.	Internet and Direct Marketing	\$3.00
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
3/12/2019	Substantially All of the Assets of Modern Robotics Inc.	BOXLIGHT, Inc.	Internet and Direct Marketing	\$0.97
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
3/28/2019	Five Star Food Service, Inc.	Freeman Spogli & Co. Incorporated	Internet and Direct Marketing	NA
3/11/2019	Sam's Club in Jamestown	Runnings Supply, Inc.	General Merchandise Stores	NA
3/11/2019	Apex Dental Materials, Inc.	Inter-Med, Inc.	Internet and Direct Marketing	NA
3/7/2019	Vincent Auto Solutions, LLC	Copart, Inc.	Internet and Direct Marketing	NA
3/5/2019	Room 77, Inc.	HotelPlanner.com	Internet and Direct Marketing	NA
2/28/2019	Fresh Finds, LLC/Harriet Carter Gifts, Inc.	Amerimark Interactive	Internet and Direct Marketing	NA
2/13/2019	Financial & Office Systems, Inc.	SmartSource LLC	Internet and Direct Marketing	NA
2/12/2019	SOR Technology, LLC	International Cruise & Excursions, Inc.	Internet and Direct Marketing	NA
2/7/2019	Direct Vet Marketing, Inc.	HS Spinco, Inc. (nka:Covetrus, Inc.)	Internet and Direct Marketing	NA
2/6/2019	MyJane, Inc.	ManifestSeven	Internet and Direct Marketing	NA
1/30/2019	J.E.S. Restaurant Equipment, Inc.	BJ Beltram, Inc.	Internet and Direct Marketing	NA
1/17/2019	Tal Consolidated Inc.	Ram Distribution Group LLC	Internet and Direct Marketing	NA
1/14/2019	Cardpool, Inc.	N/A	Internet and Direct Marketing	NA
1/8/2019	EMS Safety Services, Inc.	Health & Safety Institute, Inc.	Internet and Direct Marketing	NA
1/8/2019	The Drama Book Shop, Inc.	N/A	Internet and Direct Marketing	NA
1/4/2019	Stadium Goods	Farfetch Limited	Internet and Direct Marketing	NA
1/3/2019	CM Promotions Inc.	Geiger Bros.	Internet and Direct Marketing	NA
1/2/2019	Washabaugh Entity A LLC	Belnick Incorporated	Internet and Direct Marketing	NA
12/31/2018	Maker Box	Printed Solid Inc.	Internet and Direct Marketing	NA
12/31/2018	Art.com Inc.	Walmart Inc.	Internet and Direct Marketing	NA
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
11/29/2018	The 4 Less Corp.	MedCareers Group, Inc. (nka:The 4 Less Group Inc.)	Internet and Direct Marketing	NA
11/28/2018	Tikes Bikes	WeeBikeShop Inc	Internet and Direct Marketing	NA
11/20/2018	SkyAuction.com, Inc.	uBid Holdings, 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
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	Tablet, Inc.	Compagnie Générale des Établissements Michelin	Internet and Direct Marketing	NA
10/31/2018	Sundance Holdings Group, LLC	Webster Capital (nka:Webster Equity Partners); Webster	Internet and Direct Marketing	NA
10/30/2018	FragranceNet.com, Inc.	JTG B.V.	Internet and Direct Marketing	NA
10/28/2018	The Soulfull Project, PBC INC	N/A	Internet and Direct Marketing	NA
10/25/2018	United People Power, Inc.	DCA Asset Management, 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	One Click Internet Ventures, LLC	FGX International Inc.	Internet and Direct Marketing	NA
9/30/2018	Engineer Supply LLC	ProClick Ventures, Inc.	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

Source: Capital IQ

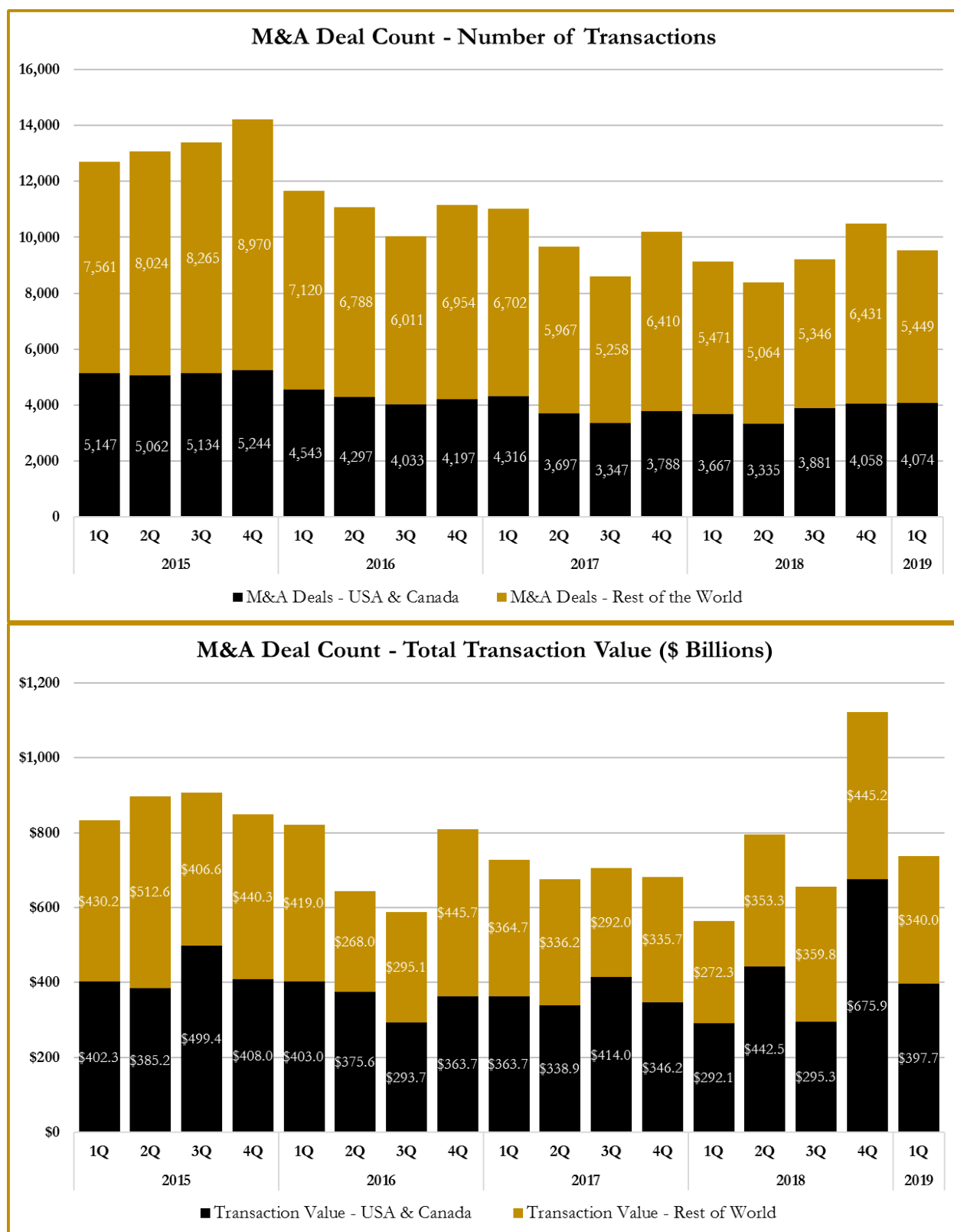
## S&P Capital IQ - Sector Last 3 Month Equity Performance As of March 31, 2019



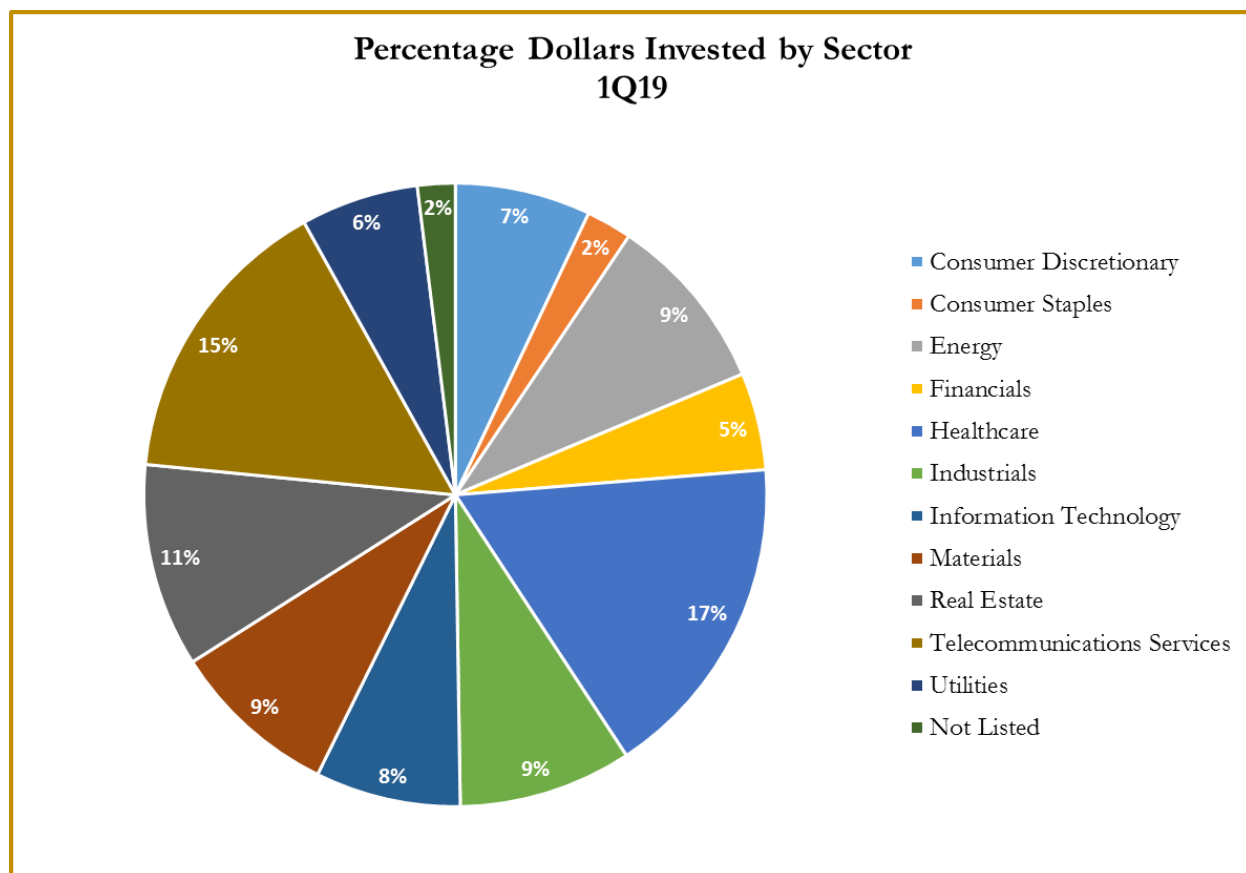
Note: The indices are derived from the equity performance of the S&P Capital IQ Sectors. Source: Capital IQ

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

### As of March 31, 2019



## M&A Deal Flow Statistics by S&P Capital IQ Sector As of March 31, 2019







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