



HOULIHAN
CAPITAL

Value. Added.



Industry Observations – March 31, 2019

Retail Industry

Select Retail Public Company Industry Data As of March 31, 2019

(USD in millions, except per share data)

		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
Company Name	Ticker										
Department Stores											
Dillard's, Inc.	DDS	\$72.02	72.9%	\$1,897.62	\$2,391.83	25.3%	\$3,431.37	\$6,503.35	\$485.40	\$6,484.98	\$460.57
J. C. Penney Company, Inc.	JCP	\$1.49	42.1%	\$471.36	\$4,103.79	77.5%	\$7,721.00	\$12,019.00	\$624.00	\$11,540.66	\$595.44
Kohl's Corporation	KSS	\$68.77	82.6%	\$11,220.93	\$14,046.99	38.8%	\$12,469.00	\$20,229.00	\$2,397.00	\$19,352.21	\$2,418.17
Macy's, Inc.	M	\$24.03	57.2%	\$7,389.23	\$11,500.25	43.4%	\$19,194.00	\$25,739.00	\$2,198.00	\$24,996.45	\$2,395.68
Nordstrom, Inc.	JWN	\$44.38	65.5%	\$6,879.02	\$8,524.23	75.5%	\$7,886.00	\$15,860.00	\$1,578.00	\$16,107.81	\$1,617.04
Ross Stores, Inc.	ROST	\$93.10	89.2%	\$34,501.82	\$35,643.65	8.6%	\$6,073.69	\$14,983.54	\$2,371.07	\$15,899.75	\$2,509.17
The TJX Companies, Inc.	TJX	\$53.21	93.9%	\$65,615.66	\$66,394.76	32.9%	\$14,326.03	\$38,972.93	\$5,037.85	\$41,309.71	\$5,155.97
General Merchandising											
Big Lots, Inc.	BIG	\$38.02	75.5%	\$1,522.65	\$2,031.37	42.8%	\$2,023.35	\$5,238.11	\$336.18	\$5,348.33	\$363.37
Dollar General Corporation	DG	\$119.30	98.4%	\$30,960.59	\$34,650.67	30.9%	\$13,204.04	\$25,625.04	\$2,574.54	\$27,468.57	\$2,723.12
Dollar Tree, Inc.	DLTR	\$105.04	99.8%	\$25,020.98	\$29,728.87	43.0%	\$13,501.20	\$22,823.30	\$2,421.60	\$23,672.17	\$2,429.69
Macy's, Inc.	FDO	\$23.79	56.8%	\$7,731.25	\$11,500.25	43.4%	\$19,194.00	\$25,739.00	\$2,198.00	\$24,996.45	\$2,395.68
Five Below, Inc.	FIVE	\$124.25	91.3%	\$7,389.23	\$7,566.77	0.0%	\$952.26	\$1,559.56	\$228.64	\$1,890.57	\$279.02
Target Corporation	TGT	\$80.26	88.8%	\$41,440.90	\$54,881.90	54.3%	\$41,290.00	\$75,356.00	\$6,701.00	\$77,806.10	\$6,588.19
Tuesday Morning Corporation	TUES	\$2.12	51.7%	\$94.96	\$87.12	2.6%	\$359.33	\$1,019.50	\$17.72	\$1,013.04	\$15.66

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 Retail Public Company Industry Data As of March 31, 2019

(USD in millions, except per share data)

		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
Company Name	Ticker										
Clothing and Apparel											
Abercrombie & Fitch Co.	ANF	\$27.41	92.3%	\$1,815.28	\$1,457.67	19.6%	\$2,385.59	\$3,590.11	\$314.27	\$3,677.39	\$333.15
American Eagle Outfitters, Inc.	AEO	\$22.17	74.2%	\$3,826.20	\$3,450.78	0.0%	\$1,903.38	\$4,035.72	\$509.20	\$4,241.59	\$543.09
Ansell Limited	ANN	\$18.05	85.8%	\$2,308.67	\$2,553.92	28.6%	\$2,339.50	\$1,492.90	\$240.80	\$2,191.35	\$355.69
Ascena Retail Group, Inc.	ASNA	\$1.08	20.4%	\$209.93	\$1,340.60	64.1%	\$3,496.30	\$6,554.20	\$483.50	\$6,252.23	\$354.60
Destination XL Group, Inc.	DXLG	\$2.45	69.6%	\$121.26	\$161.67	49.1%	\$226.08	\$473.76	\$27.42	\$491.61	\$33.72
Designer Brands Inc.	DSW	\$0.00	#DIV/0!	\$0.00	\$1,692.20	16.1%	\$1,620.58	\$3,183.74	\$251.86	\$3,582.83	\$293.59
Express, Inc.	EXPR	\$4.28	36.6%	\$284.65	\$156.13	10.0%	\$1,086.63	\$2,116.34	\$114.23	\$2,017.63	\$54.75
Foot Locker, Inc.	FL	\$60.60	89.1%	\$6,841.15	\$6,176.04	4.7%	\$3,820.00	\$7,939.00	\$906.00	\$8,252.67	\$949.77
The Gap, Inc.	GPS	\$26.18	76.5%	\$9,911.70	\$9,722.99	26.0%	\$8,049.00	\$16,580.00	\$1,952.00	\$16,762.84	\$1,842.60
Guess?, Inc.	GES	\$19.60	72.7%	\$1,588.36	\$1,246.03	4.4%	\$1,649.21	\$2,609.69	\$179.69	\$2,732.43	\$201.36
L Brands, Inc.	LTD	\$27.68	74.2%	\$7,067.06	\$11,458.06	117.5%	\$8,090.00	\$13,237.00	\$2,030.00	\$13,150.90	\$1,848.57
Tilly's, Inc.	TLYS	\$11.13	43.7%	\$328.38	\$191.09	0.0%	\$293.17	\$598.48	\$53.25	\$631.10	\$54.51
Urban Outfitters, Inc.	URBN	\$29.64	56.5%	\$3,131.24	\$2,565.60	0.0%	\$2,160.52	\$3,950.62	\$501.15	\$4,056.98	\$499.29
Zumiez Inc.	ZUMZ	\$24.89	76.1%	\$635.22	\$513.01	0.0%	\$534.19	\$978.62	\$90.09	\$1,003.54	\$88.62

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 March 31, 2019

(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 2019 Revenue	TEV/ LTM EBITDA	TEV/ CY 2019 EBITDA
Department Stores											
Dillard's, Inc.	DDS	4.6%	10.1%	7.0%	1.3%	-3.6%	7.5%	0.4x	0.4x	4.8x	5.2x
J. C. Penney Company, Inc.	JCP	0.5%	-20.0%	0.8%	-6.6%	-26.7%	5.2%	0.3x	0.4x	6.7x	6.9x
Kohl's Corporation	KSS	6.9%	14.6%	9.4%	0.7%	-0.4%	11.8%	0.7x	0.7x	5.8x	5.8x
Macy's, Inc.	M	4.9%	18.0%	8.3%	0.4%	-2.8%	8.5%	0.4x	0.5x	5.0x	4.8x
Nordstrom, Inc.	JWN	7.1%	61.0%	15.6%	2.5%	-0.9%	9.9%	0.5x	0.5x	5.5x	5.3x
Ross Stores, Inc.	ROST	21.6%	50.0%	36.1%	6.0%	0.4%	15.8%	2.2x	2.2x	14.1x	14.2x
The TJX Companies, Inc.	TJX	18.6%	60.0%	34.9%	8.7%	6.9%	12.9%	1.7x	1.6x	12.9x	12.9x
	Mean	9.2%	27.7%	16.0%	1.8%	-3.9%	10.2%	0.9x	0.9x	7.8x	7.9x
	Median	6.9%	18.0%	9.4%	1.3%	-0.9%	9.9%	0.5x	0.5x	5.8x	5.8x
General Merchandising											
Big Lots, Inc.	BIG	7.6%	23.0%	13.2%	-0.5%	-16.9%	6.4%	0.4x	0.4x	5.9x	5.6x
Dollar General Corporation	DG	10.3%	25.3%	14.4%	9.2%	6.4%	10.0%	1.3x	1.3x	13.0x	12.7x
Dollar Tree, Inc.	DLTR	7.5%	-24.8%	9.9%	2.6%	-7.4%	10.6%	1.3x	1.3x	11.9x	12.2x
Macy's, Inc.	FDO	4.9%	18.0%	8.3%	0.4%	-2.8%	8.5%	0.4x	0.5x	5.0x	4.8x
Five Below, Inc.	FIVE	14.2%	27.9%	21.8%	22.0%	19.9%	14.7%	4.2x	4.0x	28.8x	27.1x
Target Corporation	TGT	6.5%	25.5%	10.6%	3.6%	-2.2%	8.9%	0.7x	0.7x	8.0x	8.3x
Tuesday Morning Corporation	TUES	-1.5%	-5.4%	-2.7%	4.1%	N/A	1.7%	0.1x	0.1x	5.3x	5.6x
	Mean	7.1%	12.8%	10.8%	5.9%	-0.5%	8.7%	1.2x	1.2x	11.1x	10.9x
	Median	7.5%	23.0%	10.6%	3.6%	-2.5%	8.9%	0.7x	0.7x	8.0x	8.3x

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 March 31, 2019

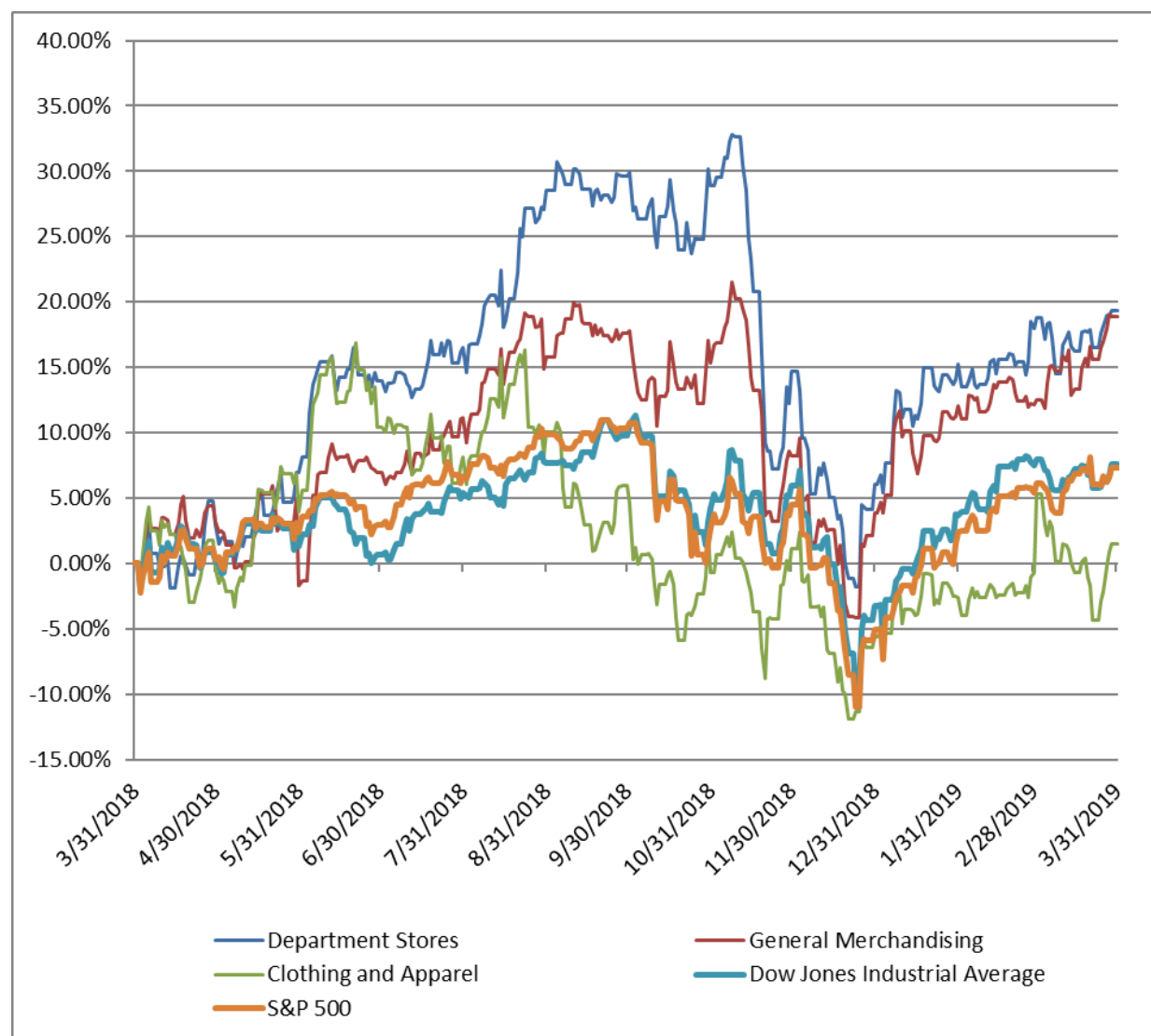
(USD in millions, except per share data)

		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 2019 Revenue	TEV/ LTM EBITDA	TEV/ CY 2019 EBITDA
Company Name	Ticker										
Clothing and Apparel											
Abercrombie & Fitch Co.	ANF	3.6%	6.4%	5.6%	2.8%	8.7%	8.8%	0.4x	0.4x	4.5x	4.4x
American Eagle Outfitters, Inc.	AEO	11.4%	20.7%	16.8%	6.3%	3.0%	12.6%	0.8x	0.8x	6.7x	6.4x
Ascena Retail Group, Inc.	ASNA	2.3%	-9.4%	3.9%	0.3%	-7.3%	7.4%	0.2x	1.2x	2.7x	7.2x
Ansell Limited	ANN	5.3%	7.8%	6.4%	4.2%	21.0%	16.1%	1.6x	0.2x	10.2x	3.8x
Destination XL Group, Inc.	DXLG	-0.3%	-21.0%	-0.6%	1.2%	60.1%	5.8%	0.4x	0.3x	6.3x	4.8x
Designer Brands Inc.	DSW	7.1%	-2.3%	11.1%	13.3%	-7.4%	7.9%	0.5x	0.5x	6.9x	5.8x
Express, Inc.	EXPR	1.6%	1.6%	2.6%	-2.0%	-23.7%	5.4%	0.1x	0.1x	1.6x	2.9x
Foot Locker, Inc.	FL	11.7%	21.5%	17.3%	2.0%	-5.8%	11.4%	0.8x	0.7x	6.7x	6.5x
The Gap, Inc.	GPS	10.7%	30.0%	18.7%	4.6%	-2.4%	11.8%	0.6x	0.6x	5.0x	5.3x
Guess?, Inc.	GES	4.2%	1.9%	7.4%	10.4%	10.5%	6.9%	0.6x	0.5x	8.0x	6.2x
L Brands, Inc.	LTD	11.1%	NM	18.0%	4.8%	-11.7%	15.3%	0.9x	0.9x	5.9x	6.2x
Tilly's, Inc.	TLYS	6.6%	15.4%	11.9%	3.7%	-2.2%	8.9%	0.3x	0.3x	3.5x	3.5x
Urban Outfitters, Inc.	URBN	11.7%	21.4%	17.2%	9.3%	26.2%	12.7%	0.6x	0.6x	5.0x	5.1x
Zumiez Inc.	ZUMZ	7.6%	12.0%	10.4%	5.5%	16.0%	9.2%	0.5x	0.5x	5.2x	5.8x
	Mean	6.8%	8.1%	10.5%	4.8%	6.1%	10.0%	0.6x	0.5x	5.6x	5.3x
	Median	6.8%	7.8%	10.7%	4.4%	0.4%	9.1%	0.5x	0.5x	5.6x	5.5x

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 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 Retail Industry

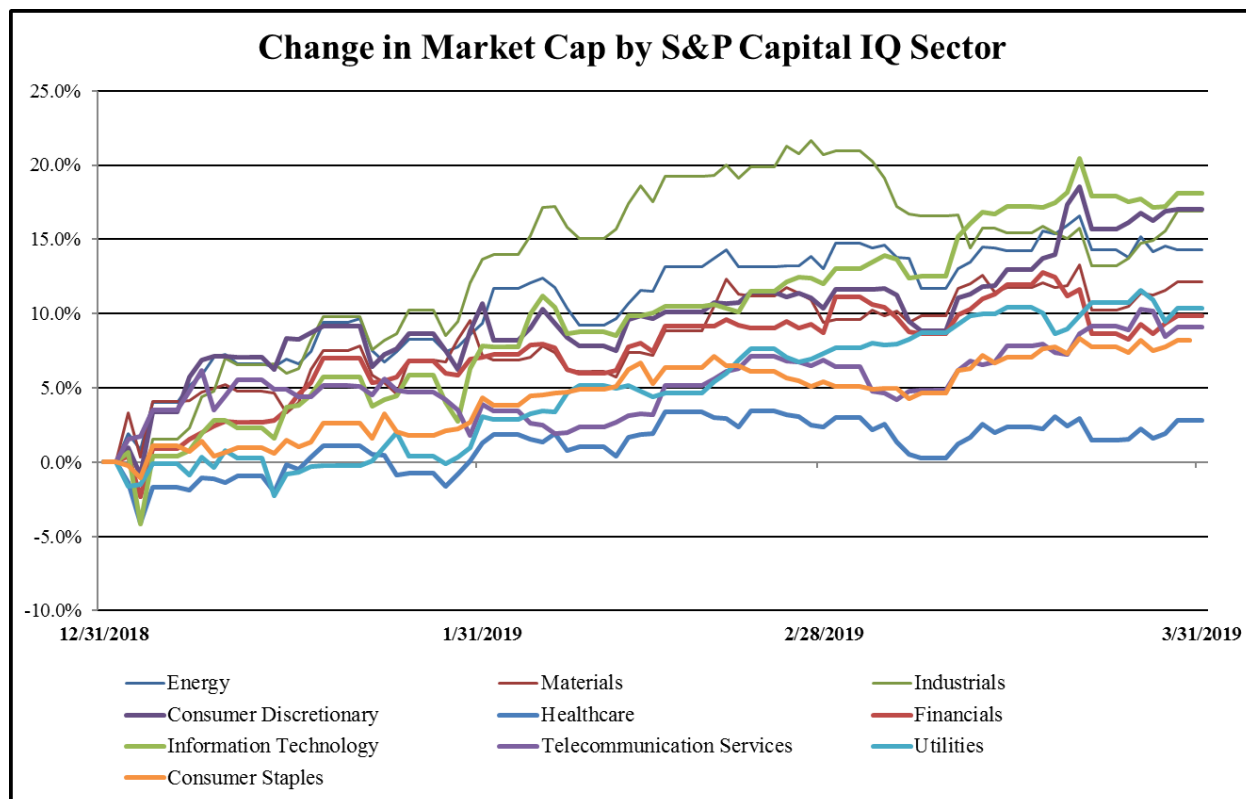
March 31, 2018 to March 31, 2019

(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
1/16/2019	Spring Communications Holding, Inc	Prime Communications, L.P.	Computer and Electronics Retail	\$736.90
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.	JD Sports Fashion plc	Apparel Retail	\$464.45
11/20/2018	Road Ranger LLC/Reopco Inc	Enex S.A.	Automotive Retail	\$289.00
11/30/2018	ZWB Holdings, Inc./Rynn's Luggage Corporation	SP Plus Corporation	Apparel Retail	\$275.00
11/30/2018	InMotion Entertainment Group, LLC	WH Smith PLC	Computer and Electronics Retail	\$198.00
1/23/2019	Eight Travel Centers	TA Operating LLC	Automotive Retail	\$137.81
7/17/2018	Retail Fuel & Jiffy Mart Convenience Store Assets In	Global Partners LP	Automotive Retail	\$134.00
11/4/2018	CITY GEAR, LLC	Hibbett Sporting Goods, Inc.	Apparel Retail	\$113.00
2/2/2019	Hat World, Inc. and Certain assets of GCO Canada and	Ames Watson Capital LLC	Apparel Retail	\$101.00
4/9/2018	Grossinger MotorCorp, Inc.	AutoCanada Inc.	Automotive Retail	\$86.00
11/29/2018	Pollock Investments Inc.	Landsberg Orora	Distributors	\$82.50
5/2/2018	Autosource Motors LLC	ONCAP; ONCAP IV	Automotive Retail	\$68.33
4/2/2018	Thompson and Company of Tampa, Inc.	Scandinavian Tobacco Group A/S	Specialty Stores	\$62.00
10/19/2018	Brand assets of Brookstone Inc.	Bluestar Alliance, LLC	Specialty Stores	\$56.35
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
12/31/2018	Dealership in Tulsa, Oklahoma	Roundtree Automotive Group, LLC	Automotive Retail	\$46.00
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
4/18/2018	Fenix Parts, Inc.	Stellax Capital Management LP	Distributors	\$37.34
12/18/2018	Mercedes Benz of Seattle	Swickard Auto Group	Automotive Retail	\$37.20
3/4/2019	Janie and Jack Retail Chain of Gymboree Group Inc.	The Gap, Inc.	Apparel Retail	\$35.00
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
2/5/2019	Wholesale Business Assets of Advanced Sports	BikeCo, LLC	Specialty Stores	\$23.02
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
10/30/2018	Wholesale Inc./Wholesale Express LLC	RumbleON, Inc.	Automotive Retail	\$19.00
8/13/2018	Wholesale Wine Business of Truett-Hurst, Inc.	Precept Wine, LLC	Distributors	\$18.33
10/1/2018	Assets and Liabilities of PG Professional Golf	Acushnet Holdings Corp.	Distributors	\$18.00
3/8/2019	Most of the Business of Things Remembered, Inc.	Enesco, LLC	Specialty Stores	\$17.50
3/4/2019	Lowe's Home Improvement in Hendersonville, TN	Retail Value Inc.	Home Improvement Retail	\$16.10
2/28/2019	Substantially All of the Assets of Samuels Jewelers, Inc.	Wells Fargo Bank, National Association, Investment Arm	Apparel Retail	\$16.00
12/3/2018	FOH Online Corp.	Bendon Limited	Internet and Direct Marketing	\$14.15
3/31/2018	11 franchise stores in the Maryland market	Party City Holdco Inc.	Specialty Stores	\$14.00
4/16/2018	Mining Boys, Inc.	CarSmart, Inc.	Computer and Electronics Retail	\$12.00
2/19/2019	Lorenzo Nissan	N/A	Automotive Retail	\$11.00
3/20/2019	Hixson Automotive of Monroe, L.L.C.	Banner Ford LLC	Automotive Retail	\$10.50
2/21/2019	Performance Chevrolet Inc (nka:Future Chevrolet of	Future Nissan Of Folsom, Inc.	Automotive Retail	\$9.10
5/16/2018	Nissan of Bradenton	Garber Automotive Group	Automotive Retail	\$9.05
11/8/2018	CafePress Inc.	Snapfish, LLC	Internet and Direct Marketing	\$5.51
9/5/2018	Brian Harris Chevrolet Dealership	Ralph Sellers Motor Company, L.L.C.	Automotive Retail	\$4.70
4/24/2018	Lone Star Western & Casual LLC	Boot Barn, Inc.	Apparel Retail	\$4.40
2/3/2019	Autosport USA, Inc.	RMBL Express, LLC	Automotive Retail	\$3.98
7/3/2018	Drysdales, Inc.	Boot Barn Holdings, Inc.	Apparel Retail	\$3.80
2/7/2019	Assets of Palm Springs Hydroponics	GrowGeneration California Corp.	Home Improvement Retail	\$3.19
9/17/2018	Two JS LLC	Medicine Man Technologies, Inc.	Specialty Stores	\$3.05
11/6/2018	Greenlight Technologies Inc.	Leafbuyer Technologies, Inc.	Internet and Direct Marketing	\$3.00
6/20/2018	Business Interests of Petface Ltd	LeisureGrow Products Ltd	Distributors	\$2.48
8/3/2018	Marvin Leeds Marketing Services Inc.	Warpaint London PLC	Distributors	\$2.16
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

Source: Capital IQ

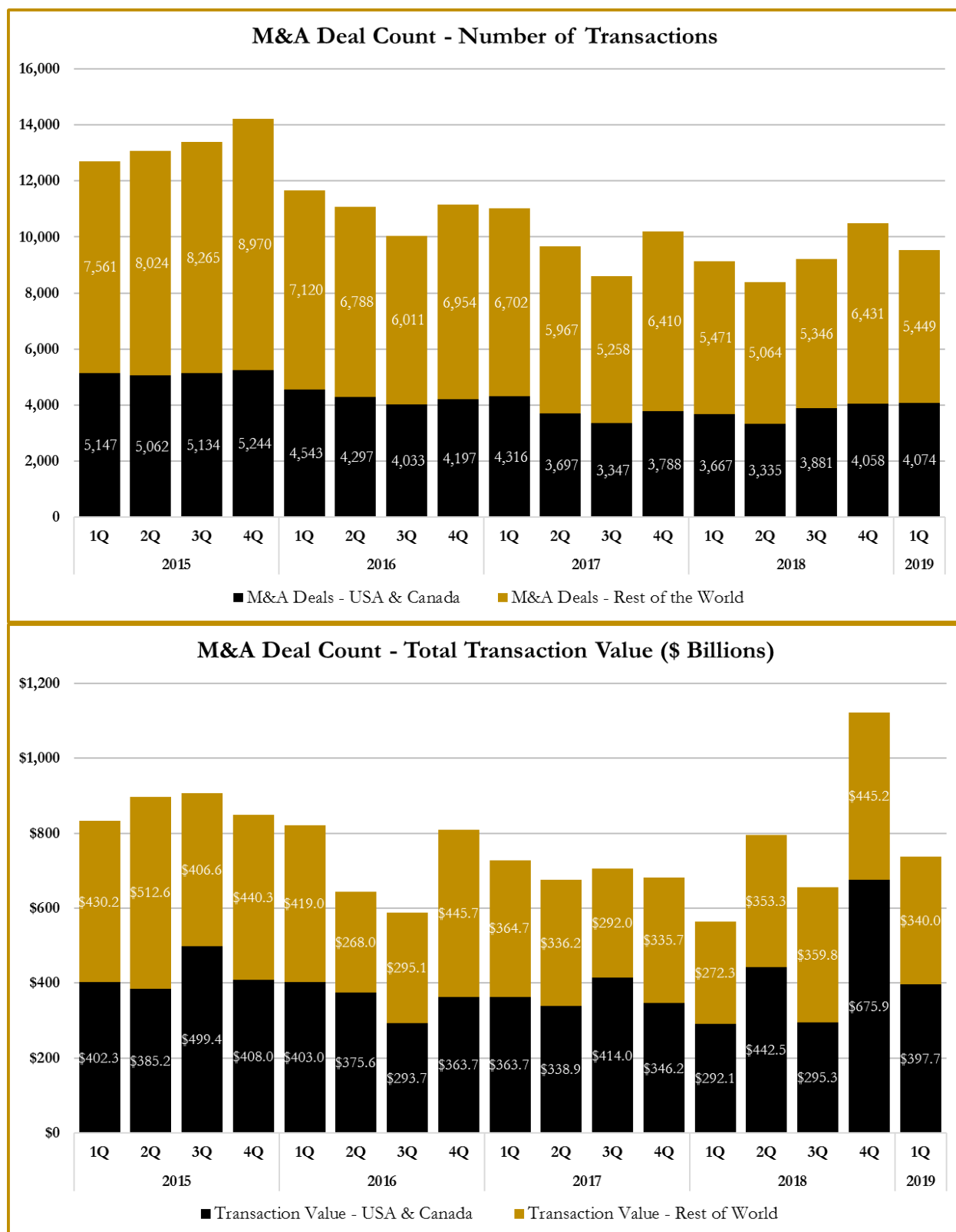
S&P Capital IQ - Sector Last 3 Month Equity Performance As of March 31, 2019



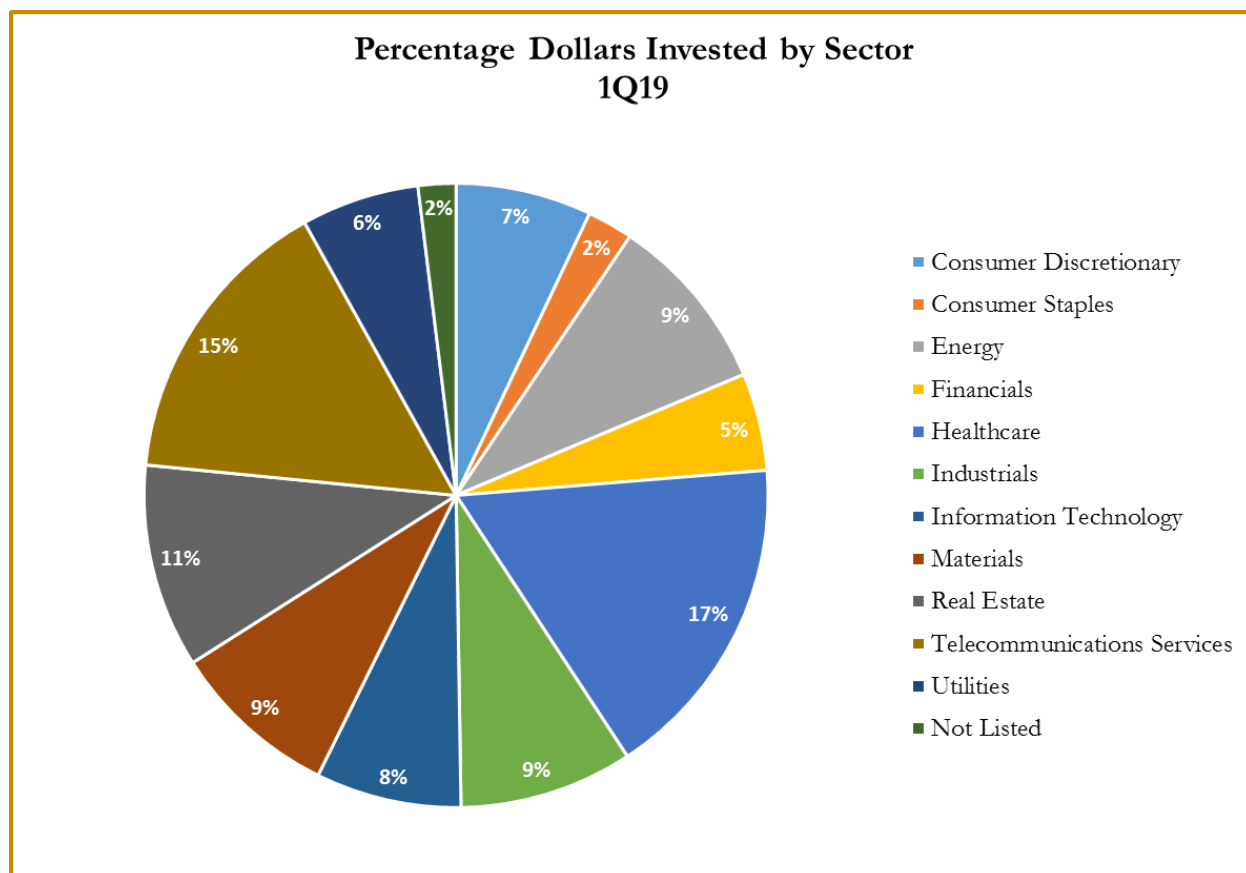
Note: The indices are derived from the equity performance of the S&P Capital IQ Sectors. Source: Capital IQ

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





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

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
---	---	--	---
