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Industry Observations – March 31, 2020

Retail Industry

Select Retail Public Company Industry Data As of March 31, 2020

(USD in millions, except per share data)

Company Name	Ticker	Market Data					LTM Operating Data			Forward Estimates	
		Price at 03/31/20	% of 52 Week High	Equity Value	Enterprise Value	Debt / Total Capital	Total Assets	LTM Revenue	LTM EBITDA	CY 2020 Revenue Estimate	CY 2020 EBITDA Estimate
Department Stores											
Dillard's, Inc.	DDS	\$36.95	42.6%	\$863.80	\$975.60	27.5%	\$3,430.26	\$6,343.21	\$383.19	\$5,607.37	\$276.61
J. C. Penney Company, Inc.	JCP	\$0.36	23.8%	\$115.55	\$4,658.52	85.7%	\$7,989.00	\$11,167.00	\$610.00	\$8,897.44	\$188.95
Kohl's Corporation	KSS	\$14.59	19.2%	\$2,265.05	\$8,269.96	52.9%	\$14,555.00	\$19,974.00	\$2,129.00	\$16,291.80	\$1,146.18
Macy's, Inc.	M	\$4.91	18.6%	\$1,520.36	\$8,625.25	54.0%	\$21,172.00	\$25,331.00	\$1,889.00	\$20,887.30	\$1,019.42
Nordstrom, Inc.	JWN	\$15.34	33.2%	\$2,398.35	\$6,881.31	83.0%	\$9,737.00	\$15,524.00	\$1,477.00	\$13,941.50	\$976.38
Ross Stores, Inc.	ROST	\$86.97	70.0%	\$30,952.35	\$34,732.79	50.9%	\$9,348.37	\$16,039.07	\$2,497.07	\$13,725.03	\$1,825.39
The TJX Companies, Inc.	TJX	\$47.81	73.6%	\$57,261.95	\$67,809.25	65.8%	\$24,145.00	\$41,716.98	\$5,283.51	\$35,837.81	\$3,506.05
General Merchandising											
Big Lots, Inc.	BIG	\$14.22	36.0%	\$555.19	\$2,246.07	64.7%	\$3,189.28	\$5,323.18	\$303.26	\$5,355.28	\$307.31
Dollar General Corporation	DG	\$151.01	90.2%	\$38,045.66	\$57,259.57	63.6%	\$22,825.08	\$27,753.97	\$2,841.71	\$30,110.10	\$3,061.80
Dollar Tree, Inc.	DLTR	\$73.47	61.4%	\$17,398.49	\$28,846.35	61.6%	\$19,574.60	\$23,610.80	\$2,229.70	\$24,730.71	\$2,318.50
Five Below, Inc.	FIVE	\$70.38	47.5%	\$1,520.36	\$5,494.37	55.5%	\$1,958.66	\$1,846.73	\$272.26	\$1,833.67	\$241.50
Target Corporation	TGT	\$92.97	71.4%	\$46,574.43	\$68,216.10	54.1%	\$42,779.00	\$78,112.00	\$7,332.00	\$81,806.32	\$7,106.43
Tuesday Morning Corporation	TUES	\$0.58	25.1%	\$26.08	\$409.49	69.0%	\$681.52	\$990.37	\$8.85	\$989.56	\$18.07

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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Company Name	Ticker	Market Data				LTM Operating Data			Forward Estimates		
		Price at 03/31/20	% of 52 Week High	Equity Value	Enterprise Value	Debt / Total Capital	Total Assets	LTM Revenue	LTM EBITDA	CY 2020 Revenue Estimate	CY 2020 EBITDA Estimate
Clothing and Apparel											
Abercrombie & Fitch Co.	ANF	\$9.09	29.7%	\$559.92	\$1,792.83	62.3%	\$3,549.67	\$3,623.07	\$286.47	\$3,396.92	\$222.24
American Eagle Outfitters, Inc.	AEO	\$7.95	32.7%	\$1,329.27	\$2,728.92	56.2%	\$3,328.68	\$4,308.21	\$495.22	\$4,069.06	\$363.00
Ansell Limited	ANN	\$16.68	81.3%	\$2,143.83	\$2,621.74	31.1%	\$2,440.20	\$1,527.00	\$241.30	\$2,468.16	\$454.82
Ascena Retail Group, Inc.	ASNA	\$1.39	4.6%	\$13.84	\$1,754.13	96.5%	\$3,069.60	\$5,411.10	\$221.80	\$0.00	\$0.00
Destination XL Group, Inc.	DXLG	\$0.35	13.8%	\$17.73	\$289.20	82.6%	\$390.92	\$474.04	\$23.54	\$458.26	\$16.34
Express, Inc.	EXPR	\$1.49	23.9%	\$95.25	\$1,044.83	73.4%	\$1,790.74	\$2,019.19	\$76.06	\$1,924.74	\$66.96
Foot Locker, Inc.	FL	\$22.05	33.9%	\$2,297.42	\$4,795.94	57.3%	\$6,589.00	\$8,005.00	\$892.00	\$7,425.80	\$646.68
The Gap, Inc.	GPS	\$7.04	26.1%	\$2,613.96	\$9,134.54	69.8%	\$13,679.00	\$16,383.00	\$1,593.00	\$14,046.47	\$840.99
Guess?, Inc.	GES	\$6.77	28.7%	\$444.38	\$1,468.40	64.2%	\$2,428.96	\$2,678.11	\$244.25	\$2,236.23	\$79.60
L Brands, Inc.	LTD	\$11.54	41.1%	\$3,810.63	\$11,414.63	119.7%	\$10,125.00	\$12,914.00	\$1,829.00	\$11,640.77	\$1,438.70
Tilly's, Inc.	TLYS	\$4.13	32.4%	\$122.57	\$301.24	64.9%	\$546.64	\$619.30	\$49.69	\$581.41	\$41.55
Urban Outfitters, Inc.	URBN	\$14.24	41.6%	\$1,392.35	\$2,748.37	48.3%	\$3,315.63	\$3,983.79	\$372.00	\$3,951.45	\$322.68
Zumiez Inc.	ZUMZ	\$17.32	48.5%	\$446.96	\$653.77	42.6%	\$914.26	\$1,034.13	\$111.46	\$995.31	\$88.22

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, 2020

(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 2020 Revenue	TEV/ LTM EBITDA	TEV/ CY 2020 EBITDA
Department Stores											
Dillard's, Inc.	DDS	2.9%	6.7%	4.5%	-2.5%	-21.1%	6.0%	0.2x	0.2x	3.1x	3.5x
J. C. Penney Company, Inc.	JCP	0.5%	-26.8%	0.8%	-7.1%	-2.2%	5.5%	0.4x	0.5x	7.7x	24.7x
Kohl's Corporation	KSS	5.6%	12.6%	7.4%	-1.3%	-11.2%	10.7%	0.4x	0.5x	3.6x	7.2x
Macy's, Inc.	M	3.7%	8.8%	5.9%	-1.6%	-14.1%	7.5%	0.3x	0.4x	4.4x	8.5x
Nordstrom, Inc.	JWN	5.8%	53.6%	10.9%	-2.1%	-6.6%	9.5%	0.4x	0.5x	4.3x	7.0x
Ross Stores, Inc.	ROST	17.4%	49.8%	25.6%	7.0%	5.3%	15.6%	2.1x	2.5x	13.3x	19.0x
The TJX Companies, Inc.	TJX	14.3%	59.5%	22.1%	7.0%	4.9%	12.7%	1.6x	1.9x	12.4x	19.3x
	Mean	7.2%	23.5%	11.0%	-0.1%	-6.4%	9.6%	0.8x	0.9x	7.0x	12.8x
	Median	5.6%	12.6%	7.4%	-1.6%	-6.6%	9.5%	0.4x	0.5x	4.4x	8.5x
General Merchandising											
Big Lots, Inc.	BIG	4.0%	31.5%	5.8%	1.6%	-20.3%	5.7%	0.4x	0.4x	6.8x	7.3x
Dollar General Corporation	DG	8.1%	26.1%	10.6%	8.3%	10.4%	10.2%	1.8x	1.9x	17.4x	18.7x
Dollar Tree, Inc.	DLTR	6.0%	13.9%	7.6%	3.5%	-9.5%	9.4%	1.1x	1.2x	12.1x	12.4x
Five Below, Inc.	FIVE	9.3%	25.5%	11.7%	18.4%	19.1%	14.7%	2.5x	3.0x	16.9x	22.8x
Target Corporation	TGT	7.0%	28.3%	11.7%	3.7%	9.4%	9.4%	0.7x	0.8x	7.9x	9.6x
Tuesday Morning Corporation	TUES	-2.0%	-10.5%	-2.8%	-2.9%	-50.0%	0.9%	0.4x	0.4x	46.1x	22.7x
	Mean	5.4%	19.1%	7.4%	5.4%	-6.8%	8.4%	1.2x	1.3x	17.9x	15.6x
	Median	6.5%	25.8%	9.1%	3.6%	0.0%	9.4%	0.9x	1.0x	14.5x	15.6x

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, 2020

(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 2020 Revenue	TEV/ LTM EBITDA	TEV/ CY 2020 EBITDA
Clothing and Apparel											
Abercrombie & Fitch Co.	ANF	2.9%	3.9%	3.9%	0.9%	-10.5%	7.9%	0.5x	0.5x	5.8x	8.1x
American Eagle Outfitters, Inc.	AEO	7.6%	15.1%	9.6%	6.8%	-2.7%	11.5%	0.6x	0.7x	5.1x	7.5x
Ascena Retail Group, Inc.	ASNA	-1.5%	-195.6%	-2.2%	4.0%	-24.6%	4.1%	0.3x	1.1x	7.9x	5.8x
Ansell Limited	ANN	5.4%	10.1%	6.6%	2.3%	0.2%	15.8%	1.5x	N/A	9.8x	N/A
Destination XL Group, Inc.	DXLG	-0.2%	-13.3%	-0.3%	0.1%	-14.2%	5.0%	0.6x	0.6x	12.4x	17.7x
Express, Inc.	EXPR	-0.4%	-33.2%	-0.5%	-4.6%	-36.4%	3.8%	0.5x	0.5x	13.3x	15.6x
Foot Locker, Inc.	FL	8.6%	19.7%	10.6%	0.8%	-2.2%	11.1%	0.6x	0.6x	5.3x	7.4x
The Gap, Inc.	GPS	6.0%	10.2%	8.2%	-1.2%	-18.4%	9.7%	0.5x	0.7x	5.4x	10.9x
Guess?, Inc.	GES	5.3%	13.3%	7.8%	2.6%	39.2%	9.1%	0.5x	0.7x	5.7x	18.4x
L Brands, Inc.	LTD	8.5%	NM	12.3%	-2.4%	-10.8%	14.2%	0.8x	1.0x	5.9x	7.9x
Tilly's, Inc.	TLYS	4.3%	14.0%	5.8%	3.5%	-6.7%	8.0%	0.5x	0.5x	5.6x	7.3x
Urban Outfitters, Inc.	URBN	5.9%	11.4%	7.6%	0.8%	-25.8%	9.3%	0.6x	0.7x	6.2x	8.5x
Zumiez Inc.	ZUMZ	7.4%	15.4%	8.9%	5.7%	23.7%	10.8%	0.5x	0.7x	4.9x	7.4x
	Mean	4.6%	-10.7%	6.0%	1.5%	-6.9%	9.3%	0.6x	0.7x	7.2x	10.2x
	Median	5.4%	10.8%	7.6%	0.9%	-10.5%	9.3%	0.5x	0.7x	5.8x	8.0x

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 March 31, 2020



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 YTD as of March 31, 2020

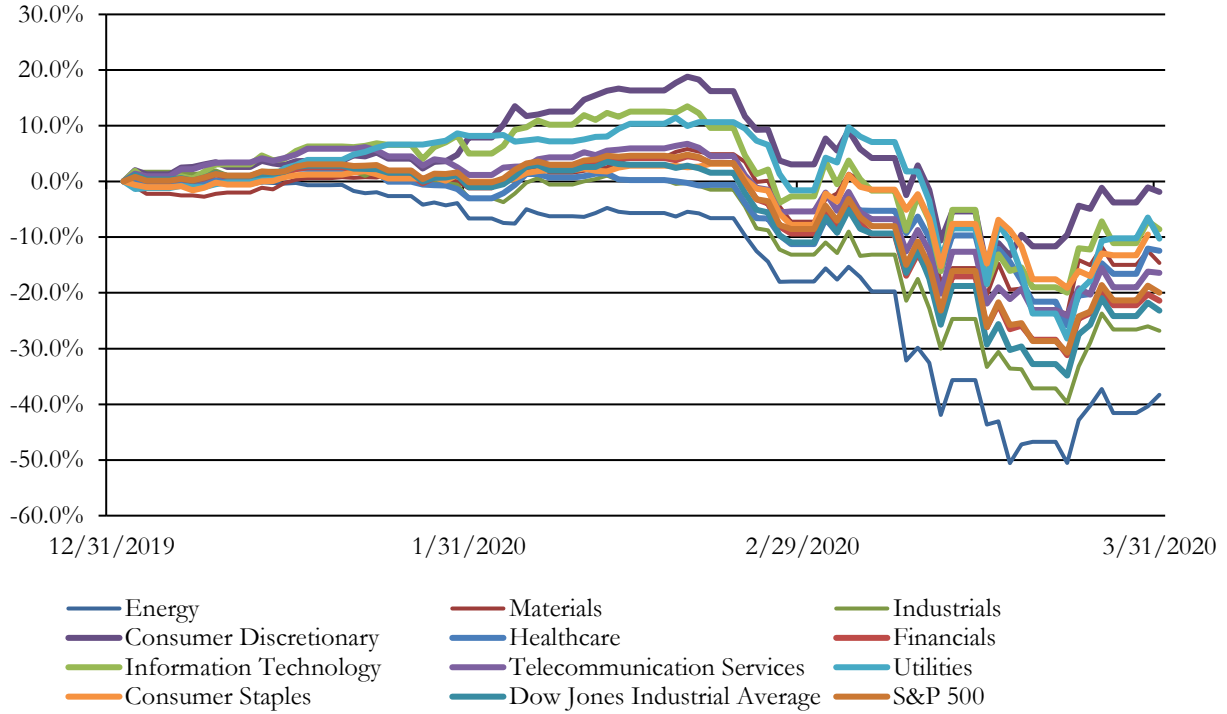
(USD in millions)

Close Date	Target	Acquirer	Target Company Primary Industry	Implied Enterprise Value
2/13/2020	StubHub, Inc.	viagogo AG	Internet and Direct Marketing	\$4,050.00
2/14/2020	American Freight of Ohio, Inc.	Franchise Group, Inc.	Homefurnishing Retail	\$450.00
2/19/2020	All Assets of Forever 21, Inc.	Simon Property Group, Inc.; Authentic Brands Group LLC	Apparel Retail	\$81.10
2/7/2020	Starin Marketing, Inc.	Midwich Group Plc	Distributors	\$46.10
2/10/2020	Chevrolet Dealership in Puente Hills, California of	JBR Automotive Inc.	Automotive Retail	\$21.36
2/28/2020	Budee Inc.	Driven Deliveries, Inc.	Internet and Direct Marketing	\$10.26
2/20/2020	Substantially all of the assets of Record Town, Inc	Sunrise Records & Entertainment Limited	Specialty Stores	\$10.00
2/28/2020	30 Shuttered Papyrus Stores	Paper Source, Inc.	Specialty Stores	\$0.58
3/6/2020	Sobe Organics, Inc.	BlockchainK2 Corp.	Distributors	\$0.49
3/8/2020	Two Gas Stations in Lancaster County	Schwanger Bros & Co., Inc.	Automotive Retail	\$0.23
3/31/2020	Efuego Corp.	TSI Holdings Co.,Ltd.	Internet and Direct Marketing	NA
3/25/2020	RFJ Auto Partners, Inc.	Northwest Motorsport, Inc.	Automotive Retail	NA
3/23/2020	Coogan-Gildersleeve Appliances, Inc.	Keith's Appliances	Home Improvement Retail	NA
3/23/2020	McCrory Supply Corporation	Kenny Pipe & Supply, Inc.	Home Improvement Retail	NA
3/19/2020	Floor Solutions, LLC.	Premier Flooring & Granite, LLC	Home Improvement Retail	NA
3/16/2020	Mercedes-Benz and Commercial Truck Dealerships in	Krause Auto Group	Automotive Retail	NA
3/16/2020	Pietroske, Inc.	Broadway Enterprises, Inc.	Automotive Retail	NA
3/16/2020	Gray-Daniels Auto Family	Mclarty Automotive Partners, LLC	Automotive Retail	NA
3/16/2020	Organic Vintages	Opici Family Distributing Inc.	Distributors	NA
3/13/2020	Mankato Ford Acquisition Corporation	Harnison Truck Centers, Inc.	Automotive Retail	NA
3/11/2020	Bridgeport Building Center	Nation's Best Holdings LLC	Home Improvement Retail	NA
3/9/2020	Albany, NY and Hamburg, PA Dealerships of Factory	Campers Inn, Inc.	Automotive Retail	NA
3/9/2020	Hagerty Management Group LLC (nka:Price Honda of	N/A	Automotive Retail	NA
3/9/2020	Foster Buds	Groundworks Industries	Distributors	NA
3/5/2020	Bestop Morris LLC	AutoAnything, Inc.	Internet and Direct Marketing	NA
3/5/2020	St. Louis Motorcars	Holman Automotive Group, Inc.	Automotive Retail	NA
3/5/2020	All assets of Claypool Distributing Company	Crest Beverage L.L.C.	Distributors	NA
3/4/2020	Quick-Lube Location in Portage, Indiana	A. D. Kenwood Company	Automotive Retail	NA
3/4/2020	Edward Beiner, Inc.	New Look Vision Group Inc.	Specialty Stores	NA
3/3/2020	Value Plus Flooring, Inc.	Artisan Design Group	Homefurnishing Retail	NA
3/3/2020	Harper Cycle Works, LLC	Nivel Parts & Manufacturing Co., LLC	Internet and Direct Marketing	NA
3/3/2020	Certain Assets of Elevated Agricultural Solutions LLC	MJ Harvest, Inc.	Internet and Direct Marketing	NA
3/2/2020	Hanover Honda (nka:Apple Honda of Hanover)	Apple Automotive Group Inc.	Automotive Retail	NA
3/2/2020	Team Sports Division of Universal Athletic Service, Inc.	Athletic Supply, Inc.	Apparel Retail	NA
3/2/2020	Lexus Of Englewood Inc. (nka:DARCARS Lexus of	DARCARS Automotive Group, Inc.	Automotive Retail	NA
3/2/2020	Pennsylvania Truck Centers, Inc.	Bengev's Truck Centers	Automotive Retail	NA
3/2/2020	John Elway Chrysler-Jeep-Dodge-Ram in Greeley,	Asbury Automotive Group, Inc.	Automotive Retail	NA
3/2/2020	Dick Edwards Auto Plaza, Inc. (nka:Valor Auto Plaza)	N/A	Automotive Retail	NA
3/1/2020	All Assets of Chase International, Inc.	Otis McAllister Inc.	Distributors	NA
2/29/2020	B2BUV, LLC	Cart Mart, Inc.	Automotive Retail	NA
2/28/2020	Bud Davis Cadillac, Inc.	Landers Auto Group, Inc	Automotive Retail	NA
2/28/2020	Athletics Unlimited	BSN Sports, LLC	Distributors	NA
2/27/2020	ASLU LLC	Bedford Ventures Inc.	Apparel Retail	NA
2/27/2020	Lynde Hardware & Supply, Inc.	W.E. Aubuchon Co., Inc.	Home Improvement Retail	NA
2/26/2020	Assets of Healthy Harvest	GrowGeneration Corp.	Home Improvement Retail	NA
2/26/2020	Mor Furniture For Less, Inc.	Healthcare Group (HongKong) Co. LTD	Homefurnishing Retail	NA
2/25/2020	Luling Chevrolet Buick GMC	The Steele Auto Group	Automotive Retail	NA
2/25/2020	Beep Technologies, Inc.	RepairSmith, Inc.	Internet and Direct Marketing	NA
2/24/2020	The Palm Springs Station	CLEANCOR Energy Solutions LLC	Automotive Retail	NA
2/24/2020	Yandy LLC	PEI Holdings, Inc.	Internet and Direct Marketing	NA
2/24/2020	Groom & Sons, LLC	Nation's Best Holdings LLC	Home Improvement Retail	NA
2/24/2020	1st Vision, Inc	Image S S.P.A.	Distributors	NA
2/21/2020	Jaguar Richmond Operations in Chesterfield	Hyman Bros. Automobiles	Automotive Retail	NA
2/20/2020	Principal Truck Supply, Inc.	Ken Washington Auto Parts, Inc.	Distributors	NA
2/19/2020	Two Lexus Stores in Sacramento and Roseville, California	Lithia Motors, Inc.	Automotive Retail	NA
2/18/2020	Wilcox Paper LLC	Lindenmeyr Munroe Corporation	Distributors	NA
2/18/2020	Jack Wilson Chevrolet/Jack Wilson Buick GMC	Hanania Automotive Corp.	Automotive Retail	NA
2/17/2020	Assets of School Lines	Girardin Blue Bird	Automotive Retail	NA
2/17/2020	Honda of Indian Trail	Hudson Automotive Group	Automotive Retail	NA
2/14/2020	Colorado Kayak Supply	Twitch LLC	Internet and Direct Marketing	NA
2/13/2020	Towne Automotive's Lincoln dealership	West Herr Automotive Group, Inc.	Automotive Retail	NA
2/13/2020	Proxibid, Inc.	TA Associates Management, L.P.	Internet and Direct Marketing	NA
2/11/2020	Gorilla Commerce	Trilantic Capital Management L.P.	Internet and Direct Marketing	NA
2/8/2020	Van Wie Chevrolet, Inc.	Maguire Family of Dealerships	Automotive Retail	NA
2/7/2020	Headlights 101	All Star Auto Lights (Florida), LLC	Distributors	NA

Source: Capital IQ

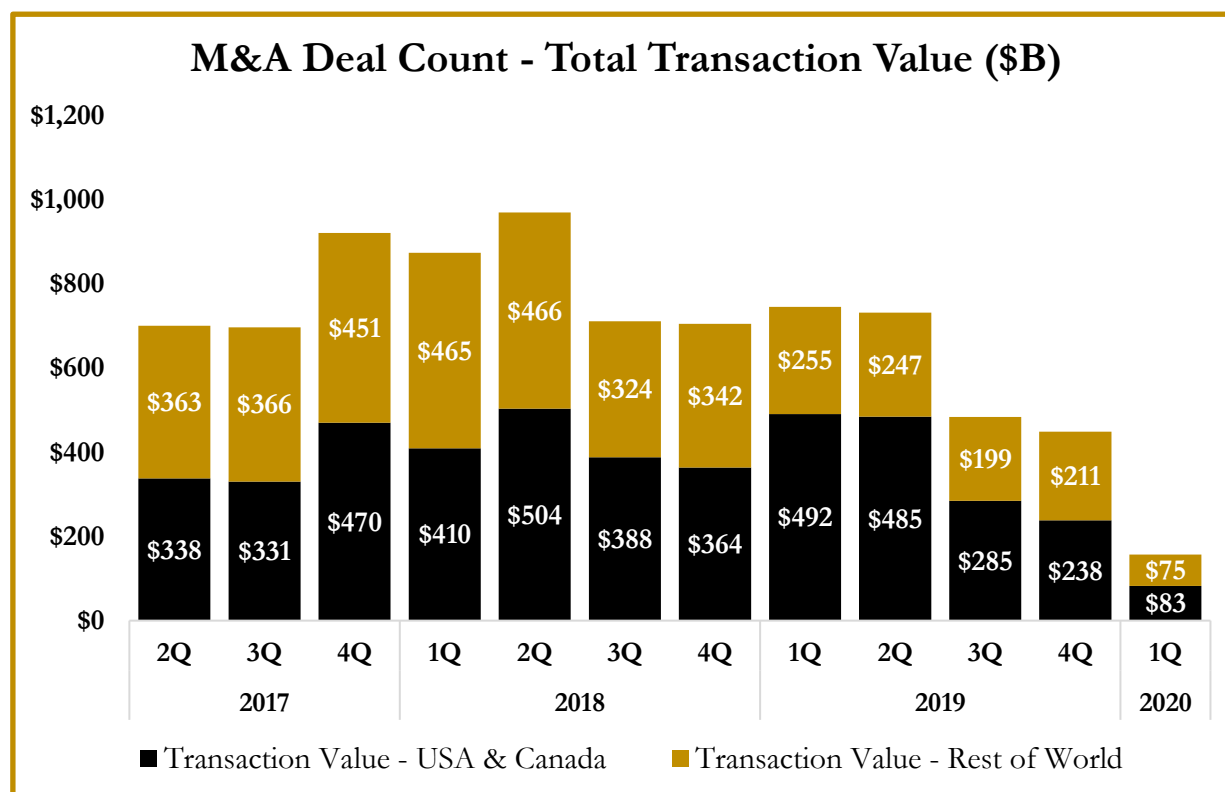
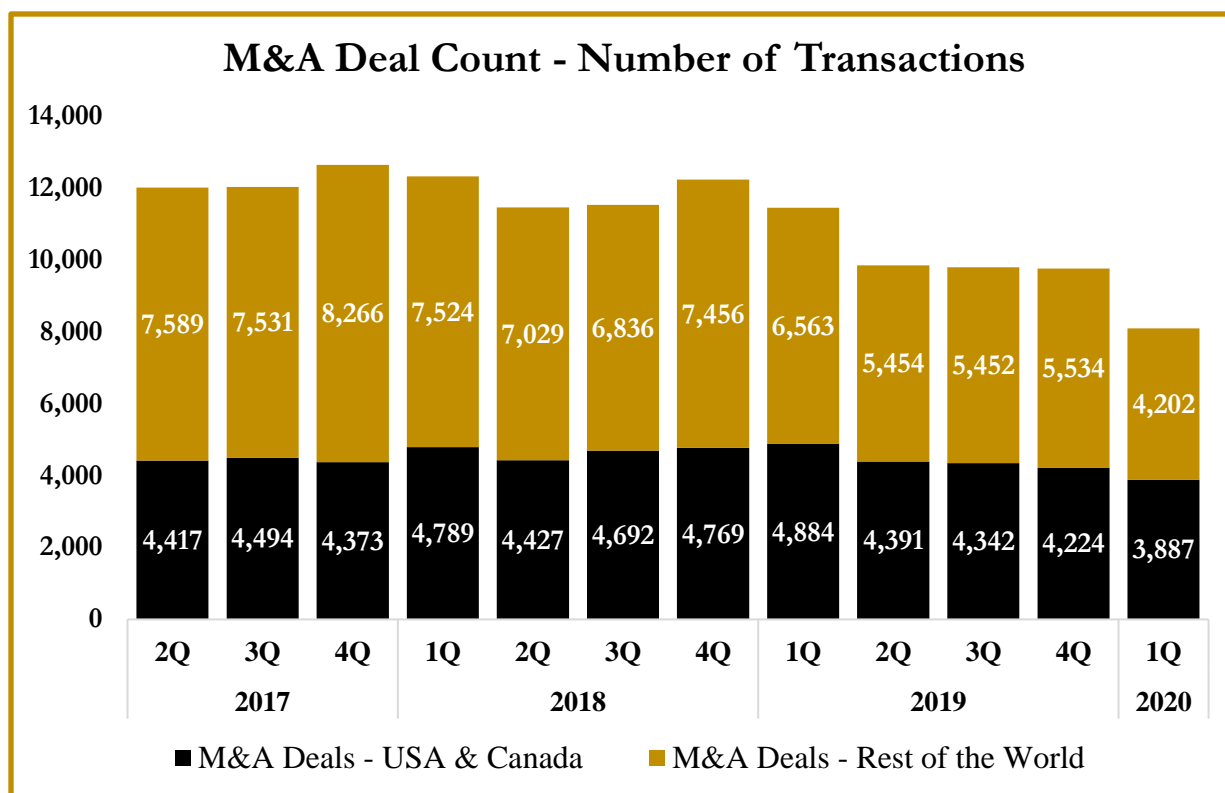
S&P Capital IQ - Sector Last 3 Month Equity Performance
As of March 31, 2020

Change in Market Cap by S&P Capital IQ Sector

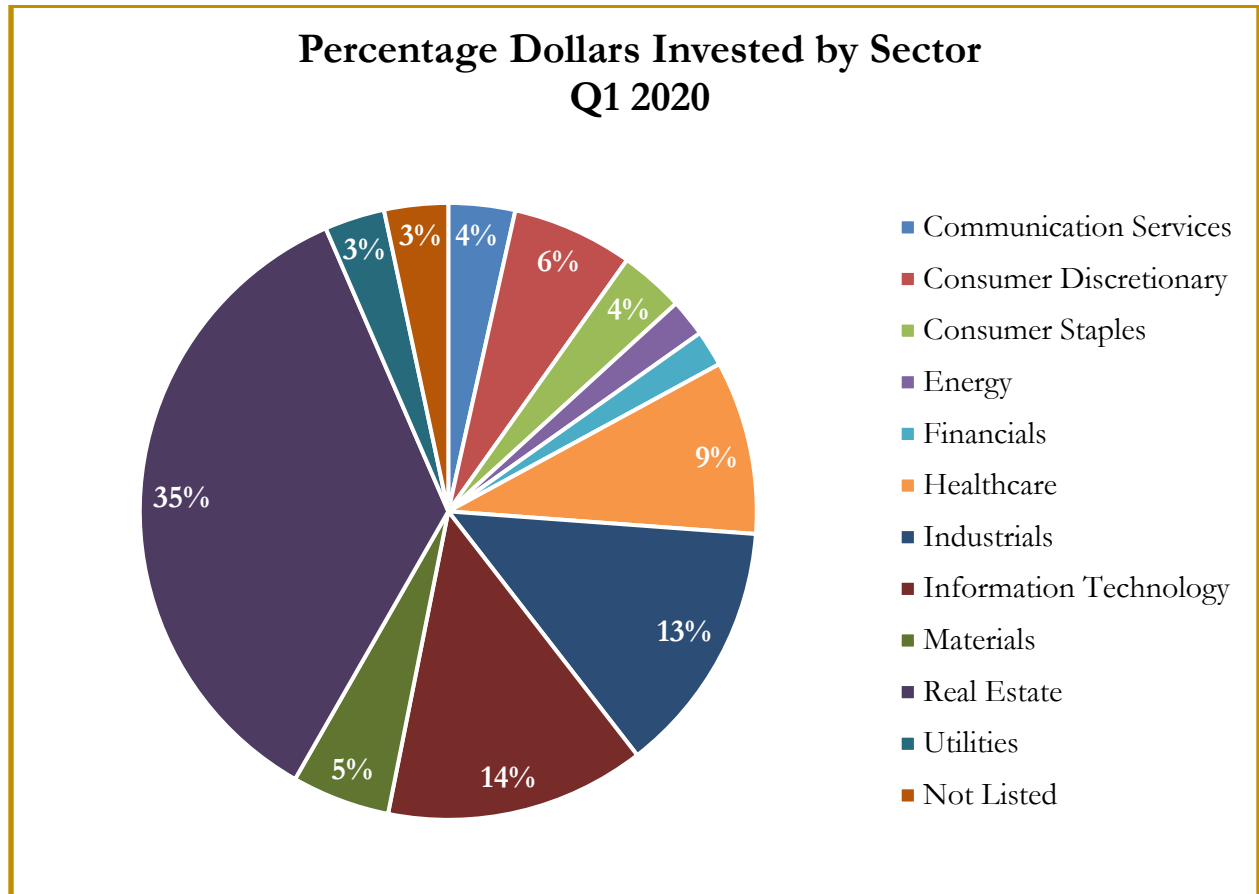


Note: The indices are derived from the equity performance of the S&P Capital IQ Sectors. Source: Capital IQ

M&A Deal Flow Statistics by S&P Capital IQ Sector
As of March 31, 2020



M&A Deal Flow Statistics by S&P Capital IQ Sector
As of March 31, 2020





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.

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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.

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