DUFF & PHELPS

Apparel Quarterly Update

Fall 2020

About Our Practice

Duff & Phelps' Consumer group is among the most active middle-market advisors, providing sell-side, buy-side and capital raising services for clients worldwide. With expertise in the consumer, food, restaurant, apparel and retail sectors, our professionals have executed more than 150 transactions over the past 12 years.

The Duff & Phelps platform provides in-depth coverage of the apparel, footwear and accessories industry through dedicated, bicoastal consumer teams and 75 international offices. Duff & Phelps is a trade name for Duff & Phelps, LLC and its affiliates. Read more at www.duffandphelps.com.

#1 U.S. and global fairness opinion provider 2019[1]

#4 middle-market M&A advisor over the past ten years[2]

Proven Execution	150+ consumer M&A and capital raise transactions over the past 12 years
Deep Sector Expertise	Category focus drives thought leadership and builds invaluable relationships with buyers and investors alike
Customized Approach	Successful track record of premium value transactions driven by hands-on execution and creativity
Experienced Team	Over 30 bankers dedicated exclusively to the consumer sector within the U.S. alone
Global Platform	Approximately 4,000 employees across 75+ offices in 25 countries, with an extensive presence in the U.S., Europe and Asia

See page 22 for data sources

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Second Quarter in Review

Green Shoots

Following a Q1 dominated by global containment efforts to combat the spread of COVID-19, the global economy gradually started to re-open during Q2, which has led to a strong snap-back in the public markets and broad improvement across key economic performance indicators. Recent developments of COVID-19 vaccine production have further bolstered global economic recovery heading towards the second half of the year, notwithstanding continued macroeconomic uncertainty from the impending U.S. presidential election.

The unemployment rate continued to improve, dropping from 10.2% in July to 8.4% in August, which is by far the lowest rate since shutdowns started to occur in March.[5] The retail sector, specifically, added 249,000 jobs in August as stores nationwide continue to re-open.[5] Retail sales rose for a third straight month at 1.2% in July (clothing specifically increased 5.7%), following an even stronger June where retail sales rose 8.4%.[4] Furthermore, consumer spending in July increased 1.9% compared to the prior month, indicating a continued rise in consumer confidence.[6] Time will tell when the economy reaches a full recovery, but most agree we are heading towards the right side of the curve.

While the retail and apparel sector was significantly affected by the pandemic, the industry has experienced a steady recovery consistent with the broader economy. Apparel and retail brands were able to help soften the blow from retail store closures during the peak of the pandemic, fueled by a large increase in eCommerce sales – a trend that was sharply accelerated by COVID-19 and is expected to continue for the foreseeable future. Additionally, retail sales have started to rise over the last three months as stores have gradually re-opened and consumers have become more willing to shop brick-and-mortar, comforted by in-store safety precautions and more education on how the virus spreads. Both of these trends have led to many public apparel and retail brands reporting positive earnings in Q2, with a more favorable outlook for the rest of the year.

Our quarterly apparel report aims to identify trends and provide insights across the apparel sector, focusing on key themes, issues and opportunities. In this issue's sector spotlights, we explore key strategies employed by successful direct-to-consumer-focused brands and the impact the post-COVID-19 retail environment is having on both brands and retailers. We hope you find this report and future editions to be a useful source of information, and as always, please do not hesitate to reach out to us if we can be helpful in any way.

Apparel and Retail Composites data can be found on pages 11-22
See page 22 for data sources

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Q2 2020 | By the Numbers

Stocks experienced a strong recovery, with the S&P 500 increasing 27.3% following a 20% decline in Q1[3]

U.S. retail sales rose 18.3% in May as the shutdown thawed, rebounding from a 14.7% decline in April[4]

Public apparel and retail company valuations (as LTM EBITDA multiples) averaged 11.7x and 14.7x, respectively[3]

Valuations (as EBITDA multiples) for branded apparel and fashion expanded by approximately 2.5x[3]

Trends and Insights

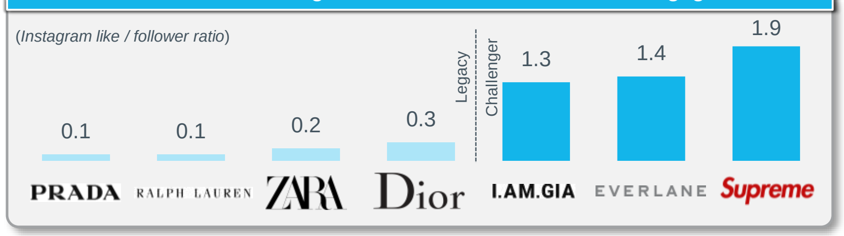
1 Innovation = Gains

Successfully engaging consumers digitally and leading them to a path-to-purchase has been more “art” than “science” over the past several months. Many brands are finding success by focusing on innovative styles as consumers are increasingly responding favorably to novelty and freshness. This recent push has allowed certain brands opportunities for differentiation and growth amid a challenging economic backdrop.

While some “new” products are minor modifications to previous ones, others are completely new and expand into unexplored markets. For example, Decker Brands was successful with the launch of its new UGG slipper, a shoe that includes key features of the traditional UGG boot that historically resonated well with customers, effectively creating a sense of originality while maintaining the semblance of newness.

Similarly, Columbia Sportswear made significant investments to enhance its footwear styles and build out a more robust apparel innovation pipeline, while digitally native brand Ten Thousand continues to utilize its existing followers to generate demand prior to product release.

Followers of Challenger Brands are More Active and Engaged[7]



Research shows that the average person today buys 60% more items of clothing than they did 15 years ago[7]

42% of men and 39% of women surveyed note Nike as the most innovative brand in the industry[8]

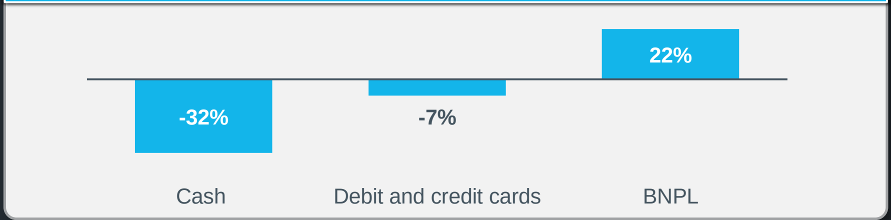
2 Buy Now, Pay Later

Optionality for customers to purchase goods now while deferring payment to later has allowed a broader set of consumers access to products they desire but may not be willing or able to pay for at the time of sale and/or in one lump sum. Generally deemed more attractive to younger, price-sensitive customers, the “Buy Now, Pay Later” option with popular payment plan apps like Afterpay, Klarna and Affirm have lowered the barrier to purchase in a way credit cards have not due to flexible, interest-free payment plan structures.

Brands and retailers that participate pay between 4.5 to 5.9 cents per transaction to the apps. In return, the apps pay the brands/retailers the full purchase amount, which effectively shifts the risk and burden of collecting the amount in installments to the payment plan apps. While only charging a small fee and assuming all risk, payment plan apps allow for brands and retailers to reach a more diverse customer base and provide greater affordability for their products.

Early participants introducing Buy Now, Pay Later include Farfetch, Marchesa, Givenchy and Burberry. The list has continued to grow throughout the pandemic with newer entrants including digitally native brands Bonobos and Gymshark.

COVID-19 is Changing the Way We Pay (% change in total spending by payment type)[9]



The IOU apps are reporting that average order value is typically higher, and checkout conversions surge 30% for retailers using BNPL[10]

40% of consumers say they’d be more likely to complete transactions if offered options like BNPL at checkout[10]

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See page 22 for data sources

Trends and Insights

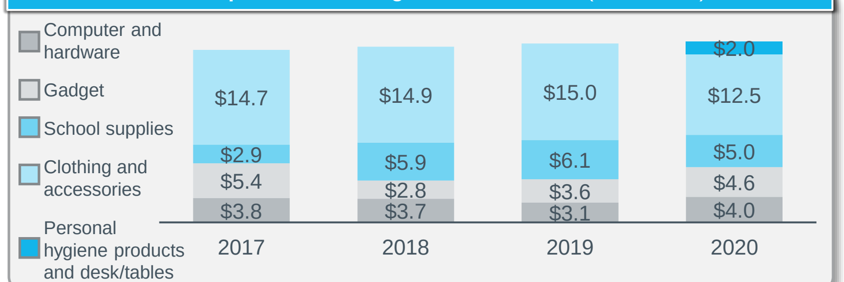
3 Back to (Online) School Shopping

Although traditionally a catalyst for apparel and footwear sales and an early indicator of demand for the holiday season, this year's back-to-school shopping kicked off with much softer undertones. Of the largest 25 public school districts in the U.S., only two have made it possible for students to attend in-person classes, and most schools have resorted to distance-only learning, which has significantly impacted students' need for new clothing and footwear—at least for the time being. [11]

The back-to-school shopping season this year has been somewhat of a wild card. Some retailers believe the softness will stretch throughout late fall and into 2021 as in-person classes gradually return. As a result, some of the largest brands have changed their approach to cater to online school; for example, Kohl's adjusted its tagline for the fall to "heading back or logging in" and allocated areas of its website to "at-home learning."

Most brands have experienced strong sales growth since late July, signifying strong momentum to retail recovery, and while the overall extent of back-to-school sales will likely be lower than 2019, consumer sentiment and shopping behavior appear to be headed in the right direction.

Reduced Spend on Clothing and Accessories ($ in billions)[12]



Back-to-school clothing and accessories may decline 10% YoY.[13]

For the first time in last decade, back-to-school household spending on electronics will likely surpass the spend on clothing/accessories for K-12 shoppers.[11]

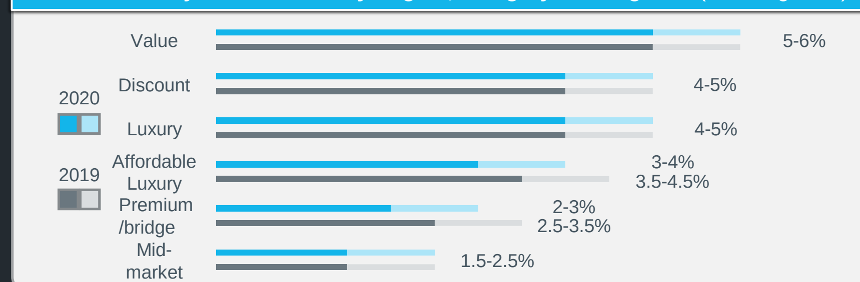
4 Trade Up or Trade Down

Midrange brands are getting squeezed once again but perhaps a bit harder this time around. Consistent with prior economic contractions, consumers have shown a preference to trade up to a "premium" level or trade down to lower-priced items that provide more value rather than "settle" for something in between.

Eighty-one percent of U.S. consumers believe the pandemic will lead to a deep recessionary period and nearly half are concerned about how this might impact their personal finances.[14] In an effort to mitigate the potential impact, many plan to spend less on fashion (i.e., "non-essential" and event-driven apparel) while seeking value-driven purchases of core items. More than four out of ten U.S. consumers expect brands to provide discounted pricing or run promotions once brick-and-mortar stores reopen.[14]

However, not all midrange brands are created equal. Certain brands, irrespective of where they sit on the price point spectrum, have proven what customer loyalty truly means through a formidable line of products with brand authenticity, superior customer service and engagement that exude a level of cachet that cannot be replaced.

Fashion Industry Sales Growth by Region, Category and Segment (YoY % growth)[15]



The luxury sectors have accounted for almost 80% of the industry's economic profit growth.[15]

Looking at total return to shareholders over the past three years by value segment, luxury and value clearly outperformed other segments, delivering 22% and 14% respectively.[15]

See page 22 for data sources

Sector Spotlight | Key Strategies Employed by Leading DTC Brands

COVID-19 has led to a drastic shift in consumer behavior and accelerated an already evolving retail landscape—propelling the emergence of direct-to-consumer (DTC) brands. Throughout the years, leading and emerging brands alike have increasingly adopted DTC strategy over a traditional retail framework, and the pandemic has only strengthened that shift to a digital-first mindset. Technology enhancements and increasing consumer receptivity to online engagement have made the path to digital consumer dialogue easier. Moreover, success stories of digitally native vertical brands (DNVBs) such as Bonobos, Warby Parker and Allbirds have provided a replicable blueprint that sheds light on what's worked and what hasn't as it pertains to the plethora of available digital marketing strategies.

To gain perspective on some of the key strategies currently being employed by successful DTC brands, we collaborated with MuteSix, a leading full-funnel digital and creative ad agency that supports brands of all sizes globally, including Disney, Allbirds, Ministry of Supply and MeUndies. Although some brands execute their performance marketing initiatives in-house, many leading brands have either worked with agencies like MuteSix during earlier chapters and/or continue to execute their marketing strategies through such partnerships.

Utilize a Full-Funnel, Holistic Approach to Customer Acquisition

Attract the right customer to your brand at the right time

MEDIA CHANNELS	EMAIL MARKETING AND CUSTOMER RELATIONSHIP MANAGEMENT (CRM)	EXPLORATORY CHANNELS
Facebook - Instagram - Google YouTube - Programmatic Connected TV	Email - SMS - Popups Landing Pages - Web Development Influencer - Native - Display	Pinterest - Snapchat TikTok - LinkedIn

Incorporate New, Emerging Platforms with Tried-and-True Strategies

Optimize demographic reach and scalability by accessing some of the newer strategies

TikTok

- Not just for Gen Z, the fastest user growth on TikTok is over the age of 34.
- Authenticity thrives on TikTok; users stay away from the heavily edited, carefully produced content we're used to seeing on competing platforms. And similar to Instagram circa 2015, the influencer pool is still undersaturated and up for grabs—anyone can be the next TikTok star.

Snapchat

- Snapchat is booming. The mobile app across both iOS and Android saw approximately 28.5 million new installs in August—its single largest month for first-time downloads since May 2019.

Amazon amazon

- Mega sales like Prime Day, Black Friday and Cyber Monday, combined with a 31% YoY increase in online sales due to COVID-19, provide brands the opportunity to have a massive Amazon sales quarter.

Programmatic

- Time spent online in 2020 is up 11%, according to *eMarketer.* As media consumption shifts to digital, traditional channels like terrestrial television and radio have accelerated their own digital adoption—prompting programmatic to grow at a significant rate during COVID-19.

Podcasting

- Sales can now be tracked and directly attributed to podcast listenership, a dramatic improvement which has taken shape over the past six months. Spotify and Amazon have both recently made significant investments in podcasting, including Spotify's over $100 million buyout of the Joe Rogan Experience.

Facebook

- Despite some criticism, Facebook is celebrating early success with Instagram Reels. While it's too soon to see the data, we're prepared for this to be the next big thing.

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See page 22 for data sources

Sector Spotlight | Post COVID-19 Retail Environment

As consumer shopping habits and behaviors continue to take shape, apparel retailers have been adapting to the current environment by making adjustments across key areas of their business, including sales strategy, inventory and product management, geographic store footprint, merchandising and other operational right-sizing initiatives.

Most retailers agree that consumers who are currently shopping brick-and-mortar are a lot more "qualified" than they were pre-COVID-19, i.e., shoppers are going to retail stores with the intent of purchasing an item rather than just "shopping" around. Whether customers have a product in mind or a general idea of what they need or want, customer conversion rates have increased, albeit overall foot traffic has decreased. Capri Holdings (Versace, Jimmy Choo, Michael Kors) recently reported a 50% decrease in foot traffic but higher transaction levels and conversion rates.

On retail real estate specifically, currently, there is an unprecedented opportunity for retailers to expand their store footprint with favorable terms given the recent wave of bankruptcy-related store closures. Brands/retailers like Vince and Aritzia are capitalizing on the excess space and are doing so at compelling financial terms. Vince relocated its shop in its White Plains, New York mall location to better display its entire clothing assortment, and Aritzia continues to be bullish with its store expansion strategy, noting its "pace for new store openings will not slow down as the deals are too compelling."

However, retailers on the other side of the fence who have decreased their store footprint have been much more prudent with their approach. Uncertainty regarding consumers' return to normal spending habits has required these retailers to focus on proper inventory management, which generally has impacted the supply chain and procurement flow with its brands and/or manufacturers. Retailers like GAP and Walmart are requesting discounts from their manufacturers and brands, terminating pre-orders and are not providing any payment guarantees on already completed orders. Footwear brand Steve Madden's U.S. imports fell below levels seen during the 2008-2009 financial crisis due to declining retail sales. While retailers had no control over excess spring inventory levels earlier this year, they do have an opportunity to adjust their fall and winter inventory to better match post-COVID-19 demand levels. As a result, retailers planning for the fall and winter, including the key holiday season, will be cautious in placing orders with brands that may not have a differentiated customer value proposition.

Select Market Commentary

carter's

"Traffic has not recovered to pre-COVID-19 levels, but those visiting stores came to buy with an increase in conversion rates, units per transaction, and price realization."

macy's

"We are keenly, keenly focused on maintaining appropriate inventory levels and, more importantly, appropriate inventory levels in the right channel to ensure we're satisfying the customer demand and to ensure that we are being as flexible as possible with those channels…with the stores closed, we want to make sure we have the right assortment and units in the stores to handle buy online, pick up in store, same-day delivery as well as the right mixture of units in the fulfillment centers on hand – to support that ongoing digital demand."

NORDSTROM

"As far as access to product, it's been a little spotty. There's no doubt that our vendor base has pulled back during the pandemic, and it takes a closer collaboration with our vendor partners in many cases to get the flow that we want."

U.S. retailers are on track to close as many as 25,000 stores this year as COVID-19 upends shopping habits. That is more than double the 9,832 stores that closed in 2019, according to Coresight Research. So far this year, major U.S. chains have announced more than 5,000 permanent closures.[16]

Fashion retailers recorded a steady number of visits, yet sales and the average conversion rate both went up 7.3%. Visitors also spent 13.9% more time on these sites.[17]

Note: Market commentary from company websites/press releases

See page 22 for data sources

Recent Apparel M&A Transaction Activity

Company	Transaction	Acquirer / Investor	Date
Bare Necessities	was acquired by	Delta Galil Industries Ltd.	August 2020
Gymshark	received an investment from	General Atlantic	August 2020
Seafolly Australia	was acquired by	L Catterton	July 2020
Outdoor Voices	received an investment from	NaHCO3	June 2020
PrettyLittleThing.com	received an investment from	boohoo group plc	May 2020
speedo	was acquired by	Pentland	April 2020
XCEL	was acquired by	ZG Holding LLC	March 2020
Golden Goose	was acquired by	Permira	February 2020
Wildfox	was acquired by	Fam Brands	February 2020
Forever 21	was acquired by	ABG Authentic Brands Group, Simon, Brookfield	February 2020
Farfetch	received an investment from	Tencent 腾讯	January 2020
Zadig & Voltaire	received an investment from	Peninsula Capital	January 2020
Rebecca Taylor, Parker	was acquired by	Vince.	November 2019
Tiffany & Co.	was acquired by	LVMH Moët Hennessy • Louis Vuitton	October 2019
Herschel Supply Co. Brand	received an investment from	Eurazeo Brands and other investors	October 2019
Hurley	was acquired by	Bluestar Alliance	October 2019
morgan & milo	was acquired by	Zutano	October 2019
Rip Curl	was acquired by	Kathmandu	September 2019
Lord + Taylor	was acquired by	Le Tote	August 2019
G&L Clothing 1917	was acquired by	Boot Barn	August 2019
vuori	received an investment from	Norwest Venture Partners	August 2019
BB Dakota	was acquired by	Steve Madden	August 2019
Greats	was acquired by	Steve Madden	August 2019
ABG Authentic Brands Group	received an investment from	BlackRock and other investors	August 2019
Anne Klein	was acquired by	WHP Global	July 2019
Reformation	was acquired by	Permira	July 2019
Stella McCartney	was acquired by	LVMH Moët Hennessy • Louis Vuitton	July 2019
Mack Weldon	received an investment from	North Castle Partners	July 2019

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Sources: S&P Global Market Intelligence, Mergermarket, Press Releases

Sectors

Apparel and Fashion | Active Apparel and Footwear | Accessories | Retail

Select Apparel Retail Bankruptcies in 2020 YTD

Century 21 Stores

Filing for Chapter 11 bankruptcy on September 10, 2020, Century 21 will close all 13 stores across four states and its e-commerce platform. The Company blamed nonpayment by its insurers of nearly $175M in claims.

Stein Mart

Filing for Chapter 11 bankruptcy on August 12, 2020, the retailer plans to close nearly 300 stores and liquidate in a bankruptcy. Beginning the year with a potential takeover, COVID-19 related declining sales resulted in a mutual cancelling of the deal.

TAILORED BRANDS

Filing for Chapter 11 bankruptcy on August 2, 2020, the retailer has secured $500M in debtor-in-possession financing from lenders and hopes to continue operating throughout the bankruptcy process.

Lord & Taylor

Lord & Taylor filed for Chapter 11 bankruptcy on August 3, 2020 as the Company's retail presence was severely damaged by the COVID-19 pandemic. The Company initially planned to keep 14 locations open, but now plans to keep 0 open.

ascena RETAIL GROUP INC.

Filing on July 23, 2020, the apparel conglomerate entered Chapter 11 with a restructuring plan including $150M in a new term loan and to reduce debt by $1B. The Company plans to close 1,600 of its 2,800 stores.

RTW retailwinds

Filing on July 13, 2020, the retailer planned to close many, if not all, of its stores and potentially sell its e-commerce unit. Shortly after, the Company was sold to an investment firm, Saadia Group for $40M.

Brooks Brothers

Filing on July 8, 2020, Brooks Brothers raised $75M in debtor-in-possession financing and proposed a plan to permanently close 51 stores in its Chapter 11 bankruptcy filing. Ongoing sale proceedings with SPARC Group to purchase the Company for $325M continue.

G-STAR RAW

Filing on July 3, 2020, G-Star Raw planned to close around 24 its 31 U.S. stores. The Company filed for Chapter 11 after it couldn't negotiate rent concessions with its landlords. As of August 20, the Company shut down all 57 of its Australian stores after it was unable to find a buyer.

LUCKY BRAND

Filing on July 3, 2020, Lucky Brand plans to close some of its stores and sell itself to Authentic Brands Group for at least $140M. The denim specialists noted severely impacted sales from the COVID-19 pandemic.

CENTRIC BRANDS

Filing for Chapter 11 bankruptcy on May 18, 2020, the brand licensing company entered with a restructuring plan approved by nearly all its secured lenders. The pandemic disrupted wholesale accounts and constrained cash flow. As of August 17, Centric won approval for its bid procedures motion.

JCPenney

Filing on May 15, 2020, J.C. Penney had a plan that may either lead to a reorganization, sale or possible liquidation. As sales approached zero in the middle of the pandemic, out-of-court talks with lenders slowed and forced a formal Chapter 11 filing. On September 16, Brookfield Property Group purchased a substantial part of the company's retail and operating assets for $1.75B.

STAGE

Filing for bankruptcy on May 11, 2020, the retailer plans to liquidate unless a buyer emerges. Banks reduced revolver limits, the company missed targets, increased layoffs and closed stores leading to a liquidity crunch. As of August 17, the company had not found a buyer and its bankruptcy plan had been approved.

ALDO

Filing for Chapter 15 bankruptcy on May 7, 2020, ALDO hopes to restructure its debt and close stores to remain competitive. The CEO noted increased business and cash flow pressure from the COVID-19 pandemic. The U.K. operations of ALDO were recently sold to Bushell Investment Group.

Neiman Marcus

Filing for Chapter 11 bankruptcy on May 7, 2020, the department store retailer successfully eliminated $4B in debt. The new company owners include PIMCO, Davidson Kempner Capital Management and Sixth Street.

J.CREW

Filing for Chapter 11 bankruptcy on May 4, 2020, J. Crew successfully completed its restructuring process. J. Crew's lenders, led by Anchorage Capital are now in control of the retailer through a conversion of $1.65B of debt to equity.

Roots

Filing for Chapter 7 on April 29, 2020, the Company plans to keep two stores open, closing seven others and expanding its e-commerce presence. The Company believes an online presence is the best way to serve customers in the short term.

TRUE RELIGION BRAND JEANS

Filing for Chapter 11 on April 13, 2020, the Company plans to reopen many of its stores after the pandemic, which caused an 80% decrease in sales. The Company filed seeking new financing and court protection from rent obligations.

MODELL'S SPORTING GOODS

Filing for Chapter 11 bankruptcy on March 11, 2020, the retailer plans to liquidate its 134-store fleet and sell its intellectual property. On September 18, the Company unveiled its Chapter 11 plan seeking to pay secured and priority claims in full.

bluestem brands, inc.

Filing for Chapter 11 bankruptcy on March 9, 2020, the Company entered with a $300M dark horse bidder after poor holiday performance and a liquidity pinch. On July 7, the Company won approval to sell its assets to lenders forgiving $250M in debt.

Note: Excludes the following: (1) J.Jill, which obtained necessary consents to implement an out-of-court consensual restructuring on September 11, 2020 and avoid filing Chapter 11; and (2) Chico's, whose Canadian subsidiary filed for bankruptcy in Ontario to permanently close all 10 of its stores in the country

Note: Bankruptcy filings listed by date of filing (newest to oldest)

Operational Benchmarking

		Year-over-Year Revenue Growth	EBITDA Margin	
		LTM Q2 2020	LTM Q2 2020	LTM Change YoY
Apparel Composite	Active	(2.1%)	16.4%	(3.7%)
	Contemporary	(16.7%)	3.8%	(3.4%)
	Basic	(8.6%)	8.3%	(2.2%)
	Diversified	(15.3%)	8.4%	(5.8%)
	Accessories	(18.1%)	8.5%	(7.6%)
	Footwear	(6.2%)	9.2%	(3.5%)
	Luxury	(9.4%)	17.3%	(5.4%)
	Total	(10.9%)	10.3%	(4.5%)
Retail Composite	Contemporary	(12.3%)	4.9%	(7.1%)
	Women's Category	(12.1%)	3.1%	(6.1%)
	Men's Category	(21.7%)	(3.1%)	(8.6%)
	Kids/Tween	(9.8%)	8.1%	(3.3%)
	Footwear	(9.0%)	5.1%	(3.5%)
	Department Stores	(18.9%)	2.6%	(6.4%)
	Off-Price	(16.4%)	4.8%	(8.3%)
	Sporting Goods	4.3%	7.2%	1.2%
	Mass/Club	7.7%	7.0%	0.3%
	Total	(9.8%)	4.4%	(4.6%)
	Online Retail	19.9%	8.8%	(0.8%)

EBITDA is earnings before interest, tax, depreciation and amortization
Sector index weight based on company market capitalization at valuation date. LTM reflects last twelve months ending August 31, 2020.
Source: S&P Global Market Intelligence; index constituents on pages 13-20

Valuation Benchmarking

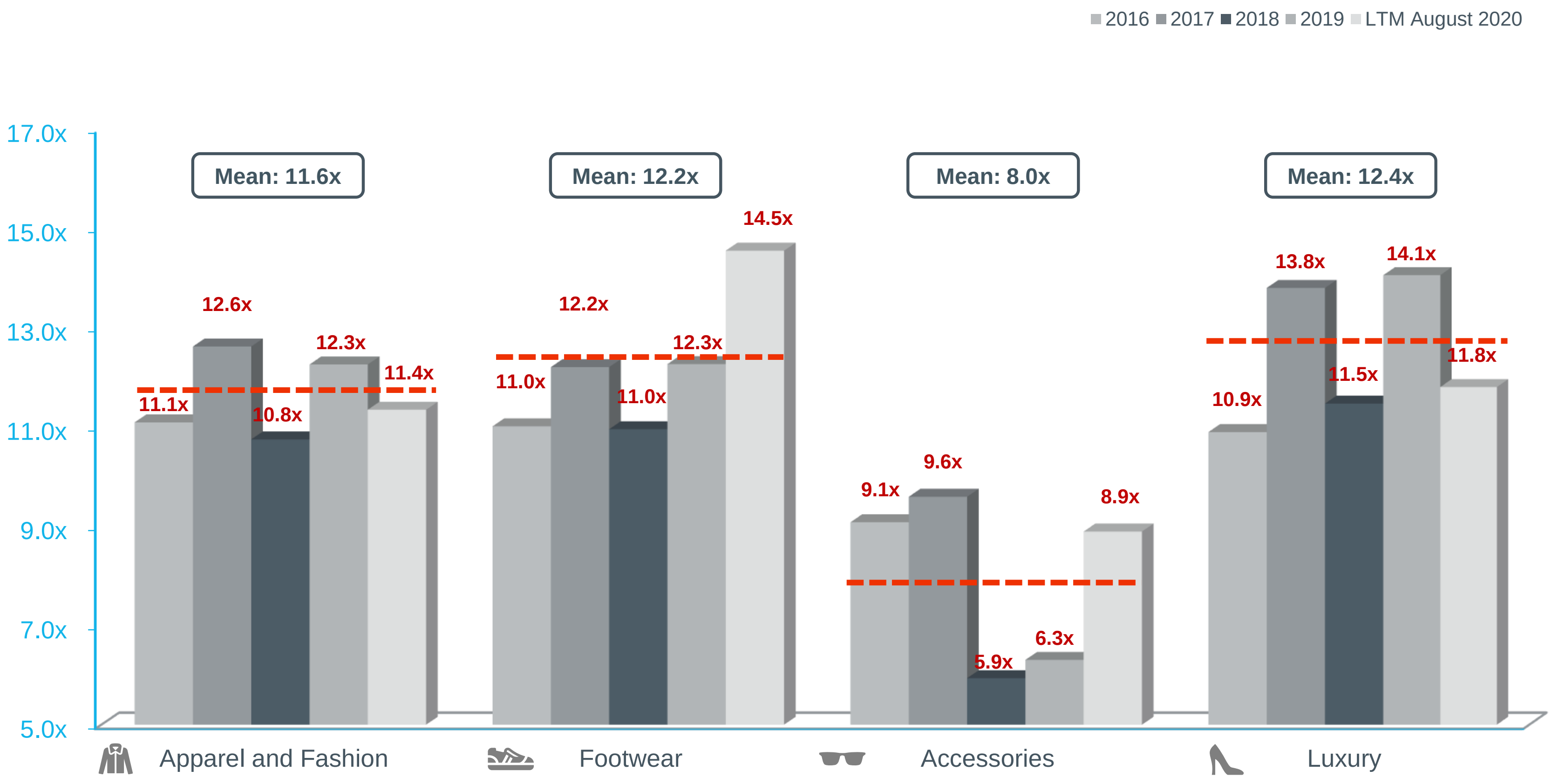
		One-Year Stock Performance	Enterprise Value as a Multiple of: LTM Revenue	Enterprise Value as a Multiple of: LTM EBITDA	One-Year Change in Enterprise Value as a Multiple of: Revenue	One-Year Change in Enterprise Value as a Multiple of: EBITDA
Apparel Composite	Active	6.9%	2.90x	17.9x	0.14x	2.5x
	Contemporary	(46.9%)	0.36x	6.3x	(0.38x)	(3.2x)
	Basic	(7.3%)	1.03x	11.0x	(0.22x)	0.5x
	Diversified	(23.0%)	1.39x	10.6x	(0.39x)	2.8x
	Accessories	(22.9%)	0.94x	8.9x	(0.11x)	2.2x
	Footwear	4.7%	1.93x	14.5x	0.12x	3.2x
	Luxury	(8.7%)	2.68x	11.8x	(0.14x)	(0.4x)
	Total	(13.9%)	1.60x	11.6x	(0.14x)	1.1x
Retail Composite	Contemporary	6.8%	0.35x	10.5x	(0.42x)	0.6x
	Women's Category	(15.1%)	0.64x	9.6x	(0.34x)	(0.4x)
	Men's Category	(81.4%)	0.21x	0.0x	(0.61x)	0.0x
	Kids/Tween	(44.4%)	0.73x	9.7x	(0.57x)	(1.9x)
	Footwear	(25.5%)	0.48x	9.9x	(0.41x)	(0.4x)
	Department Stores	(47.9%)	0.32x	10.4x	(0.19x)	5.0x
	Off-Price	(5.2%)	2.28x	31.6x	(0.03x)	15.6x
	Sporting Goods	138.8%	0.30x	4.2x	(0.22x)	(6.4x)
	Mass/Club	51.7%	0.72x	8.1x	(0.03x)	(1.4x)
	Total	(2.5%)	0.67x	11.7x	(0.31x)	1.3x
	Online Retail	98.7%	2.20x	21.9x	0.35x	0.3x

EBITDA is earnings before interest, tax, depreciation and amortization
Sector index weight based on company market capitalization at valuation date. LTM reflects last twelve months ending August 31, 2020.
Note: Leases deducted from enterprise value in 2019 and beyond to account for Financial Accounting Standards Board's adoption of ASC 842
Source: S&P Global Market Intelligence; index constituents on pages, 13-20

Public Company Trends – Apparel Brands

As a result of COVID-19 related declines in corporate earnings, public market valuation multiples increased as compared to the prior quarter

Enterprise Value as a Multiple of EBITDA[a]

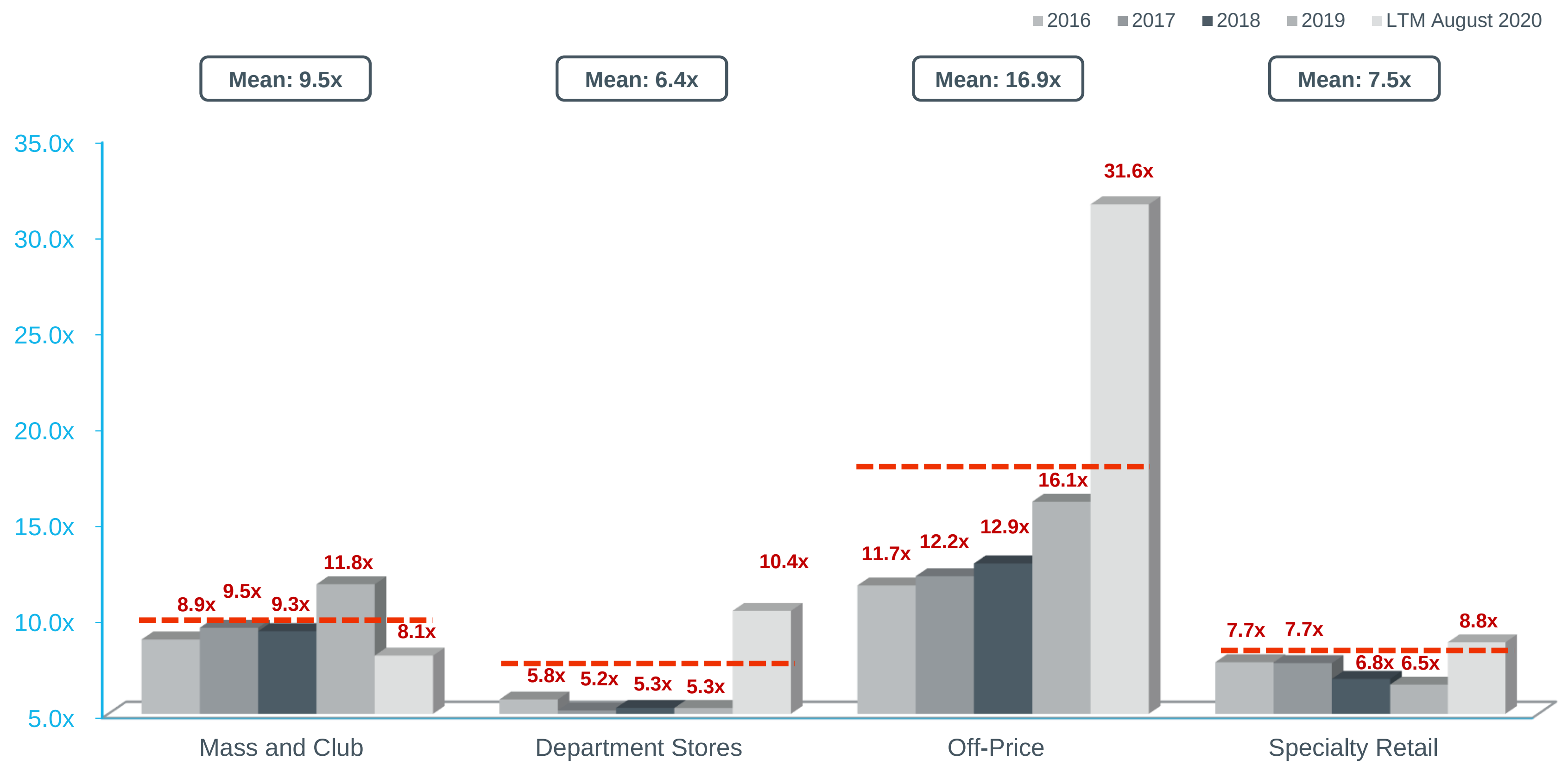


[a] Index calculation excludes any companies with nonmeaningful trading multiples.
Source: S&P Global Market Intelligence. Represents most actively traded public apparel, footwear, accessories and luxury companies.
Note: Leases deducted from enterprise value in 2019 and beyond, to account for FASB's adoption of ASC 842.

Public Company Trends – Retailers

As a result of COVID-19 related declines in corporate earnings, public market valuation multiples increased as compared to the prior quarter

Enterprise Value as a Multiple of EBITDA[a]



[a] Index calculation excludes any companies with nonmeaningful trading multiples.
Source: S&P Global Market Intelligence. Represents most actively traded public mass/club, department stores, off-price and specialty retail companies.
Note: Leases deducted from enterprise value in 2019 and beyond, to account for FASB's adoption of ASC 842.

Public Company Valuations – Apparel Brands

($ in USD millions, except per-share data)	Stock Price Aug. 31, 2020	Performance Since Feb. 15, 2020	One-Year Stock Performance	% of 52-Week High	Market Value	Enterprise Value	Enterprise Value as a Multiple of Revenue LTM	Revenue 2020E	EBITDA LTM	EBITDA 2020E	LTM EBITDA Margin
Active Apparel											
NIKE, Inc.	$111.89	8.1%	33.8%	99.2%	$174,536	$175,406	4.69x	4.98x	NM	NM	11.3%
Lululemon Athletica Inc.	$375.67	47.7%	103.4%	97.8%	$48,915	$48,095	NM	NM	NM	NM	24.3%
Moncler S.p.A.	$38.44	(13.8%)	(4.8%)	75.3%	$9,717	$8,911	NM	NM	18.0x	15.0x	28.6%
Columbia Sportswear Company	$85.57	(6.4%)	(8.2%)	83.2%	$5,660	$5,187	1.89x	2.04x	17.9x	18.4x	10.5%
Under Armour, Inc.	$9.81	(42.9%)	(47.3%)	44.7%	$4,236	$4,395	0.97x	1.13x	NM	NM	3.4%
Canada Goose Holdings Inc.	$24.26	(21.3%)	(35.6%)	54.1%	$2,672	$2,800	4.04x	4.78x	NM	NM	20.2%
Median		**(10.1%)**	**(6.5%)**	**79.2%**	**$7,689**	**$7,049**	**2.97x**	**3.41x**	**17.9x**	**16.7x**	**15.7%**
Mean		**(4.8%)**	**6.9%**	**75.7%**	**$40,956**	**$40,799**	**2.90x**	**3.23x**	**17.9x**	**16.7x**	**16.4%**
Contemporary Apparel											
G-III Apparel Group, Ltd.	$11.06	(58.9%)	(46.1%)	32.1%	$517	$865	0.33x	0.43x	4.4x	8.7x	7.7%
Guess?, Inc.	$11.50	(48.7%)	(35.6%)	48.8%	$777	$860	0.41x	0.45x	8.2x	15.5x	5.0%
Vince Holding Corp.	$5.03	(65.5%)	(59.1%)	18.2%	$59	$112	0.33x	0.46x	NM	NM	(1.2%)
Median		**(58.9%)**	**(46.1%)**	**32.1%**	**$517**	**$860**	**0.33x**	**0.45x**	**6.3x**	**12.1x**	**5.0%**
Mean		**(57.7%)**	**(46.9%)**	**33.0%**	**$451**	**$612**	**0.36x**	**0.44x**	**6.3x**	**12.1x**	**3.8%**
Basic Apparel											
Hanesbrands Inc.	$15.29	6.9%	17.4%	91.3%	$5,323	$8,747	1.31x	1.37x	8.5x	9.9x	15.4%
Gildan Activewear Inc.	$18.99	(31.4%)	(47.6%)	50.4%	$3,765	$4,674	2.24x	2.65x	NM	NM	9.1%
Lands' End, Inc.	$13.38	25.2%	72.6%	72.8%	$436	$836	0.59x	0.60x	10.5x	12.2x	5.6%
Delta Galil Industries Ltd.	$15.24	(41.3%)	(42.1%)	51.2%	$389	$708	0.46x	NM	5.2x	NM	8.8%
Delta Apparel, Inc.	$14.12	(39.4%)	(37.1%)	44.5%	$97	$206	0.55x	0.58x	19.7x	9.7x	2.8%
Median		**(31.4%)**	**(37.1%)**	**51.2%**	**$436**	**$836**	**0.59x**	**0.99x**	**9.5x**	**9.9x**	**8.8%**
Mean		**(16.0%)**	**(7.3%)**	**62.0%**	**$2,002**	**$3,034**	**1.03x**	**1.30x**	**11.0x**	**10.6x**	**8.3%**
Diversified Apparel											
V.F. Corporation	$65.75	(21.4%)	(17.8%)	65.6%	$25,619	$28,403	2.99x	3.30x	NM	NM	13.0%
PVH Corp.	$55.76	(37.6%)	(26.3%)	51.6%	$3,961	$6,297	0.78x	0.90x	13.1x	NM	5.9%
Ralph Lauren Corporation	$68.83	(43.5%)	(20.3%)	53.7%	$5,028	$4,247	0.81x	0.94x	8.2x	12.8x	10.0%
Oxford Industries, Inc.	$49.53	(28.5%)	(27.4%)	61.5%	$828	$870	0.98x	1.12x	NM	NM	4.5%
Median		**(33.1%)**	**(23.3%)**	**57.6%**	**$4,494**	**$5,272**	**0.90x**	**1.03x**	**10.6x**	**12.8x**	**8.0%**
Mean		**(32.8%)**	**(23.0%)**	**58.1%**	**$8,859**	**$9,954**	**1.39x**	**1.56x**	**10.6x**	**12.8x**	**8.4%**

Source: S&P Global Market Intelligence as of August 31, 2020
Note: Leases deducted from enterprise value in 2019 and beyond, to account for FASB's adoption of ASC 842.
Represents most actively traded public apparel and fashion companies.
NM noted for revenue and EBITDA multiples greater than 5.0x and 20.0x, respectively

Public Company Valuations – Footwear Brands

($ in USD millions, except per-share data)	Stock Price Aug. 31, 2020	Performance Since Feb. 15, 2020	One-Year Stock Performance	% of 52-Week High	Market Value	Enterprise Value	Enterprise Value as a Multiple of Revenue LTM	Revenue 2020E	EBITDA LTM	EBITDA 2020E	LTM EBITDA Margin
Footwear											
NIKE, Inc.	$111.89	8.1%	33.8%	99.2%	$174,536	$175,406	4.69x	4.98x	NM	NM	11.3%
adidas AG	$299.18	(11.3%)	(5.2%)	80.6%	$58,144	$58,934	2.42x	NM	NM	NM	11.3%
PUMA SE	$81.29	(3.7%)	0.2%	82.4%	$12,115	$11,816	1.96x	NM	NM	NM	5.7%
Deckers Outdoor Corporation	$203.87	1.7%	38.3%	90.3%	$5,713	$5,082	2.38x	2.42x	12.6x	15.3x	18.9%
Skechers U.S.A., Inc.	$29.85	(21.1%)	(5.7%)	67.1%	$4,713	$4,230	0.90x	0.93x	11.8x	14.0x	7.6%
Crocs, Inc.	$39.91	7.0%	79.0%	91.1%	$2,692	$2,816	2.37x	2.33x	18.3x	14.6x	13.0%
Wolverine World Wide, Inc.	$24.98	(21.4%)	(2.1%)	72.0%	$2,045	$2,659	1.35x	1.49x	NM	14.6x	6.1%
Steven Madden, Ltd.	$21.16	(43.3%)	(35.5%)	47.2%	$1,759	$1,457	1.02x	1.26x	15.2x	NM	6.7%
Caleres, Inc.	$7.81	(45.3%)	(60.1%)	31.4%	$303	$766	0.32x	0.36x	14.9x	NM	2.2%
Median		**(11.3%)**	**(2.1%)**	**80.6%**	**$4,713**	**$4,230**	**1.96x**	**1.49x**	**14.9x**	**14.6x**	**7.6%**
Mean		**(14.4%)**	**4.7%**	**73.5%**	**$29,113**	**$29,241**	**1.93x**	**1.97x**	**14.5x**	**14.6x**	**9.2%**

Source: S&P Global Market Intelligence as of August 31, 2020
Note: Leases deducted from enterprise value in 2019 and beyond, to account for FASB's adoption of ASC 842.
Represents most actively traded public footwear companies.
NM noted for revenue and EBITDA multiples greater than 5.0x and 20.0x, respectively

Public Company Valuations – Accessory Brands

($ in USD millions, except per-share data)	Stock Price Aug. 31, 2020	Performance Since Feb. 15, 2020	One-Year Stock Performance	% of 52-Week High	Market Value	Enterprise Value	Enterprise Value as a Multiple of Revenue LTM	Revenue 2020E	EBITDA LTM	EBITDA 2020E	LTM EBITDA Margin
Accessories											
The Swatch Group AG	$207.73	(24.5%)	(26.4%)	66.3%	$10,406	$9,471	1.35x	1.43x	14.7x	16.1x	9.2%
Pandora A/S	$71.70	33.6%	63.7%	98.0%	$7,145	$7,798	2.52x	2.68x	9.8x	10.4x	25.8%
Tapestry, Inc.	$14.73	(49.6%)	(25.5%)	48.5%	$4,069	$4,934	0.99x	1.13x	7.2x	9.2x	13.8%
Capri Holdings Limited	$15.84	(44.7%)	(40.0%)	39.7%	$2,381	$3,944	0.85x	1.04x	6.7x	12.3x	12.7%
Safilo Group S.p.A.	$0.76	(42.5%)	(34.3%)	40.2%	$210	$424	0.46x	0.46x	NM	NM	(3.4%)
Fossil Group, Inc.	$6.44	0.5%	(49.7%)	45.6%	$330	$320	0.17x	0.21x	NM	NM	(2.7%)
Movado Group, Inc.	$10.91	(35.3%)	(48.3%)	37.9%	$253	$135	0.24x	0.30x	6.2x	NM	3.9%
Median		**(35.3%)**	**(34.3%)**	**45.6%**	**$2,381**	**$3,944**	**0.85x**	**1.04x**	**7.2x**	**11.3x**	**9.2%**
Mean		**(23.2%)**	**(22.9%)**	**53.7%**	**$3,542**	**$3,861**	**0.94x**	**1.04x**	**8.9x**	**12.0x**	**8.5%**

Source: S&P Global Market Intelligence as of August 31, 2020
Note: Leases deducted from enterprise value in 2019 and beyond, to account for FASB's adoption of ASC 842.
Represents most actively traded public fashion accessories companies.
NM noted for revenue and EBITDA multiples greater than 5.0x and 20.0x, respectively

Public Company Valuations – Luxury Brands

($ in USD millions, except per-share data)	Stock Price Aug. 31, 2020	Performance Since Feb. 15, 2020	One-Year Stock Performance	% of 52-Week High	Market Value	Enterprise Value	Enterprise Value as a Multiple of Revenue LTM	Revenue 2020E	EBITDA LTM	EBITDA 2020E	LTM EBITDA Margin
Luxury											
LVMH Moët Hennessy	$465.35	(4.2%)	9.7%	90.5%	$234,237	$243,059	4.37x	4.49x	NM	19.0x	20.5%
Christian Dior SE	$423.65	(17.9%)	(13.9%)	74.7%	$76,430	$113,632	2.04x	2.09x	10.3x	10.8x	19.8%
Hermès International SA	$852.27	3.2%	16.6%	92.3%	$89,148	$83,777	NM	NM	NM	NM	32.6%
Kering SA	$609.64	(10.1%)	18.6%	84.7%	$76,214	$80,018	4.96x	NM	16.7x	16.2x	29.7%
Compagnie Financière Richemont SA	$65.78	(18.8%)	(20.2%)	73.5%	$37,173	$34,046	2.02x	2.20x	12.7x	12.9x	15.9%
Tiffany & Co.[a]	$122.50	(8.8%)	47.3%	91.1%	$14,868	$15,276	4.16x	4.31x	NM	NM	17.5%
Burberry Group plc	$18.57	(27.0%)	(32.9%)	62.3%	$7,495	$6,682	1.97x	2.15x	9.9x	10.3x	19.8%
Hugo Boss AG	$26.80	(48.2%)	(55.5%)	41.5%	$1,815	$2,094	0.74x	NM	9.4x	NM	7.9%
TOD'S S.p.A.	$28.57	(33.8%)	(48.1%)	51.4%	$946	$978	1.15x	1.22x	NM	16.3x	(7.7%)
Median		**(17.9%)**	**(13.9%)**	**74.7%**	**$37,173**	**$34,046**	**2.03x**	**2.17x**	**10.3x**	**14.5x**	**19.8%**
Mean		**(18.4%)**	**(8.7%)**	**73.6%**	**$59,814**	**$64,396**	**2.68x**	**2.74x**	**11.8x**	**14.2x**	**17.3%**

a: LVMH announced the acquisition of Tiffany for $135 per share on November 25, 2019
Source: S&P Global Market Intelligence as of August 31, 2020
Note: Leases deducted from enterprise value in 2019 and beyond, to account for FASB's adoption of ASC 842.
Represents most actively traded luxury companies.
NM noted for revenue and EBITDA multiples greater than 5.0x and 20.0x, respectively

Public Company Valuations – Retailers

($ in USD millions, except per-share data)	Stock Price Aug. 31, 2020	Performance Since Feb. 15, 2020	One-Year Stock Performance	% of 52-Week High	Market Value	Enterprise Value	Enterprise Value as a Multiple of Revenue LTM	Enterprise Value as a Multiple of Revenue 2020E	Enterprise Value as a Multiple of EBITDA LTM	Enterprise Value as a Multiple of EBITDA 2020E	LTM EBITDA Margin
Contemporary Retail											
Lululemon Athletica Inc.	$375.67	47.7%	103.4%	97.8%	$48,915	$48,095	NM	NM	NM	NM	24.3%
The Gap, Inc.	$17.39	(4.1%)	13.3%	87.6%	$6,497	$6,496	0.46x	0.48x	NM	NM	2.3%
Urban Outfitters, Inc.	$23.54	(16.7%)	0.6%	74.9%	$2,302	$1,749	0.49x	0.50x	12.8x	NM	3.9%
Guess?, Inc.	$11.50	(48.7%)	(35.6%)	48.8%	$777	$860	0.41x	0.45x	8.2x	15.5x	5.0%
Express, Inc.	$1.11	(74.6%)	(47.6%)	17.8%	$72	$44	0.03x	0.03x	NM	NM	(11.0%)
Median		**(16.7%)**	**0.6%**	**74.9%**	**$2,302**	**$1,749**	**0.43x**	**0.46x**	**10.5x**	**15.5x**	**3.9%**
Mean		**(19.3%)**	**6.8%**	**65.4%**	**$11,712**	**$11,449**	**0.35x**	**0.37x**	**10.5x**	**15.5x**	**4.9%**
Women's Retail											
L Brands, Inc.	$29.40	20.8%	83.7%	93.8%	$8,168	$12,929	1.14x	1.15x	8.9x	8.9x	12.8%
Aritzia Inc.	$14.17	(26.6%)	10.1%	71.5%	$1,550	$1,498	2.21x	2.39x	16.0x	NM	13.8%
J.Jill, Inc.[a]	$0.38	(62.7%)	(79.4%)	14.9%	$17	$243	0.47x	0.53x	NM	NM	(3.1%)
Vera Bradley, Inc.	$5.27	(45.3%)	(50.2%)	41.3%	$176	$196	0.40x	0.40x	4.0x	3.5x	10.2%
Chico's FAS, Inc.[b]	$1.28	(68.9%)	(55.4%)	24.9%	$153	$178	0.11x	0.12x	NM	NM	(4.1%)
The Cato Corporation	$8.00	(52.9%)	(50.4%)	40.5%	$183	$46	0.07x	NM	NM	NM	(5.4%)
Francesca's Holdings Corporation	$5.90	(20.8%)	35.6%	26.9%	$18	$22	0.06x	NM	NM	NM	(2.2%)
Median		**(45.3%)**	**(50.2%)**	**40.5%**	**$176**	**$196**	**0.40x**	**0.53x**	**8.9x**	**6.2x**	**(2.2%)**
Mean		**(36.6%)**	**(15.1%)**	**44.8%**	**$1,467**	**$2,159**	**0.64x**	**0.92x**	**9.6x**	**6.2x**	**3.1%**

a: Obtained necessary consents to implement an out-of-court consensual financial restructuring transaction on September 11, 2020
b: Subsidiary Chico's FAS Canada filed for bankruptcy in Ontario, Canada on July 30, 2020
Source: S&P Global Market Intelligence as of August 31, 2020
Note: Leases deducted from enterprise value in 2019 and beyond, to account for FASB's adoption of ASC 842.
Represents most actively traded public apparel, footwear and accessories retailers.
NM noted for revenue and EBITDA multiples greater than 5.0x and 20.0x, respectively

Public Company Valuations – Retailers *(cont'd)*

($ in USD millions, except per-share data)	Stock Price Aug. 31, 2020	Performance Since Feb. 15, 2020	One-Year Stock Performance	% of 52-Week High	Market Value	Enterprise Value	EV / Revenue LTM	EV / Revenue 2020E	EV / EBITDA LTM	EV / EBITDA 2020E	LTM EBITDA Margin
Men's Retail											
Destination XL Group, Inc.	$0.33	(62.1%)	(81.4%)	18.5%	$17	$78	0.21x	NM	NM	NM	(3.1%)
Median		**(62.1%)**	**(81.4%)**	**18.5%**	**$17**	**$78**	**0.21x**	**NA**	**NA**	**NA**	**(3.1%)**
Mean		**(62.1%)**	**(81.4%)**	**18.5%**	**$17**	**$78**	**0.21x**	**NA**	**NA**	**NA**	**(3.1%)**
Kids/Tween Retail											
Carter's, Inc.	$79.62	(27.8%)	(12.0%)	70.8%	$3,474	$3,690	1.15x	1.17x	8.6x	10.9x	13.3%
The Children's Place, Inc.	$19.97	(71.2%)	(76.7%)	20.9%	$291	$506	0.30x	0.35x	10.8x	NM	2.8%
Median		**(49.5%)**	**(44.4%)**	**45.9%**	**$1,883**	**$2,098**	**0.73x**	**0.76x**	**9.7x**	**10.9x**	**8.1%**
Mean		**(49.5%)**	**(44.4%)**	**45.9%**	**$1,883**	**$2,098**	**0.73x**	**0.76x**	**9.7x**	**10.9x**	**8.1%**
Footwear Retailers											
Foot Locker, Inc.	$30.33	(24.9%)	(13.1%)	63.4%	$3,161	$1,909	0.26x	0.26x	3.6x	4.4x	7.2%
Boot Barn Holdings, Inc.	$28.23	(15.0%)	(17.6%)	58.7%	$815	$971	1.20x	1.21x	11.9x	12.8x	10.1%
Caleres, Inc.	$7.81	(45.3%)	(60.1%)	31.4%	$303	$766	0.32x	0.36x	14.9x	NM	2.2%
Shoe Carnival, Inc.	$32.88	(7.1%)	8.4%	82.2%	$463	$449	0.47x	0.46x	13.2x	16.8x	3.5%
Genesco Inc.	$19.50	(49.7%)	(45.3%)	36.7%	$286	$258	0.14x	0.15x	5.9x	NM	2.3%
Median		**(24.9%)**	**(17.6%)**	**58.7%**	**$463**	**$766**	**0.32x**	**0.36x**	**11.9x**	**12.8x**	**3.5%**
Mean		**(28.4%)**	**(25.5%)**	**54.5%**	**$1,006**	**$871**	**0.48x**	**0.49x**	**9.9x**	**11.3x**	**5.1%**
Sporting Goods Retailers											
DICK'S Sporting Goods, Inc.	$54.12	22.8%	65.3%	94.6%	$4,823	$4,166	0.48x	0.46x	5.8x	5.3x	8.4%
Hibbett Sports, Inc.	$33.37	42.8%	101.8%	99.3%	$552	$334	0.26x	0.25x	2.7x	2.6x	9.6%
Big 5 Sporting Goods Corporation	$5.91	66.9%	249.3%	69.8%	$126	$144	0.15x	NM	4.2x	NM	3.6%
Median		**42.8%**	**101.8%**	**94.6%**	**$552**	**$334**	**0.26x**	**0.36x**	**4.2x**	**3.9x**	**8.4%**
Mean		**44.2%**	**138.8%**	**87.9%**	**$1,833**	**$1,548**	**0.30x**	**0.36x**	**4.2x**	**3.9x**	**7.2%**

Source: S&P Global Market Intelligence as of August 31, 2020
Note: Leases deducted from enterprise value in 2019 and beyond, to account for FASB's adoption of ASC 842.
Represents most actively traded public apparel, footwear and accessories retailers.
NM noted for revenue and EBITDA multiples greater than 5.0x and 20.0x, respectively

Public Company Valuations – Retailers *(cont'd)*

($ in USD millions, except per-share data)	Stock Price Aug. 31, 2020	Performance Since Feb. 15, 2020	One-Year Stock Performance	% of 52-Week High	Market Value	Enterprise Value	EV / Revenue LTM	EV / Revenue 2020E	EV / EBITDA LTM	EV / EBITDA 2020E	LTM EBITDA Margin
Department Stores											
Macy's, Inc.	$6.97	(58.2%)	(48.5%)	37.5%	$2,162	$5,950	0.30x	0.35x	NM	NM	0.9%
Nordstrom, Inc.	$16.00	(60.3%)	(43.5%)	36.9%	$2,513	$5,288	0.45x	0.47x	NM	NM	0.9%
Kohl's Corporation	$21.36	(52.0%)	(51.9%)	36.0%	$3,369	$4,391	0.27x	0.29x	3.8x	12.3x	7.1%
Dillard's, Inc.	$30.21	(53.6%)	(47.6%)	35.8%	$683	$1,395	0.27x	0.29x	17.0x	NM	1.6%
Median		**(55.9%)**	**(48.1%)**	**36.5%**	**$2,337**	**$4,839**	**0.28x**	**0.32x**	**10.4x**	**12.3x**	**1.3%**
Mean		**(56.0%)**	**(47.9%)**	**36.6%**	**$2,182**	**$4,256**	**0.32x**	**0.35x**	**10.4x**	**12.3x**	**2.6%**
Off-Price Retail											
The TJX Companies, Inc.	$54.79	(13.6%)	0.4%	84.4%	$65,697	$65,271	1.93x	2.03x	33.0x	NM	5.9%
Ross Stores, Inc.	$91.08	(25.2%)	(13.4%)	73.4%	$32,417	$31,713	2.48x	2.60x	30.2x	40.1x	8.2%
Burlington Stores, Inc.	$196.93	(19.8%)	(2.7%)	78.5%	$12,940	$14,016	2.42x	2.57x	NM	NM	0.4%
Median		**(19.8%)**	**(2.7%)**	**78.5%**	**$32,417**	**$31,713**	**2.42x**	**2.57x**	**31.6x**	**40.1x**	**5.9%**
Mean		**(19.5%)**	**(5.2%)**	**78.7%**	**$37,018**	**$37,000**	**2.28x**	**2.40x**	**31.6x**	**40.1x**	**4.8%**
Mass/Club											
Walmart Inc.	$138.85	17.8%	23.7%	98.4%	$393,217	$429,067	0.79x	0.78x	11.7x	12.6x	6.8%
Costco Wholesale Corporation	$347.66	9.2%	19.0%	99.6%	$153,500	$151,222	0.94x	0.90x	NM	NM	4.2%
Target Corporation	$151.21	29.6%	44.4%	96.9%	$75,698	$82,696	0.99x	0.94x	10.5x	10.9x	9.4%
Big Lots, Inc.	$47.15	83.7%	119.8%	82.4%	$1,850	$860	0.15x	0.14x	1.9x	1.7x	7.6%
Median		**23.7%**	**34.0%**	**97.6%**	**$114,599**	**$116,959**	**0.87x**	**0.84x**	**10.5x**	**10.9x**	**7.2%**
Mean		**35.1%**	**51.7%**	**94.3%**	**$156,066**	**$165,961**	**0.72x**	**0.69x**	**8.1x**	**8.4x**	**7.0%**

Source: S&P Global Market Intelligence as of August 31, 2020
Note: Leases deducted from enterprise value in 2019 and beyond, to account for FASB's adoption of ASC 842.
Represents most actively traded public apparel, footwear and accessories retailers.
NM noted for revenue and EBITDA multiples greater than 5.0x and 50.0x, respectively

Public Company Valuations – Retailers *(cont'd)*

($ in USD millions, except per-share data)	Stock Price Aug. 31, 2020	Performance Since Feb. 15, 2020	One-Year Stock Performance	% of 52-Week High	Market Value	Enterprise Value	Enterprise Value as a Multiple of: Revenue LTM	Revenue 2020E	EBITDA LTM	EBITDA 2020E	LTM EBITDA Margin
Online Retail											
Amazon.com, Inc.	$3,450.96	61.6%	94.3%	98.7%	$1,728,550	$1,692,171	NM	4.60x	NM	NM	12.3%
Alibaba Group Holding Limited	$287.03	30.7%	64.0%	98.1%	$776,599	$755,347	NM	NM	NM	26.4x	27.0%
eBay Inc.	$54.78	43.6%	38.0%	89.7%	$38,339	$41,716	3.72x	3.89x	12.5x	10.5x	29.8%
Wayfair Inc.	$296.56	259.6%	163.0%	85.0%	$28,289	$27,903	2.43x	2.01x	NM	NM	(3.1%)
Zalando SE	$85.64	54.1%	62.5%	97.6%	$21,419	$20,150	2.41x	2.21x	NM	NM	3.7%
Rakuten, Inc.	$8.88	3.1%	(6.3%)	84.9%	$12,077	$10,125	0.79x	0.73x	NM	16.1x	(0.6%)
ASOS Plc	$62.53	45.5%	106.3%	95.3%	$6,221	$6,429	1.66x	1.51x	NM	19.6x	3.8%
boohoo group plc	$3.69	(9.8%)	19.9%	66.8%	$4,279	$3,994	2.52x	2.05x	28.9x	21.8x	8.7%
Overstock.com, Inc.	$87.50	869.0%	456.3%	68.1%	$3,740	$3,530	1.95x	1.69x	NM	NM	(2.1%)
Revolve Group, Inc.	$20.08	3.0%	(11.4%)	75.2%	$1,396	$1,269	2.15x	2.10x	24.5x	23.5x	8.8%
Median		**44.6%**	**63.3%**	**87.3%**	**$16,748**	**$15,137**	**2.28x**	**2.05x**	**24.5x**	**20.7x**	**6.3%**
Mean		**136.0%**	**98.7%**	**85.9%**	**$262,091**	**$256,263**	**2.20x**	**2.31x**	**21.9x**	**19.7x**	**8.8%**

Source: S&P Global Market Intelligence as of August 31, 2020
Note: Leases deducted from enterprise value in 2019 and beyond, to account for FASB's adoption of ASC 842.
Represents most actively traded public apparel, footwear and accessories retailers.
NM noted for revenue and EBITDA multiples greater than 5.0x and 30.0x, respectively

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