



Apparel Quarterly Update

Late Fall 2017

Q Market Update

INTRODUCTION

Our Quarterly Apparel Report is intended to provide consistent quarterly insights into all things Apparel. We hope you will find this report, and the other reports to follow, as a useful source of information on current market conditions, trends and transaction activity.

From an M&A perspective, Consumer¹ transactions continue to surge – over \$25 billion of transaction value in Q3 2017 alone – with valuations we have not seen since the economic downturn of 2008. This activity is underpinned by the strength of the debt capital markets where middle-market debt multiples have increased to almost 6x EBITDA. Consumer confidence continues to climb, now exceeding pre-recession levels, and the eight-plus year bull market surged forward with the S&P 500 rising 4% last quarter.

With that said, there are still headwinds in the Apparel sector that are undeniable. Brands reliant upon a rapidly evolving wholesale model must navigate a world that likely includes fewer doors and greater markdown dollars. Digitally native brands must cope with rising customer acquisition costs and lifetime value metrics that are increasingly on the come. All this is to say nothing of brick and mortar retailers, who continue to face declining foot traffic and a pervasive shift to online purchasing.

We believe the uncertainty within the current market has created opportunities for companies who are nimble and well-capitalized: opportunities to problem solve through a convergence of innovation, human capital and technology. We are excited for these opportunities, and for brands that are affecting change, and look forward to sharing our thoughts with you.

KEY DATA POINTS



Consumer confidence has exceeded pre-recession levels, rising 2.8% to 120.6² in Q3 2017; unemployment dropped to 4.2% for the same period



The S&P 500 rose 16.2% over the trailing 12 months, continuing a steady upward trend, with the S&P Consumer Discretionary Index rising 12.8% over the same period³



Within Consumer, the Active Apparel and Footwear index garnered the highest valuations at 12.6x LTM EBITDA



Over \$210 billion of transaction value in Consumer M&A was consummated in the trailing 12 months, as compared to \$134 billion over the same period last year³

Source: S&P Global Market Intelligence, U.S. Bureau of Labor Statistics, The Conference Board

¹ Consumer includes both the consumer staples and consumer discretionary sectors

² Consumer confidence index is benchmarked to 1985=100

³ Trailing 12 months from 9/30/2017 and 9/30/2016, respectively

Trends and Insights

1

Customer Retention > Customer Acquisition

As customer acquisition costs continue to rise, companies are realizing that it is much cheaper to retain than acquire a customer. Marketing channels such as email, social media and native content are among some of the most effective ways to drive customer loyalty.



Only 42% of companies are able to measure Customer Lifetime Value (CLV) accurately, yet 76% of companies see CLV as an important concept for their organization⁴

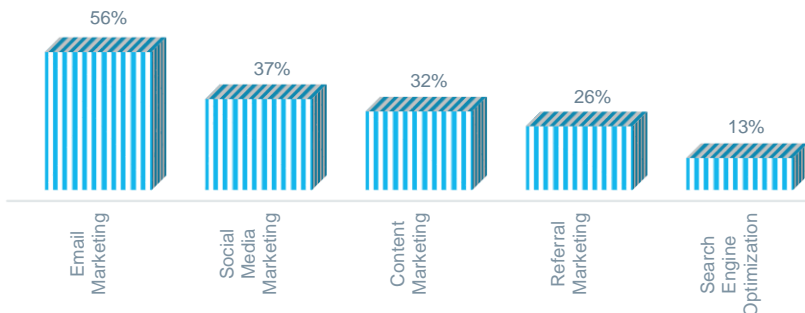


The probability of selling to an existing customer is 60-70%, while the probability of selling to a new prospect is 0-20%⁴



Existing customers are 50% more likely to try new products and spend 31% more, when compared to new customers⁴

Most Effective Digital Marketing Tactics for Customer Retention⁴



⁴ "Customer Acquisition Costs vs. Retention Costs." Invesp.

2

Showrooms Gain in Popularity

A growing number of online and brick-and-mortar companies are adopting the concept of showrooming, which is the process by which a shopper visits a brick-and-mortar store to examine or browse for products but then purchases online. Showrooming has grown popular because people ultimately prefer to touch, try and test out products. At the same time, retailers benefit by holding less inventory.



85% of shoppers still prefer to make their purchases in person⁵



In fashion apparel, physical stores experience a return rate of about 3%, compared with about 25% for online sales⁶



An apparel showroom needs to stock only around 220 items to address its style and size assortment. By contrast, a typical specialty apparel retailer might stock more than 3,600 items in jeans alone⁶

Showrooming vs. Traditional Retail⁷

(Estimated Sales per Square Foot)



⁵ "85% of Consumers Prefer to Shop at Physical Stores vs. Online." TimeTrade.

⁶ "2017 Retail Trends." PwC.

⁷ "Why Retailers Are Trying on Showrooms." RetailDIVE.

Trends and Insights

3

The Rise of Menswear

Men are increasingly prioritizing personal grooming and fashion. Actors, musicians and athletes are paying attention to fashion, which is driving growth in the menswear category. Nevertheless, men are less frequent buyers than women, instead choosing to focus on quality and style over fast fashion. As a result, growth in men’s designer apparel and footwear is surpassing growth in overall menswear, as men are more inclined to pay a premium for branded products that they know and trust.

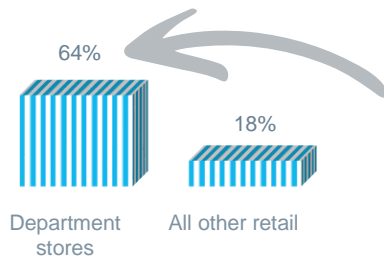


Analysts forecast the global menswear market to grow at a CAGR of 4.51% during the period 2016-2020, compared with 1.8% for the overall U.S. apparel market⁸



The men’s fashion industry is growing in excess of two times that of women’s fashion⁹

Increase in Menswear Apparel Sales for Millennial Men¹⁰



Growth in menswear from millennials is largely taking place in department stores

⁸ “Global Menswear Market.” Reportlinker.

⁹ “The Present And Future Of Men’s Fashion.” Oglivy.

¹⁰ “Millennials Increase Sales Revenues For Menswear Apparel By 64%.” SOR|CG.

4

Denim is Rebounding

Growth in the denim market is being driven by the expanding urban population, an increase in the number of white-collar employees, changing perceptions about “executive wear” and the resulting acceptance of jeans as business casual attire. Additionally, the emergence of four-way stretch, softer cotton and features such as heattech, anti-odor and windproof lines in denim jeans will likely generate interest among consumers over the next four years.



The \$13.5 billion U.S. denim market is the largest denim market in the world and grew 4% in 2016, indicating its rebound from recent challenging times¹¹

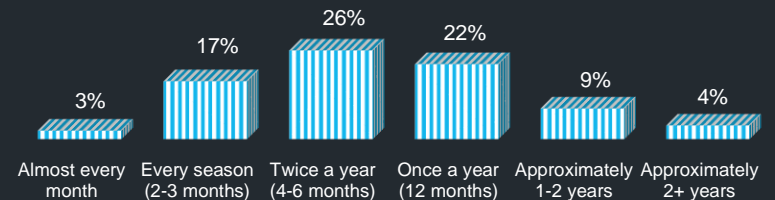


The global market for denim jeans is forecasted to reach \$79.2 billion by 2022¹²



Women own seven pairs of jeans on average, while men own six¹³

Jeans Purchase Frequency¹⁴



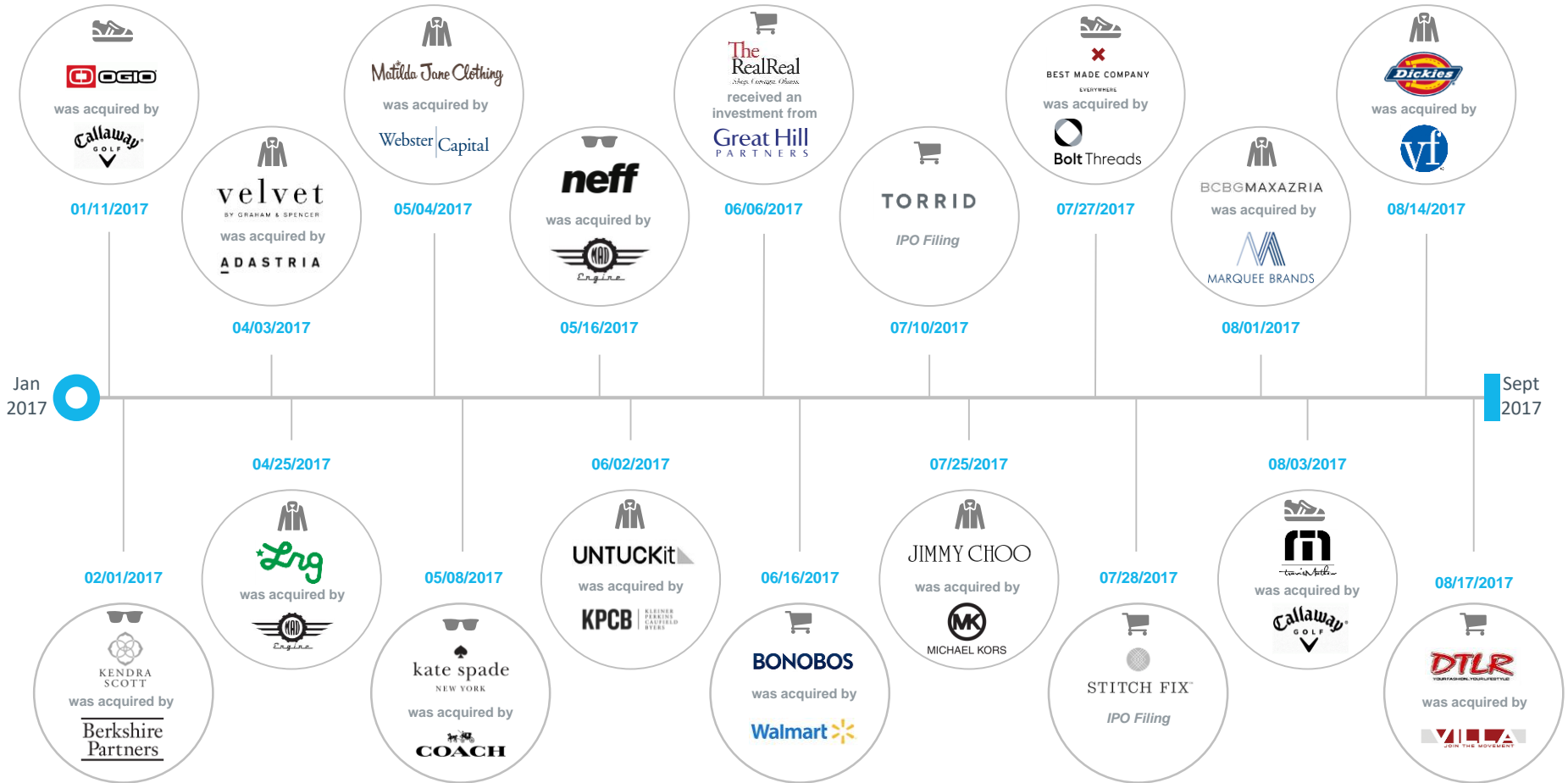
¹¹ “Denim Sales on the Rise in the U.S.” The NPD Group.

¹² “The Global Denim Jeans Market.” Global Industry Analysts, Inc.

¹³ “The Denim Industry in Detail.” FashionUnited.









¹⁴ “How Fast Fashion Affects the Product Lifecycle of Jeans.” Ethan Brown, et. al.

Recent Apparel M&A Transaction Activity



Sectors

Transaction Spotlight

			
			
<p>Kate Spade & Company was acquired by Coach, Inc. for \$2,776 million EV</p>	<p>Bonobos, Inc. was acquired by Wal-Mart Stores, Inc. for \$310 million EV</p>	<p>Jimmy Choo PLC was acquired by Michael Kors Holdings Limited for \$1,066 million EV</p>	<p>TravisMathew LLC was acquired by Callaway Golf Company, Inc. for \$126 million EV</p>
<p>May 2017</p>	<p>June 2017</p>	<p>July 2017</p>	<p>August 2017</p>
<p>Kate Spade & Company designs and markets hand bags, small leather goods and fashion accessories.</p>	<p>Bonobos, Inc. offers pants, shorts, shirts, suiting, sweaters, outerwear, shoes and accessories for men.</p>	<p>Jimmy Choo PLC manufactures and sells shoes and accessories for men and women worldwide.</p>	<p>TravisMathew LLC manufactures and retails golf apparel, outerwear, shoes, socks, belts, hats, luggage and accessories.</p>
<p>Coach, Inc. is a multinational luxury fashion company offering women's and men's bags, apparel and accessories.</p>	<p>Wal-Mart Stores, Inc. is an American multinational retailing corporation operating various discount stores and hypermarkets.</p>	<p>Michael Kors Holdings Limited retails branded apparel, footwear, watches, handbags and other accessories.</p>	<p>Callaway Golf Company, Inc. manufactures and sells golf clubs, balls and accessories.</p>
<p><i>"[Kate Spade] brings important brand attitude and customer diversification to our portfolio. Importantly, Kate Spade has successfully introduced a broad range of lifestyle categories to create a well-articulated brand expression."</i></p> <p>- Victor Luis, Chief Executive Officer and Director of Coach, Inc.</p>	<p><i>"We're seeing momentum in the business as we expand our value proposition with customers and it's incredible to see how fast we're moving. Adding innovators like [Andy Dunn] will continue to help us shape the future of Walmart, and the future of retail. I'm thrilled to welcome Andy and the entire Bonobos team."</i></p> <p>- Marc Lore, President and CEO of Walmart U.S. eCommerce</p>	<p><i>"We believe that Jimmy Choo is poised for meaningful growth in the future and our company is committed to supporting the strong brand equity that Jimmy Choo has built over the last 20 years."</i></p> <p>- John D. Idol, Chairman and Chief Executive Officer of Michael Kors</p>	<p><i>"We are very excited about this acquisition. With its golf heritage, culture of product excellence and double-digit growth in the golf and lifestyle apparel business, TravisMathew is a great fit with our business, brands, culture and our strategy to grow in areas tangential to golf."</i></p> <p>- Chip Brewer, President and Chief Executive Officer of Callaway Golf Company</p>

Sectors



Apparel and Fashion



Active Apparel and Footwear



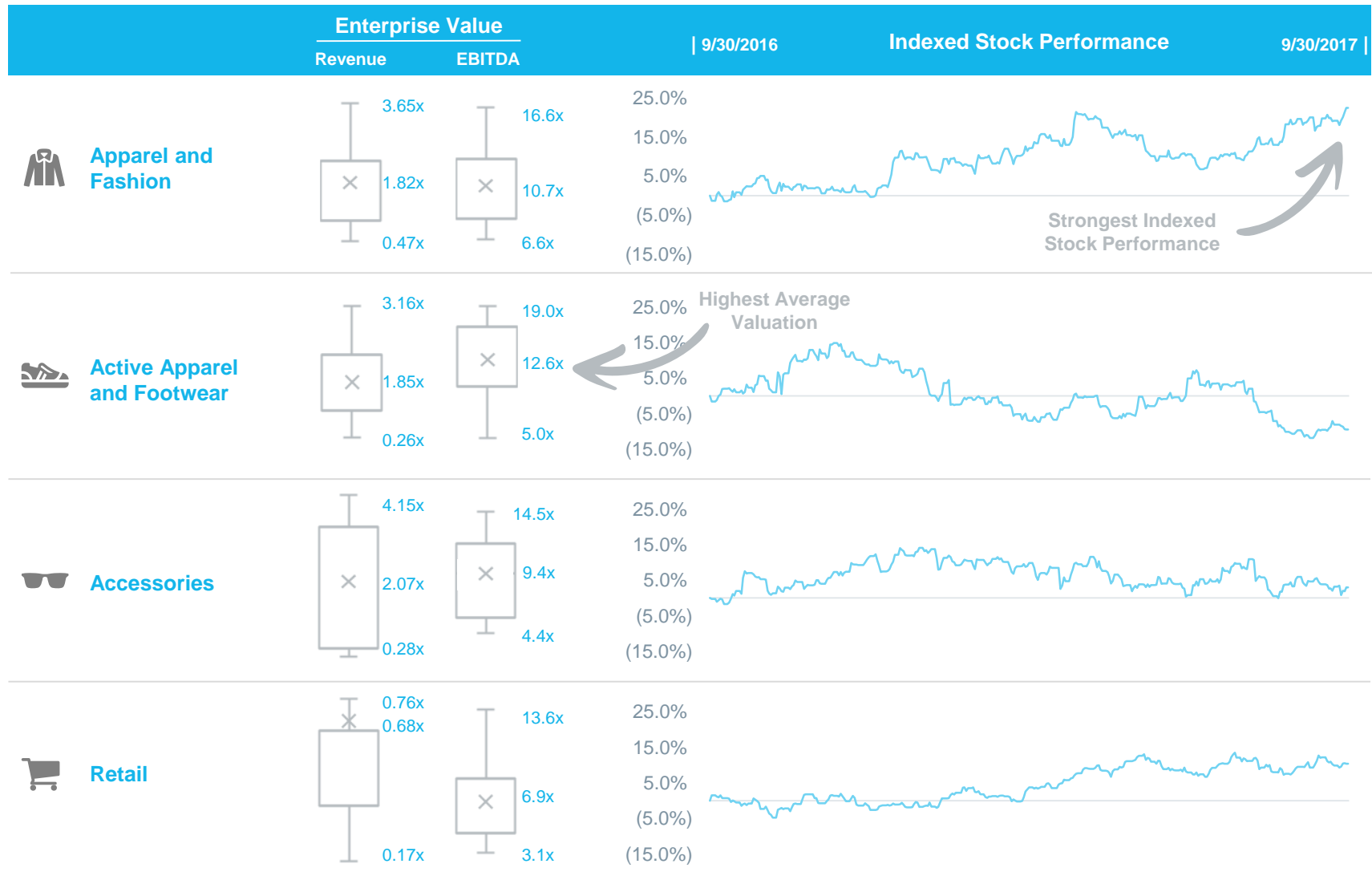
Accessories



Retail

Source: S&P Global Market Intelligence, Pitchbook, Mergermarket, and The Deal

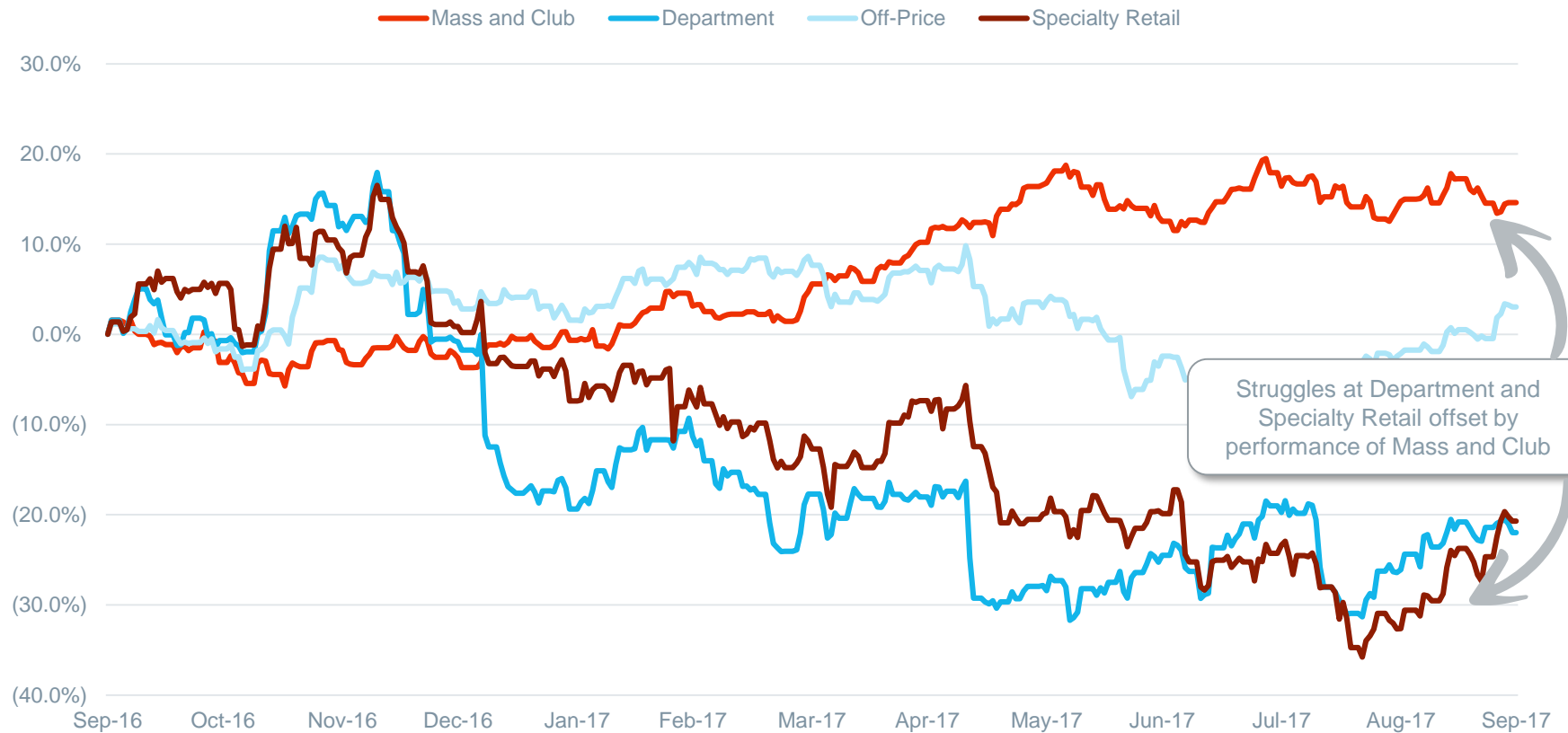
Sector Performance Scorecard



Sectors

Eye on Retail

Indexed Stock Price Performance – Last 12 Months



Sector index weight based upon company market capitalization at valuation date. Source: S&P Global Market Intelligence; index constituents for Mass and Club, Department, Off-Price and Specialty Retail are listed on pages 12 and 13.

Public Apparel Valuations

(\$ in millions, except per share data)

	Stock Price 30-Sep-17	% of 52 Wk High	Market Value	Enterprise Value	Enterprise Value as a Multiple of						LTM EBITDA Margin
					Revenue			EBITDA			
					LTM	2017E	2018E	LTM	2017E	2018E	
Apparel and Fashion											
Burberry Group plc	\$23.60	93.7%	\$10,044	\$8,967	2.42x	2.41x	2.36x	12.8x	11.1x	10.5x	18.9%
Cherokee Inc.	2.75	23.2%	38	82	1.76x	2.18x	1.89x	NM	7.7x	5.2x	8.1%
Delta Galil Industries Ltd.	111.50	91.7%	2,832	3,027	2.28x	NA	NA	NM	NM	NM	8.1%
G-III Apparel Group, Ltd.	29.02	88.0%	1,415	1,925	0.75x	0.69x	0.64x	14.0x	10.3x	8.4x	5.4%
Hanesbrands Inc.	24.64	91.0%	8,981	12,757	2.00x	1.98x	1.94x	12.2x	11.9x	11.4x	16.4%
Hugo Boss AG	88.12	98.3%	6,082	6,268	1.95x	1.95x	1.90x	11.1x	10.7x	10.2x	17.6%
Iconix Brand Group, Inc.	5.69	52.7%	325	1,288	3.65x	NM	NM	8.2x	11.5x	10.5x	44.4%
Kering S.A.	398.36	100.0%	50,303	56,490	3.42x	3.23x	3.01x	16.6x	15.5x	14.0x	20.6%
Li & Fung Limited	3.92	95.6%	33,202	33,573	2.09x	2.14x	2.11x	NM	NM	NM	3.0%
Michael Kors Holdings Limited	47.85	90.8%	7,254	7,136	1.60x	1.64x	1.66x	6.7x	7.6x	7.7x	24.0%
Perry Ellis International, Inc.	23.66	81.6%	372	402	0.47x	0.46x	0.45x	9.9x	6.6x	6.1x	4.8%
Prada S.p.A	32.15	72.7%	82,260	82,542	NM	NM	NM	NM	NM	NM	18.6%
PVH Corp.	126.06	96.4%	9,760	12,408	1.48x	1.43x	1.37x	10.8x	10.8x	9.9x	13.6%
Ralph Lauren Corporation	88.29	77.4%	7,175	6,502	1.01x	1.06x	1.08x	6.6x	7.1x	7.1x	15.3%
Sequential Brands Group, Inc.	2.99	35.2%	189	876	NM	NM	4.74x	8.6x	8.7x	7.8x	60.1%
Vince Holding Corp.	0.60	10.0%	70	138	0.53x	NA	NA	NM	NM	NM	(0.5%)
Median		89.4%	\$6,628	\$6,385	1.85x	1.95x	1.89x	10.8x	10.5x	9.2x	15.9%
Mean		74.9%	\$13,769	\$14,649	1.82x	1.74x	1.93x	10.7x	10.0x	9.1x	17.4%

Sectors



Apparel and Fashion



Active Apparel and Footwear



Accessories



Retail

Source: S&P Global Market Intelligence as of September 30, 2017. Represents most actively traded public apparel companies

Public Apparel Valuations

(\$ in millions, except per share data)

	Stock Price 30-Sep-17	% of 52 Wk High	Market Value	Enterprise Value	Enterprise Value as a Multiple of						LTM EBITDA Margin
					Revenue			EBITDA			
					LTM	2017E	2018E	LTM	2017E	2018E	
Active Apparel and Footwear											
Adidas AG	\$226.25	95.2%	\$45,851	\$46,446	1.87x	1.81x	1.65x	NM	16.0x	13.7x	9.2%
ASICS Corporation	14.88	66.0%	2,825	2,812	0.81x	0.77x	0.74x	9.8x	9.6x	8.8x	8.2%
Billabong International Limited	0.41	36.0%	81	197	0.26x	NA	NA	5.0x	NM	NM	5.1%
Columbia Sportswear Company	61.58	96.9%	4,295	3,698	1.54x	1.51x	1.44x	11.6x	11.4x	10.6x	13.3%
Crocs, Inc.	9.70	98.5%	696	722	0.71x	0.71x	0.71x	17.5x	14.0x	9.0x	4.1%
Deckers Outdoor Corporation	68.41	94.1%	2,189	1,942	1.06x	1.10x	1.08x	8.6x	8.5x	8.0x	12.4%
Lululemon Athletica Inc.	62.25	85.6%	8,428	7,706	3.16x	2.98x	2.70x	14.8x	13.7x	12.2x	21.3%
NIKE, Inc.	51.85	85.7%	85,106	83,401	2.43x	2.41x	2.25x	15.6x	16.8x	14.5x	15.6%
PUMA SE	388.22	88.4%	5,800	5,636	1.22x	1.16x	1.06x	19.0x	16.5x	13.2x	6.4%
Skechers U.S.A., Inc.	25.09	83.6%	3,975	3,402	0.89x	0.84x	0.76x	7.9x	7.9x	6.4x	11.3%
Under Armour, Inc.	16.48	42.0%	7,267	8,057	1.62x	1.54x	1.39x	15.3x	17.8x	15.8x	10.6%
V.F. Corporation	63.57	98.5%	25,023	27,636	2.30x	2.34x	2.18x	14.8x	14.5x	13.5x	15.6%
Wolverine World Wide, Inc.	28.85	98.8%	2,788	3,189	1.26x	1.36x	1.38x	11.8x	10.7x	10.1x	10.7%
Median		88.4%	\$4,295	\$3,698	1.26x	1.43x	1.38x	13.3x	13.8x	11.4x	10.7%
Mean		82.3%	\$14,948	\$14,988	1.47x	1.55x	1.44x	12.6x	13.1x	11.3x	11.1%

Sectors



Apparel and Fashion



Active Apparel and Footwear



Accessories



Retail

Source: S&P Global Market Intelligence as of September 30, 2017. Represents most actively traded public active apparel and footwear companies

Public Apparel Valuations

(\$ in millions, except per share data)

	Stock Price 30-Sep-17	% of 52 Wk High	Market Value	Enterprise Value	Enterprise Value as a Multiple of						LTM EBITDA Margin
					Revenue			EBITDA			
					LTM	2017E	2018E	LTM	2017E	2018E	
Accessories											
Coach, Inc.	\$40.28	82.5%	\$11,390	\$9,886	2.20x	1.89x	1.65x	9.9x	8.6x	7.4x	22.3%
Essilor International Société Anonyme	123.80	85.8%	26,485	29,649	3.37x	3.31x	3.15x	14.5x	14.3x	13.3x	23.2%
Fossil Group, Inc.	9.33	25.3%	453	791	0.28x	0.28x	0.29x	4.4x	5.3x	4.7x	6.2%
Luxottica Group S.p.A.	55.89	82.2%	26,741	28,009	2.55x	2.55x	2.43x	11.8x	11.9x	11.2x	21.7%
Movado Group, Inc.	28.00	87.6%	643	510	0.95x	0.95x	0.92x	8.8x	7.5x	7.3x	10.8%
Pandora A/S	98.71	66.3%	10,883	11,459	3.40x	3.15x	2.81x	9.0x	8.4x	7.5x	37.9%
Compagnie Financière Richemont SA	104.60	99.6%	59,079	52,247	4.15x	4.00x	3.80x	NM	17.2x	15.3x	19.7%
Safilo Group S.p.A.	6.68	55.7%	419	552	0.40x	0.43x	0.41x	NM	8.7x	5.9x	1.4%
Tiffany & Co.	91.78	94.3%	11,428	11,516	2.85x	2.82x	2.70x	11.9x	11.6x	10.8x	24.0%
Vera Bradley, Inc.	8.81	55.5%	317	232	0.49x	0.50x	0.56x	4.7x	5.0x	4.8x	10.6%
Median		82.3%	\$11,137	\$10,672	2.38x	2.22x	2.04x	9.4x	8.7x	7.4x	20.7%
Mean		73.5%	\$14,784	\$14,485	2.07x	1.99x	1.87x	9.4x	9.8x	8.8x	17.8%

Sectors



Apparel and Fashion



Active Apparel and Footwear



Accessories



Retail

Source: S&P Global Market Intelligence as of September 30, 2017. Represents most actively traded accessories companies

Public Apparel Retailer Valuations

(\$ in millions, except per share data)

Department	Stock Price 30-Sep-17	% of 52 Wk High	Market Value	Enterprise Value	Enterprise Value as a Multiple of						LTM EBITDA Margin
					Revenue			EBITDA			
					LTM	2017E	2018E	LTM	2017E	2018E	
The Bon-Ton Stores, Inc.	\$0.43	21.7%	\$9	\$990	0.38x	NA	NA	9.1x	NM	NM	4.2%
Dillard's, Inc.	56.07	67.2%	1,627	2,310	0.37x	0.37x	0.38x	4.6x	4.9x	5.1x	8.0%
Hudson's Bay Company	10.17	73.3%	1,857	5,238	0.45x	0.45x	0.44x	18.5x	13.0x	11.0x	2.5%
J. C. Penney Company, Inc.	3.81	35.5%	1,184	5,178	0.41x	0.42x	0.43x	5.8x	4.9x	5.2x	7.1%
Macy's, Inc.	21.82	48.1%	6,645	12,174	0.49x	0.49x	0.51x	4.6x	4.2x	4.8x	10.6%
Nordstrom, Inc.	47.15	75.1%	7,838	9,659	0.64x	0.63x	0.62x	5.7x	6.0x	5.9x	11.3%
Stage Stores, Inc.	1.84	31.3%	51	252	0.17x	0.16x	0.16x	8.6x	9.1x	5.6x	2.0%
Stein Mart, Inc.	1.30	18.8%	62	222	0.17x	NA	NA	NM	NM	NM	0.0%
Kohl's Corporation	45.65	76.5%	7,696	11,710	0.63x	0.63x	0.64x	5.1x	5.1x	5.3x	12.5%
Median		48.1%	\$1,627	\$5,178	0.41x	0.45x	0.44x	5.8x	5.1x	5.3x	7.1%
Mean		49.7%	\$2,997	\$5,304	0.41x	0.45x	0.45x	7.7x	6.8x	6.1x	6.5%

(\$ in millions, except per share data)

Mass and Club	Stock Price 30-Sep-17	% of 52 Wk High	Market Value	Enterprise Value	Enterprise Value as a Multiple of						LTM EBITDA Margin
					Revenue			EBITDA			
					LTM	2017E	2018E	LTM	2017E	2018E	
Amazon.com, Inc.	\$961.35	88.7%	\$461,813	\$463,981	3.09x	2.67x	2.10x	NM	NM	19.1x	8.2%
Best Buy Co., Inc.	56.96	90.0%	17,042	14,743	0.37x	0.36x	0.36x	5.9x	5.6x	5.7x	6.2%
Costco Wholesale Corporation	164.29	89.7%	72,056	70,597	0.57x	0.54x	0.51x	13.6x	12.8x	11.9x	4.2%
Target Corporation	59.01	74.4%	32,233	42,188	0.61x	0.60x	0.60x	5.9x	6.4x	6.5x	10.3%
Wal-Mart Stores, Inc.	78.14	95.3%	233,420	277,602	0.57x	0.56x	0.55x	8.4x	8.4x	8.3x	6.7%
Median		89.7%	\$72,056	\$70,597	0.57x	0.56x	0.55x	7.2x	7.4x	8.3x	6.7%
Mean		87.6%	\$163,313	\$173,822	1.04x	0.95x	0.82x	8.5x	8.3x	10.3x	7.1%

Sectors



Apparel and Fashion



Active Apparel and Footwear



Accessories



Retail

Source: S&P Global Market Intelligence as of September 30, 2017. Represents most actively traded department stores, mass and club retailers

Public Apparel Retailer Valuations

(\$ in millions, except per share data)

	Stock Price 30-Sep-17	% of 52 Wk High	Market Value	Enterprise Value	Enterprise Value as a Multiple of						LTM EBITDA Margin
					Revenue			EBITDA			
					LTM	2017E	2018E	LTM	2017E	2018E	
Off-Price											
Ross Stores, Inc.	\$64.57	92.5%	\$24,898	\$24,143	1.81x	1.73x	1.65x	11.0x	10.4x	9.8x	16.4%
The TJX Companies, Inc.	73.73	91.1%	46,912	46,190	1.36x	1.29x	1.22x	10.2x	9.7x	9.2x	13.3%
Burlington Stores, Inc.	95.46	91.7%	6,584	7,830	1.36x	1.29x	1.21x	13.1x	11.5x	10.3x	10.4%
Median		91.7%	\$24,898	\$24,143	1.36x	1.29x	1.22x	11.0x	10.4x	9.8x	13.3%
Mean		91.8%	\$26,131	\$26,054	1.51x	1.44x	1.36x	11.4x	10.5x	9.8x	13.4%

(\$ in millions, except per share data)

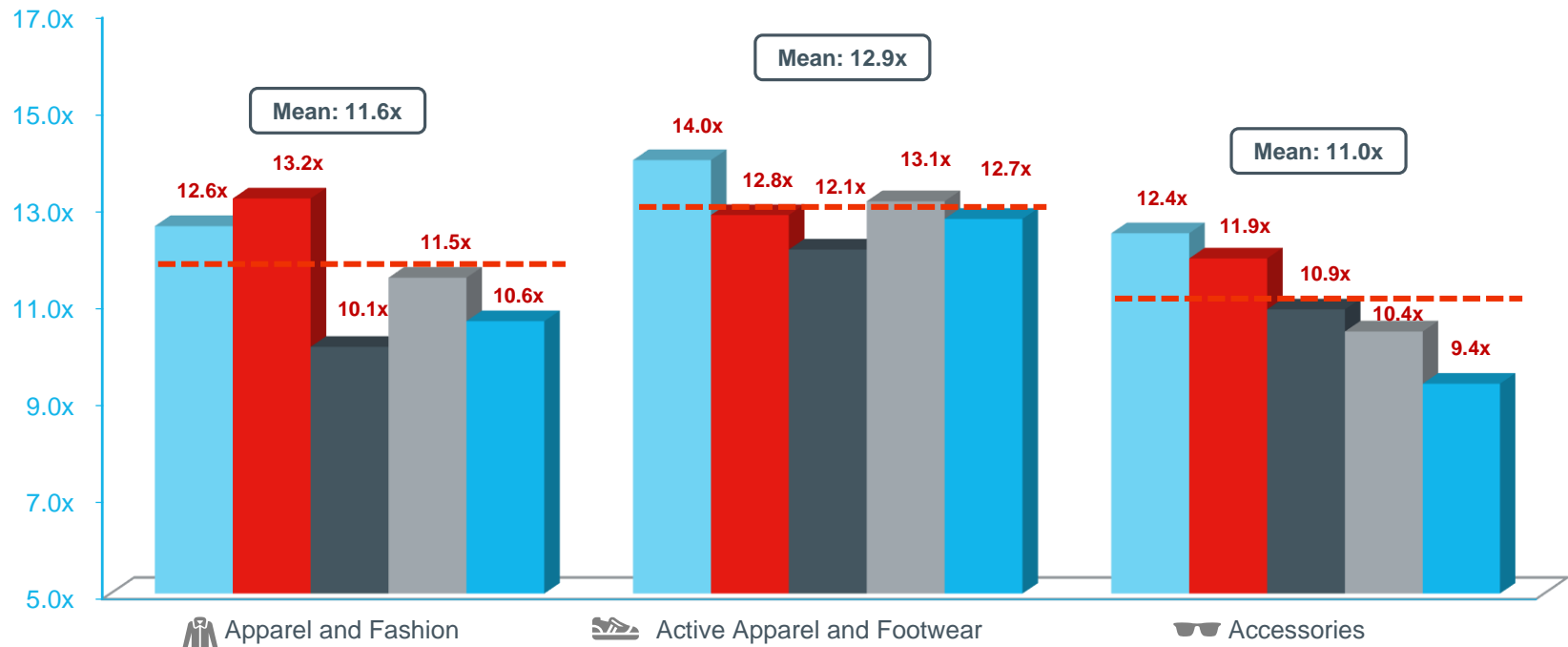
	Stock Price 30-Sep-17	% of 52 Wk High	Market Value	Enterprise Value	Enterprise Value as a Multiple of						LTM EBITDA Margin
					Revenue			EBITDA			
					LTM	2017E	2018E	LTM	2017E	2018E	
Specialty Retail											
Abercrombie & Fitch Co.	\$14.44	83.2%	\$983	\$883	0.27x	0.27x	0.27x	4.9x	4.0x	4.4x	5.5%
American Eagle Outfitters, Inc.	\$14.30	75.3%	\$2,532	\$2,339	0.64x	0.63x	0.62x	4.9x	5.0x	4.8x	13.2%
Ascena Retail Group, Inc.	\$2.45	29.9%	\$471	\$1,682	0.25x	0.26x	0.27x	3.1x	3.3x	3.1x	8.2%
Boot Barn Holdings, Inc.	\$8.90	51.6%	\$237	\$483	0.76x	0.74x	0.69x	8.6x	8.3x	8.0x	8.8%
The Buckle, Inc.	\$16.85	62.2%	\$812	\$569	0.61x	0.63x	0.65x	3.4x	3.8x	4.2x	18.0%
Chico's FAS, Inc.	\$8.95	53.1%	\$1,148	\$1,038	0.44x	0.46x	0.47x	4.0x	4.4x	4.3x	11.0%
DSW Inc.	\$21.48	82.7%	\$1,726	\$1,455	0.53x	0.52x	0.51x	5.4x	5.2x	5.1x	9.8%
The Finish Line, Inc.	\$12.03	49.1%	\$484	\$369	0.20x	0.20x	0.20x	3.9x	3.9x	4.4x	5.2%
Foot Locker, Inc.	\$35.22	44.3%	\$4,367	\$3,450	0.45x	0.45x	0.45x	3.3x	3.6x	3.7x	13.8%
The Gap, Inc.	\$29.53	96.1%	\$11,580	\$11,219	0.73x	0.72x	0.72x	5.6x	5.8x	5.8x	13.0%
Genesco Inc.	\$26.60	36.9%	\$530	\$680	0.24x	0.24x	0.23x	3.7x	3.7x	3.6x	6.5%
L Brands, Inc.	\$41.61	55.1%	\$11,811	\$16,221	1.32x	1.31x	1.27x	6.9x	7.1x	6.9x	19.1%
Urban Outfitters, Inc.	\$23.90	58.6%	\$2,625	\$2,238	0.63x	0.63x	0.62x	5.5x	5.7x	5.5x	11.6%
Zumiez Inc.	\$18.10	68.2%	\$457	\$386	0.45x	0.43x	0.42x	5.8x	5.6x	5.2x	7.8%
Median		56.8%	\$1,066	\$1,246	0.49x	0.49x	0.49x	4.9x	4.7x	4.6x	10.4%
Mean		60.5%	\$2,840	\$3,072	0.54x	0.53x	0.53x	4.9x	5.0x	4.9x	10.8%

Source: S&P Global Market Intelligence as of September 30, 2017. Represents most actively traded public off-price and specialty retailers

Historical Public Apparel Trends

Enterprise Value as a Multiple of EBITDA⁽¹⁾

■ 2013 ■ 2014 ■ 2015 ■ 2016 ■ LTM

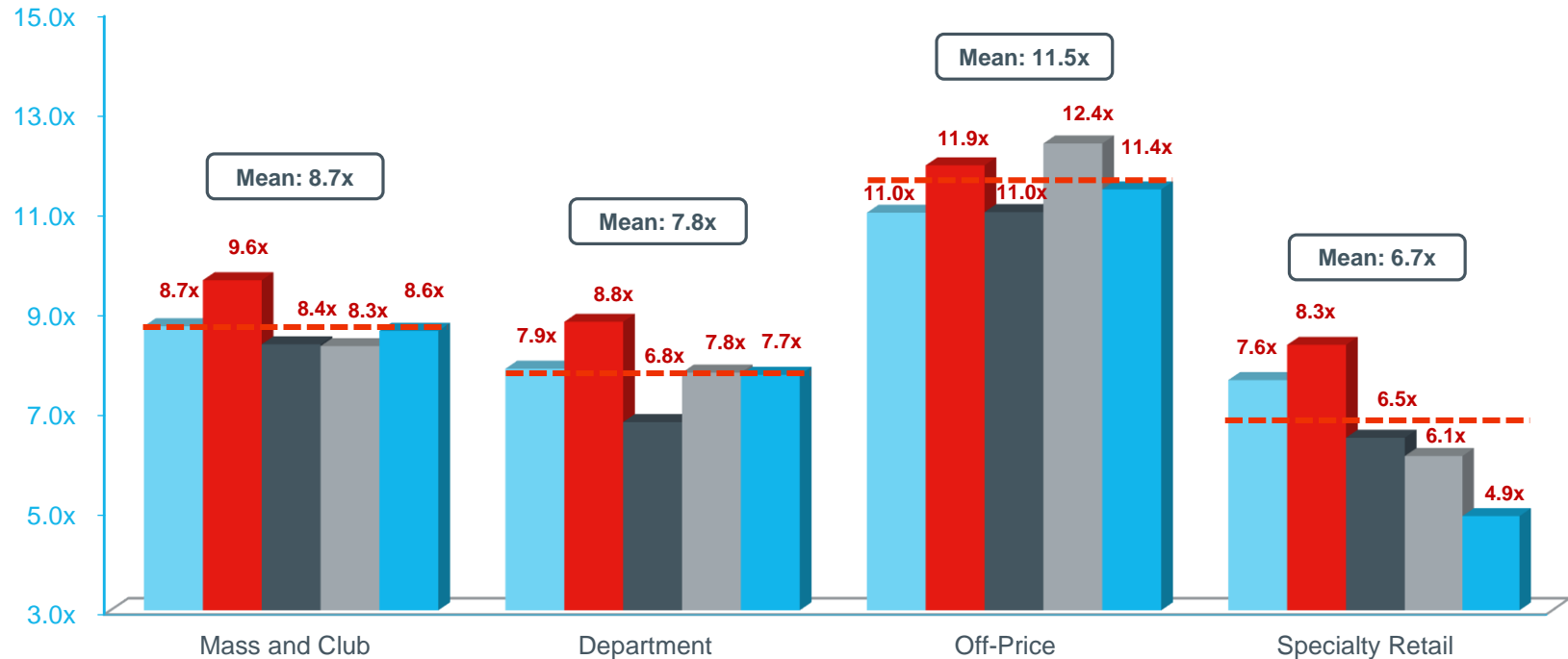


(1) Index calculation excludes any companies with non-meaningful trading multiples
 Source: S&P Global Market Intelligence; LTM values as of 9/30/2017.
 Represents most actively traded public apparel, footwear and accessories companies

Historical Public Apparel Retailer Trends




























Enterprise Value as a Multiple of EBITDA⁽¹⁾

■ 2013 ■ 2014 ■ 2015 ■ 2016 ■ LTM



(1) Index calculation excludes any companies with non-meaningful trading multiples
 Source: S&P Global Market Intelligence; LTM values as of 9/30/2017.
 Represents most actively traded public apparel, footwear and accessories retailers

Selected Duff & Phelps Apparel and Accessories Transactions

<p>Sell Side Advisor*</p>  <p>has received a significant investment from</p> 	<p>Private Placement</p>  <p>has completed a debt financing transaction with</p> 	<p>Private Placement*</p>  <p>has been recapitalized by</p> 	<p>Sell Side Advisor*</p>  <p>a portfolio company of</p>  <p>has been acquired by</p> 	<p>Transaction Advisory</p>  <p>has received a significant investment from</p>  <p>Financial and tax due diligence</p>
<p>Solvency Opinion</p>  <p>J. Crew Group, Inc., a portfolio company of TPG Capital and Leonard Green & Partners, has completed a leveraged dividend recapitalization transaction</p>	<p>Buy Side Advisor</p>  <p>has acquired</p> 	<p>Financial Advisor</p>  <p>The Eileen Fisher, Inc. Employee Stock Ownership Plan has acquired a minority interest in Eileen Fisher, Inc.</p>	<p>Sell Side Advisor*</p>  <p>has received a significant investment from</p> 	<p>Sell Side Advisor</p>  <p>has been acquired by</p> 
<p>Transaction Advisory</p>  <p>has received a significant investment from</p>  <p>Financial and tax due diligence</p>	<p>Sell Side Advisor*</p>  <p>has received a significant investment from</p> 	<p>Sell Side Advisor</p> <p>Most Retail Group has been acquired by Levi Strauss & Co.</p>  <p>Exclusive financial advisor to Most Retail Group</p>	<p>Sell Side Advisor</p>  <p>has been acquired by DR Capital</p>	<p>Solvency Opinion</p>  <p>a portfolio company of</p>  <p>Leveraged dividend recapitalization</p>

Contact Us

Corporate Finance



Joshua Benn
 Head of Consumer
 Corporate Finance
 (212) 450-2840
 joshua.benn@duffandphelps.com



Brian Little
 Managing Director
 (310) 598-4358
 brian.little@duffandphelps.com



Edward Mielke
 Managing Director
 (212) 450-2876
 ed.mielke@duffandphelps.com



Jared Brenner
 Vice President
 (310) 598-4368
 jared.brenner@duffandphelps.com

Valuation Services



Myron Marcinkowski
 Managing Director
 (678) 916-2500
 myron.marcinkowski@duffandphelps.com



Raphael Newman
 Managing Director
 (212) 871-2000
 raphael.newman@duffandphelps.com

About Duff & Phelps

Duff & Phelps is the premier global valuation and corporate finance advisor with expertise in complex valuation, disputes and investigations, M&A, real estate, restructuring, and compliance and regulatory consulting. The firm's more than 2,500 employees serve a diverse range of clients from offices around the world.

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