



Industry Insights

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Apparel M&A Industry Insights

Winter 2023

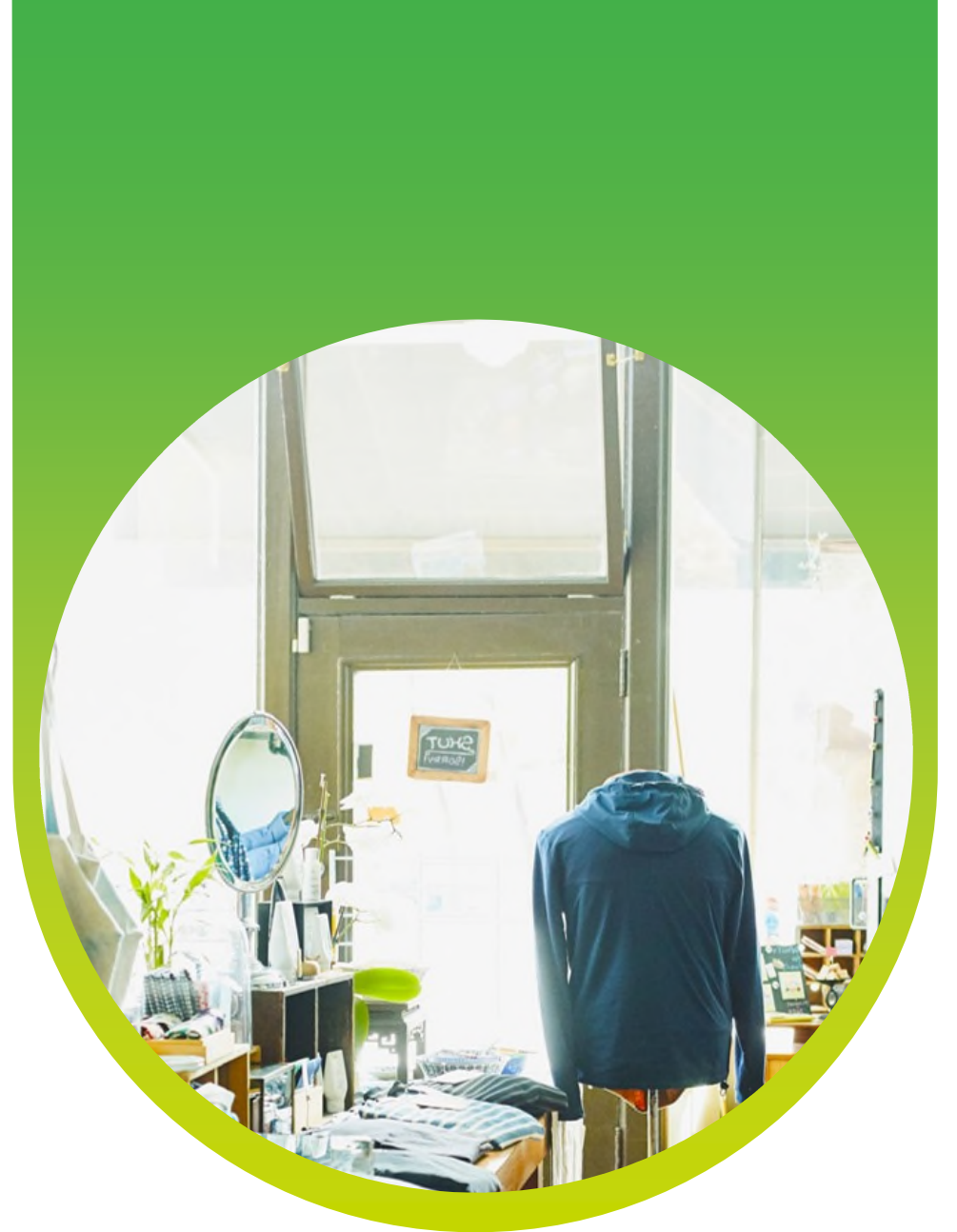


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Apparel Industry Insights

Executive Summary

As we look back at 2022, the macroeconomic and geopolitical backdrop that impacted markets across the globe continued to be a challenge for businesses worldwide. Pandemic restrictions significantly eased in most parts of the world and many businesses experienced impressive growth as a result of pent-up consumer demand. Nevertheless, the general sense of uncertainty driven by inflation, rising interest rates, continued chop in capital markets and the potential effect on the economy certainly played an influential role.

Despite these headwinds, M&A activity in 2022 remained resilient, ending the year on solid footing – albeit deal volume dropped below the historic highs of 2021. Looking ahead to 2023, we feel optimistic that the strength of the economy will persevere, and businesses will have a much clearer line of sight for the future. Private equity will continue to remain active looking for opportunities to deploy trillions of dry powder through selective investments, recapitalizations and exits. Corporates will continue focusing on topline growth through organic and inorganic initiatives, while right-sizing their pricing and cost structures to support their near-term outlook.

As of the date of this report, average LTM EV/EBITDA multiples for apparel and retail remained strong at 10.6x and 8.9x, respectively. Within the apparel space, the active apparel sub-sector garnered the highest valuation at 18.5x, closely followed by the luxury category at 15.6x.

Our apparel report aims to identify trends and provide insights across the apparel sector, focusing on key themes, issues and opportunities. We hope you continue to find this report and its future editions to be a useful source of information.

Trends and Insights

Trends and Insights

A Lesson in Loyalty

Social media has become the most influential component of the retail market. Despite the concentration on Gen Z and other younger generations, social media in fact influences consumers of all ages. To this effect, companies should focus more on investing in their websites and social media presence. The mindset of “engage first, convert second” will help businesses build meaningful relationships with consumers and develop long-term loyalty.⁵

As we shift into the “era of ‘direct-to-community’ marketing” and away from casting a net to “the widest possible audience and biggest addressable market,” retailers should view themselves as content creators.⁵ With more stringent rules surrounding third-party data, first-party data collection is more important now than ever. Engaging directly through ads, influencers and social media posts excites customers and makes them eager to try new products.

Leaders in Loyalty⁶



With nearly 250 million Instagram followers and approximately 3 million TikTok followers, Nike is a leader in building brand loyalty. By using athletes in their high-quality advertisements, customers continue to be drawn to the brand year after year.



Lululemon is savvy in using a variety of social media platforms. Although Lululemon is not on TikTok, influencers continue to use their TikTok accounts to showcase their Lululemon clothing purchases. This complements Lululemon's popular shopping platform on Instagram, driving loyalty and engagement.

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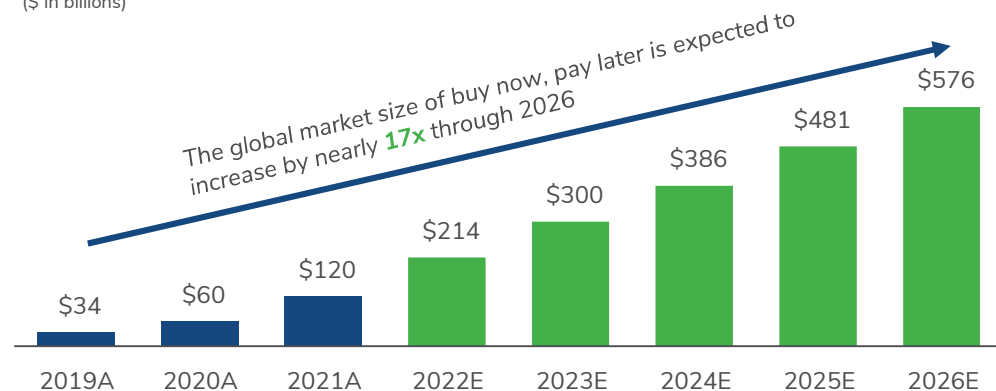
Financing Flexibility Frenzy

Over the last several years, many Americans have enjoyed forms of “buy now, pay later (BNPL),” which allows for bigger purchases to be made, with financing options available and convenient for shoppers. Cost-conscious shoppers, especially millennial and Gen Z consumers, are particularly aligned with the opportunities that BNPL offers.⁷

Afterpay's Next Gen Index found that in 2020, U.S. consumers have increased their usage of buy now, pay later options by 660%. Over the same time period, debit card spending grew 43%, while credit card spending increased by 8%.⁸ As the younger generations move toward purchasing luxury brands, a booming sector in 2022, the need for more flexible options rises. The buy now, pay later option is especially attractive for businesses, as it is a new way to enhance the shopping experience while building customer loyalty.

Global Transaction Value of BNPL⁹

(\$ in billions)



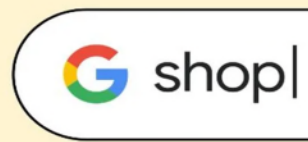
Trends and Insights

Fashion's Newest Stylist: Google

Google is breaking into the fashion scene, helping various brands showcase their products to customers through Google's 3D imaging feature in its mobile app. Through this platform, users can see 360-degrees of the product, zoom in on details, and check every feature of the product before deciding to purchase. Google is testing this feature on Vans and a few other brands.¹⁰

Google's 'Shop the Look' is shaping up to be a full-fledged stylist, assisting people with searches of various products and then subsequently suggesting items complementary to that piece. Alphabet CEO Sundar Pichai, notes that "people are shopping across Google more than one billion times per day," which offers an enormous opportunity to hedge a position against Amazon.¹⁰ The implementation of this feature on Google is beneficial to digital shoppers, adding another layer of diligence before they decide to purchase a product.

Google vs. Amazon in Retail¹⁰



61% of online shoppers begin their online shopping searches on Amazon, down from 74% of shoppers in the first quarter of 2021

49% of consumers shopping online initially use Google to search for products. This figure has stayed steady over the last couple of years, giving Google the opportunity to gain significant ground in the shopping space

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TikTok: Live Shopping Is on the Clock

Pioneered by Alibaba's Taobao Live, live shopping is a type of selling that takes place online. Using video livestreaming and social media platforms, live shopping events allow businesses to create in-store shopping experiences in the online world and accelerate conversion while improving brand appeal and differentiation.

Live shopping has seen incredible success in China, where sales are expected to reach over \$600 billion and account for nearly 20% of total retail sales in 2023. TikTok, the world's fastest growing social media platform, has been testing live shopping with key retailers such as Walmart, and extending this form of real-time video commerce beyond Asia, where it's extremely popular, to regions like the UK.¹¹

Live Shopping Platforms



Like TikTok, big-tech firms like Amazon and Google believe in live shopping's potential as well making major investments in live video commerce via Amazon Live and YouTube, while others like Pinterest and Twitter build their own approaches¹¹



Apparel and fashion is by far the leading category in livestream shopping events, making up **35.6%** of livestreamers, while the next closest category, Beauty, sits at 7.6%¹²

Sector Spotlights

Sector Spotlight | Consumer Spending

Consumers may experience varying levels of effects from the economic headwinds that are expected in 2023. In 2023, differing levels of disposable income will affect discretionary purchases. Some may avoid these purchases until the economic uncertainty settles, while others may propel the already incredibly promotional landscape within retail today.¹³

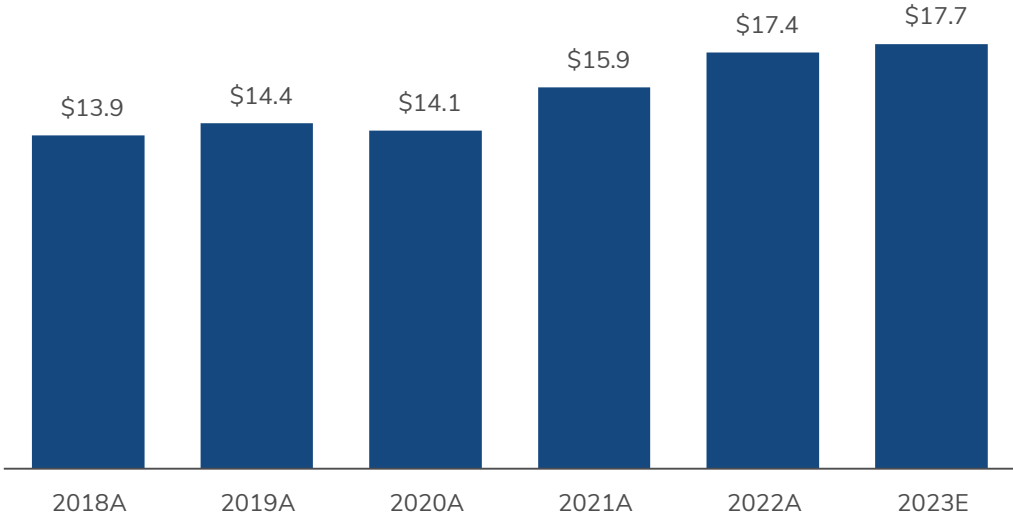
With an increase in promotional activity, consumers are eager to spend. During the 2022 holiday season, which is marked as November 1 to December 24, Mastercard reported that consumer spending was up an average of 7.6% across in-person and online stores.¹³ Specifically, the apparel sector realized a 4.4% year-over-year increase in sales.¹⁴

With the uncertain economic outlook, a few things must fall into place in order to achieve growth in overall consumer spending. According to J.P. Morgan Chase & Co., real consumer spending in the U.S. is still expected to increase by about 2% in 2023, assuming wages grow 4%–5%, while inflation drops to 3%–4%.¹⁵ Despite the potential headwinds, adaptation to consumer spending habits will likely drive growth.

In order to avoid a halt in spending and keep consumers shopping, apparel and other retail brands should focus on customer loyalty this year. Consumer behavior as it relates to spending is largely attributable to consumer confidence.¹³ With high levels of uncertainty regarding the global macroeconomic landscape, retailers can position themselves to tap into consumer confidence by building relationships and loyalty.

U.S. Personal Consumption Expenditures¹⁶

(\$ in trillions)



Short-Term Consumer Confidence Survey, as of Dec 2022¹⁷

Business Conditions Outlook	Labor Market Outlook	Income Outlook
20.4% of consumers expect improvement	19.5% of consumers expect more readily available job openings	16.7% of consumers expect household incomes to increase

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Sector Spotlight | Apparel Industry Outlook

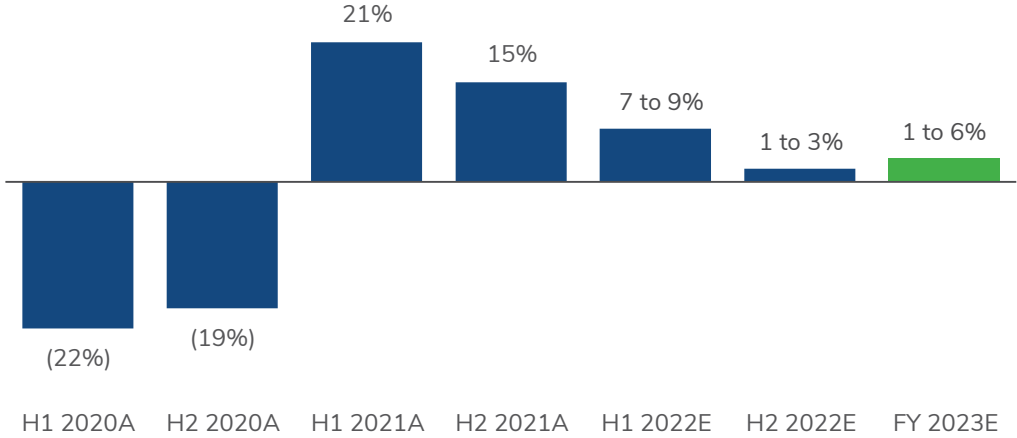
The U.S. apparel industry sharply rebounded after COVID-19 in 2021 and much of 2022. However, in today's fragile and volatile market, expectations for the U.S. apparel industry in 2023 primarily revolve around a narrative of slowed growth.

According to McKinsey & Company, the U.S. apparel industry is expected to grow at a slower rate in 2023 than in 2022 as a result of continued inflation, geopolitical instability, supply chain disruptions, increased economic volatility and elevated energy prices. The luxury segment is expected to show more resilience in the months ahead than other categories, as its sales are projected to grow 5% to 10% in 2023. Non-luxury apparel companies are expected to grow modestly in 2023, between 1% and 6%, continuing the trend observed in the second half of 2022.¹⁸

While the U.S. apparel industry is expected to grow modestly in 2023, it is still expected to outperform J.P. Morgan Chase & Co.'s gross domestic product (GDP) estimate for the year. The bank expects the U.S. economy to expand at a muted 0.5–1% pace in 2023, which incorporates its prediction for a mild recession beginning in late 2023.¹⁵

The perspectives of executives in the apparel industry concur with this narrative of slowed growth, as 56% of executive respondents in McKinsey & Company's State of Fashion 2023 Survey expect conditions in the apparel industry to worsen over the course of this year. While slowed growth is expected across the apparel industry, apparel executives anticipate the casualwear, sportswear and footwear categories to outperform others.¹⁸

U.S. Non-Luxury Apparel Sales, YoY Growth Percentage¹⁸



Apparel Executives' 2023 Perspectives, % of Respondents¹⁸



~37% of apparel executives polled plan to seek cost improvements in 2023, the highest percentage since 2016

~75% of apparel executives polled plan to increase the prices of their products in 2023

~75% of apparel executives polled plan to simplify inventory by reducing the number of products and styles in 2023





~60% of apparel executives polled plan to renegotiate sourcing agreements in 2023

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Recent Apparel M&A Activity

Notable Apparel M&A Transactions

 SERPENTINE has been acquired by MAYFAIR EQUITY PARTNERS Jan-2023	 ** ROMP + TUMBLE has been acquired by rent a romper Jan-2023	 TOP LABELS ONLINE* has been acquired by JPC CAPITAL INVESTMENT GROUP Jan-2023	 WHITE MOUNTAIN* has been acquired by AMERICAN EXCHANGE Jan-2023	 Stedman* collection has been acquired by NL NEXT LEVEL APPAREL & BLUEPOINT CAPITAL PARTNERS Jan-2023	 OURAY SPORTSWEAR has been acquired by LEAGUE LEGACY Jan-2023	 DAVID JONES has been acquired by ANCHORAGE CAPITAL GROUP Dec-2022
 HATCH has received an investment from MARQUEE BRANDS Dec-2022	 THE HOUSE OF LR&C has been acquired by BLUEPOINT CAPITAL PARTNERS Dec-2022	 BLOOMCHIC has been acquired by CATTERTON Dec-2022	 topo* ATHLETIC has been acquired by DSW Dec-2022	 Autry has been acquired by Gruppo Piacenza Dec-2022	 orsay has been acquired by Private Investor Dec-2022	 INTERMIX has been acquired by REGENT Dec-2022
 FORUM-DIRECT YOU'RE COVERED has been acquired by NATIONAL SAFETY APPAREL* Dec-2022	 EKORD has been acquired by colorificio EMMEGIEMME SHOES srl Nov-2022	 UPPAbaby has been acquired by 5514 KM Nov-2022	 GIEVES & HAWKES has been acquired by FRASERS GROUP Nov-2022	 LEAGUE LEGACY has been acquired by Sentinel CAPITAL PARTNERS Nov-2022	 WASH KKKK HOLDINGS* has been acquired by BainCapital Nov-2022	 TOM FORD has been acquired by ESTÉE LAUDER Nov-2022
 RIP-IT has been acquired by GAUGE CAPITAL Nov-2022	 ADORE ME has been acquired by VICTORIA'S SECRET Nov-2022	 GRAILED has been acquired by GOATGROUP Oct-2022	 NEOS OVERSHOE* has been acquired by SureWorx & Riverside Oct-2022	 SCORE has been acquired by BVP Sep-2022	 NOVARESE has been acquired by (GRUPPO FLORENCE) Sep-2022	 lorenza has been acquired by (GRUPPO FLORENCE) Sep-2022

 Apparel and Fashion
  Active Apparel and Footwear
  Accessories
  Retail

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Featured Transaction

Transaction Overview

Kroll's Consumer & Apparel M&A practice advised HATCH Collection LLC ("HATCH") in securing a minority equity investment and licensing agreement from Marquee Brands LLC ("Marquee"). The Kroll team delivered seamless hands-on execution and transaction creativity to provide its client, HATCH, with a premium value outcome.

Strategic Rationale

As part of the transaction, HATCH will lead a newly created parent company, HATCH Collective, which will assume operational responsibility within North America for Motherhood Maternity, A Pea in the Pod and Destination Maternity, creating the destination for every mother's needs across channel, category, price point, and during every stage of pregnancy and beyond. The collective consolidates access to the most sought-after maternity brands. With products, content and community, the HATCH Collective family of brands support the multifaceted needs of anyone embarking on motherhood. The unified brand portfolio strengthens HATCH Collective's commitment to fostering the trusted community platform it's built to empower women during motherhood.

About HATCH

Founded in 2011 by Ariane Goldman, HATCH was designed to serve as a premium lifestyle destination that carries women throughout different stages of pregnancy and motherhood with a sense of style, beauty, and confidence. In 2023, HATCH, Motherhood Maternity, A Pea in the Pod, and Destination Motherhood partnered to create one of the largest unified maternity-wear retailers. HATCH Collective meets all the fashion, skincare, content and community needs for women before, during and after pregnancy. HATCH's editorial platform, Babe, will be reimaged to service all four brands and offer the community content, education, events, and support resources to unite all women under a common thread of motherhood.

About Marquee

Marquee Brands is a leading global brand owner, marketer, and media company. Owned by investor funds managed by Neuberger Berman, one of the world's leading employee-owned investment managers, Marquee Brands targets high quality brands with strong consumer awareness and long-term growth potential. Marquee Brands seeks to identify brands in various consumer product segments with the goal of expanding their reach across retail channels, geography, and product category while preserving the brand heritage and enhancing the ultimate consumer experience.

SELL-SIDE M&A ADVISOR

H A T C H

has received a significant minority investment from



MARQUEE BRANDS

H A T C H
C O L L E C T I V E

H A T C H

H A T C H
MAMA

Babe

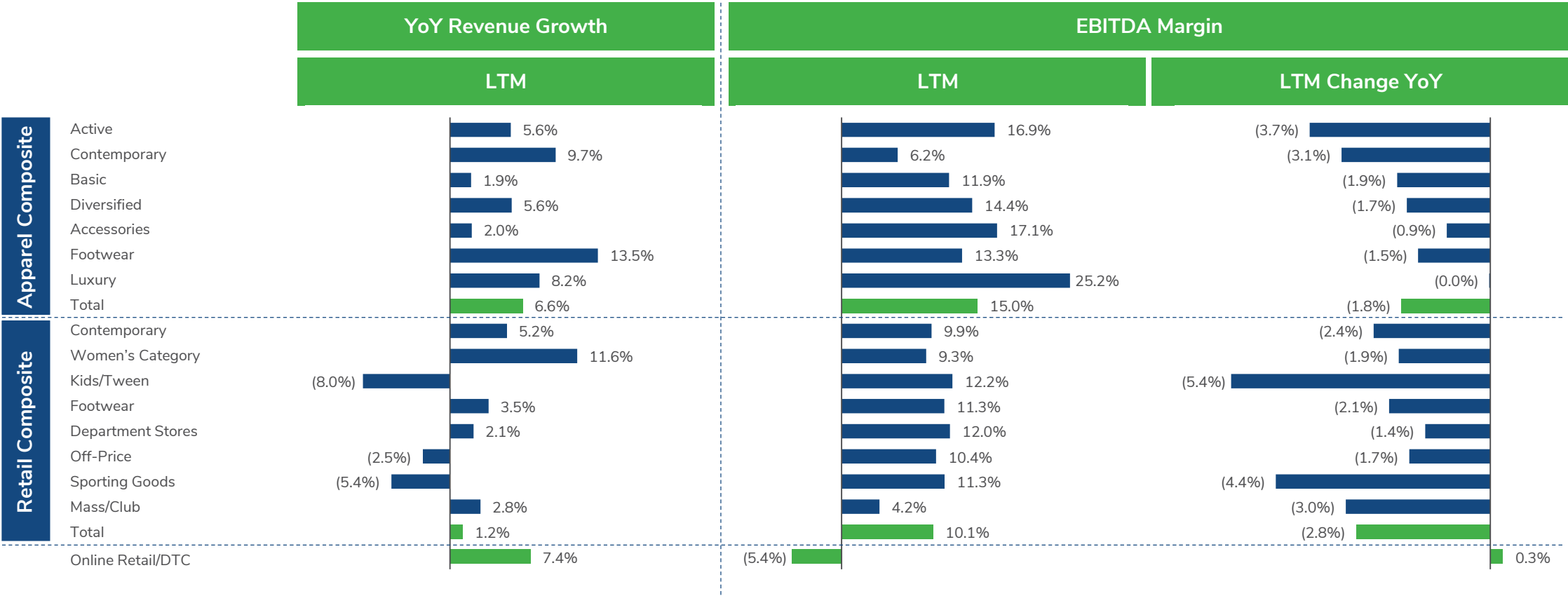
Motherhood.

A PEA IN THE POD®
MATERNITY

DESTINATION
MATERNITY.

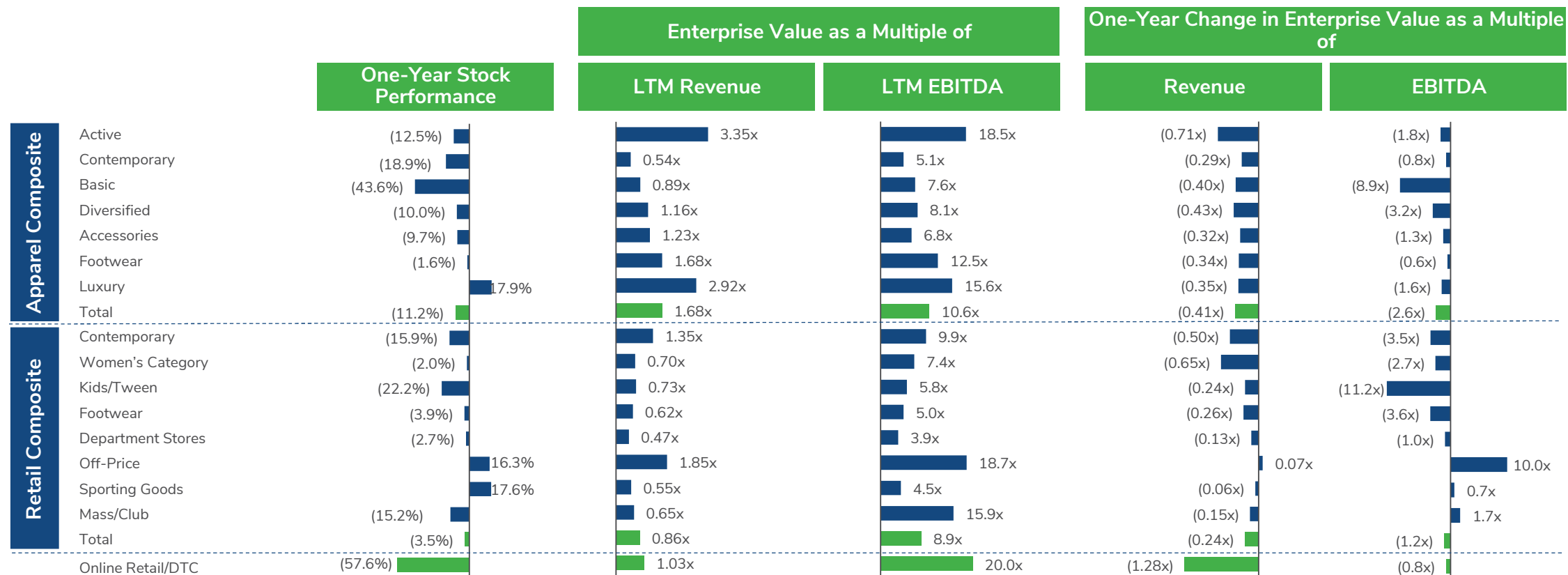
Public Company Data

Operational Benchmarking



Source: Capital IQ; index constituents on pages 18–26
 LTM 2/24/2023
 EBITDA is earnings before interest, tax, depreciation and amortization
 Sector index weight based on company market capitalization at valuation date

Valuation Benchmarking



Source: Capital IQ; index constituents on pages 18–26

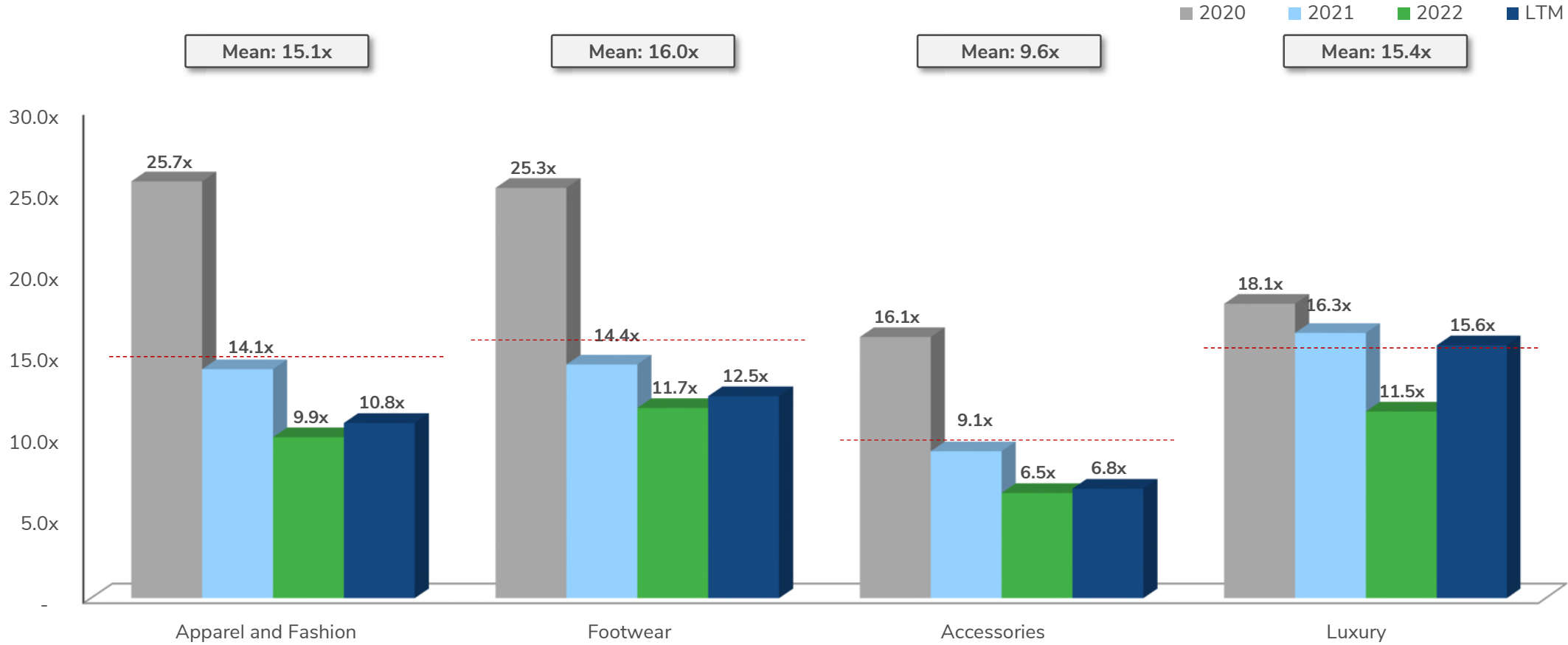
LTM 2/24/2023

EBITDA is earnings before interest, tax, depreciation and amortization

Sector index weight based on company market capitalization at valuation date

Public Company Trends – Apparel Brands

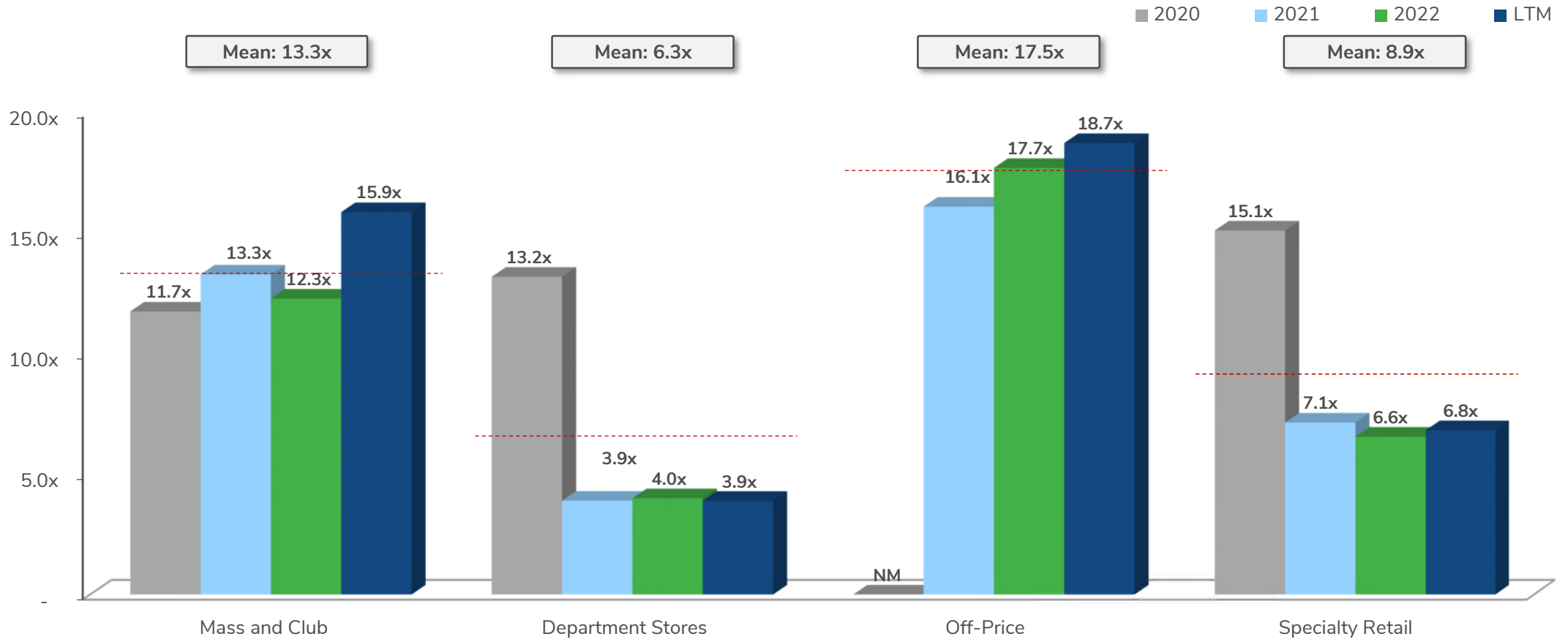
Enterprise Value as a Multiple of EBITDA



Source: Capital IQ; index constituents on pages 18–26
 LTM 2/24/2023
 Nonmeaningful (NM) noted for EBITDA multiples greater than 50.0x

Public Company Trends – Retailers

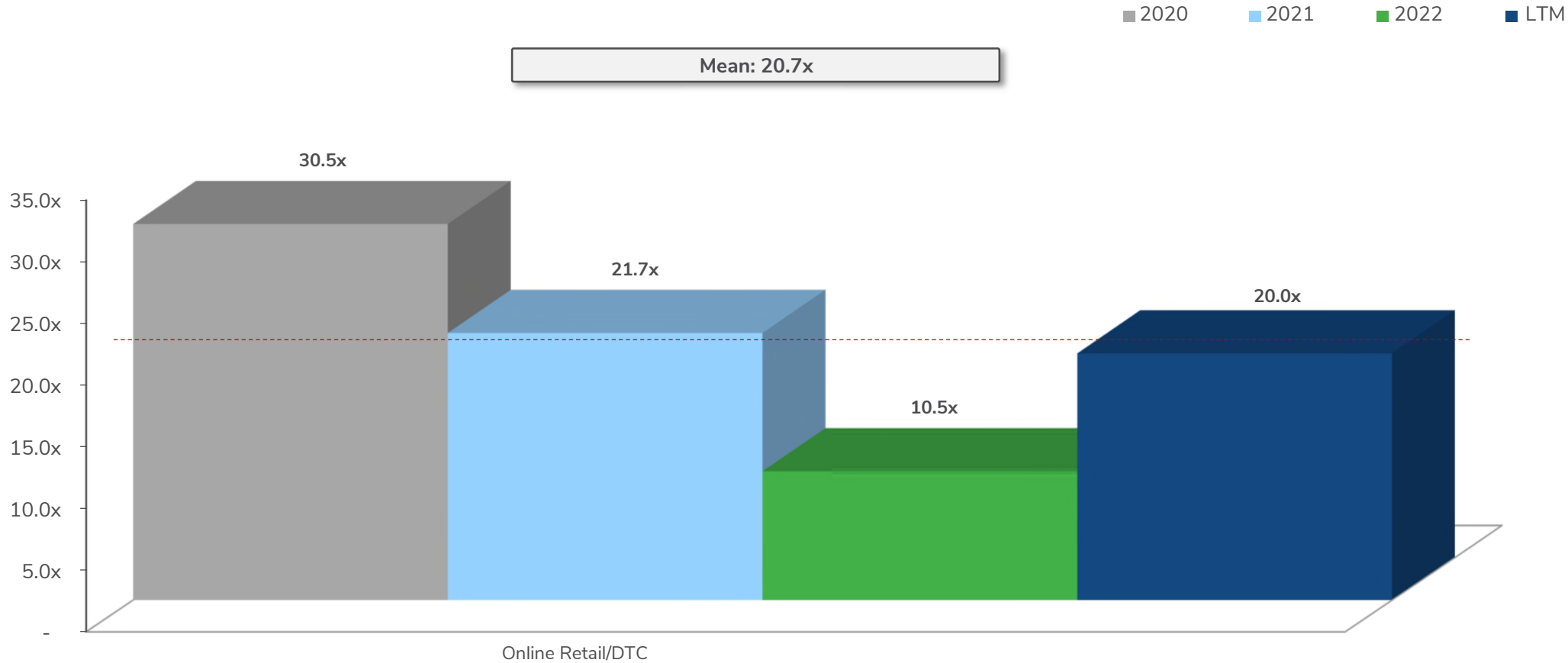
Enterprise Value as a Multiple of EBITDA



Source: Capital IQ; index constituents on pages 18–26
 LTM 2/24/2023
 NM noted for EBITDA multiples greater than 50.0x

Public Company Trends – Online Retail/DTC

Enterprise Value as a Multiple of EBITDA



Source: Capital IQ; index constituents on pages 18–26
LTM 2/24/2023
NM noted for EBITDA multiples greater than 50.0x

Public Company Valuations – Apparel Brands

(\$ in USD millions, except per-share data)

	Stock Price Feb 24, 2023	One-Year Stock Performance	Percentage of 52-Week High	Market Value	Enterprise Value	Enterprise Value as a Multiple of				LTM EBITDA Margin
						Revenue		EBITDA		
						LTM	2023E	LTM	2023E	
Active Apparel										
NIKE, Inc.	\$118.04	(13.0%)	84.4%	\$183,028	\$181,838	3.70x	3.50x	24.8x	25.5x	14.9%
Lululemon Athletica Inc.	\$308.10	(0.7%)	75.0%	\$39,287	\$38,935	5.21x	4.24x	20.8x	16.7x	25.0%
Moncler S.p.A.	\$60.90	12.4%	97.5%	\$16,429	\$16,067	6.56x	5.36x	21.7x	13.6x	30.3%
Under Armour, Inc.	\$9.72	(43.2%)	53.5%	\$4,056	\$3,880	0.73x	0.64x	NM	7.8x	0.3%
Columbia Sportswear Company	\$87.97	(3.3%)	89.5%	\$5,470	\$5,039	1.45x	1.40x	9.2x	9.2x	15.8%
Canada Goose Holdings Inc.	\$18.28	(27.0%)	69.7%	\$1,958	\$2,046	2.41x	2.13x	16.2x	8.5x	14.9%
Median		(8.1%)	79.7%	\$10,949	\$10,553	3.06x	2.81x	20.8x	11.4x	15.4%
Mean		(12.5%)	78.3%	\$41,705	\$41,301	3.35x	2.88x	18.5x	13.6x	16.9%
Contemporary Apparel										
Guess?, Inc.	\$21.25	(1.1%)	86.2%	\$1,157	\$1,497	0.56x	0.55x	4.7x	4.4x	11.8%
G-III Apparel Group, Ltd.	\$16.22	(40.4%)	51.2%	\$770	\$1,499	0.48x	0.47x	5.4x	5.2x	8.9%
Vince Holding Corp.	\$6.91	(15.1%)	72.7%	\$85	\$207	0.57x	NM	NM	NM	(2.1%)
Median		(15.1%)	72.7%	\$770	\$1,497	0.56x	0.51x	5.1x	4.8x	8.9%
Mean		(18.9%)	70.0%	\$671	\$1,068	0.54x	0.51x	5.1x	4.8x	6.2%
Basic Apparel										
Hanesbrands Inc.	\$5.51	(61.8%)	33.6%	\$1,925	\$5,546	0.89x	0.91x	7.9x	8.8x	11.2%
Gildan Activewear Inc.	\$31.28	(12.8%)	84.4%	\$5,622	\$6,397	1.97x	1.93x	8.4x	8.5x	23.6%
Lands' End, Inc.	\$7.98	(54.0%)	37.8%	\$263	\$635	0.40x	0.40x	9.0x	7.9x	4.5%
Delta Galil Industries Ltd.	\$40.48	(30.4%)	64.5%	\$1,101	\$1,326	0.65x	NM	4.9x	NM	13.4%
Delta Apparel, Inc.	\$12.46	(59.0%)	38.0%	\$87	\$245	0.51x	0.49x	7.7x	10.7x	6.6%
Median		(54.0%)	38.0%	\$1,101	\$1,326	0.65x	0.70x	7.9x	8.7x	11.2%
Mean		(43.6%)	51.7%	\$1,800	\$2,830	0.89x	0.93x	7.6x	9.0x	11.9%

Source: Capital IQ
LTM 2/24/2023
NM noted for revenue and EBITDA multiples greater than 10.0x and 50.0x, respectively

Public Company Valuations – Apparel Brands

(\$ in USD millions, except per-share data)

	Stock Price Feb 24, 2023	One-Year Stock Performance	Percentage of 52-Week High	Market Value	Enterprise Value	Enterprise Value as a Multiple of				LTM EBITDA Margin
						Revenue		EBITDA		
						LTM	2023E	LTM	2023E	
Diversified Apparel										
V.F. Corporation	\$24.18	(55.9%)	40.2%	\$9,398	\$15,256	1.30x	1.29x	9.5x	11.0x	13.7%
PVH Corp.	\$79.52	(18.0%)	79.0%	\$5,039	\$6,827	0.76x	0.74x	6.5x	6.1x	11.7%
Ralph Lauren Corporation	\$118.95	(4.9%)	88.3%	\$7,848	\$7,289	1.13x	1.10x	8.9x	6.7x	12.8%
Oxford Industries, Inc.	\$115.70	39.0%	93.8%	\$1,824	\$1,940	1.46x	1.21x	7.6x	6.5x	19.3%
Median		(11.5%)	83.7%	\$6,444	\$7,058	1.22x	1.15x	8.2x	6.6x	13.3%
Mean		(10.0%)	75.3%	\$6,027	\$7,828	1.16x	1.09x	8.1x	7.6x	14.4%

Source: Capital IQ
LTM 2/24/2023
NM noted for revenue and EBITDA multiples greater than 10.0x and 50.0x, respectively

Public Company Valuations – Footwear Brands

(\$ in USD millions, except per-share data)

	Stock Price Feb 24, 2023	One-Year Stock Performance	Percentage of 52-Week High	Market Value	Enterprise Value	Enterprise Value as a Multiple of				LTM EBITDA Margin
						Revenue		EBITDA		
						LTM	2023E	LTM	2023E	
Footwear										
NIKE, Inc.	\$118.04	(13.0%)	84.4%	\$183,028	\$181,838	3.70x	3.50x	24.8x	25.5x	14.9%
adidas AG	\$144.04	(34.9%)	62.0%	\$27,806	\$30,775	1.40x	1.35x	15.6x	21.8x	9.0%
PUMA SE	\$63.52	(26.4%)	72.0%	\$9,502	\$9,638	1.22x	1.02x	12.4x	9.0x	9.9%
Deckers Outdoor Corporation	\$400.20	40.6%	92.4%	\$10,549	\$9,491	2.66x	2.46x	14.0x	12.7x	19.0%
Skechers U.S.A., Inc.	\$43.88	(4.7%)	88.5%	\$6,806	\$6,729	0.90x	0.84x	9.7x	8.6x	9.3%
Crocs, Inc.	\$122.36	45.9%	85.3%	\$7,556	\$9,687	2.72x	2.42x	10.3x	8.9x	26.4%
Wolverine World Wide, Inc.	\$16.06	(30.4%)	64.4%	\$1,268	\$2,313	0.86x	0.89x	13.0x	9.5x	6.6%
Steven Madden, Ltd.	\$35.70	(13.6%)	79.3%	\$2,780	\$2,503	1.18x	1.26x	8.0x	9.5x	14.8%
Caleres, Inc.	\$25.69	21.9%	82.5%	\$915	\$1,254	0.42x	0.42x	4.4x	4.6x	9.6%
Median		(13.0%)	82.5%	\$7,556	\$9,491	1.22x	1.26x	12.4x	9.5x	9.9%
Mean		(1.6%)	79.0%	\$27,801	\$28,247	1.68x	1.57x	12.5x	12.2x	13.3%

Source: Capital IQ
LTM 2/24/2023
NM noted for revenue and EBITDA multiples greater than 10.0x and 50.0x, respectively

Public Company Valuations – Accessory Brands

(\$ in USD millions, except per-share data)

	Stock Price Feb 24, 2023	One-Year Stock Performance	Percentage of 52-Week High	Market Value	Enterprise Value	Enterprise Value as a Multiple of				LTM EBITDA Margin
						Revenue		EBITDA		
						LTM	2023E	LTM	2023E	
Accessories										
The Swatch Group AG	\$341.07	19.9%	95.7%	\$17,039	\$14,407	1.78x	1.64x	8.5x	7.7x	20.9%
Pandora A/S	\$90.45	(2.2%)	90.5%	\$8,042	\$8,565	2.25x	2.27x	7.8x	6.9x	28.7%
Tapestry, Inc.	\$42.60	12.1%	89.7%	\$10,057	\$10,883	1.65x	1.59x	8.4x	7.5x	19.6%
Capri Holdings Limited	\$50.21	(24.0%)	72.1%	\$6,312	\$7,571	1.31x	1.34x	7.0x	6.7x	18.8%
Safilo Group S.p.A.	\$1.47	4.1%	83.2%	\$606	\$707	0.66x	0.62x	7.3x	6.2x	9.0%
Fossil Group, Inc.	\$4.25	(70.0%)	29.1%	\$220	\$349	0.20x	NM	4.3x	NM	4.5%
Movado Group, Inc.	\$34.22	(7.7%)	82.0%	\$761	\$579	0.76x	0.71x	4.1x	3.9x	18.5%
Median		(2.2%)	83.2%	\$6,312	\$7,571	1.31x	1.47x	7.3x	6.8x	18.8%
Mean		(9.7%)	77.5%	\$6,148	\$6,152	1.23x	1.36x	6.8x	6.5x	17.1%

Source: Capital IQ
LTM 2/24/2023
NM noted for revenue and EBITDA multiples greater than 10.0x and 50.0x, respectively

Public Company Valuations – Luxury Brands

(\$ in USD millions, except per-share data)

	Stock Price Feb 02, 2023	One-Year Stock Performance	Percentage of 52-Week High	Market Value	Enterprise Value	Enterprise Value as a Multiple of				LTM EBITDA Margin
						Revenue		EBITDA		
						LTM	2023E	LTM	2023E	
Luxury										
LVMH Moët Hennessy	\$884.65	13.0%	99.5%	\$443,277	\$455,166	5.38x	4.89x	18.3x	14.5x	29.4%
Christian Dior SE	\$871.42	15.5%	99.6%	\$157,213	\$206,271	2.73x	NM	9.3x	NM	29.5%
Hermès International	\$1,903.02	29.8%	98.8%	\$198,934	\$191,112	NM	NM	40.3x	30.3x	44.3%
Kering SA	\$647.61	(10.6%)	86.8%	\$79,159	\$80,910	3.96x	3.40x	12.5x	9.9x	31.8%
Compagnie Financière Richemont SA	\$156.17	6.5%	99.1%	\$89,183	\$84,495	4.09x	3.78x	18.3x	12.0x	22.4%
Burberry Group plc	\$30.31	33.5%	99.6%	\$11,417	\$10,764	3.27x	2.71x	14.7x	9.2x	22.3%
Hugo Boss AG	\$69.01	9.9%	99.6%	\$4,771	\$4,799	1.40x	1.16x	11.2x	5.9x	12.5%
TOD'S S.p.A.	\$40.30	(25.0%)	72.9%	\$1,334	\$1,435	1.44x	1.23x	16.0x	5.9x	9.0%
Median		11.5%	99.3%	\$84,171	\$82,703	3.27x	3.06x	15.3x	9.9x	25.9%
Mean		9.1%	94.5%	\$123,161	\$129,369	3.18x	2.86x	17.6x	12.5x	25.1%

Source: Capital IQ
LTM 2/24/2023
NM noted for revenue and EBITDA multiples greater than 10.0x and 50.0x, respectively

Public Company Valuations – Retailers

(\$ in USD millions, except per-share data)

	Stock Price Feb 24, 2023	One-Year Stock Performance	Percentage of 52-Week High	Market Value	Enterprise Value	Enterprise Value as a Multiple of				LTM EBITDA Margin
						Revenue		EBITDA		
						LTM	2023E	LTM	2023E	
Contemporary Retail										
Lululemon Athletica Inc.	\$308.10	(0.7%)	75.0%	\$39,287	\$38,935	5.21x	4.24x	20.8x	16.7x	25.0%
The Gap, Inc.	\$13.24	(2.0%)	82.0%	\$4,833	\$5,990	0.38x	0.38x	11.3x	6.0x	3.3%
Urban Outfitters, Inc.	\$26.87	1.3%	90.3%	\$2,477	\$2,098	0.44x	0.43x	6.1x	5.2x	7.2%
Guess?, Inc.	\$21.25	(1.1%)	86.2%	\$1,157	\$1,497	0.56x	0.55x	4.7x	4.4x	11.8%
Express, Inc.	\$1.03	(76.9%)	20.9%	\$70	\$281	0.14x	0.15x	6.5x	NM	2.2%
Median		(1.1%)	82.0%	\$2,477	\$2,098	0.44x	0.43x	6.5x	5.6x	7.2%
Mean		(15.9%)	70.9%	\$9,565	\$9,760	1.35x	1.15x	9.9x	8.1x	9.9%
Women's Retail										
Aritzia Inc.	\$30.79	(13.6%)	75.5%	\$3,397	\$3,292	2.20x	1.87x	13.8x	11.0x	15.9%
Vera Bradley, Inc.	\$5.46	(29.5%)	64.3%	\$169	\$166	0.33x	0.33x	9.8x	6.7x	3.4%
J.Jill, Inc.	\$28.01	75.1%	92.3%	\$284	\$402	0.66x	0.63x	3.8x	3.6x	17.4%
Chico's FAS, Inc.	\$4.99	0.0%	68.3%	\$624	\$552	0.26x	0.25x	2.8x	2.7x	9.3%
The Cato Corporation	\$9.24	(41.9%)	51.3%	\$183	\$37	0.05x	NM	6.5x	NM	0.8%
Median		(13.6%)	68.3%	\$284	\$402	0.33x	0.48x	6.5x	5.1x	9.3%
Mean		(2.0%)	70.3%	\$932	\$890	0.70x	0.77x	7.4x	6.0x	9.3%

Source: Capital IQ
LTM 2/24/2023
NM noted for revenue and EBITDA multiples greater than 10.0x and 50.0x, respectively

Public Company Valuations – Retailers

(\$ in USD millions, except per-share data)

	Stock Price Feb 24, 2023	One-Year Stock Performance	Percentage of 52-Week High	Market Value	Enterprise Value	Enterprise Value as a Multiple of				LTM EBITDA Margin
						Revenue		EBITDA		
						LTM	2023E	LTM	2023E	
Kids/Tween Retail										
Carter's, Inc.	\$73.82	(12.7%)	73.8%	\$2,817	\$3,222	1.00x	1.01x	7.1x	8.0x	14.1%
The Children's Place, Inc.	\$41.54	(31.6%)	63.5%	\$508	\$803	0.46x	0.47x	4.4x	6.5x	10.3%
Median		(22.2%)	68.6%	\$1,663	\$2,013	0.73x	0.74x	5.8x	7.3x	12.2%
Mean		(22.2%)	68.6%	\$1,663	\$2,013	0.73x	0.74x	5.8x	7.3x	12.2%
Footwear Retailers										
Foot Locker, Inc.	\$42.90	9.2%	90.9%	\$4,003	\$4,107	0.47x	0.49x	4.4x	5.2x	10.6%
Boot Barn Holdings, Inc.	\$75.40	(8.3%)	71.4%	\$2,248	\$2,257	1.40x	1.27x	8.5x	8.8x	16.4%
Caleres, Inc.	\$25.69	21.9%	82.5%	\$915	\$1,254	0.42x	0.42x	4.4x	4.6x	9.6%
Shoe Carnival, Inc.	\$26.64	(11.4%)	73.0%	\$724	\$676	0.53x	0.49x	3.9x	3.7x	13.4%
Genesco Inc.	\$44.59	(31.1%)	61.6%	\$562	\$620	0.26x	0.25x	3.9x	4.0x	6.7%
Median		(8.3%)	73.0%	\$915	\$1,254	0.47x	0.49x	4.4x	4.6x	10.6%
Mean		(3.9%)	75.9%	\$1,690	\$1,783	0.62x	0.58x	5.0x	5.3x	11.3%
Sporting Goods Retailers										
DICK'S Sporting Goods, Inc.	\$128.27	29.1%	92.7%	\$10,699	\$10,895	0.90x	0.88x	5.6x	6.2x	16.2%
Hibbett, Inc.	\$72.35	60.4%	96.0%	\$921	\$947	0.58x	0.51x	5.5x	4.0x	10.6%
Big 5 Sporting Goods Corporation	\$9.70	(36.7%)	49.5%	\$209	\$175	0.17x	0.17x	2.3x	3.2x	7.3%
Median		29.1%	92.7%	\$921	\$947	0.58x	0.51x	5.5x	4.0x	10.6%
Mean		17.6%	79.4%	\$3,943	\$4,006	0.55x	0.52x	4.5x	4.5x	11.3%

Source: Capital IQ
LTM 2/24/2023
NM noted for revenue and EBITDA multiples greater than 10.0x and 50.0x, respectively

Public Company Valuations – Retailers

(\$ in USD millions, except per-share data)

	Stock Price Feb 24, 2023	One-Year Stock Performance	Percentage of 52-Week High	Market Value	Enterprise Value	Enterprise Value as a Multiple of				LTM EBITDA Margin
						Revenue		EBITDA		
						LTM	2023E	LTM	2023E	
Department Stores										
Macy's, Inc.	\$20.57	(15.7%)	73.3%	\$5,577	\$8,430	0.34x	0.35x	3.2x	3.5x	10.6%
Nordstrom, Inc.	\$19.20	(2.9%)	64.9%	\$3,074	\$5,736	0.38x	0.37x	4.6x	4.9x	8.2%
Kohl's Corporation	\$29.22	(44.5%)	45.8%	\$3,228	\$6,075	0.35x	0.34x	3.4x	3.8x	10.3%
Dillard's, Inc.	\$352.41	52.5%	84.3%	\$6,035	\$5,754	0.82x	0.87x	4.4x	6.0x	18.8%
Median		(9.3%)	69.1%	\$4,403	\$5,915	0.36x	0.36x	3.9x	4.4x	10.4%
Mean		(2.7%)	67.1%	\$4,478	\$6,499	0.47x	0.48x	3.9x	4.6x	12.0%
Off-Price Retail										
The TJX Companies, Inc.	\$77.19	21.5%	92.9%	\$89,193	\$87,195	1.75x	1.64x	15.2x	13.6x	11.5%
Ross Stores, Inc.	\$111.46	24.6%	91.0%	\$38,384	\$36,933	2.00x	1.86x	16.0x	13.7x	12.5%
Burlington Stores, Inc.	\$224.29	2.7%	93.5%	\$14,518	\$15,533	1.82x	1.63x	25.1x	16.7x	7.3%
Median		21.5%	92.9%	\$38,384	\$36,933	1.82x	1.64x	16.0x	13.7x	11.5%
Mean		16.3%	92.5%	\$47,365	\$46,553	1.85x	1.71x	18.7x	14.7x	10.4%
Mass/Club										
Walmart Inc.	\$142.47	7.6%	88.6%	\$384,213	\$422,373	0.69x	0.67x	13.5x	11.5x	5.1%
Costco Wholesale Corporation	\$488.61	(2.7%)	79.8%	\$216,810	\$211,685	0.92x	0.86x	21.9x	19.5x	4.2%
Target Corporation	\$166.96	(10.8%)	65.5%	\$76,853	\$92,437	0.86x	0.83x	12.2x	10.7x	7.1%
Big Lots, Inc.	\$14.89	(54.9%)	36.8%	\$431	\$829	0.15x	0.15x	NM	5.7x	0.3%
Median		(6.8%)	72.7%	\$146,832	\$152,061	0.78x	0.75x	13.5x	11.1x	4.7%
Mean		(15.2%)	67.7%	\$169,577	\$181,831	0.65x	0.63x	15.9x	11.8x	4.2%

Source: Capital IQ
LTM 2/24/2023
NM noted for revenue and EBITDA multiples greater than 10.0x and 50.0x, respectively

Public Company Valuations – Online Retail/DTC

(\$ in USD millions, except per-share data)

	Stock Price Feb 24, 2023	One-Year Stock Performance	Percentage of 52-Week High	Market Value	Enterprise Value	Enterprise Value as a Multiple of				LTM EBITDA Margin
						Revenue		EBITDA		
						LTM	2023E	LTM	2023E	
Online Retail/DTC										
a.k.a. Brands Holding Corp.	\$1.48	(81.5%)	18.4%	\$191	\$289	0.45x	0.44x	7.5x	6.7x	6.0%
Torrid Holdings Inc.	\$2.83	(66.5%)	31.6%	\$293	\$602	0.47x	0.48x	4.0x	3.9x	11.8%
Allbirds, Inc.	\$2.74	(68.0%)	31.9%	\$409	\$229	0.74x	0.64x	NM	NM	(16.9%)
FIGS, Inc.	\$8.95	(46.5%)	37.4%	\$1,485	\$1,330	2.72x	2.37x	25.3x	14.4x	10.7%
Farfetch Limited	\$5.51	(63.3%)	26.2%	\$2,101	\$2,417	1.04x	0.89x	NM	NM	(16.3%)
Zalando SE	\$39.90	(31.9%)	63.3%	\$10,108	\$9,495	0.94x	0.82x	35.1x	15.5x	2.7%
boohoo group plc	\$0.57	(41.6%)	48.1%	\$710	\$724	0.33x	0.34x	28.4x	9.6x	1.2%
Rent the Runway, Inc.	\$3.42	(42.0%)	45.7%	\$222	\$321	1.24x	0.92x	NM	8.6x	(16.5%)
Revolve Group, Inc.	\$25.76	(50.2%)	43.7%	\$1,890	\$1,655	1.50x	1.44x	19.7x	18.0x	7.6%
Stitch Fix, Inc.	\$4.75	(61.1%)	36.0%	\$526	\$323	0.17x	0.19x	NM	23.4x	(10.0%)
The RealReal, Inc.	\$1.30	(83.6%)	14.5%	\$127	\$276	0.47x	0.41x	NM	NM	(28.9%)
Warby Parker Inc.	\$13.19	(55.6%)	36.1%	\$1,525	\$1,327	2.27x	1.99x	NM	27.0x	(16.7%)
Median		(58.4%)	36.1%	\$618	\$663	0.84x	0.73x	22.5x	14.4x	(4.4%)
Mean		(57.6%)	36.1%	\$1,632	\$1,582	1.03x	0.91x	20.0x	14.1x	(5.4%)

Source: Capital IQ
LTM 2/24/2023
NM noted for revenue and EBITDA multiples greater than 10.0x and 50.0x, respectively

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