

Consumer & Retail

2017 MID-YEAR M&A REVIEW

Favorable Dynamics Continue to Drive M&A Activity in 2017

As we last reported, 2016 represented a record year with M&A activity and valuations for the consumer products and retail industry moving to an all-time high since the end of the Great Recession. Many of the industry and supply/demand dynamics that drove record M&A activity last year remain in play for 2017 – including an abundance of capital, favorable financing, increasingly robust balance sheets, and continually shifting market and competitive dynamics.

Many consumer product companies and online retailers in particular are continuing to grow at a steady, healthy pace. Given these factors, our outlook for 2017 remains highly favorable – 2017 M&A activity has increased year over year for consumer product companies and valuations remain robust.

At the same time, the traditional retail side of the industry continues to struggle with increasing pressure from competitors that have more effective online shopping platforms and pricing models, more agile direct-to-consumer infrastructures, and disruptive technologies and social media outreach to capture consumers. Traditional retail M&A activity and valuations for 2017 have declined year over year, with a shrinking number of healthy retail targets. However, demand for internet and direct marketing retailers continue to increase, with M&A activity and valuations for such companies continuing to hit all-time post-recession highs this year.

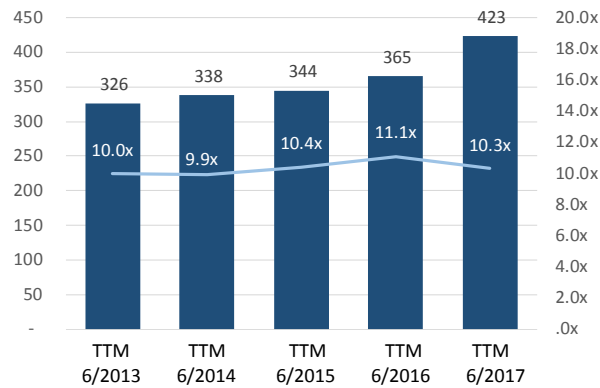
We expect overall M&A activity across consumer products & retail to remain solid throughout 2017, with status quo fundamentals continuing to play out.

2017 Mid-Year M&A Activity

2017 VOLUME AND VALUATION TRENDS

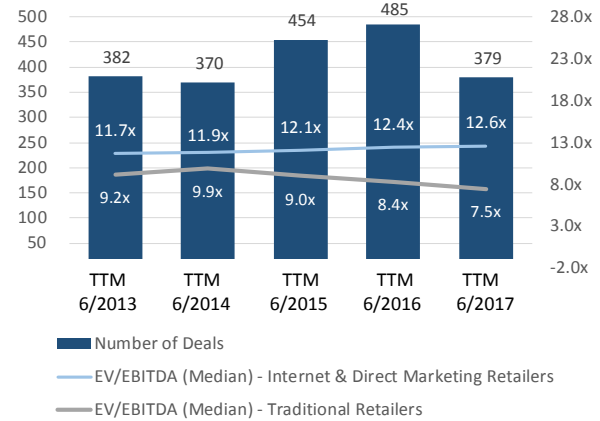
CONSUMER PRODUCTS

Source: Capital IQ



RETAIL

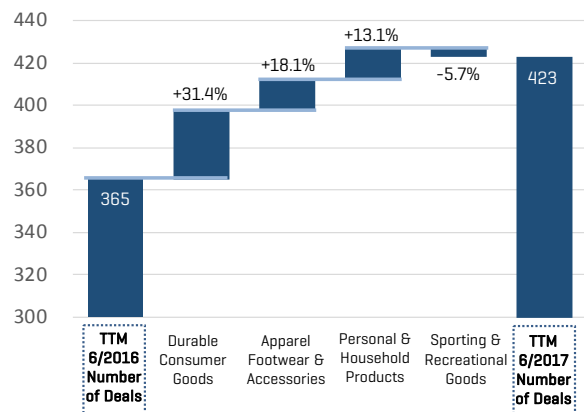
Source: Capital IQ



2017 M&A ACTIVITY BY SEGMENT

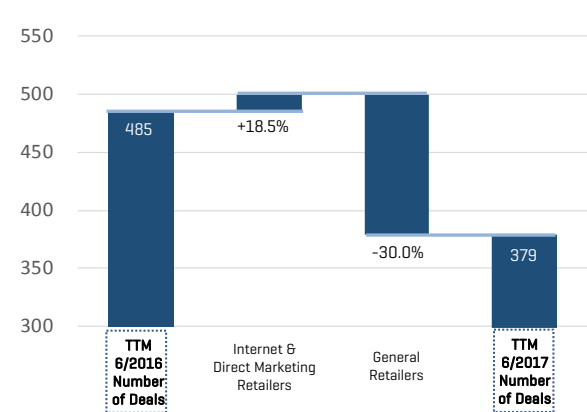
CONSUMER PRODUCTS

Source: Capital IQ



RETAIL

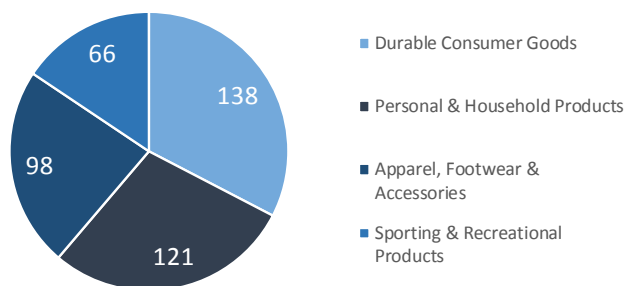
Source: Capital IQ



2017 M&A ACTIVITY BY SUBSECTOR

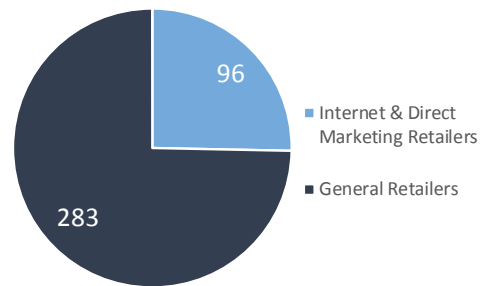
CONSUMER PRODUCTS

Source: Capital IQ



RETAIL

Source: Capital IQ



Consumer Products

TTM June 2017 M&A Scorecard

CONSUMER PRODUCT MANUFACTURERS — STOUT SCORECARD

Scorecard Metric	TTM June 2017*	Scorecard Metric	TTM June 2017
Consumer Products M&A Transactions:	423	S&P 500 Index:	Up 15.2%

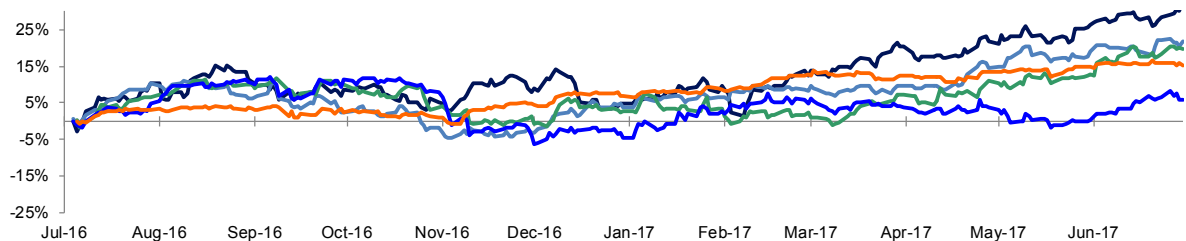
Stout Consumer Products Market Indices

Stout Apparel, Footwear & Accessories Index	Up 32.8%	Stout Sporting & Recreational Goods Index	Up 19.1%
Stout Durable Consumer Goods Index	Up 21.9%	Stout Personal & Homecare Products Index	Up 6.0%

* Represents announced M&A transaction for targets based in North America. TTM = Trailing 12 Months.

Source: Capital IQ and Stout Research

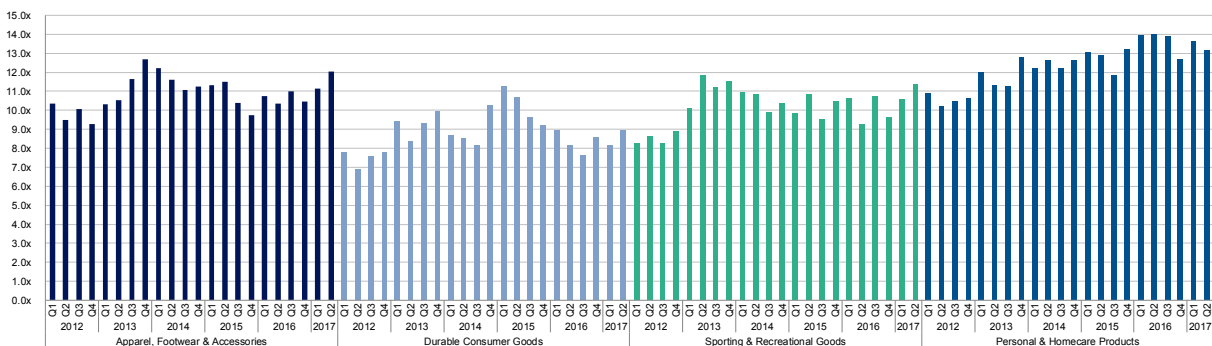
CONSUMER PRODUCT MANUFACTURERS — MARKET PERFORMANCE



Apparel, Footwear & Accessories	Durable Consumer Goods	Sporting & Recreational Goods	Personal & Homecare Products	S&P 500 Index
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Source: Capital IQ

CONSUMER PRODUCT MANUFACTURERS — VALUATION TRENDS [EV/LTM EBITDA]



Stout Apparel, Footwear & Accessories Index Constituents: Adidas AG, Christian Dior SA, Coach, Inc., Deckers Outdoor Corp., Hanesbrands Inc., Nike, Inc., PVH Corp., Steven Madden, Ltd., Tiffany & Co., and Wolverine World Wide Inc.

Stout Durable Consumer Goods Index Constituents: Alok Industries Ltd., Husqvarna AB, La-Z-Boy Incorporated, Leggett & Platt, Incorporated, Lenovo Group Limited, Mohawk Industries Inc., Newell Rubbermaid Inc., Panasonic Corporation, Sony Corporation, and Whirlpool Corp.

Stout Sporting & Recreational Goods Index Constituents: Accell Group NV, BRP Inc., Brunswick Corporation, Hasbro Inc., Mattel, Inc., Mizuno Corporation, Nautilus Inc., Nikon Corporation, Sturm, Ruger & Co. Inc., and Under Armour, Inc.

Stout Personal & Homecare Products Index Constituents: Avon Products, Inc., Church & Dwight Co. Inc., Colgate-Palmolive Co., Kimberly-Clark Corporation, Nu Skin Enterprises, Revlon, Inc., The Clorox Company, The Estee Lauder Company, The Procter & Gamble Company, and USANA Health Sciences Inc.

Source: Capital IQ. EV=Enterprise Value: Represents Median Multiples

Retail

TTM June 2017 M&A Scorecard

RETAILERS — STOUT SCORECARD

Scorecard Metric	TTM June 2017 *	Scorecard Metric	TTM June 2017
Retailer M&A Transactions:	379	S&P 500 Index:	Up 15.2%

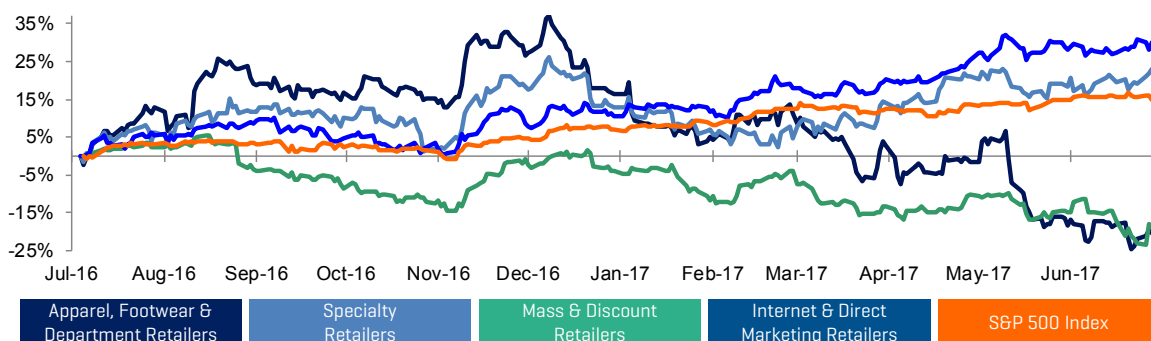
Stout Consumer Products Market Indices

Internet & Direct Marketing Retailers Index	Up 28.9%	Mass & Discount Retailers Index	Down 19.7%
Specialty Retailers Index	Up 23.0%	Apparel, Footwear & Department Retailers Index	Down 20.3%

* Represents announced M&A transaction for targets based in North America. TTM = Trailing 12 Months.

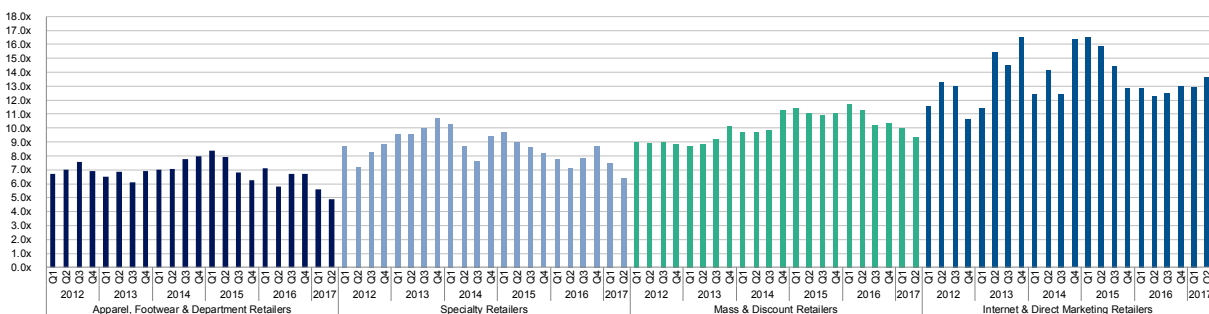
Source: Capital IQ and Stout Research

RETAILERS — MARKET PERFORMANCE



Source: Capital IQ

RETAILERS — VALUATION TRENDS (EV/LTM EBITDA)



Stout Apparel, Footwear & Department Retailers Index Constituents: American Eagle Outfitters, DSW, Foot Locker, J.C. Penney Company, Kohl's Corp., Macy's, Nordstrom, Ross Stores, The Bon-Ton Stores, and The Gap.

Stout Specialty Retailers Index Constituents: Aaron's, Bed Bath & Beyond, Best Buy Co., Big 5 Sporting Goods Corp., Dick's Sporting Goods, GNC Holdings, La-Z-Boy Incorporated, Lowe's Companies, RH, and The Home Depot.

Stout Mass & Discount Retailers Index Constituents: Big Lots, Costco Wholesale Corp., CVS Health Corp., Dollar General Corp., Dollar Tree, Rite Aid Corp., Target Corp., The TJX Companies, Walgreens Boots Alliance, and Wal-Mart.

Stout Internet & Direct Marketing Retailers Index Constituents: 1-800-FLOWERS.COM, Amazon.com, eBay, HSN, Lands' End, PetMed Express, Shutterfly, Stamps.com, The Priceline Group, and U.S. Auto Parts Network.

Source: Capital IQ. EV=Enterprise Value; Represents Median Multiples

Consumer Products

M&A Transactions

APPAREL, FOOTWEAR, & ACCESSORIES TRANSACTIONS

Ann. Date	Target (Ownership)	Acquirer (Ownership)	Enterprise Value (EV)	EV/ Revenue	EV/ EBITDA
06/28/2017 *	Ironclad Performance Wear Corporation (OTCPK:ICPW)	Safety Supply Corp.	\$28.7	1.2x	-
06/28/2017 *	Globe Manufacturing Company, LLC	MSA Worldwide, LLC (MSA Safety Incorporated (NYSE:MSA))	-	-	-
06/16/2017 *	Bonobos, Inc.	Wal-Mart Stores, Inc. (NYSE:WMT)	\$310.0	-	-
06/09/2017 *	BCBG Max Azria Group, LLC	Global Brands Group (SEHK:787) and Marquee Brands LLC	-	-	-
06/06/2017 *	Kellwood Company Apparel Group	Shanghai Chuangkai Enterprise Development Co., Ltd.	\$191.0	-	-
05/26/2017 *	Zoot® & Squadra® (Newell Brands Inc. (NYSE:NWL))	Undisclosed Buyer	-	-	-
05/16/2017	Neff Headwear, Inc. (Marlin Equity Partners)	Mad Engine Inc.	-	-	-
05/08/2017	Kate Spade & Company	Coach, Inc. (NYSE:COH)	\$2,354.1	1.7x	10.3x
05/04/2017	Matilda Jane Clothing (CID Capital)	Webster Capital	-	-	-
04/04/2017	M.L. Kishigo Manufacturing Company LLC	Bunzl plc (LSE:BNZL)	-	-	-
04/03/2017 *	Velvet, Inc.	Adastria Co., Ltd. (TSE:2685)	-	-	-
03/31/2017	Liquid Blaino Designs, Inc. (Delta Apparel (AMEX:DLA))	JMJD Ventures, LLC	\$28.0	-	-
02/23/2017	Skip Hop, Inc. (Fireman Capital Partners)	Carter's, Inc. (NYSE:CRI)	\$150.0	1.7x	-
01/30/2017	Schwartz & Benjamin, Inc.	Steven Madden, Ltd. (NasdaqGS:SHOO)	-	-	-
01/24/2017	Croakies, Inc.	The Hilsinger Company Inc.	-	-	-
01/20/2017	Jaclyn Inc. (OTCPK:JCLY)	Golden Touch Imports, Inc.	\$17.2	-	-
01/17/2017 *	Kasper Group LLC (Sycamore Partners)	Nine West Holdings, Inc.	-	-	-
01/11/2017	OGIO International, Inc.	Callaway Golf Company (NYSE:ELY)	\$75.5	-	-
01/09/2017	Robeez Footwear, Ltd. (The Stride Rite Corporation)	McCubbin Hosiery, LLC	-	-	-
01/06/2017	Flojos Inc.	The Courtney Group, Investment Arm	-	-	-

*Transaction pending. Source: Capital IQ

Consumer Products

M&A Transactions, cont.

DURABLE CONSUMER GOODS TRANSACTIONS

Ann. Date	Target (Ownership)	Acquirer (Ownership)	Enterprise Value (EV)	EV/ Revenue	EV/ EBITDA
06/28/2017*	Milestone AV Technologies, LLC (Pritzker Group Private Capital)	Legrand North America, Inc. (Legrand SA [ENXTPA:LR])	\$950.0	-	9.0x
06/26/2017	Columbia Shelving and Mirror Inc. and Charleston Shelving & Mirror Inc.	Installed Building Products, Inc. (NYSE:IBP)	-	-	-
06/20/2017*	SnapAV, LLC (General Atlantic LLC)	Hellman & Friedman LLC	-	-	-
06/12/2017	Campbell Mattress Company, Inc.	Mattress Direct, Inc.	-	-	-
06/09/2017	Pacific Coast Feather Company	Hollander Home Fashions Corporation	-	-	-
05/04/2017	Deny Designs Inc.	Leaf Group Ltd. (NYSE:LFGR)	\$12.2	-	-
05/03/2017*	Arrow Fastener Company (Masco Corporation (NYSE:MAS))	Hangzhou Great Star Industrial Co., Ltd. (SZSE:002444)	\$125.0	-	-
04/27/2017	NBGHome (Kohlberg & Company)	Sycamore Partners	-	-	-
04/03/2017	WKI Holding Company, Inc.	Cornell Capital LLC	-	-	-
03/13/2017*	Lifetime Brands, Inc. (NasdaqGS:LCUT)	Mill Road Capital	\$399.0	0.7x	8.9x
03/03/2017	Vinturi, Inc. (Focus Products Group International)	The Legacy Companies	-	-	-
02/28/2017	Triad Speakers Inc.	Control4 Corporation (NasdaqGS:CTRL)	\$9.6	1.1x	-
02/24/2017	SKIL Power Tools (Robert Bosch Tool Corporation)	Chervon (HK) Limited	-	-	-
02/16/2017	Kohler Interiors Group (Kohler Co.)	Samson Holding Ltd. (SEHK:531)	\$29.5	-	-
02/15/2017	Klaussner Furniture Industries, Inc.	Monomoy Capital Partners	-	-	-
02/06/2017*	Anova Applied Electronics, Inc. (Anova Industries)	AB Electrolux (publ) (OM:ELUX B)	\$250.0	6.3x	-
01/31/2017	Friedrich Air Conditioning (Corinthian Capital Group)	Monomoy Capital Partners	-	-	-
01/09/2017	The Colman Group, Inc. (Dispensing Dynamics International, Inc.)	Carlisle FoodService Inc. (Carlisle Companies (NYSE:CSL))	-	-	-
01/07/2017	Lexington Furniture Industries, Inc. (Sun Capital Partners)	Luolai Lifestyle Technology Co. (SZSE:002293) and Yixing Capital	-	-	-
01/05/2017	Craftsman (Sears Holdings Corporation (NasdaqGS:SHLD))	Stanley Black & Decker, Inc. (NYSE:SWK)	\$775.0	3.9x	-
01/04/2017	Western Industries, Inc. (Graham Partners)	Speyside Equity LLC	-	-	-
01/03/2017	Bentley Mills, Inc. (Dominus Capital)	Lone Star Funds	-	-	-

*Transaction pending. Source: Capital IQ

Consumer Products

M&A Transactions, cont.

PERSONAL & HOUSEHOLD PRODUCTS TRANSACTIONS

Ann. Date	Target [Ownership]	Acquirer [Ownership]	Enterprise Value [EV]	EV/ Revenue	EV/ EBITDA
06/19/2017	Sorvana International, LLC	Youngevity International, Inc. [NasdaqCM:YGYI]	-	-	-
06/19/2017 *	Kingdom Animalia, LLC	The Unilever Group	-	-	-
06/02/2017	Innovative Food Processors, Inc.	Balchem Corporation [NasdaqGS:BCPC]	-	-	-
06/01/2017	PDC Brands [Yellow Wood Partners]	CVC Capital Partners Limited	-	-	-
05/22/2017 *	Nutraceutical International Corporation [NasdaqGS:NUTR]	HGGC, LLC	\$426.5	1.8x	9.9x
05/18/2017 *	Deva Concepts, LLC [Tengram Capital Partners]	Ares Management [NYSE:ARES]	-	-	-
05/14/2017 *	Katy Industries, Inc. [OTCPK:KATY.Q]	Highview Capital and Victory Park Management	-	-	-
05/01/2017	K&H Manufacturing, LLC	Central Garden & Pet Company [NasdaqGS:CEN]	-	-	-
04/10/2017	Columbia Phyto Technology LLC	International Flavors & Fragrances Inc. [NYSE:IFF]	-	-	-
04/06/2017	Zhou Nutrition [Branson Books, LLC]	Nutraceutical International Corporation [NasdaqGS:NUTR]	\$19.7	-	-
04/03/2017	Scivation, Inc.	Nutrabolt Inc.	-	-	-
03/29/2017	BellaVita Group LLC	Youngevity International, Inc. [NasdaqCM:YGYI]	-	-	-
03/27/2017 *	Diversey Care and Hygiene Divisions [Sealed Air Corporation [NYSE:SEE]]	Bain Capital Private Equity	\$3,200.0	1.2x	10.5x
03/21/2017	Only What You Need, Inc.	Clearlake Capital Group and Halen Brands, Inc.	-	-	-
03/09/2017	Vee Pak Inc.	Wind Point Partners	-	-	-
02/03/2017	Body Plus Nutritional Products Inc.	Jamieson Laboratories Ltd.	-	-	-
01/31/2017	UP4 Probiotics, LLC [UAS Laboratories, Inc.]	i-Health, Inc. [Koninklijke DSM N.V. [ENXTAM:DSM]]	-	-	-
01/10/2017	CeraVe, AcneFree and Ambi [Valeant Pharmaceuticals [NYSE:VRX]]	L'Oréal S.A. [ENXTPA:OR]	\$1,300.0	7.7x	-
01/10/2017	Younique, LLC	Foundation, LLC [Coty Inc. [NYSE:COTY]]	-	-	-
01/03/2017 *	Presto Absorbent Products [National Presto Industries [NYSE:NPK]]	Drylock Technologies Ltd.	\$71.0	-	-
01/03/2017	Dr. Fresh LLC [Moelis Capital Partners]	High Ridge Brands Co.	-	-	-

*Transaction pending. Source: Capital IQ

Consumer Products

M&A Transactions, cont.

SPORTING & RECREATIONAL GOODS TRANSACTIONS

Ann. Date	Target (Ownership)	Buyers/Investors	Enterprise Value (EV)	EV/ Revenue	EV/ EBITDA
06/29/2017	Funnybone Toys LLC	FoxMind Canada Enterprises Ltd.	-	-	-
06/19/2017 *	Hayward Industries, Inc. [OTCPK:HWRI]	Alberta Investment Management and CCMP Capital Advisors	-	-	-
06/14/2017	BCI Burke Company, LLC (Incline Equity Partners)	The Halifax Group	-	-	-
06/05/2017	Crosman Corporation (Wellspring Capital Management)	Compass Diversified Holdings LLC (NYSE:CODI)	\$151.5	1.3x	7.6x
05/31/2017	GMaster, LLC	Logo Inc.	-	-	-
05/26/2017 *	Winter Sports Businesss (Newell Brands Inc. [NYSE:NWL])	Kohlberg & Company	\$240.0	0.7x	9.6x
05/10/2017 *	Taylor Made Golf Company, Inc. (Adidas AG [DB:ADS])	KPS Capital Partners, LP	-	-	-
05/08/2017	Supreme Brands LLC	Roustan Capital	-	-	-
04/23/2017	The ROB Company LLC	Flybar, Inc.	-	-	-
04/20/2017	Vanhawks Inc.	Warren Industries Ltd.	-	-	-
04/01/2017 *	K-2 Corporation (Newell Brands Inc. [NYSE:NWL])	Skis Rossignol SAS	-	-	-
03/07/2017	Krauss Craft, Inc.	PlayCore Holdings, Inc.	-	-	-
02/17/2017 *	Tech 4 Kids Inc.	The Bridge Direct, Inc.	-	-	-
02/15/2017	Victus Sports, LLC	Marucci Sports LLC	-	-	-
01/30/2017	Worlds of Wow Inc.	PlayCore Holdings, Inc.	-	-	-
01/25/2017	Arctic Cat Inc.	Textron Specialized Vehicles (Textron Inc. [NYSE:TXT])	\$314.9	0.6x	-
01/23/2017	PowerBilt Golf and Sporting Goods (Hillerich & Bradsby Co.)	One Step Up Ltd. and Hilco Streambank, LLC	-	-	-
01/19/2017	Kwik Tek, Inc. (Guardian Capital, Yukon Partners and Bowside Capital)	Falconhead Capital and M3 Outdoor Investments LLC	-	-	-
01/18/2017	PASS THE PIGS (David Moffat Enterprises, LLC)	Winning Moves Games, Inc.	-	-	-
01/10/2017	Gared Holdings, LLC	Gen Cap America, Inc.	-	-	-
01/09/2017	Jim Fletcher Archery Aids, Inc.	Bear Archery, Inc. (Escalade, Incorporated [NasdaqGM:ESCA])	-	-	-

*Transaction pending. Source: Capital IQ

Retail M&A Transactions

RETAILER TRANSACTIONS

Ann. Date	Target (Ownership)	Buyers/Investors	Enterprise Value (EV)	EV/ Revenue	EV/ EBITDA
06/29/2017 *	West Marine, Inc. [NasdaqGS:WMAR]	Monomoy Capital Partners	\$290.7	0.4x	7.7x
06/28/2017 *	Staples, Inc. [NasdaqGS:SPLS]	Sycamore Partners	\$6,555.0	0.4x	5.2x
06/02/2017 *	Precision Auto Care, Inc. [OTCPK:PACI]	Icahn Automotive Group [Icahn Enterprises L.P. [NasdaqGS:IEP]]	-	-	-
05/01/2017	Gander Mountain Company Inc.	Camping World Holdings, Inc. [NYSE:CWH]	\$34.1	-	-
04/19/2017 *	Loblaw Gas Station Business [Loblaw Companies [TSX:L]]	Brookfield Business Partners L.P. [TSX:BBU.UN]	\$401.5	-	-
04/19/2017	Distinctive Diamonds Inc. And Global Diamonds Inc.	Diamonds Direct USA Inc.	-	-	-
04/18/2017	Chewy, Inc.	PetSmart, Inc.	-	-	-
04/18/2017	Offenbacher Aquatics, Inc. [Antson Capital Partners]	Home Escapes, Inc.	-	-	-
04/07/2017	eBags, Inc.	Samsonite LLC	\$105.0	0.7x	-
04/06/2017 *	1,100 Gas Stations and Convenience Stores in Texas and the Eastern US	7-Eleven, Inc. and SEI Fuel Services	\$3,305.6	-	-
03/16/2017	True6Co.	PVH Corp. [NYSE:PVH]	-	-	-
03/13/2017	Binswanger Enterprises, LLC [Grey Mountain Partners and Yukon Partners]	Capital Southwest [NasdaqGS:CSWC] and Main Street [NYSE:MAIN]	-	-	-
02/17/2017	cabi, LLC	Sentinel Capital Partners, LLC	-	-	-
02/15/2017	New Moosejaw, LLC [Parallel Investment Partners]	Wal-Mart.com USA, LLC	\$51.0	-	-
02/12/2017	Mountain Empire Oil Company, Inc.	GPM Investments, LLC	\$163.0	-	-
02/10/2017 *	Eastern Outfitters, Subortis IP and Bob's/EMS Gift [Versa Capital Management, Inc.]	SportsDirect.com Retail Ltd.	-	-	-
02/06/2017	STONE Forest Materials, LLC	SiteOne Landscape Supply, Inc. [NYSE:SITE]	-	-	-
02/02/2017	Dot & Bo, Inc.	OSP Holdings, LLC	-	-	-
01/26/2017	The Running Specialty Group [The Finish Line [NasdaqGS:FINL]]	CriticalPoint Capital, LLC	-	-	-
01/17/2017	Limited Stores LLC, Certain Related Assets	Sycamore Partners	\$26.8	-	-
01/12/2017	Wilson Orchard & Vineyard Supply, LLC	Clearview Capital, LLC	-	-	-
01/12/2017	The Flower Box [Teleflora LLC]	Brown Floral Co.	-	-	-
01/05/2017	Shoebuy.com [IAC/InterActiveCorp [NasdaqGS:IAC]]	Jet.com, Inc. [Wal-Mart Stores, Inc. [NYSE:WMT]]	\$70.0	-	-

*Transaction pending. Source: Capital IQ

Consumer Products

Public Markets Analysis

CONSUMER PRODUCT MANUFACTURERS — PERFORMANCE BY SEGMENT

(\$ millions, except share data)	Share Price		Total Shares	Market Value	Ent. Value	Price / EPS		EV / Rev. LTM	EV / EBITDA	
	6/30/17	% 52 High				LTM	CY 17E		LTM	CY 17E
Apparel, Footwear & Accessories										
Adidas AG	\$192.50	89.8%	201.6	\$38,799.4	\$39,314.8	32.7x	27.7x	1.82x	19.7x	15.1x
Christian Dior SE	290.90	98.9%	179.7	52,260.0	76,732.8	23.5	19.8	1.70	7.2	6.4
Coach, Inc.	47.34	99.1%	281.1	13,308.6	12,008.5	25.6	20.8	2.66	13.1	10.8
Deckers Outdoor Corporation	68.26	93.9%	32.0	2,183.6	1,924.5	382.5	17.5	1.08	9.4	8.6
Hanesbrands Inc.	23.16	82.0%	364.2	8,433.8	12,110.1	16.7	11.7	1.96	11.8	11.4
NIKE, Inc.	59.00	97.8%	1,650.8	97,395.2	95,018.2	23.5	25.6	2.77	17.4	18.5
PVH Corp.	114.50	98.8%	77.8	8,913.4	11,625.5	23.7	15.3	1.41	10.4	10.3
Steven Madden, Ltd.	39.95	98.0%	59.5	2,375.1	2,236.8	20.0	18.2	1.56	11.3	11.0
Tiffany & Co.	93.87	96.5%	124.6	11,700.8	11,827.1	26.1	23.8	2.95	12.3	11.6
Wolverine World Wide, Inc.	28.01	99.6%	96.9	2,714.4	3,231.4	31.8	18.1	1.29	12.3	11.0
Group Median		97.9%			\$11,917.8	24.6x	19.0x	1.76x	12.0x	11.0x
Group Mean		95.5%			26,603.0	60.6	19.9	1.92	12.5	11.5
Durable Consumer Goods										
Alok Industries Limited	\$0.04	60.4%	1,377.3	\$58.8	\$3,620.8	NM	NM	2.63x	NM	NA
Husqvarna AB [publ]	9.92	91.5%	572.1	5,672.8	6,602.4	21.8	17.8	1.58	13.2	10.6
La-Z-Boy Incorporated	32.50	98.8%	48.3	1,569.8	1,422.7	18.8	17.7	0.94	8.9	7.5
Leggett & Platt, Incorporated	52.53	95.6%	132.3	6,950.1	7,806.2	20.1	20.0	2.07	13.4	12.3
Lenovo Group Limited	0.63	87.6%	11,108.7	7,015.4	7,400.1	13.0	14.9	0.17	7.7	5.0
Mohawk Industries, Inc.	241.69	97.4%	74.3	17,962.4	20,435.8	18.8	18.1	2.27	11.8	11.1
Newell Brands Inc.	53.62	96.7%	483.1	25,903.8	36,435.1	22.7	17.2	2.39	14.2	13.3
Panasonic Corporation	13.57	96.6%	2,332.4	31,642.5	32,012.6	23.5	26.9	0.49	6.6	5.3
Sony Corporation	38.15	97.2%	1,262.9	48,185.8	46,902.8	74.8	18.7	0.69	7.2	5.6
Whirlpool Corporation	191.62	94.4%	74.0	14,174.2	19,215.2	16.5	12.8	0.92	8.9	8.0
Group Median		96.1%			\$13,510.7	20.1x	17.8x	1.26x	8.9x	8.0x
Group Mean		91.6%			18,185.4	25.6	18.2	1.41	10.2	8.7
Sporting & Recreational Goods										
Accell Group N.V.	\$32.73	89.1%	26.3	\$859.2	\$1,016.6	24.8x	17.9x	0.92x	13.6x	11.5x
BRP Inc.	29.23	93.7%	111.8	3,268.7	3,787.6	35.2	16.2	1.23	10.1	8.8
Brunswick Corporation	62.73	98.3%	89.3	5,602.2	5,769.4	20.8	15.5	1.26	9.8	8.9
Hasbro, Inc.	111.51	98.3%	125.0	13,939.1	14,066.4	24.8	22.7	2.79	14.5	13.2
Mattel, Inc.	21.53	62.9%	342.6	7,375.2	9,308.3	27.0	21.2	1.75	12.7	11.9
Mizuno Corporation	5.70	95.8%	126.4	720.1	829.5	113.0	43.5	0.49	19.3	15.4
Nautilus, Inc.	19.15	76.6%	30.7	588.1	559.1	19.0	17.0	1.40	10.1	8.7
Nikon Corporation	15.99	94.8%	396.2	6,334.5	4,747.7	178.6	25.1	0.71	5.8	NA
Under Armour, Inc.	21.76	48.7%	440.3	9,581.3	10,270.3	54.9	51.8	2.10	18.9	20.9
Sturm, Ruger & Company, Inc.	62.15	88.4%	17.7	1,100.1	1,065.0	13.5	14.2	1.62	6.3	6.5
Group Median		91.4%			\$4,267.6	25.9x	19.6x	1.33x	11.4x	11.5x
Group Mean		84.7%			5,142.0	51.2	24.5	1.43	12.1	11.8
Personal & Homecare Products										
Church & Dwight Co., Inc.	\$51.88	95.8%	249.3	\$12,931.3	\$14,070.4	28.4x	26.9x	4.00x	16.5x	16.0x
Colgate-Palmolive Company	74.13	95.9%	883.3	65,478.5	70,801.5	26.8	25.3	4.66	16.0	15.7
Avon Products, Inc.	3.80	54.6%	439.8	1,671.4	3,468.7	437.8	16.5	0.60	7.9	6.8
Kimberly-Clark Corporation	129.11	93.0%	354.9	45,824.8	53,026.8	21.3	20.5	2.91	12.8	12.7
Nu Skin Enterprises, Inc.	62.84	95.2%	52.8	3,320.5	3,401.6	20.9	20.2	1.52	9.9	9.9
Revlon, Inc.	23.70	62.4%	52.2	1,237.2	3,847.1	NM	NM	1.55	12.6	NA
The Clorox Company	133.24	94.0%	128.8	17,161.1	19,170.1	26.3	24.0	3.23	15.8	14.6
The Estée Lauder Companies Inc.	95.98	97.5%	367.8	35,304.5	37,376.5	32.2	26.6	3.23	15.9	15.4
The Procter & Gamble Company	87.15	94.7%	2,557.6	222,896.1	240,701.1	24.4	21.9	3.70	13.5	14.0
USANA Health Sciences, Inc.	64.10	85.5%	24.5	1,572.0	1,395.6	16.2	15.8	1.37	9.2	8.5
Group Median		94.4%			\$16,620.3	26.3x	21.9x	3.07x	13.2x	14.0x
Group Mean		86.9%			44,726.0	70.5	22.0	2.68	13.0	12.6
Overall Median						24.0	19.3	1.60	12.3	11.0
Overall Mean						52.2	21.2	1.86	12.0	11.2

Notes:

(a) Market value based on fully-diluted shares including conversion of all exercisable in-the-money options, less shares repurchased using option proceeds.

(b) Enterprise Value equals Market Value plus total straight and convertible debt, preferred stock and minority interest, less cash and investments in unconsolidated subsidiaries.

LTM EBITDA, EBIT and Net Income exclude extraordinary items.

Retail

Public Markets Analysis

RETAILERS — PERFORMANCE BY SEGMENT

(\$ millions, except share data)	Share Price		Market Value	Ent. Value	Price / EPS		EV / Rev.	EV / EBITDA	
	6/30/17	% 52 High			LTM	CY '17E		LTM	CY '17E
Apparel, Footwear & Department Retailers									
American Eagle Outfitters, Inc.	\$12.05	61.6%	\$2,132.6	\$1,907.4	11.1x	11.0x	0.53x	3.8x	4.1x
DSW Inc.	17.70	67.5%	1,420.7	1,166.9	12.3	12.3	0.43	4.4	4.3
Foot Locker, Inc.	49.28	62.0%	6,470.6	5,548.6	10.1	9.6	0.71	4.9	4.7
J. C. Penney Company, Inc.	4.65	41.2%	1,441.5	5,693.5	NM	9.8	0.46	6.2	5.6
Kohl's Corporation	38.67	64.8%	6,592.5	10,553.5	11.2	10.6	0.57	4.5	4.7
Macy's, Inc.	23.24	51.2%	7,076.7	12,598.7	12.5	7.3	0.50	4.6	4.5
Nordstrom, Inc.	47.83	76.1%	7,942.3	10,031.3	22.4	15.9	0.67	5.9	6.2
Ross Stores, Inc.	57.73	82.7%	22,467.5	21,619.9	19.8	18.3	1.65	10.1	9.5
The Bon-Ton Stores, Inc.	0.44	22.1%	9.4	1,036.3	NM	NM	0.40	10.2	NA
The Gap, Inc.	21.99	71.5%	8,702.8	8,434.8	12.7	11.0	0.54	4.1	4.4
Group Median		63.4%		\$7,064.1	12.4x	11.0x	0.54x	4.7x	4.7x
Group Mean		60.1%		7,859.1	14.0	11.7	0.65	5.9	5.3
Specialty Retailers									
Aaron's, Inc.	\$38.90	96.5%	\$2,748.7	\$2,884.9	19.8x	16.3x	0.90x	6.2x	8.3x
Bed Bath & Beyond Inc.	30.40	62.3%	4,399.8	5,422.2	7.0	7.6	0.44	4.0	4.2
Best Buy Co., Inc.	57.33	92.5%	17,483.5	15,069.5	15.7	14.7	0.38	6.1	5.9
Big 5 Sporting Goods Corporation	13.05	64.1%	289.1	308.3	12.4	10.9	0.30	5.4	4.9
Dick's Sporting Goods, Inc.	39.83	63.3%	4,480.1	4,469.3	15.4	10.8	0.55	6.2	5.0
GNC Holdings, Inc.	8.43	30.0%	576.6	2,052.1	NM	6.1	0.82	6.4	7.7
La-Z-Boy Incorporated	32.50	98.8%	1,569.8	1,422.7	18.8	17.7	0.94	8.9	7.5
Lowe's Companies, Inc.	77.53	89.9%	65,452.9	79,470.9	24.3	16.8	1.19	10.6	9.4
RH	64.52	95.3%	2,138.7	2,861.4	169.1	35.1	1.28	16.7	14.6
The Home Depot, Inc.	153.40	95.4%	183,398.1	202,770.1	23.0	21.2	2.12	12.9	12.3
Group Median		91.2%		\$3,677.1	18.8x	15.5x	0.86x	6.3x	7.6x
Group Mean		78.8%		31,673.1	33.9	15.7	0.89	8.3	8.0
Mass & Discount Retailers									
Big Lots, Inc.	\$48.30	85.4%	\$2,135.5	\$2,185.4	13.1x	11.5x	0.42x	5.9x	5.3x
Costco Wholesale Corporation	159.93	87.3%	70,144.2	68,685.2	27.8	27.3	0.56	13.2	12.5
CVS Health Corporation	80.46	81.6%	81,892.2	107,028.2	16.7	13.7	0.60	8.4	8.5
Dollar General Corporation	72.09	74.4%	19,768.9	22,596.2	16.3	16.1	1.01	9.2	9.2
Dollar Tree, Inc.	69.92	70.0%	16,549.3	21,688.0	19.2	15.7	1.04	9.4	8.4
Rite Aid Corporation	2.95	33.6%	3,108.3	10,127.1	NM	NM	0.31	10.1	11.3
Target Corporation	52.29	65.9%	28,848.8	38,971.8	10.9	12.4	0.56	5.4	6.0
The TJX Companies, Inc.	72.17	86.3%	46,425.2	45,527.0	20.5	18.6	1.36	10.0	9.6
Walgreens Boots Alliance, Inc.	78.31	89.0%	83,799.3	91,640.3	19.8	15.2	0.79	12.5	10.2
Wal-Mart Stores, Inc.	75.68	94.0%	228,137.3	271,124.3	17.2	17.4	0.56	8.2	8.2
Group Median		83.5%		\$42,249.4	17.2x	15.7x	0.58x	9.3x	8.8x
Group Mean		76.8%		67,957.4	17.9	16.4	0.72	9.2	8.9
Internet & Direct Marketing Retailers									
1-800-FLOWERS.COM, Inc.	\$9.75	85.5%	\$637.0	\$690.0	26.2x	21.4x	0.58x	9.1x	7.6x
Amazon.com, Inc.	968.00	95.2%	462,680.3	462,748.3	182.3	142.9	3.25	37.9	24.3
eBay Inc.	34.92	95.7%	37,795.2	40,007.2	5.0	17.4	4.42	13.6	11.8
HSN, Inc.	31.90	59.0%	1,670.8	2,146.6	15.1	13.0	0.61	8.6	7.6
Lands' End, Inc.	14.90	60.1%	477.2	831.7	NM	41.4	0.62	20.8	15.4
PetMed Express, Inc.	40.60	97.3%	823.9	765.2	34.7	31.7	3.07	19.7	19.2
Shutterfly, Inc.	47.50	87.0%	1,603.8	1,797.1	136.1	66.0	1.57	12.8	8.1
Stamps.com Inc.	154.88	99.0%	2,623.3	2,655.7	29.5	21.1	6.85	17.3	12.3
The Priceline Group Inc.	1,870.52	97.1%	91,921.9	94,836.4	42.2	25.4	8.61	22.8	20.2
U.S. Auto Parts Network, Inc.	3.23	71.9%	111.8	114.8	NM	NM	0.38	13.4	7.0
Group Median		91.1%		\$1,971.9	32.1x	25.4x	2.32x	15.5x	12.1x
Group Mean		84.8%		60,659.3	58.9	42.2	3.00	17.6	13.4
Overall Median									
Overall Mean					18.0	15.9	0.62	9.0	8.1
					30.9	21.4	1.31	10.3	9.0

Notes:

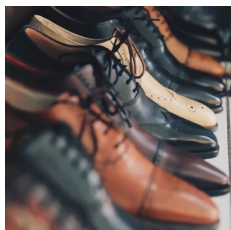
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Stout's Consumer & Retail Practice

Stout has an investment banking team dedicated to serving the consumer products and retail industry. We have extensive experience including providing investment banking, valuation advisory, dispute consulting, and legal management consulting for numerous private middle market businesses, as well as publicly traded companies, across the consumer products industry.



Apparel, Footwear, & Accessories

- Accessories
- Apparel
- Jewelry
- Men's & women's footwear
- Luggage & handbags



Durable Consumer Goods

- Consumer electronics
- Home furnishings
- Home appliances
- Housewares
- Tools and lawn & garden
- Specialty items



Personal & Homecare Products

- Cosmetics
- Beauty products
- Toiletries
- Cleaning products
- Personal products
- Other soft goods



Sporting & Recreational Goods

- General sporting goods
- Specialty sporting goods
- Bicycles and bicycle equipment
- Fitness equipment
- Hobbies, toys, & games
- Other recreational goods

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About This Piece

The Consumer & Retail Industry Update is authored by Jeffrey S. Shippy, Director within the Investment Banking group at Stout. This publication is exclusive to Stout and is based on proprietary information and data continually collected by Stout from within the industry.

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