

# RETAIL



Quarterly Update  
First Quarter 2023

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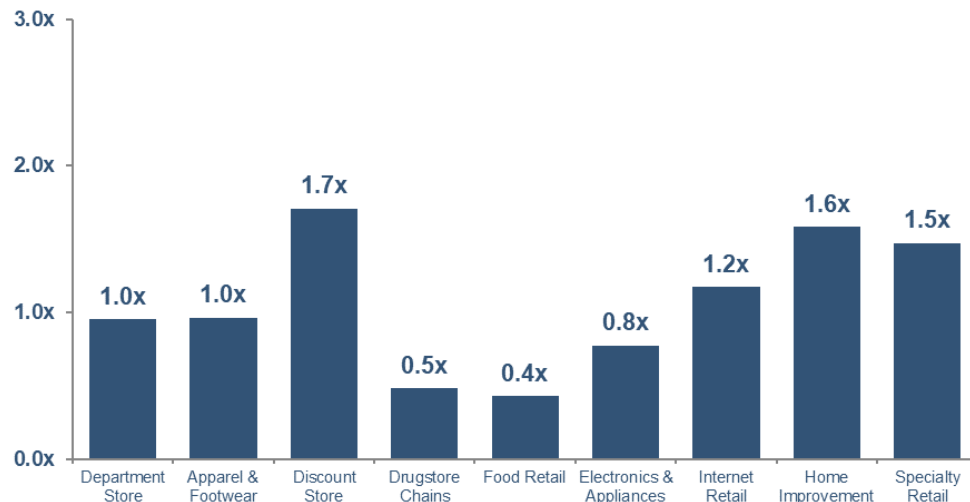
**RESTRUCTURING • INVESTMENT BANKING • DISTRESSED ASSET SUPPORT SERVICES**

# KEY HIGHLIGHTS

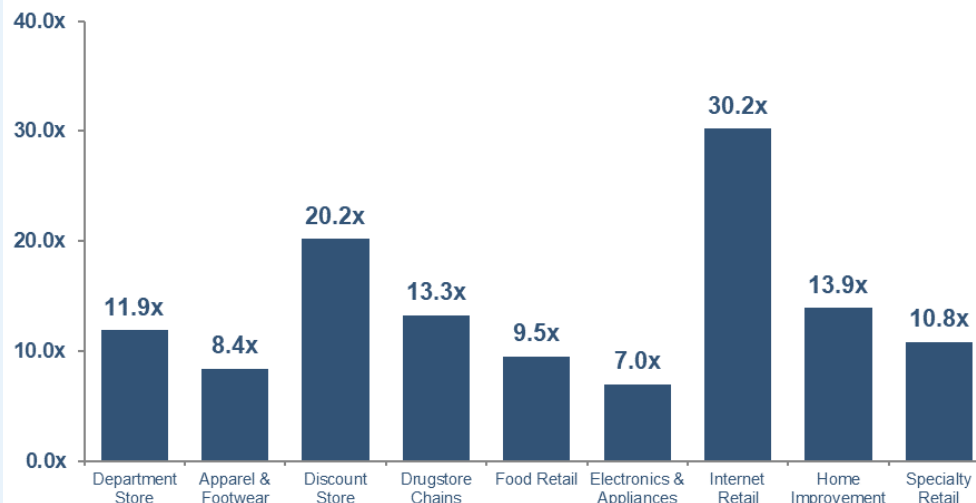
## KEY HIGHLIGHTS

- In Q1 2023, M&A activity in the Retail sector declined to 56 transactions, representing an 8% decrease from the previous quarter
  - Specialty Retail was the busiest subsector again from an M&A perspective with 26 transactions, which represented 43% of all retail deals identified by SOLIC in Q1
- Public company valuation multiples declined slightly from the prior quarter but increased on a full year basis – the average retail EV/EBITDA multiple at the end of Q1 was 13.5x, down from 13.6x in Q4, and 13.2x in Q1 2022
  - EBITDA multiples increased about 2% since the prior quarter, and increased 5% since Q1 2022
- Quality inventory management was essential for retailers to maximize liquidity and avoid excess inventory from tightening consumer demands and complex supply chains
  - Retail inventories rose slightly (1%) in Q1 following rapid increases throughout 2022. Inventories reached \$746B in Q2 compared to \$740B at the end of Q4 2022, 11% higher than Q2 2022
  - Retailers aimed to optimize inventories through advanced technological solutions and budgeting
- After a small number of bankruptcies in 2022, Q1 2023 saw the most year to date corporate bankruptcy filings in over a decade, with the retail sector leading the way
  - The Consumer Discretionary retail category saw the most bankruptcies of all industries and sectors due to sharp declines in consumer spending of nonessential products and services
- The Consumer Price Index (CPI) rose slightly (0.9%) during Q1, while its year-over-year growth rate continued to decrease
  - During each month of Q1, the CPI increased 6.4%, 6.0%, and 5.0% on a year-over-year basis
  - Food and transportation services experienced the largest year-over-year CPI sector growth in Q1, while energy commodities and used cars saw the largest declines
- **Q1 2023 Equity Capital Market Returns:** The SOLIC Retail Sector Index ("SRSI") increased slightly in Q1 (.02%) as compared to the broader S&P (7.0%) and NASDAQ (16.8%) indices over the same period. Six of the nine subsectors increased in Q1.
  - SRSI Department Store subsector performance: 4.5%
  - SRSI Apparel & Footwear subsector performance: 2.3%
  - SRSI Discount Store subsector performance: -5.8%
  - SRSI Drugstore Chains subsector performance: -19.0%
  - SRSI Food Retail subsector performance: 6.4%
  - SRSI Electronics & Appliances subsector performance: 2.9%
  - SRSI Internet Retail subsector performance: 22.1%
  - SRSI Home Improvement subsector performance: -4.6%
  - SRSI Specialty Retail subsector performance: 2.4%

## Enterprise Value to Revenue



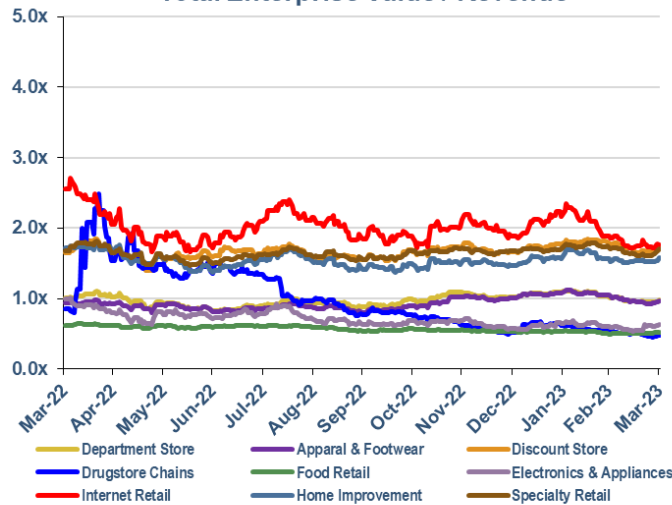
## Enterprise Value to EBITDA



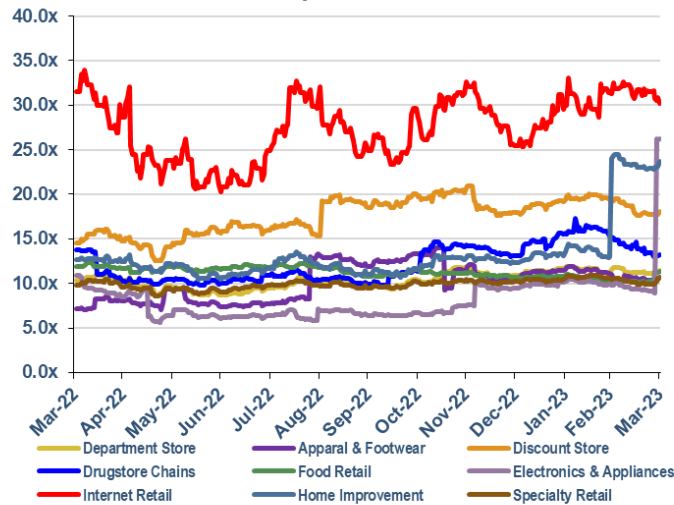
Source: Pitchbook and SOLIC Research

# KEY HIGHLIGHTS (continued)

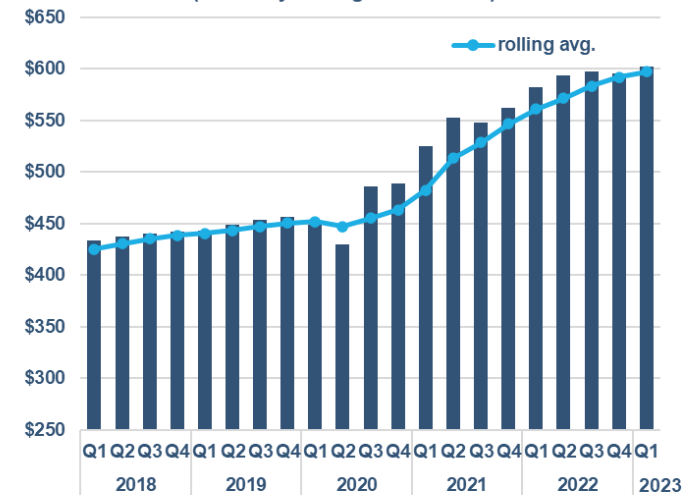
**Retail Sectors:  
Total Enterprise Value / Revenue**



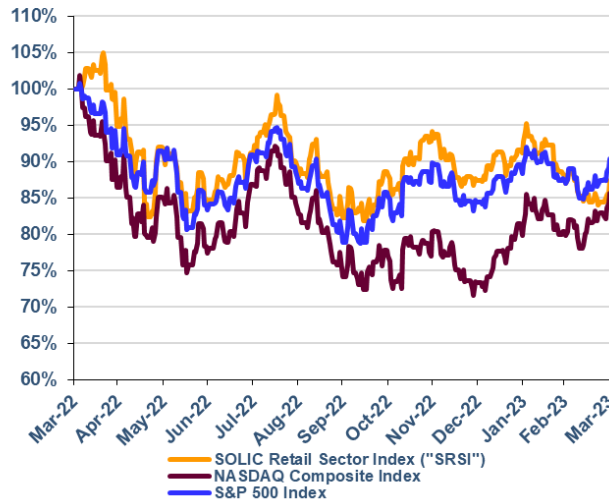
**Retail Sectors:  
Total Enterprise Value / EBITDA**



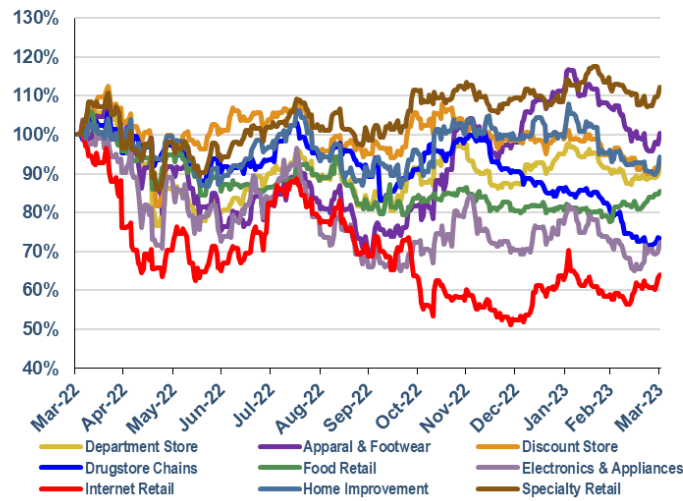
**U.S. Retail Sales  
(Quarterly average \$ in billions)**



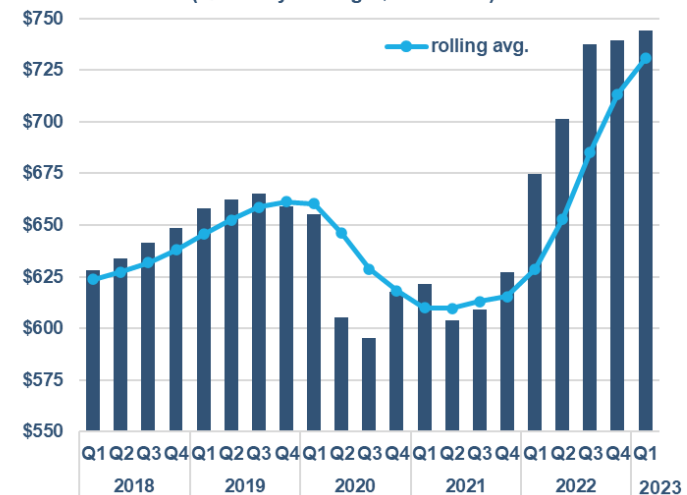
**SOLIC Retail Sector Index ("SRSI")**



**SOLIC Retail Sector Index ("SRSI") - Detailed**



**U.S. Retail Inventories  
(Quarterly average \$ in billions)**



Please see pages 8-10 for public companies chosen for the "SOLIC Retail Sector Index ("SRSI")" and additional information in the "Notes" section at the end of this report  
Source: Pitchbook and SOLIC Research, U.S. Census Bureau

# SUB-SECTOR HIGHLIGHTS

## COMMENTARY

### Department Stores

- Department stores executives focused on operational efficiency to start 2023 through multiple methods
  - Save cash by closing a significant number of unprofitable and underperforming locations
  - Optimize liquidity by reducing overall inventory through sales and changes to ordering
  - Target cost structures at the product level in preparation for potential economic downturns

### Apparel & Footwear

- Eight Apparel & Footwear transactions took place in Q1 2023
- Noteworthy transactions included:
  - Dicks Sporting Goods acquired Moosejaw, a large retailer of athletic and mountaineering equipment, for an undisclosed amount to expand their outdoor apparel retail offerings
  - Kangol, an ~85-year-old hat manufacturer, was acquired by the Bollman Hat Company
- Private equity buyers were also active in the Apparel & Footwear subsector, as Cerberus Capital Management bought sports and health equipment manufacturer, Flaghouse

### Discount Store

- Discount Stores continues to display stronger operations than the other retail sectors due to low product costs and conservative consumer spending habits
- Discount Stores also expanded by opening thousands of stores (and planning additional openings) despite the rest of the retail sector's focus on closing doors
  - Dollar General, Dollar Tree, and TJX accelerated existing plans to add stores in 2023, while other stores such as Ollie's Bargain Outlet announced plans to add 1,000+ stores this year due to consumer demand

### Drugstore Chains

- There were three drugstore chain transactions during Q1 2022, two of which involved SRSI companies
  - Walgreens (NYS: WBA) acquired the assets of Medly Pharmacy through a Chapter 11 sale for \$19.4M. Walgreens captured synergies by closing 22 Pharmaca (a subsidiary of Medly) stores while transferring the newly acquired prescriptions to the nearest Walgreens location
  - PetMed Express (NAS: PETS) expanded its offerings by acquiring PetCareRx for \$36M in an all-cash deal. PetMed added 200K customers and \$42M of TTM revenue in new areas such as premium/prescription food and supplements
- Drugstore chains sought to enhance their bottom lines through store-level optimization (i.e., closing stores) and expanded offerings to include other healthcare-oriented products and services

### Food Retail

- Food Retail M&A activity was slower than the prior quarter with 5 transactions in Q1 (vs 14 in Q4 2022)
- All reported transactions involved local and regional consolidation including the acquisition of Beachler's Hometown Market (Prague, Oklahoma) by Harps Food Stores, a regional chain with ~115 locations
- While inflation is slowing down at the front-end of the food retail supply chain, in-store price changes are not immediately expected to reflect this, as the front-end price changes take a while to pass through to shelves
- Grocery stores and food retailers are increasingly focused on promoting and selling their private label products to capture higher product margins



# SUB-SECTOR HIGHLIGHTS

## COMMENTARY (continued)

### Electronics & Appliances

- There were three Electronics & Appliances transactions during Q1 2023
  - The largest reported transaction was the SPAC merger between Alliance Entertainment, a retailer of home entertainment and consumer electronics, and Adara Acquisition at a \$480M valuation
  - Another transaction was Five Star Food Service's acquisition of the vending machine retail unit of Corso Inc. to diversify Five Star's revenue streams through appliances
- Efficient inventory management will be critical for Electronics & Appliance retailers to navigate economic conditions and decreasing consumer discretionary spending given the high cost and low margin nature of their inventory

### Internet Retail

- There were five Internet Retail transactions in Q1 2023
- Consistent with sector-wide physical retail M&A themes, transactions featured acquisitions of discretionary and "premium" priced digital alternatives, such as art/decor and boats
- Notable strategics took advantage of economic conditions and compressed multiples to expand their digital offerings
  - 1-900-Flowers.com (NAS: FLWS) grew its product lineup by acquiring Things Remembered, an online retailer of personalized gifts and items
  - MarineMax acquired Boatzon, a digital boat retailer, to build a digital presence beyond MarineMax's 60 existing locations
- To combat slower consumer spending, many digital retailers expanded Buy Now, Pay Later ("BNPL") offerings, with some online retailers introducing their own BNPL services
  - While BNPL encouraged many younger consumers to spend more, it contributed to the rapid rise in consumer debt

### Home Improvement

- Six Home Improvement took place during Q1 2023
- All reported transactions involved the local or regional consolidation of a home improvement, hardware, or building products store
  - In the largest transaction, Live Ventures (NAS: LIVE) acquired California and Nevada based flooring retailer, Flooring Liquidators, for \$84M
  - Another transaction featured Lift Works, a Midwestern retailer of construction equipment, that was acquired by SunBelt Rentals
- Home improvement retailers' revenues suffered from homebuilding cancellations, which decreased for the seventh straight quarter
  - Material prices reflected the lower demand for construction with, for example, lumber prices ending Q1 down ~75% from their 2022 highs

### Specialty Retail

- Like prior quarters, Specialty Retail saw the most M&A activity with 26 transactions (45% of all Q1 retail transactions)
- Q1 saw a sharp increase in luxury and discretionary specialty retailers, as cutbacks in discretionary consumer spending encouraged many sellers to M&A exits
  - For example, while the last few years have been busy for auto dealerships, Q1 dealership M&A featured more discretionary vehicle dealerships, such as boats, RVs, and powersports including the sale of Camper's Choice RV, a family owner RV dealership in Washington for nearly 50 years, to RV Country
  - The largest transaction was Arko Corp.'s acquisition of the assets of Transit Energy Group, a southeastern fuel retailer, for \$375M
- Specialty Retailers faced severe distress in Q1 with multiple bankruptcies, including:
  - Party City filed for Chapter 11 bankruptcy with ~\$1B in assets and ~\$10B in liabilities
  - Independent Pet Partners filed for Chapter 11 bankruptcy with ~\$182M in assets and ~\$215M in liabilities, subsequently selling 60 stores to Pet Supplies Plus, Pet Pros LLC, and NP Acquisition LLC
  - Home Décor retailer, Nielson & Bainbridge, filed for Chapter 11 bankruptcy with \$100-\$500M in assets and ~\$1B in liabilities, with the intent of selling the business to major creditors, KKR and Silver Point Capital
  - Other bankruptcies included Performance Powersports, Forma Brands, and many others

# SELECTED M&A TRANSACTIONS

Date	Target	Buyer	ENTERPRISE VALUE			Description
			(\$MM)	TO LTM REVENUE	TO LTM EBITDA	
02/21/2023	Achille Enterprises	Runnings	na	na	na	Provider of lawn and garden, feed, pet, and home supplies based out of New Hampshire
02/13/2023	Alliance Entertainment (PINX: AENT)	Adara Acquisition (ASE: ADRA)	\$480.0	na	na	Distributor and wholesaler of home entertainment products and consumer electronics across Florida
03/02/2023	Art.com	Trends International	na	na	na	Operator of consumer shopping sites focused on the art and décor category
02/15/2023	Barber Auto Group	Key Auto Group	na	na	na	Operator of automotive dealership to sell and service new and used Ford vehicles
03/10/2023	Beachler's Hometown Market	Harps Food	na	na	na	Retailer of groceries based out of Prague, Oklahoma
03/08/2023	Bink's Outfitters	Grivet Outdoors	na	na	na	Retailer of clothing and footwear based in Franklin, Tennessee
01/23/2023	Boaty's Transport	R.E. Garrison Trucking	na	na	na	Operator of a refrigerated trucking company
01/05/2023	Boatzon	MarineMax (NYS: HZO)	na	na	na	Retailer of boating and marine digital products
01/11/2023	Botanical Interests	Epic Gardening	na	na	na	Provider of gardening seeds and education services for home gardeners
02/16/2023	Brigham-Gill	The Village Automotive Group	na	na	na	Operator of a car dealership providing new and used cars
02/22/2023	Brightmore Brands	Beach Point Capital Management	na	na	na	Operator of a chain of thrift stores for clothing and household textiles
03/09/2023	Bud and Bloom Florist and Gifts	Undisclosed Buyer	na	na	na	Retailer of flowers and gifts serving the Mooresville, Indiana area
01/05/2023	Buddha Company	AAP (PINX: AAPJ)	na	na	na	Retailer and producer of cannabis flowers, edibles and related products based in
01/18/2023	C-A-L Ranch Stores	Coastal Farm & Ranch, Nolan Capital	na	na	na	Retailer of farming and lifestyle products based in Idaho Falls, Idaho
02/16/2023	Camper's Choice RV	Rv Country	na	na	na	Operator of a RV dealership providing new and used RVs
03/10/2023	Central Ave Dodge Chrysler Jeep	Tasca Automotive Group	na	na	na	Operator of car dealership showrooms in Yonkers, New York
02/22/2023	DigiTire Professionals	CantuStore, L Catterton	na	na	na	Provider of motor tires and related services with a mix of brands and sizes for different applications and needs
03/14/2023	Eufloa	JARS Cannabis	na	na	na	Operator of boutique recreational cannabis dispensaries
02/01/2023	Everson's Hardware Hank	Central Network Retail Group	na	na	na	Retailer of hardware products based in Waconia, Minnesota
03/01/2023	Flaghouse	Cerberus Capital Management, Lantern Asset Management, School Specialty, The TCW Group	na	na	na	Supplier and retailer of equipment and resources for physical education, sports, fitness and recreation and for health, special needs, special education, sensory integration and multisensory environments
01/19/2023	Flooring Liquidators	Live Ventures (USA) (NAS: LIVE)	\$84.0	na	na	Retailer of flooring and hardwood products based in Modesto, California
03/10/2023	Frank P. Corso (Vending Business)	Ares Capital Corporation BDC (NAS: ARCC), Equicorp Partners, Five Star Food Service, Freeman Spogli	na	na	na	Operator of vending business across Mississippi
01/20/2023	Frieda's Branded Produce	Legacy Farms, Silver Oak Services Partners	na	na	na	Distributor and retailer of healthy food products
02/03/2023	GF Midwest	Exaltare Capital Partners	na	na	na	Operator of health care and personal care stores based in Milwaukee, Wisconsin
02/01/2023	God's Garden Treasures	Watson Flower Shops	na	na	na	Operator of an online retailing platform delivering flower bouquets and other florist supplies
03/02/2023	Half Moon Outfitters	Shoe Show	na	na	na	Operator of a regional chain of outdoor stores offering goods and services for adventure and travel
02/28/2023	Halfon Candy Company	Harbor Wholesale Foods	na	na	na	Distributor of confectionary products based in Seattle, Washington
01/31/2023	Houston Auto Auction	E Inc (TSE: EINC)	\$5.5	na	na	Provider of auto auction services based in Huston, Texas

# SELECTED M&A TRANSACTIONS

Date	Target	Buyer	ENTERPRISE VALUE			Description
			(\$MM)	TO LTM REVENUE	TO LTM EBITDA	
01/06/2023	Julia's Florist	Individual Acquirers	na	na	na	Provider of florist services located in Wilmington, North Carolina
02/02/2023	Kangol	Bollman Hat Company	na	na	na	Manufacturer and distributor of hats and headgear products based in New York
01/24/2023	KPOP 1004	World Partners for Healthcare (PINX: WPFH)	na	na	na	Operator of Korean pop merchandise retail store based in California
03/23/2023	Kriser's Natural Pet (California Business)	EarthWise Pet	na	na	na	Operator of a pet food store based in Orange County, California
03/07/2023	Lift Works	Sunbelt Rentals	na	na	na	Retailer of equipment serving small and mid-sized contractors in the Midwest
03/09/2023	Martinsville Flower Shot	Undisclosed Buyer	na	na	na	Operator of a flower shop
02/08/2023	Medly	Walgreens (NYS:WBA)	\$19.4	na	na	Operator of a chain of integrative pharmacies providing natural health, beauty, and wellness products
01/11/2023	Minnesota Tile & Stone	Borgman Capital, K.G. Stevens	na	na	na	Retailer of tiles and marbles for residential markets
02/22/2023	Moosejaw	Dick's Sporting Goods (NYS: DKS)	na	na	na	Retailer of athletic and mountaineering apparel and equipment
01/17/2023	PetCareRx	Petmed Express (NAS: PETS)	\$36.0	\$0.9	na	Owner and operator of a medicine marketplace for pet prescriptions and medications
03/01/2023	Phydeaux	Feeders Supply, PNC Riverarch Capital	na	na	na	Operator of a chain of pet supply stores catering to the communities in North Carolina
01/19/2023	Romp + Tumble	Rent-a-Romper	na	na	na	Retailer of baby and toddler clothes
02/15/2023	Roork's Farm Supply	Hoober	na	na	na	Distributor of equipment and services for garden and farm supplies
01/23/2023	Royal Paper	Envoy Solutions	na	na	na	Distributor of commercial products to movie theatres, stadiums, healthcare and food service providers, supermarkets, etc.
03/09/2023	Sawtooth Lumber	Cook County Home Center	na	na	na	Retailer of building products based in Grand Marais, Minnesota
01/23/2023	Scrubs On Wheels	Birch Swing Capital	na	na	na	Operator of mobile retail store chains providing nursing uniforms
03/14/2023	ScrubTrendz	The Scrub Shop	na	na	na	Retailer of medical uniforms catering to the healthcare sector
03/23/2023	See Spot Shop	EarthWise Pet	na	na	na	Operator of retail stores catering to pet owners
03/14/2023	Slade Gorton & Company	Cooke Aquaculture	na	na	na	Manufacturer and distributor of seafood based out of Massachusetts
02/07/2023	Suma + Reel	Suma Wealth	na	na	na	Provider of an alternative and debt-free payment option for shoppers
01/11/2023	The Leaf El Paseo	Icanic Brands Company (CNQ: LEEF)	\$5.5	na	na	Retailer of cannabis-based products based in Palm Desert, California
01/10/2023	Things Remembered	1-800-Flowers.com (NAS: FLWS)	na	na	na	Operator of an online gifting and personalization e-commerce platform
03/28/2023	Tom Thumb Food Stores (Specialty Retail)	The Kent Companies	na	na	na	Operator of convenience stores chain serving Fort Lauderdale and Key West areas
01/09/2023	Toyota of Hazleton	Brickl Capital, Leadcar	na	na	na	Operator of an automotive car dealership company
03/02/2023	Transit Energy Group	ARKO Corp	\$375.0	na	na	Operator of fuel distribution and retail convenience stores serving customers in the southeast
01/11/2023	White Rock Outboard	Portland Yacht Services	na	na	na	Retailer of marine products and parts located in Gorham, Maine
01/05/2023	Wiskerchen Truck and Equipment	Railway Equipment Leasing & Maintenance	na	na	na	Provider of trucks and equipment serving the railroad industry
01/10/2023	Zimmerman's Hardware	Aubuchon Hardware	na	na	na	Retailer of hardware supplies catering to customer in Montgomery, Howard, and Prince George counties in Virginia

Source: Pitchbook and SOLIC Research

# VALUATION METRICS BY SECTOR

Ticker	Company Name	Stock Price	% of 52 Week High	Market Cap (\$ mm)	Enterprise Value (\$ mm)	Enterprise Value to:			P/E
						LTM Revenue	LTM EBITDA	NTM EBITDA	
Department Store									
COST	Costco Wholesale	\$496.87	81.2%	\$220,353.5	\$215,792.5	0.9x	21.6x	20.5x	36.5x
DDS	Dillard's	\$307.68	73.6%	\$5,249.0	\$5,005.0	0.7x	3.8x	5.0x	6.1x
KSS	Kohl's	\$23.54	38.1%	\$2,606.9	\$10,019.9	0.6x	9.5x	6.8x	N/A
M	Macy's	\$17.49	64.1%	\$4,746.7	\$10,281.7	0.4x	4.1x	4.2x	4.2x
JWN	Nordstrom	\$16.27	55.0%	\$2,605.7	\$6,558.7	0.4x	5.2x	5.8x	10.8x
ROST	Ross Stores	\$106.13	86.7%	\$36,301.6	\$37,456.2	2.0x	15.7x	14.9x	24.2x
TGT	Target (US)	\$165.63	65.0%	\$76,250.1	\$93,094.1	0.9x	14.1x	11.3x	27.7x
TJX	TJX	\$78.36	94.3%	\$90,315.3	\$97,582.3	2.0x	17.6x	15.2x	26.4x
WMT	Walmart	\$147.45	91.7%	\$397,474.5	\$455,070.5	0.7x	15.3x	12.5x	34.5x
					Mean	1.0x	11.9x	10.7x	21.3x

<b>Apparel &amp; Footwear <sup>1</sup></b>									
ANF	Abercrombie & Fitch	\$27.75	72.1%	\$1,365.8	\$2,084.1	0.6x	9.3x	6.9x	555.0x
AEO	American Eagle Outfitters	\$13.44	73.9%	\$2,628.3	\$3,825.4	0.8x	8.1x	7.3x	21.0x
BKE	Buckle	\$35.69	70.9%	\$1,800.8	\$1,831.5	1.4x	5.2x	N/A	7.0x
BURL	Burlington Stores	\$202.10	84.2%	\$13,122.7	\$16,952.2	1.9x	26.3x	18.7x	57.9x
DBI	Designer Brands	\$8.74	45.1%	\$556.3	\$1,603.3	0.5x	6.3x	5.6x	3.9x
FL	Foot Locker	\$39.69	84.1%	\$3,708.2	\$6,398.2	0.7x	8.6x	9.1x	11.0x
GPS	Gap	\$10.04	64.8%	\$3,693.0	\$8,498.0	0.5x	18.0x	9.7x	N/A
RL	Ralph Lauren	\$116.67	90.5%	\$7,697.8	\$8,822.7	1.4x	9.6x	8.2x	15.6x
TPR	Tapestry (New York)	\$43.11	90.8%	\$10,177.2	\$12,634.6	1.9x	10.0x	8.6x	12.9x
JILL	The J.Jill Group	\$26.04	85.8%	\$273.3	\$552.6	0.9x	5.3x	5.1x	8.8x
TLYS	World of Jeans & Tops	\$7.71	74.5%	\$230.1	\$358.8	0.5x	13.0x	22.5x	23.4x
ZUMZ	Zumiez	\$18.44	44.8%	\$359.4	\$440.2	0.5x	8.5x	10.7x	17.1x
<b>Mean</b>						<b>1.0x</b>	<b>8.4x</b>	<b>7.9x</b>	<b>13.4x</b>

<b>Discount Store <sup>2</sup></b>									
BIG	Big Lots	\$10.96	27.8%	\$318.2	\$2,342.9	0.4x	N/A	60.1x	N/A
DG	Dollar General	\$210.46	80.3%	\$46,113.6	\$63,393.1	1.7x	15.6x	14.8x	19.7x
DLTR	Dollar Tree	\$143.55	81.0%	\$31,757.2	\$41,240.9	1.5x	13.7x	14.3x	19.9x
FIVE	Five Below	\$205.97	96.9%	\$11,463.4	\$12,561.0	4.1x	27.9x	23.4x	43.9x
OLLI	Ollie's Bargain Outlet	\$57.94	80.2%	\$3,589.2	\$3,759.7	2.1x	23.6x	15.3x	35.3x
PSMT	Pricesmart	\$71.48	81.0%	\$2,219.5	\$2,228.6	0.5x	9.4x	N/A	20.7x
<b>Mean</b>						<b>1.7x</b>	<b>20.2x</b>	<b>17.0x</b>	<b>23.9x</b>



# VALUATION METRICS BY SECTOR

Ticker	Company Name	Stock Price	% of 52 Week High	Market Cap (\$ mm)	Enterprise Value (\$ mm)	Enterprise Value to:			P/E
						LTM Revenue	LTM EBITDA	NTM EBITDA	
Drugstore Chains <sup>3</sup>									
CVS	CVS Health	\$74.31	69.0%	\$95,422.3	\$150,731.3	0.5x	12.4x	7.5x	23.7x
MDVL	MedAvail	\$0.29	8.1%	\$23.0	\$8.0	0.2x	N/A	N/A	N/A
PETS	Petmed Express	\$16.24	61.3%	\$342.4	\$240.0	0.9x	14.1x	8.9x	29.0x
RAD	Rite Aid	\$2.24	19.3%	\$126.6	\$6,223.0	0.3x	N/A	17.3x	N/A
WBA	Walgreens Boots Alliance	\$34.58	73.1%	\$29,835.5	\$73,978.5	0.6x	N/A	12.3x	N/A
					Mean	0.5x	13.3x	9.6x	26.3x
Food Retail <sup>4</sup>									
ACI	Albertsons Companies	\$20.78	57.7%	\$11,836.8	\$23,215.8	0.3x	4.6x	5.1x	8.4x
ARKO	Arko Holdings	\$8.49	78.5%	\$1,020.2	\$3,078.3	0.3x	11.5x	10.9x	16.0x
CASY	Casey's	\$216.46	86.6%	\$8,065.8	\$9,324.9	0.6x	9.8x	10.0x	18.0x
GO	Grocery Outlet	\$28.26	60.9%	\$2,760.5	\$4,072.8	1.1x	24.0x	17.1x	43.5x
KR	Kroger	\$49.37	78.6%	\$35,421.4	\$53,663.4	0.4x	14.7x	6.9x	16.1x
SPTN	SpartanNash	\$24.80	65.7%	\$869.5	\$1,628.5	0.2x	9.9x	6.5x	26.1x
SFM	Sprouts Farmers Market	\$35.03	98.4%	\$3,680.7	\$4,928.1	0.8x	8.2x	9.9x	14.7x
WMK	Weis Markets	\$84.67	88.6%	\$2,277.5	\$2,096.3	0.4x	7.9x	N/A	18.2x
					Mean	0.4x	9.5x	8.2x	16.8x
Electronics & Appliances									
BBY	Best Buy	\$78.27	79.7%	\$17,066.4	\$19,170.4	0.4x	7.0x	7.0x	12.4x
CONN	Conn's	\$6.06	34.8%	\$146.3	\$1,148.1	0.9x	68.2x	N/A	N/A
GME	GameStop	\$23.02	48.0%	\$7,013.6	\$6,239.6	1.1x	N/A	N/A	N/A
					Mean	0.8x	7.0x	7.0x	12.4x
Internet Retail <sup>5</sup>									
AMZN	Amazon.com	\$103.29	61.3%	\$1,058,439.5	\$1,128,531.5	2.2x	30.2x	13.2x	N/A
CHWY	Chewy	\$37.38	70.7%	\$15,959.2	\$15,753.6	1.6x	125.1x	50.7x	311.5x
EBAY	eBay	\$44.37	76.0%	\$23,821.4	\$25,770.4	2.6x	N/A	8.0x	N/A
ETSY	Etsy	\$111.33	74.3%	\$13,877.2	\$15,095.6	5.9x	N/A	19.6x	N/A
HOUR	Hour Loop	\$2.01	37.8%	\$70.3	\$66.8	0.7x	N/A	N/A	N/A
NEGG	Newegg	\$1.34	14.6%	\$502.9	\$521.2	0.3x	N/A	132.2x	N/A
OSTK	Overstock.com	\$20.27	44.2%	\$916.0	\$587.2	0.3x	N/A	29.5x	N/A
W	Wayfair	\$34.34	28.3%	\$3,795.8	\$6,672.8	0.5x	N/A	1,011.0x	N/A
					Mean	1.2x	30.2x	17.6x	N/A

# VALUATION METRICS BY SECTOR

Ticker	Company Name	Stock Price	% of 52 Week High	Market Cap (\$ mm)	Enterprise Value (\$ mm)	Enterprise Value to:			P/E
						LTM Revenue	LTM EBITDA	NTM EBITDA	
Home Improvement <sup>6</sup>									
FND	Floor & Decor	\$98.22	95.7%	\$10,456.9	\$12,188.0	2.9x	22.1x	19.7x	35.3x
LOW	Lowe's Companies	\$199.97	89.5%	\$119,253.4	\$155,899.4	1.6x	12.8x	11.4x	19.7x
LL	Lumber Liquidators	\$3.80	25.3%	\$111.2	\$306.1	0.3x	62.8x	N/A	N/A
HD	The Home Depot	\$295.12	85.0%	\$299,533.7	\$347,140.7	2.2x	12.9x	13.9x	17.7x
TTSH	The Tile Shop	\$4.69	69.6%	\$208.1	\$378.7	1.0x	7.9x	8.5x	14.7x
					Mean	1.6x	13.9x	13.4x	17.3x
Specialty Retail <sup>7</sup>									
ASO	Academy Sports + Outdoors	\$65.25	96.4%	\$5,021.3	\$6,452.9	1.0x	6.6x	6.8x	8.7x
AAP	Advance Auto Parts	\$121.61	52.5%	\$7,208.3	\$10,590.6	0.9x	10.8x	8.8x	14.7x
AZO	AutoZone	\$2,458.15	94.2%	\$45,224.3	\$55,094.8	3.3x	14.7x	13.9x	20.2x
BBWI	Bath & Body Works	\$36.58	62.9%	\$8,368.3	\$13,190.3	1.7x	8.2x	9.0x	10.8x
BJ	BJ's Wholesale Club	\$76.07	94.6%	\$10,186.0	\$13,268.5	0.7x	14.2x	12.5x	20.2x
DKS	Dick's Sporting Goods	\$141.89	93.0%	\$12,148.4	\$14,429.1	1.2x	7.8x	7.2x	13.2x
ORLY	O'Reilly Automotive Stores	\$848.98	97.1%	\$52,269.3	\$58,705.8	4.1x	17.7x	16.7x	25.4x
WOOF	Petco Animal Supplies	\$9.00	39.6%	\$2,400.8	\$5,331.6	0.9x	13.1x	10.1x	26.5x
RH	RH	\$243.55	67.3%	\$5,369.2	\$7,610.6	2.1x	11.5x	12.0x	12.2x
SPWH	Sportsman's Warehouse	\$8.48	74.6%	\$319.7	\$726.7	0.5x	4.8x	6.7x	4.2x
ULTA	ULTA Beauty	\$545.67	99.9%	\$27,390.0	\$28,555.3	2.8x	15.2x	14.9x	22.7x
WSM	Williams-Sonoma	\$121.66	68.8%	\$8,057.3	\$9,133.6	1.1x	5.3x	6.4x	7.5x
					Mean	1.5x	10.8x	10.4x	16.5x
OVERALL RETAIL SECTOR					Mean	1.1x	13.9x	11.3x	18.5x

[1] BURL excluded from mean calculation of EBITDA and P/E multiples, GPS excluded from mean calculation of LTM EBITDA and P/E multiples

[2] PSMT excluded from mean calculation EBITDA multiples

[3] RAD and excluded from mean calculation of EBITDA multiples

[4] GO excluded from mean calculation of all multiples

[5] CHWY excluded from mean calculation of EBITDA multiples, ETSY excluded from mean calculation of Revenue multiple, OSTK excluded from mean calculation of P/E multiple

[6] FND excluded from mean calculation of P/E multiple

[7] ORLY excluded from mean calculation of Revenue multiple, SPWH excluded from mean calculation of P/E multiple

Source: Pitchbook

# SOLIC REPRESENTATIVE TRANSACTIONS\*

HEALTHCARE SERVICES	<p>\$40,000,000</p> <p></p> <p>Restructuring Advisor</p>	<p>\$130,000,000</p> <p></p> <p>Restructuring Advisor</p>	<p>\$186,000,000</p> <p></p> <p>Restructuring Advisor</p>	<p>\$110,000,000</p> <p> has been acquired by <b>TEAMHealth.</b></p> <p>Financial Advisor</p>
CONSUMER & RETAIL	<p>\$89,000,000</p> <p></p> <p>Restructuring Advisor</p>	<p>\$289,800,000</p> <p></p> <p>Restructuring Advisor</p>	<p>\$50,000,000</p> <p></p> <p>Restructuring Advisor</p>	<p>\$300,000,000</p> <p></p> <p>Financial Advisor</p>
FINANCIAL SERVICES	<p></p> <p>Restructuring Advisor</p>	<p>\$8,500,000,000</p> <p>Restructuring of Warehouse Loans</p> <p></p> <p>Restructuring Advisor</p>	<p>\$13,000,000,000</p> <p>Filed Unsecured Claims</p> <p></p> <p>Restructuring Advisor</p>	<p>\$750,000,000</p> <p>Asset under Management</p> <p></p> <p>Restructuring Advisor</p>
TECHNOLOGY SERVICES	<p>ALS Resolution</p> <p>has been acquired by</p> <p> SPANOS BARBER JESSE &amp; CO</p> <p>Financial Advisor</p>	<p> a subsidiary of Digital Corporation has been acquired by</p> <p> and </p> <p>Financial Advisor</p>	<p> has sold certain assets to</p> <p> K2 Private Investors, LLC</p> <p>Financial Advisor</p>	<p> has been recapitalized</p> <p>Financial Advisor</p>
ENERGY	<p>\$800,000,000</p> <p></p> <p>Restructuring Advisor</p>	<p>\$40,000,000,000</p> <p></p> <p>Financial Advisor</p>	<p> Pasadena Tank Corporation has merged with</p> <p></p> <p>Financial Advisor</p>	<p>\$109,000,000</p> <p></p> <p>Financial Advisor</p>

\*includes transactions led by the team of SOLIC professionals at predecessor firms

# NOTES

## SOURCES

PitchBook, U.S. Census Bureau, Bloomberg, company 10-K, 10-Q and 8-K SEC filings, annual reports, press releases, and others as indicated.

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