

# RETAIL



Quarterly Update  
Third Quarter 2022

## CONTENTS

Key Highlights.....	2
Selected M&A Transactions.....	4
Valuation Metrics by Sector.....	7
SOLIC Representative Transactions.....	10
Notes.....	11



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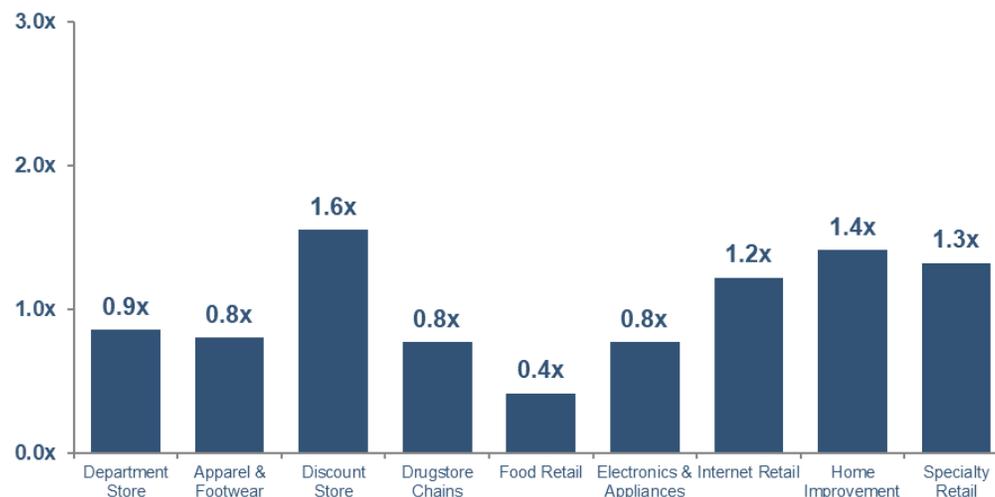
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# KEY HIGHLIGHTS

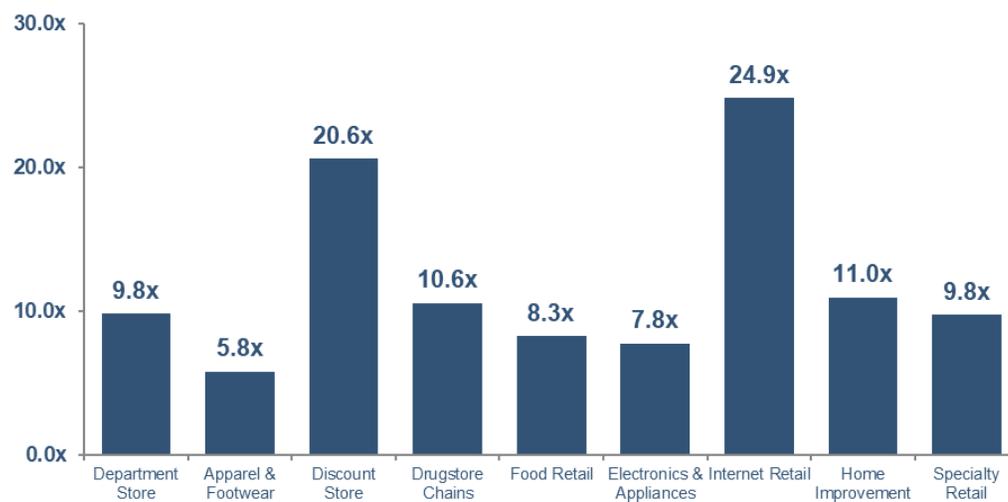
## KEY HIGHLIGHTS

- In Q3 2022, M&A activity in the Retail sector rose to 57 transactions, representing a 14% increase from the previous quarter
  - Sellers sought liquidity amidst an uncertain economic outlook, while strategic and financial acquirers aimed to take advantage of opportunities at more appealing valuations
  - A majority of M&A activity in retail continued to come from strategic acquirers
- Specialty Retail was the most active subsector from an M&A perspective with 20 transactions (35% of all Q3 2022 retail deals)
- Public company valuation multiples increased from the prior quarter, although remained substantial down on a year-to-date basis – The average retail EV / EBITDA multiple at the end of Q3 2022 was 12.1x, up from 10.2x in Q2 2022, though down from 15.5x at the end of 2021
  - EBITDA multiples recovered 18% over the quarter but have contracted 22% since Q4 2021
- Rising inventory levels were a key theme for retail in Q3 2022
  - Retail inventories rapidly increased from last quarter to \$735B, representing a 21% year over year increase
  - Rising inventories pose concerns to many retailers, as inventory levels outpace sales
  - In response to inventory issues, retailers are expected to heavily discount items in hopes of clearing inventory and driving consumer demand
- The Consumer Price Index (CPI) increased during Q3 2022, growing 1.0%, and 1.3% in August and September, respectively (with no growth experienced in July)
  - Year over year, CPI increased 8.5%, 8.2%, and 8.2% each month of Q3 2022
  - The CPI growth slowed relative to Q2 2022 due to a decline in gasoline prices, while food, housing, and medical indices drove the Q3 2022 increase
- **Q3 2022 Equity Capital Market Returns:** The SOLIC Retail Sector Index (“SRSI”) decreased (-1.7%) as compared to the broader S&P (-5.3%) and NASDAQ (-4.1%) indices over the same period. Five of the nine subsectors experienced declines in Q3 2022.
  - SRSI Department Store subsector performance: 10.5%
  - SRSI Apparel & Footwear subsector performance: -7.3%
  - SRSI Discount Store subsector performance: -5.6%
  - SRSI Drugstore Chains subsector performance: -1.3%
  - SRSI Food Retail subsector performance: -5.4%
  - SRSI Electronics & Appliances subsector performance: -8.7%
  - SRSI Internet Retail subsector performance: 6.0%
  - SRSI Home Improvement subsector performance: 1.6%
  - SRSI Specialty Retail subsector performance: 4.5%

## Enterprise Value to Revenue



## Enterprise Value to EBITDA



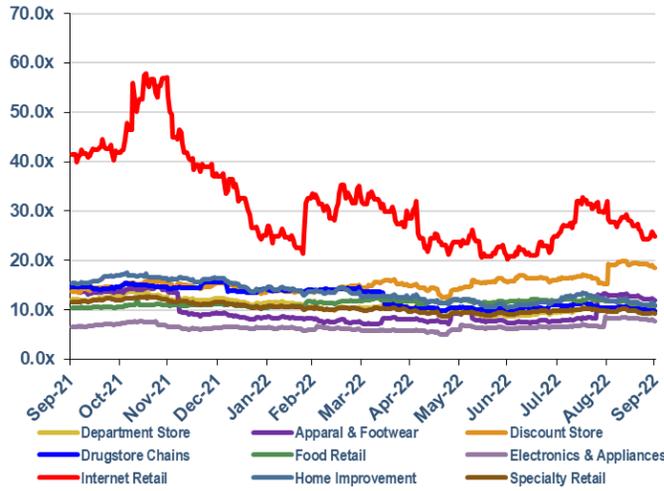
Source: Pitchbook and SOLIC Research

# KEY HIGHLIGHTS (continued)

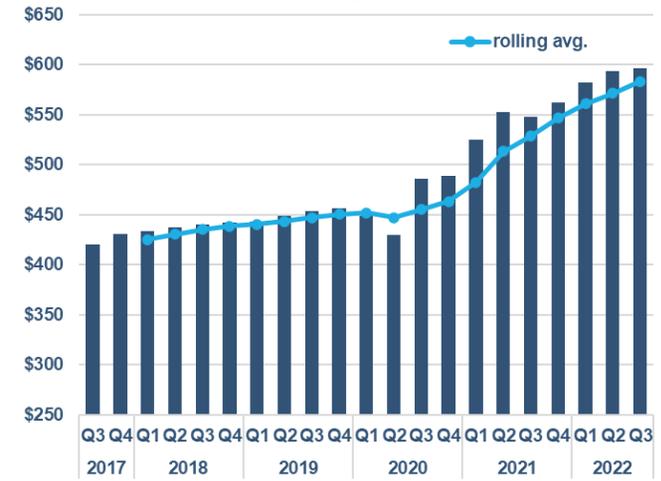
### Retail Sectors: Total Enterprise Value / Revenue



### Retail Sectors: Total Enterprise Value / EBITDA



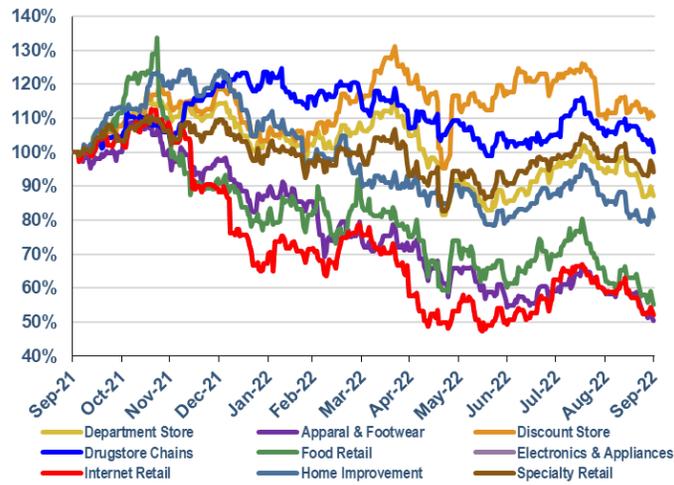
### U.S. Retail Sales (Quarterly average \$ in billions)



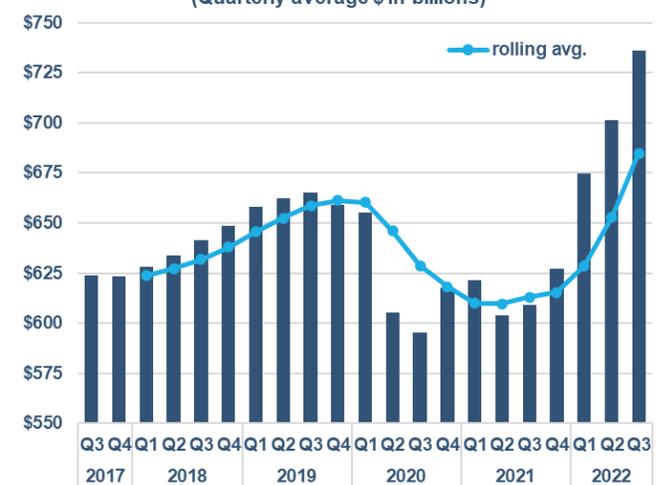
### SOLIC Retail Sector Index ("SRSI")



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



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



Please see pages 7-9 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

# SELECTED M & A TRANSACTIONS

## COMMENTARY

### Department Stores

- Major department stores have focused on efficiency amidst current economic conditions by closing thousands of stores
  - Macy's, JCPenney, Bed Bath & Beyond, and Dillard's all announced plans to close multiple locations across the country
- The off-price retail group of department stores, such as TJ Maxx (NYSE:TJX), Burlington, and Ross, are well positioned to benefit from the industry-wide inventory landscape as the off-price business model is centered around buying discounted inventory from other retailers
  - While traditional department stores have streamlined their store footprint this year, TJ Maxx and other off-price retailers have been expanding their footprint by opening new locations

### Apparel & Footwear

- Three transactions in the Apparel & Footwear subsector occurred during Q3 2022 as larger brands looked to expand their product offerings
  - Multiple acquisitions occurred in the sports apparel space including Abrdn and Brand Velocity Group's purchase of Score Sports, and TZP Group's acquisition of Soccer Post
- While inflationary cost increases impacted the profitability of brick and mortar, the direct-to-consumer business model continued to grow more popular
  - Retailers such as Foot Locker and Gap have reported lower margins and earnings per share during the first half 2022, while providing Q3 2022 guidance of year over year declines in profitability

### Discount Store

- The Discount Store subsector has experienced limited M&A in recent years due to the small number of major players in the space. The discount store subsector is dominated by just a few names such as Dollar General (NYSE:DG) and Dollar Tree (NAS:DLTR), who collectively hold over 60% of the estimated \$101B market
- Discount stores have seen more traffic and sales in 2022 because many consumers have restricted budgets in the current inflationary environment

### Drugstore Chains

- Major drugstore chains such as CVS and Walgreens have invested heavily in digital innovations and home health services in recent years, implying the sector considers digital health solutions as a key vertical
- Drugstores have faced significant pharmacists shortages, which continued in Q3 2022

### Food Retail

- The Food Retail subsector saw a significant increase in transactions during Q3 2022, with 15 M&A transactions representing over \$1.5B in reported transaction value
  - Large grocery chain, The Fresh Market, headlined M&A activity this quarter, which was acquired by Cencosud on July 5th at a \$1.01B enterprise value
- Many deals featured the consolidation of regional and local supermarkets, grocery stores, and convenience stores to both strategic and private equity buyers
  - Buyers ranged from large grocery chains such as Captain Fresh and Superior Grocers, to private equity firms like Apollo Global Management and Benford Capital Partners

### Electronics & Appliances

- There were five Electronics & Appliances transactions during Q3 2022
  - Notable acquisitions include the completion of Chicken Soup for the Soul Entertainment's acquisition of Redbox Entertainment at an \$805M valuation
  - Economic strains and operating performance led Enjoy Technology to file for bankruptcy before selling its assets to Asurion for \$110M in a Section 363 sale
- Rising inventory levels heavily threaten retailers in the subsector due to the above average costs of holding electronics and appliances inventory
- Top line revenues of Electronics & Appliance retailers have been impacted by inflation due to consumers cutting back spending on more expensive items

### Internet Retail

- The Internet Retail subsector saw 13 transactions during Q3 2022
  - Strategics and private equity buyers saw opportunities to expand their e-commerce product offerings at lower valuations than recent quarters
  - One notable transaction was Signet Jewelers' (NYS: SIG) expansion of its digital retail capabilities by acquiring Blue Nile for \$360M
- While increasing 2.6% during Q3 2022, SRSI internet retail stocks have experienced a 41% decline since the start of 2022
  - Despite the valuation contractions during the year, Internet Retail's EBITDA multiples remained the highest in the Retail sector due to higher gross margins
- Despite the attractive unit economics, many internet retailers and e-commerce companies maintained inefficient human capital structures and have been among the most aggressive companies with layoffs during Q3 2022
  - Allbirds, Glossier, Shopify, Stich Fix, and StockX all laid off between 8%-20% of their entire workforce in recent months

### Home Improvement

- There were 2 Home Improvement M&A transactions during this quarter
- Hardware stores and lumber companies took advantage of declining valuations and lower demand for materials to acquire regional and mid-sized chains
  - For example, large building products retailer, Builders First Source (NYS:BLDR) acquired HomCo Lumber & Hardware, a single location store in Flagstaff, AZ
- The Home Improvement sector was negatively impacted by declines across real estate
  - Demand for homebuilders, new permit applications, and material prices all declined during the quarter due to the impact of rising interest rates on the housing market
  - Major homebuilders such as D.R Horton and PulteGroup reported that new home order cancellations rose to between 15%-25% of all orders

### Specialty Retail

- Specialty Retail experienced the largest number transactions of all subsectors again, with 20 transactions in Q3 2022
- Auto dealerships and auto shops were common targets of Q3 2022 deals as many owners sought liquidity after the surge in used car prices and record demand during 2021
  - Acquirers ranged from individuals and families to large strategics, such as Driven Brands (NAS:DRVN)
- Consumer habits trended towards more conscious spending, as consumers spent less on luxury items, such as jewelry and expensive items, such as automobiles
- Recent economic conditions have pushed some specialty retailers into bankruptcy such as Olympia Sports filing for chapter 11 bankruptcy in September, with plans to close all remaining stores

# SELECTED M&A TRANSACTIONS

Date	Target	Buyer	Enterprise Value			Description
			(\$MM)	to LTM Revenue	to LTM EBITDA	
07/12/2022	96North	Alphagreen	na	na	na	Provider of natural scented candles sold on Amazon platform
09/20/2022	Barnesmith	Society Brands	na	na	na	Operator of an e-commerce platform for the collegiate apparel space
08/31/2022	Beaver Street Fisheries	Captain Fresh	\$600.0	na	na	Distributor of frozen seafood products
08/12/2022	Best Day Ever	Bespoke Extracts (PINX: BSPK)	na	na	na	Producer and retailer of cannabis products
08/19/2022	Blue Nile	Signet Jewelers (NYS: SIG)	\$360.0	\$0.6	\$36.0	Online retailer of diamonds and fine jewelry for weddings and engagements
07/14/2022	Blue River Organic Seeds	Albert Lea Seed	na	na	na	Provider of organic products for farmers in their agricultural practices
08/12/2022	Brick Street Market	Fareway Stores	na	na	na	Operator of the grocery store and cafe in Bondurant, Iowa
08/02/2022	Brown Supply Company	Dakota Supply Group	na	na	na	Distributor of Waterworks products including pipe and fittings, fire hydrants, marking flags, safety clothing, rain gear and fire hydrant servicing and repair
08/18/2022	Camper City	Redwood Capital Investments, RV Retailer	na	na	na	Operator of a recreational vehicle retail center based in Buford, Georgia
08/01/2022	Cardenas Markets	Apollo Global Management (NYS: APO)	na	na	na	Operator of a hispanic grocery chain offering, fruits, meat and seafood, bakery products, vegetables and dairy products
07/19/2022	Chrysler Jeep of White Plains	Undisclosed	\$18.6	na	na	Retailer of automotive vehicles based in White Plains, New York
08/24/2022	Cooke's Grocery Stores	Food City Abingdon	na	na	na	Operator of the departmental, online food and pharmacy store in Cleveland, Tennessee
09/06/2022	Dino Stop	Monfort	na	na	na	Operator of a chain of gas stations adjoining convenience stores for fuel, gasoline and necessity products
07/10/2022	ECCXI	Maytronics (TAE: MTRN)	\$30.8	na	na	Supplier of pool products and backyard equipment
07/20/2022	Elk Grove Ford	Lithia Motors (NYS: LAD)	na	na	na	Retailer of new and used cars in Elk Grove, California
07/25/2022	Enjoy Technology (PINX: ENJYQ)	ACE & Company, Angle Point Capital, Asurion, Berkshire Partners, Madison Dearbom Partners, Oasis Capital Israel, Providence Equity Partners, Welsh, Carson, Anderson & Stowe	\$110.0	0.85x	na	Legacy EJY Inc, formerly Enjoy Technology Inc is a technology-powered platform to bring products, services, and subscriptions to consumers
09/22/2022	Fathead's Country Campers	Kunes RV	na	na	na	Operator of car dealership shops based in Lake Mills, Wisconsin
08/10/2022	Food Gums Distribution	Benford Capital Partners	na	na	na	Retailer of grocery and food products based in Mokena, Illinois
07/01/2022	HomCo Lumber & Hardware	Builders Firstsource (NYS: BLDR)	na	na	na	Operator of a lumber and hardware store based in Arizona
08/05/2022	Hometown Subaru	Atlantic Coast Automotive	na	na	na	Operator of a car dealership based in Mount Hope, West Virginia
09/07/2022	Imperfect Foods	Misfits Market	na	na	na	Provider of online grocery and food products delivery services to reduce food waste and build a sustainable food system
07/15/2022	Jones Chevrolet Humboldt	Foundation Automotive	na	na	na	Provider of new and used car dealerships in Humboldt, Tennessee
07/07/2022	K&K Glass	Driven Brands (NAS: DRVN), Roark Capital Group	na	na	na	Manufacturer of glass repair services for automotive, residential and commercial industries
08/05/2022	Kia of Port Charlotte	Atlantic Coast Automotive	na	na	na	Operator of a car dealership based in Port Charlotte, Florida
09/07/2022	Little Renegades	Little Otter	na	na	na	Retailer of children's books, classroom supplies and accessories based in Redondo Beach, California
07/06/2022	Lustine Automall	Ourisman Automotive Group	na	na	na	Operator of auto, heavy truck and RV dealership
08/15/2022	Mallard Mart	Rusty Lantern Market	na	na	na	Operator of the convenience store chain based in Norway, Maine
07/22/2022	Martin's Hardware and Building Supply	Aubuchon Hardware	na	na	na	Operator of a chain of hardware stores serving the residents of Bristol and Middlebury in Vermont
07/13/2022	Numero Uno Markets	Superior Grocers	na	na	na	Operator of a chain of grocery stores in predominately Hispanic urban communities in the Los Angeles area
08/05/2022	Palm Paper Supply	Advent International, Audax Group, Bain Capital, Imperial Dade	na	na	na	Operator of a website for food service and janitorial sanitation products across Florida
07/18/2022	Quality Fruit & Vegetable	GrubMarket	na	na	na	Distributor and supplier of fresh fruits and vegetables intended to provide customers with fine and safe quality fruits and vegetables in Texas and New Mexico

# SELECTED M&A TRANSACTIONS

Date	Target	Buyer	Enterprise Value			Description
			(\$MM)	to LTM Revenue	to LTM EBITDA	
08/11/2022	Redbox Entertainment	Chicken Soup for the Soul Entertainment (NAS: CSSE)	\$805.6	\$3.0	na	Entertainment company that provides consumers with access to a large variety of content across digital and physical media
09/07/2022	Rosie	Instacart	na	na	na	Operator of an online grocery shopping platform to help grocers sell with delivery and pickup
09/29/2022	Score Sports	Abrdn (LON: ABDN), Brand Velocity Group, Ocean Avenue Capital Partners	na	na	na	Manufacturer and retailer of sports clothing and related accessories
09/13/2022	Shopini Logistics	Lyve Global	na	na	na	Operator of international shopping website to access products in overseas markets including the US, UK, Turkey, China and Dubai
07/15/2022	Shottenkirk Automotive (Honda, Nissan and Hyundai dealerships in Georgia)	Shottenkirk Automotive Group	na	na	na	Operator of automotive dealerships based in Rome, Georgia
09/08/2022	Ski Butlers	Alterra Mountain, KSL Capital Partners	na	na	na	Provider of ski and snowboard rental delivery serving North American and European Ski Resorts
08/18/2022	Sports Endeavors	Seawall Capital	na	na	na	Retailer of soccer, lacrosse and rugby merchandise based in Hillsborough, North Carolina
07/01/2022	SteelShad	Constitution Capital Partners, Good Sportsman Marketing, Gridiron Capital, WP Global Partners	na	na	na	Manufacturer and retailer of fishing accessories
09/13/2022	Stevenson's Appliances	Central Plumbing and Electric Supply	na	na	na	Operator of home appliance dealership stores in McAllen and Brownsville, Texas
09/21/2022	Sutherland Subaru	Sutherland Automotive Group	na	na	na	Operator of an automotive dealership located in Kingston, Tennessee
07/26/2022	Tattly	BIC (PAR: BB)	na	na	na	Operator of an online temporary tattoo retail platform
07/05/2022	The Fresh Market	Cencosud (SGO: CENCOSUD)	\$1,009.0	\$0.5	\$8.0	Operator of a chain of specialty grocery stores
08/11/2022	The World Poker Store	Genuine Marketing Group	na	na	na	Genuine Marketing Group Inc. (formerly The World Poker Store) is a retail and consumer-focused marketing company that creates brand affinity and builds consumer confidence through its proprietary authentication system
07/07/2022	Think 3Fold	Alliance Entertainment	na	na	na	Distributor of toys and collectibles
08/01/2022	Tobacco Superstore	Main Street Capital BDC (NYS: MAIN), Smoker Friendly	na	na	na	Operator of a chain of tobacco stores
09/12/2022	Transit Energy Group	GPM Investments, Harvest Partners	na	na	na	Operator of fuel distribution and retail convenience stores in the southeast U.S.
09/01/2022	Tres Amigos Convenience Stores	Brookwood Financial Partners, Yesway (NAS: YSWY)	na	na	na	Operator of a convenience store chain serving customers across Texas
07/25/2022	Tropix.io	Nano Art Market	na	na	na	Operator of a Non-Fungible Token (NFT) marketplace to empower digital art
08/29/2022	U-Pull-&-Pay	Pull-A-Part	na	na	na	Retailer of self-serve used auto parts focused on the automotive recycling process
07/11/2022	USA Depot	Stonewall Enterprises	\$1.3	na	na	Retailer of consumer products based in Powder Springs, Georgia
09/18/2022	Vegan Essentials	PlantX Lifestyle USA	\$0.7	na	na	Retailer of vegan products offering delivery service for meals and indoor plants based in Waukesha, Wisconsin
08/26/2022	VeloAngle	Fit Kit Systems	na	na	na	Operator of a cycle chain company to provide bike retailers, fitters, coaches and frame builders with the tools and knowledge to improve bike-body relationships
07/21/2022	Vitabox	Cincy Brands	na	na	na	Retailer of everyday essential products based in Miami, Florida
09/20/2022	Yankee Toy Box	Society Brands	na	na	na	Retailer of licensed-character clothing, footwear and accessories primarily serving the children's market

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	
<b>Department Store</b>									
COST	Costco Wholesale	\$472.27	77.1%	\$209,198.1	\$207,193.1	0.9x	21.1x	16.6x	35.9x
DDS	Dillard's	\$272.76	65.5%	\$4,674.0	\$4,710.1	0.7x	3.3x	5.1x	5.6x
KSS	Kohl's	\$25.15	39.1%	\$2,933.4	\$10,303.4	0.5x	5.1x	6.0x	5.0x
M	Macy's	\$15.67	41.3%	\$4,246.4	\$9,949.4	0.4x	3.3x	3.9x	3.1x
JWN	Nordstrom	\$16.73	45.9%	\$2,662.3	\$6,800.3	0.4x	4.6x	5.2x	6.6x
ROST	Ross Stores	\$84.27	68.3%	\$29,247.0	\$30,970.7	1.7x	13.0x	11.0x	20.0x
TGT	Target (US)	\$148.39	55.2%	\$68,298.4	\$84,826.4	0.8x	10.0x	8.0x	16.8x
TJX	TJX	\$62.12	80.3%	\$72,124.6	\$81,227.7	1.6x	14.8x	11.3x	22.2x
WMT	Walmart	\$129.70	80.7%	\$352,036.7	\$411,700.7	0.7x	13.3x	10.7x	25.9x

**Mean**      **0.9x**      **9.8x**      **8.7x**      **15.7x**

<b>Apparel &amp; Footwear <sup>1</sup></b>									
ANF	Abercrombie & Fitch	\$15.55	31.8%	\$769.0	\$1,631.4	0.4x	5.5x	5.0x	12.7x
AEO	American Eagle Outfitters	\$9.73	33.3%	\$1,822.8	\$3,567.1	0.7x	7.4x	6.9x	10.5x
BKE	Buckle	\$31.66	55.4%	\$1,586.0	\$1,566.4	1.2x	4.5x	N/A	6.2x
BURL	Burlington Stores	\$111.89	36.8%	\$7,334.0	\$11,465.1	1.3x	20.1x	9.9x	46.4x
DBI	Designer Brands	\$15.31	79.0%	\$983.4	\$2,100.3	0.6x	6.6x	7.1x	7.0x
FL	Foot Locker	\$31.13	53.9%	\$2,904.5	\$5,815.5	0.7x	6.2x	7.7x	6.3x
GPS	Gap	\$8.21	32.0%	\$2,986.0	\$8,687.0	0.5x	65.3x	9.0x	N/A
RL	Ralph Lauren	\$84.93	62.5%	\$5,756.5	\$6,790.2	1.1x	6.9x	5.6x	11.1x
TPR	Tapestry (New York)	\$28.43	60.4%	\$6,881.5	\$9,189.7	1.4x	7.1x	5.1x	9.0x
JILL	The J.Jill Group	\$16.61	79.5%	\$168.6	\$480.8	0.8x	4.5x	4.5x	4.8x
TLYS	World of Jeans & Tops	\$6.92	38.9%	\$208.4	\$343.5	0.5x	5.1x	N/A	5.8x
ZUMZ	Zumiez	\$21.53	39.1%	\$419.2	\$516.5	0.5x	4.4x	N/A	7.1x

**Mean**      **0.8x**      **5.8x**      **6.4x**      **8.1x**

<b>Discount Store <sup>2</sup></b>									
BIG	Big Lots	\$15.61	30.0%	\$451.8	\$2,461.7	0.4x	26.8x	8.9x	N/A
DG	Dollar General	\$239.86	91.5%	\$54,105.6	\$69,272.1	2.0x	18.2x	14.2x	23.9x
DLTR	Dollar Tree	\$136.10	76.8%	\$30,477.8	\$39,776.0	1.5x	13.8x	11.0x	19.6x
FIVE	Five Below	\$137.67	62.3%	\$7,641.7	\$8,801.3	3.0x	20.8x	13.3x	32.4x
OLLI	Ollie's Bargain Outlet	\$51.60	68.6%	\$3,229.6	\$3,458.9	2.0x	23.4x	11.8x	34.9x
PSMT	Pricesmart	\$57.59	65.2%	\$1,781.3	\$1,840.9	0.5x	8.2x	N/A	17.7x

**Mean**      **1.6x**      **20.6x**      **11.9x**      **25.7x**

# 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	
<b>Drugstore Chains</b>									
CVS	CVS Health	\$95.37	85.7%	\$125,204.5	\$184,705.5	0.6x	10.6x	8.5x	15.5x
MDVL	MedAvail	\$0.78	21.8%	\$62.1	\$45.2	1.4x	N/A	N/A	N/A
PETS	Petmed Express	\$19.52	59.7%	\$410.2	\$304.8	1.2x	11.1x	8.8x	20.3x
RAD	Rite Aid	\$4.95	31.6%	\$275.4	\$6,539.2	0.3x	N/A	N/A	N/A
WBA	Walgreens Boots Alliance	\$31.40	57.1%	\$27,137.7	\$64,860.7	0.5x	10.2x	10.4x	5.3x
<b>Mean</b>						<b>0.8x</b>	<b>10.6x</b>	<b>9.2x</b>	<b>13.7x</b>
<b>Food Retail <sup>3</sup></b>									
ACI	Albertsons	\$24.86	65.4%	\$13,223.0	\$24,736.1	0.3x	5.0x	5.6x	8.7x
ARKO	Arko Holdings	\$9.39	86.2%	\$1,127.5	\$3,005.0	0.4x	12.2x	9.5x	15.4x
CASY	Casey's	\$202.52	90.5%	\$7,544.9	\$8,905.3	0.6x	10.5x	10.1x	20.3x
GO	Grocery Outlet	\$33.29	71.8%	\$3,226.8	\$4,554.0	1.4x	28.5x	15.9x	59.4x
KR	Kroger	\$43.75	69.7%	\$31,316.5	\$49,491.5	0.3x	7.0x	6.7x	13.4x
SPTN	SpartanNash	\$29.02	77.4%	\$1,036.0	\$1,788.5	0.2x	9.4x	7.0x	17.1x
SFM	Sprouts Farmers Market	\$27.75	78.5%	\$2,981.9	\$4,208.1	0.7x	7.2x	8.5x	12.3x
WMK	Weis Markets	\$71.24	82.1%	\$1,916.2	\$1,792.1	0.4x	6.8x	N/A	16.1x
<b>Mean</b>						<b>0.4x</b>	<b>8.3x</b>	<b>7.9x</b>	<b>14.8x</b>
<b>Electronics &amp; Appliances</b>									
BBY	Best Buy	\$63.34	44.6%	\$14,259.8	\$17,468.8	0.4x	5.5x	5.8x	8.5x
CONN	Conns	\$7.08	26.3%	\$169.2	\$1,127.3	0.8x	10.1x	8.4x	5.9x
GME	GameStop	\$25.13	39.3%	\$7,652.8	\$7,346.3	1.2x	N/A	N/A	N/A
<b>Mean</b>						<b>0.8x</b>	<b>7.8x</b>	<b>7.1x</b>	<b>7.2x</b>
<b>Internet Retail <sup>4</sup></b>									
AMZN	Amazon.com	\$113.00	60.1%	\$1,151,193.7	\$1,215,060.7	2.5x	24.2x	10.6x	101.3x
BOXD	Boxed	\$0.92	5.4%	\$66.8	\$154.2	0.8x	N/A	N/A	N/A
CHWY	Chewy	\$30.72	38.1%	\$12,985.8	\$12,835.7	1.4x	921.6x	28.0x	N/A
EBAY	eBay	\$36.81	45.3%	\$20,222.2	\$25,343.2	2.5x	N/A	6.8x	N/A
ETSY	Etsy	\$100.13	32.5%	\$12,677.3	\$14,059.2	5.8x	29.0x	15.3x	35.4x
HOUR	Hour Loop	\$2.61	25.3%	\$91.5	\$93.9	1.4x	39.0x	N/A	51.8x
NEGG	Newegg	\$2.34	10.5%	\$879.7	\$929.9	0.5x	N/A	N/A	N/A
OSTK	Overstock.com	\$24.35	21.9%	\$1,112.7	\$717.2	0.3x	7.2x	7.8x	14.8x
W	Wayfair	\$32.55	10.9%	\$3,461.4	\$5,716.4	0.5x	N/A	32.2x	N/A
<b>Mean</b>						<b>1.2x</b>	<b>24.9x</b>	<b>10.1x</b>	<b>25.1x</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		
<b>Home Improvement <sup>5</sup></b>										
FND	Floor & Decor	\$70.26	48.2%	\$7,450.2	\$9,014.0	2.3x	18.7x	10.7x	27.2x	
LOW	Lowe's Companies	\$187.81	71.3%	\$116,573.8	\$148,246.8	1.6x	10.5x	9.9x	14.8x	
LL	Lumber Liquidators	\$6.93	36.0%	\$203.3	\$347.4	0.3x	6.8x	N/A	7.9x	
HD	The Home Depot	\$275.94	65.6%	\$282,487.1	\$328,606.1	2.1x	12.3x	11.4x	17.0x	
TTSH	The Tile Shop	\$3.52	39.6%	\$183.9	\$309.2	0.8x	6.6x	6.4x	12.6x	
<b>Mean</b>						<b>1.4x</b>	<b>11.0x</b>	<b>9.6x</b>	<b>13.0x</b>	
<b>Specialty Retail <sup>6</sup></b>										
ASO	Academy Sports + Outdoors	\$42.18	81.9%	\$3,363.3	\$4,818.3	0.7x	4.9x	4.9x	5.9x	
AAP	Advance Auto Parts	\$156.34	63.9%	\$9,398.9	\$12,742.0	1.2x	12.6x	8.5x	18.1x	
AZO	AutoZone	\$2,141.93	90.7%	\$40,966.6	\$40,703.5	2.6x	11.2x	N/A	18.3x	
BBWI	Bath & Body Works	\$32.60	39.8%	\$7,445.0	\$13,060.0	1.7x	6.8x	7.2x	8.0x	
BJ	BJ's Wholesale Club	\$72.81	91.4%	\$9,834.4	\$13,010.1	0.7x	15.0x	11.6x	20.5x	
DKS	Dick's Sporting Goods	\$104.64	73.3%	\$8,287.4	\$10,820.8	0.9x	5.3x	6.1x	9.0x	
ORLY	O'Reilly Automotive Stores	\$703.35	93.7%	\$44,534.9	\$50,975.8	3.7x	15.8x	13.7x	22.2x	
WOOF	Petco Animal Supplies	\$11.16	42.6%	\$2,965.3	\$5,904.4	1.0x	14.4x	9.4x	24.8x	
RH	RH	\$246.07	35.2%	\$5,838.2	\$7,516.8	1.9x	9.1x	7.4x	8.6x	
SPWH	Sportsman's Warehouse	\$8.30	46.2%	\$322.6	\$693.2	0.5x	4.3x	N/A	3.8x	
ULTA	ULTA Beauty	\$401.19	88.9%	\$20,549.6	\$21,972.0	2.3x	12.6x	12.3x	18.8x	
WSM	Williams-Sonoma	\$117.85	52.8%	\$7,861.9	\$9,059.4	1.1x	5.2x	5.5x	7.4x	
<b>Mean</b>						<b>1.3x</b>	<b>9.8x</b>	<b>8.6x</b>	<b>14.7x</b>	
<b>OVERALL RETAIL SECTOR</b>						<b>Mean</b>	<b>1.0x</b>	<b>12.1x</b>	<b>8.8x</b>	<b>15.3x</b>

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

[2] PSMT excluded from mean calculation of LTM EBITDA multiple

[3] GO excluded from mean calculation of all multiples

[4] CHWY and W excluded from mean calculation of EBITDA multiples, ETSY excluded from mean calculation of Revenue multiple, AMZN and HOUR excluded from mean calculation of P/E multiple

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

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

Source: Pitchbook

# SOLIC REPRESENTATIVE TRANSACTIONS\*

<p><b>HEALTHCARE SERVICES</b></p>	<p>\$40,000,000</p>  <p>Restructuring Advisor</p>	<p>\$130,000,000</p>  <p>Restructuring Advisor</p>	<p>\$186,000,000</p>  <p>Restructuring Advisor</p>	<p>\$110,000,000</p>  <p>has been acquired by <b>TEAMHealth.</b></p> <p>Financial Advisor</p>
<p><b>CONSUMER &amp; RETAIL</b></p>	<p>\$89,000,000</p>  <p>Restructuring Advisor</p>	<p>\$289,800,000</p>  <p>Restructuring Advisor</p>	<p>\$50,000,000</p>  <p>Restructuring Advisor</p>	<p>\$300,000,000</p> <p><b>LOEHMANN'S</b></p> <p>Financial Advisor</p>
<p><b>FINANCIAL SERVICES</b></p>	<p></p> <p>Restructuring Advisor</p>	<p>\$8,500,000,000</p> <p>Restructuring of Warehouse Loans</p>  <p>Restructuring Advisor</p>	<p>\$13,000,000,000</p> <p>Filed Unsecured Claims</p>  <p>Restructuring Advisor</p>	<p>\$750,000,000</p> <p>Asset under Management</p> <p><i>SageCrest II, LLC</i></p> <p>Restructuring Advisor</p>
<p><b>TECHNOLOGY SERVICES</b></p>	<p>ALS Resolution </p> <p>has been acquired by</p>  <p>Financial Advisor</p>	<p></p> <p>a subsidiary of Digital Corporation</p> <p>has been acquired by</p>  <p>Financial Advisor</p>	<p></p> <p>has sold certain assets to</p>  <p>Financial Advisor</p>	<p><i>New Vision</i></p> <p>has been recapitalized</p> <p>Financial Advisor</p>
<p><b>ENERGY</b></p>	<p>\$800,000,000</p>  <p>Restructuring Advisor</p>	<p>\$40,000,000,000</p>  <p>Financial Advisor</p>	<p></p> <p>Pasadena Tank Corporation</p> <p>has merged with</p>  <p>Financial Advisor</p>	<p>\$109,000,000</p> <p><b>Confidential Oilfield Services Provider</b></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. Any public companies chosen for the "SOLIC Retail Sector Index ("SRSI")" are companies commonly used for industry information to show performance within a sector. They do not include all public companies that could be categorized within the sector and were not created as benchmarks; they do not imply benchmarking and do not constitute recommendations for a particular security and/or sector. The charts and graphs used in this report have been compiled by SOLIC Capital Advisors solely for purposes of illustration.

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