

# RETAIL



Quarterly Update  
Second Quarter 2024

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# KEY HIGHLIGHTS

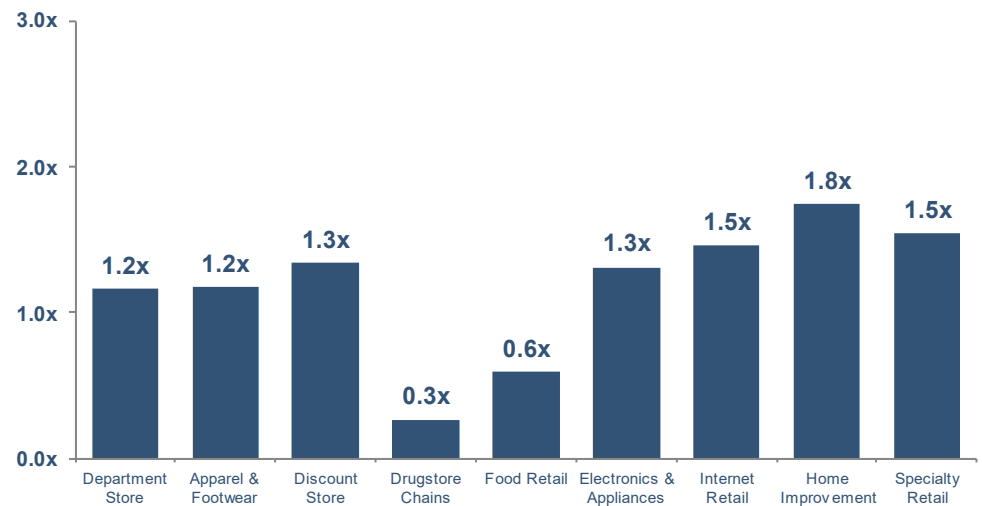
## KEY HIGHLIGHTS

- Retail M&A activity in Q2 2024 increased sharply by ~54% to 60 transactions
  - The most retail transactions occurred in the Specialty Retail subsector, which saw 19 M&A transactions during Q2 (32% of all transactions)
- Public company valuation multiples increased slightly from Q1 2024 and remained down on a year over year basis
  - The average EV / EBITDA multiple at the end of Q2 was 13.1x, up ~ 5% from 12.56x in Q1, but down 19% from 16.23x in Q2 2023
- Retailers across the entire sector focused on optimizing operations by redefining storefronts, digital enhancements, developing new revenue streams, and making acquisitions
- US Retail inventories increased slightly in Q2 2024, indicating that inventory levels have stabilized overall while consumers have maintained prior caution of spending. Stable inventory levels additionally suggest that Retailers have improved their overall inventory management strategies
  - Retail inventories rose 0.3% in Q2 to \$806B, and 2.1% on a year over year basis
- Retail sales rose slightly on a quarter-over-quarter basis in Q2 2024 by 0.4%.
  - On a year over year basis, retail sales increased by 1.7%
- 203 companies filed for bankruptcy in Q2, up 41% from 144 filings in Q1
  - Q2 featured the most bankruptcies in over a decade
  - On a year over year basis, corporate bankruptcy filings increased by 27% from Q2 2023
  - Bankruptcy filings over \$1B in Liabilities increased substantially on a year over a year basis. On a YTD 2023 bases, there have been ~60% more filings of that size vs the prior year
- The Consumer Price Index (CPI) rose in Q2 by 3.3% on a year over year basis, suggesting that overall inflation rates are moderating

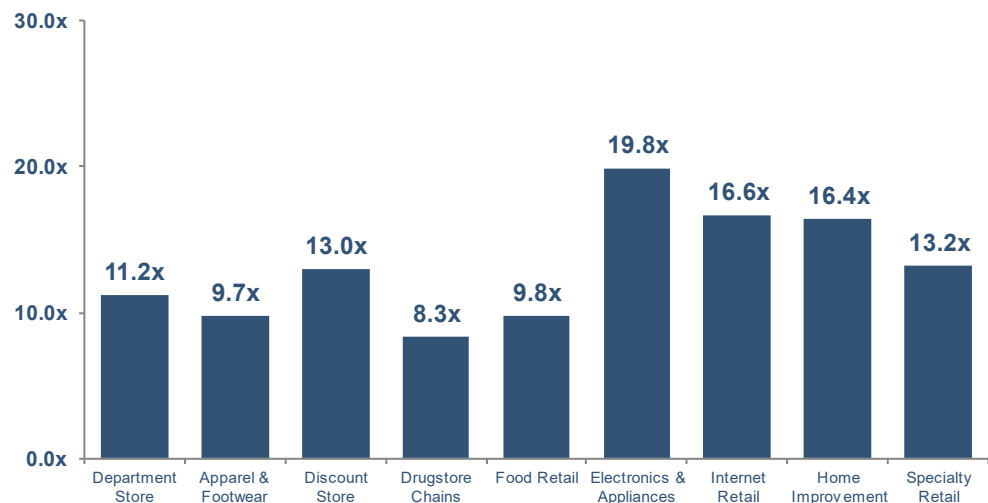
**Q2 2024 Equity Capital Market Returns:** The SOLIC Retail Sector Index (“SRSI”) decreased in Q2 (-3.4%) as compared to the broader S&P (3.9%) and NASDAQ (8.3%) indices over the same period. Three of the nine subsectors experienced positive returns in the quarter

- SRSI Department Store subsector performance: 7.7%
- SRSI Apparel & Footwear subsector performance: -2.9%
- SRSI Discount Store subsector performance: -18.4%
- SRSI Drugstore Chains subsector performance: -29.0%
- SRSI Food Retail subsector performance: -3.5%
- SRSI Electronics & Appliances subsector performance: 33.2%
- SRSI Internet Retail subsector performance: 7.2%
- SRSI Home Improvement subsector performance: -12.0%
- SRSI Specialty Retail subsector performance: -9.8%

## Enterprise Value to Revenue



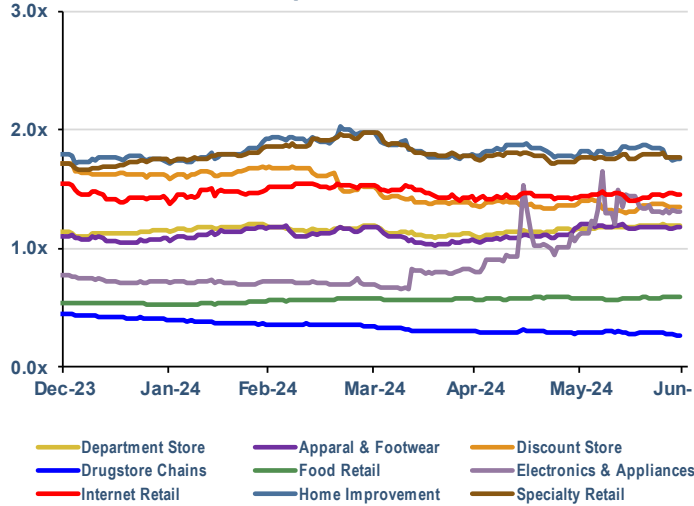
## Enterprise Value to EBITDA



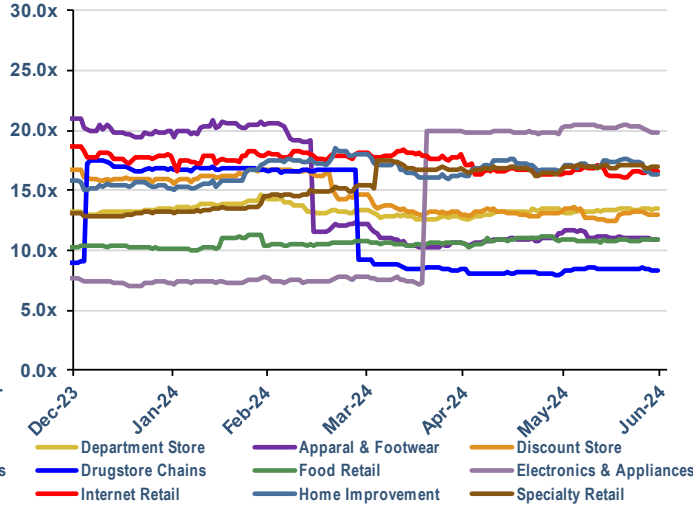
Source: Pitchbook and SOLIC Research

# KEY HIGHLIGHTS (continued)

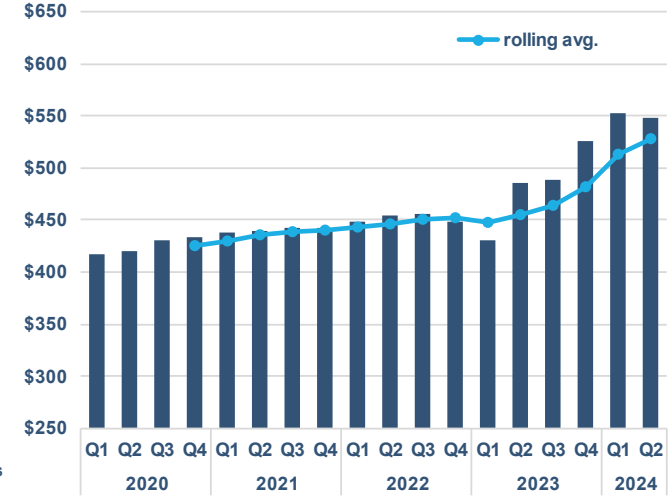
### Retail Sectors: Total Enterprise Value / Revenue



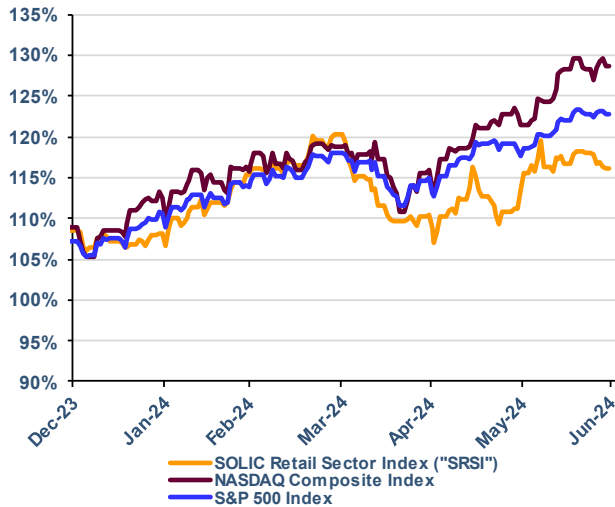
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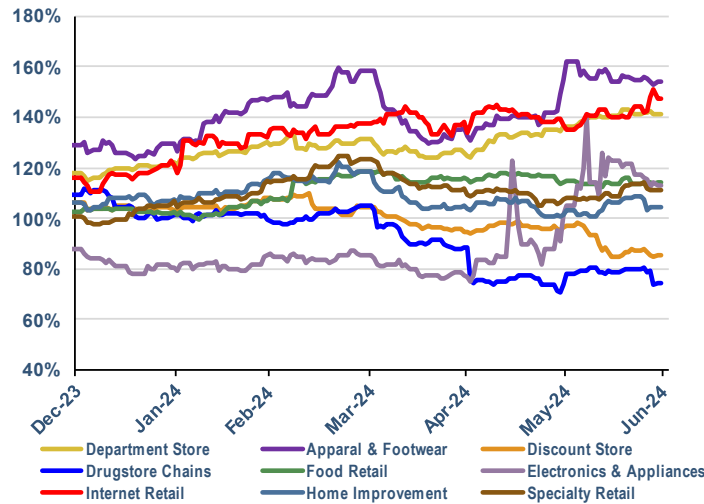
### U.S. Retail Sales (Quarterly average \$ in billions)



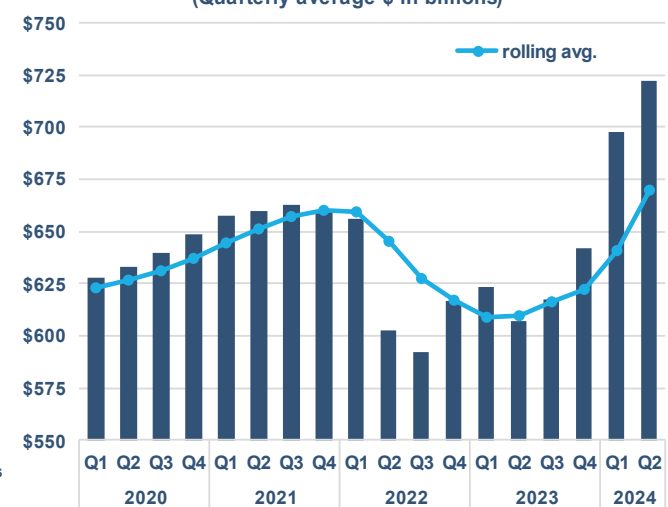
### SOLIC Retail Sector Index ("SRSI")



### 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 looked to minimize operating risk by diversifying revenue streams and optimizing store counts
- Consumer trends suggest shrinking physical shopping, while e-commerce and digital solutions are expected to prevail in department stores retail. UBS expects over 45K physical retail locations to close in the coming years
  - Many stores, have already accounted further stores closing plans, such as Macy's, who announced they are closing 150 stores over the next 3 years
- While department stores are attempting to optimize their physical footprint by shrinking store counts, they have ramped up investment in ecommerce and personalized digital shopping solutions in order to offset lost revenues

### Apparel & Footwear

- There were 9 Apparel and Footwear transactions in Q2 2024 (~15% of all retail transactions)
- Notable transactions include:
  - Hibbett Sports (NASDAQ: HIBB), a sporting goods and apparel retailer, was acquired by Jd Sports Fashion for \$1.1B
  - Ewing Sports, a retailer of soccer and sports apparel, was acquired by Sports Endeavors via sponsors Raptor Group and Seawall Capital for \$2M
  - 2 Peaches Group, a clothing thrift store chain was acquired by Savers (NYSE: SVV) for an undisclosed amount
- Express, Inc. filed for Chapter 11 bankruptcy in Q2, which marked the 14<sup>th</sup> bankruptcy in the billions in 2024 (~a 55% increase from YTD 2023)
  - The company was subsequently bought out of bankruptcy for \$174M through a joint venture between Private Equity firm, WHP Global and the mall owners (Brookfield, Simon Property, and Centennial). Through this deal, 450 Express and Bonobos stores will remain open
- Rue21 filed for chapter 11 bankruptcy for the third time (the company most recently filed in 2017). Rue21 is planning to shut down all 540 locations and sell the IP

### Discount Store

- There was one reported transaction in the Discount Store subsector in Q2
  - Integra Consumer Lending acquired Aztec Pawn, an Arizona based Pawn Shop, for an undisclosed amount
- Despite benefitting from increased foot traffic in the last few years, discount stores have struggled with declining margins, liquidity, and shrink
  - Dollar Tree announced plans to close 1,000 of its ~15,000 stores to combat lost margin
  - To address shrink (unaccounted inventory loss), Dollar General reverted or limited self-checkout in ~12,000 of its stores. This reflects a complete 180 from 2022, when the company rolled out stores that only had self-checkout
  - Big Lots warned investors of severe operational concerns in its latest quarterly earnings release. The company publicized a liquidity crunch from net losses & warned that they may not be able to meet near term credit & term loan obligations
- 99 Cents Only, a grocery and supply dollar store with a 377 store portfolio (44 owned properties and 333 leased properties), filed for Chapter 11 bankruptcy with in April with \$1B in Assets and \$10B in liabilities. The company filed with plans to conduct an orderly wind-down of operations
  - Despite recently announcing store closure plans for 1,000 locations, Dollar Tree stepped in and acquired 170 stores from 99 Cents Only, as well as the debtors' North American IP and select furniture, fixtures, and equipment. Dollar Tree plans to reopen these locations by the fall 2024

### Drugstore Chains

- Zero Drugstore Chain transactions occurred in Q2
- Rite Aid's bankruptcy plan was finally approved in late June, reducing its debt load by ~\$2B, after over 8 months in bankruptcy. The companies plan is expected to go effective later in the summer
  - Rite Aid was able to resolve the two main outstanding barriers in bankruptcy, by settling outstanding claims from the two civil cases related to Rite Aid's role in the opioid epidemic. Rite Aid agreed to pay the federal government \$7.5M and also granted the government a ~\$402M unsecured claim in the company's bankruptcy
- OptioRx, a compounding pharmacy for people and pets with ~20 nationwide locations, filed for Chapter 11 bankruptcy in June with \$10-50M in Assets and \$100-500M in liabilities. The company's proposed plan of reorganization featured a partial debt for equity swap
- Major pharmacy chains continued their efforts to streamline their store footprints. CVS plans to close ~900 locations by the end of 2026, while Walgreens announced plans to close ~2,000 of its 8,600 stores by 2027
  - Both major drugstores have noticed substantial upticks in online prescription refills & delivery coupled with declining in-person pickups, and well as enhanced competition from other larger beyond drugstore competitors (such as Target, Walmart, Costco, and Amazon)

# SUB-SECTOR HIGHLIGHTS

## COMMENTARY (continued)

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### Food Retail

- There were 14 Food Retail transactions in Q2, accounting for 23% of all M&A activity
- Q1 M&A trends continued, as convenience stores were the primary target in food retail deals
- Notable transactions include:
  - Grocery Outlet (NASDAQ: GO) acquired United Grocery outlet, a Southeastern grocery chain, for \$62M
  - The Kent Companies remained an active acquirer in the space as they acquired Jack's Convenience Stores, a Texas based convenience store chain, during Q2
  - The Save Mart Companies, a California and Nevada supermarket chain, was acquired by the Jim Pattison Group for an undisclosed amount
  - Shell (NYSE: SHEL) acquired Brewer Oil Company for an undisclosed amount to expand its U.S. footprint and revenue streams. Brewer operates 45 convenience stores in New Mexico
- Grocery stores and food retailers have enhanced technological integration efforts throughout operations in order control costs, improve customer experiences, and optimize supply chains
  - Multiple grocery stores, most recently Hyvee and Walmart, have introduced digital shelf labels to their stores, making it easier for the company to control and change prices and discounts
  - Walmart added five new automated/AI-enabled distribution centers and fresh food hubs as part of aggressive efforts to enhance their grocery business. The company also renovated/upgrading five existing centers with the same technologies
- Food retailers continued to bolster in-house business units (i.e. Private label and private brands) as solutions to low profit margins brands
  - Private Brands hit record performance in the 1<sup>st</sup> half and 2<sup>nd</sup> quarter of 2024. Store brands' outperformed national brands in year over year growth and now hold a ~23% market share
  - Walmart launched a new grocery line, Bettergoods, to its existing private brand portfolio. Bettergoods features ~300 new private brand items
  - Other grocery stores targeted restaurants and fast food chains through their in-house products. Harris Teeter began serving a rotating menu of \$5 prepared foods at a number of their stores
- Outfox Hospitality, the merged entity of Dom's Kitchen & Market and Foxtrot, suddenly ceased operations in April and filed for Chapter 7 bankruptcy 3 weeks later, despite recently merging in November 2023
  - The company's assets were bought for \$2.2M at auction by Further Point Enterprises, and announced plans to re-open ~10-15 Foxtrot locations shortly thereafter

# SUB-SECTOR HIGHLIGHTS

## Electronics & Appliances

- The Electronics & Appliances subsector saw 3 transactions in Q2 2024 (~6% of all reported transactions)
- Transactions include:
  - Shearer Supply, backed by PE Sponsors Riverarch Equity Partners and Invescorp, acquired Climatic Comfort Products for \$34M. Climatic Comfort Products is a retailer and distributor of HVAC electronics and parts with 9 storefronts
  - P3 Systems acquired Triton Datacom, a New York based retailer of telecom electronics and equipment, for an undisclosed amount
  - Singer Equipment company acquired Hotel & Restaurant Supply (subsequently renamed Singer H&R), a retailer of kitchen appliances and kitchen supplies, for an undisclosed amount
- Electronics retailers looked for solutions to cash demanding storefronts
  - While Best Buy announced that they plan to close additional storefronts (10-15 in 2025) after closing 24 stores in 2023, they also launched a 150+ small format, digital first stores. In smaller sized storefront, these stores would hold significantly less inventory and feature curated selections of top products in each category, while offering enhanced online ordering and delivery solutions to its customers
- Pirch, a luxury appliance retailer with direct-to-consumer options, filed for Chapter 7 bankruptcy in Q2 and faces lawsuits from multiple vendors, such as American Express.

## Internet Retail

- There were 10 Internet Retail transactions in Q2 2024 (17% of all deals)
- Transactions included:
  - A-Mark Precious Metals acquired Silver Gold Bull, an internet retailer and platform for precious metals, for \$120M
  - H.I.G. Capital acquired Health E-Commerce, an online retailer of FSA/HAS centered consumer health and wellness products, for an undisclosed amount
  - MetalCloak acquired Carbon Off Road, an online retailer of auto accessories, for an undisclosed amount
- Companies began to limit their exposure to Buy Now, Pay Later (BNPL) payment options, which has become very common in the internet retail space.
  - After only one year, Apple shut down its BNPL service, while Chase bank stopped allowing the service with its products

## Home Improvement

- 4 Home Improvement transactions took place during in Q2 2024 (6% of all transactions)
- Like many recent quarters, home improvement M&A largely featured the rollup of local / regional stores into larger chains
- Transactions included:
  - Nation's Best Holdings made two different hardware stores acquisitions in Q2. Nation's best acquired Big Bear Hardware (a hardware store based in Texas) and Gambles Hardware (based in Colorado). Transaction details were not disclosed for either deal
  - General Plumbing Supply acquired Showroom Source, a retailer of plumbing fixtures and supplies in the Tri-State area
  - R.P. Lumber acquired Thorne Lumber for an undisclosed amount. Thorne is a Missouri based hardware and home improvement store
- Homebuilding and residential construction is expected to recover and grow throughout the rest of 2024 and 2025, which should benefit performance of Home Improvement Retailers around the country

## Specialty Retail

- Specialty Retail featured the most transactions, with 19 deals during Q2 (~32% of all transactions)
- Automotive dealers and parts retailers made up the majority of Q2 transactions, as large dealerships, service centers, and parts shops rolled up smaller ones
- Notable Transactions include:
  - Barnes and Noble acquired Tatter Cover, an independent bookstore chain headquartered in Denver, for \$1.8M
  - Grace Management Group acquired Audrey's, a home décor retailer, for an undisclosed amount
  - America's Car-mart (NASDAQ: CRMT) acquired Texas Auto Center, a chain of dealers throughout Texas
  - Genuine Parts (NYSE: GPC) acquired Motor Parts and Equipment Corporation, a Midwestern retailer and distributor of auto parts, for an undisclosed amount
  - Les Schwab Tire Center acquired CMC Tire for an undisclosed amount. CMC Tire is a Western tire retail chain
- KidKraft
- Sam Ash Music, a 100+ year old music and instrument retailer with 42 stores filed for Chapter 11 bankruptcy in Q2. While the company generated ~\$190M in Sales during 2023 (\$145 from brick-and-mortar and ~\$45 from online), they have struggled to recover to pre-pandemic performance and pay landlords and lenders

# SELECTED M & A TRANSACTIONS

Date	Target	Buyer	ENTERPRISE VALUE		Description
			(\$MM)	TO LTM REVENUE	
06/26/2024	Mr. Pato	Undisclosed Acquirer			Retailer of outdoor living products based in the United States. The company offers fire glass, patio heater replacement parts and outdoor furniture through an e-commerce platform to its customers.
06/25/2024	Kerrville R.V. and Truck Sales	Mc Clain's Rv Superstore			Operator of an RV dealership based in Kerrville, Texas. The company offers class A, class B, and class C motorhomes, pre-owned RVs, service and maintenance, and financing services providing customers with support for their RV lifestyle.
06/25/2024	The Save Mart Companies	The Jim Pattison Group			Operator of a chain of supermarkets throughout California and Northern Nevada. The company offers a wide range of products including pre-packaged meats, yard and garden supplies, plants, fresh-cut flowers, and gift items under different brands that it owns, providing customers with fresh foods for their families at affordable prices.
06/24/2024	Big Bear Hardware	Nation's Best Holdings			Retailer of hardware supplies and animal nutrition products based in La Vernia, Texas. The company specializes in the sale of paint matching and mixing key cutting, electrical, plumbing, tools, hardware, fasteners, automotive, welding, steel, cement, lumber, paint, paint sundries, feed and lawn products.
06/24/2024	Silver Gold Bull	A-Mark Precious Metals (NAS: AMRK)	\$120.0	0.3x	Operator of the platform to buy precious metals like gold and silver bullion intended to serve individual and corporate clients. The company is engaged in retailing precious metals through the e-commerce platform, focused on providing online innovation, high-quality products, competitive pricing, and excellent customer service.
06/20/2024	Wrightington Gas	Spicer Advanced Gas			Distributor of propane gas for residential and commercial usage. The company's business includes installation of gas tanks for agricultural and industrial usage, enabling customers to have access to a sustainable alternative to other fuels like gasoline.
06/18/2024	Avenue Stores	Altamir (PAR: LTA), Apax Partners, Brookfield Oaktree Holdings, FullBeauty Brands Operations			Operator of a network of retail stores intended for on-trend plus-size women's clothing and accessories. The company offers a range of products for all ages with a particular focus on providing plus-sized or larger-sized apparel, adjusting the proportions on petite, tall and extended clothing, enabling its customers to get comfortable and body-conscious clothing conveniently.
06/17/2024	Health-E Commerce	H.I.G. Capital			Retailer of consumer health and wellness products focused on simplifying the tax-free healthcare market. The company's direct-to-consumer e-commerce brands offer flexible spending account (FSA) and health savings account (HSA) eligible products to customers that are acquired through third-party administrators, employers and digital channels, enabling consumers to understand, manage and use their tax-free health benefits while improving their health and maximizing their savings through qualified shopping and education.
06/17/2024	Tattered Cover	Barnes & Noble, Elliott Investment Management	\$1.8		Operator of an independent bookstore chain based in Denver, United States. The company offers a wide range of new and used books, gift cards, digital audiobooks, book clubs and delivery services for bulk orders.
06/15/2024	Tom Heffernan Ford	Undisclosed Acquirer			Operator of an automotive dealership based in Lake City, Minnesota. The company offers a wide range of new and pre-owned automobiles and provides services including brake adjustment, air conditioner repair, balance tires, coolant flush, engine tune-up, front-end alignment, oil change, replacement muffler, state inspection, tire rotation, transmission flush, wash, wax and interior clean and other services, enabling customers to receive comprehensive vehicle services and ensuring quick turnaround times for deliveries.
06/13/2024	Fast Track (Department Stores)	Anabi Real Estate Development			Operator of a convenience store chain based in Madison, Florida. The company specializes in the operation and management of various convenience stores, travel plazas, petroleum marketing, quick-service restaurant businesses and gas station stores.
06/11/2024	Audrey's	Grace Management Group			Provider of everyday home decor products based in Spartanburg, South Carolina. The company's products include home décor, spring, garden, fall, Christmas, winter and seasonal products ranging from textiles, wrought iron, wood, glass, ceramic, resin, cement, and metal, as well as floral products.
06/11/2024	Link Chrysler Dodge Jeep Ram	Link Auto & RV.			Operator of an automobile dealership located in Rice Lake, Wisconsin. The company's dealership offers new and used cars Chrysler, Dodge, Jeep and Ram and also provides repair and maintenance services.
06/01/2024	The Tire Company	Burt Brothers Tire & Service			Operator of a tire dealership based in Cedar City, Utah. The company offers standard maintenance services, engine services, as well as services including tire retreading, car care, commercial roadside, and fleet management, thereby enabling customers to keep their vehicles up and running safely and efficiently.
05/31/2024	CMC Tire	Les Schwab Tire Center, Meritage Group			Operator of tire dealerships in Saint George, Utah. The company specializes in offering tires for trucks, cars and large vehicles, as well as services including tire retreading, car care, commercial roadside, and fleet management, thereby enabling customers to keep their vehicles up and running safely and efficiently.
05/31/2024	Kallit Bottling	Keurig Dr Pepper (NAS: KDP)			Provider of distribution and packaging services intended to serve its clients in the beverage industry. The company's services include bottling and canning, distribution and freight services, along with the distribution of carbonated soft drinks, water, seltzer water, ready-to-drink coffees and teas, lemonades, coconut waters, performance hydration beverages and energy drinks.
05/29/2024	Thorne Lumber	R.P. Lumber			Retailer of hardware and building material products based in Chillicothe, Missouri. The company offers various types of products starting from electrical equipment and parts, paints, lubricants, memory cards, furniture, lawn and plant care, generators and many more.
05/28/2024	Triton Datacom	P3 Systems			Retailer of telecommunication products based in Henrietta, New York. The company is engaged in the sale of telecom and networking products such as desktops, phones, enterprise switches, PBX systems, routers and phone accessories and it also offers refurbished products.
05/26/2024	Nissan of Tustin	Undisclosed Acquirer			Retailer of automotive vehicles based in Tustin, California. The company's platform offers new models and a vast selection of cars, pre-owned Nissans, affordable commuters and other cars.
05/24/2024	Sole Technology	Nidecker Group			Retailer of action sports footwear, apparel and accessories intended to create products that provide comfort and protection. The company offers a range of products through its brands, ensuring its clients get comfort, style, function and durability products.

# SELECTED M&A TRANSACTIONS

Date	Target	Buyer	ENTERPRISE VALUE			Description
			(\$MM)	TO LTM REVENUE	TO LTM EBITDA	
06/18/2024	Avenue Stores	Altamir (PAR: LTA), Apax Partners, Brookfield Oaktree Holdings, FullBeauty Brands Operations	NA	NA	NA	Operator of a network of retail stores intended for on-trend plus-size women's clothing and accessories. The company offers a range of products for all ages with a particular focus on providing plus-sized or larger-sized apparel, adjusting the proportions on petite, tall and extended clothing, enabling its customers to get comfortable and body-conscious clothing conveniently.
06/17/2024	Health-E Commerce	H.I.G. Capital	NA	NA	NA	Retailer of consumer health and wellness products focused on simplifying the tax-free healthcare market. The company's direct-to-consumer e-commerce brands offer flexible spending account (FSA) and health savings account (HSA) eligible products to customers that are acquired through third-party administrators, employers and digital channels, enabling consumers to understand, manage and use their tax-free health benefits while improving their health and maximizing their savings through qualified shopping and education.
06/15/2024	Tom Heffernan Ford	Undisclosed Acquirer	NA	NA	NA	Operator of an automotive dealership based in Lake City, Minnesota. The company offers a wide range of new and pre-owned automobiles and provides services including brake adjustment, air conditioner repair, balance tires, coolant flush, engine tune-up, front-end alignment, oil change, replacement muffler, state inspection, tire rotation, transmission flush, wash, wax and interior clean and other services, enabling customers to receive comprehensive vehicle services and ensuring quick turnaround times for deliveries.
06/13/2024	Fast Track (Department Stores)	Anabi Real Estate Development	NA	NA	NA	Operator of a convenience store chain based in Madison, Florida. The company specializes in the operation and management of various convenience stores, travel plazas, petroleum marketing, quick-service restaurant businesses and gas station stores.
06/11/2024	Audrey's	Grace Management Group	NA	NA	NA	Provider of everyday home decor products based in Spartanburg, South Carolina. The company's products include home décor, spring, garden, fall, Christmas, winter and seasonal products ranging from textiles, wrought iron, wood, glass, ceramic, resin, cement, and metal, as well as floral products.
06/11/2024	Link Chrysler Dodge Jeep Ram	Link Auto & RV.	NA	NA	NA	Operator of an automobile dealership located in Rice Lake, Wisconsin. The company's dealership offers new and used cars Chrysler, Dodge, Jeep and Ram and also provides repair and maintenance services.
06/01/2024	The Tire Company	Burt Brothers Tire & Service	NA	NA	NA	Operator of a tire dealership based in Cedar City, Utah. The company offers standard maintenance services, engine services, heating and air conditioner repair, auto electrical services, tire services and fleet services.
05/31/2024	CMC Tire	Les Schwab Tire Center, Meritage Group	NA	NA	NA	Operator of tire dealerships in Saint George, Utah. The company specializes in offering tires for trucks, cars and large vehicles, as well as services including tire retreading, car care, commercial roadside, and fleet management, thereby enabling customers to keep their vehicles up and running safely and efficiently.
05/31/2024	Kalil Bottling	Keurig Dr Pepper (NAS: KDP)	NA	NA	NA	Provider of distribution and packaging services intended to serve its clients in the beverage industry. The company's services include bottling and canning, distribution and freight services, along with the distribution of carbonated soft drinks, water, seltzer water, ready-to-drink coffees and teas, lemonades, coconut waters, performance hydration beverages and energy drinks.
05/29/2024	Thorne Lumber	R.P. Lumber	NA	NA	NA	Retailer of hardware and building material products based in Chillicothe, Missouri. The company offers various types of products starting from electrical equipment and parts, paints, lubricants, memory cards, furniture, lawn and plant care, generators and many more.
05/28/2024	Triton Datacom	P3 Systems	NA	NA	NA	Retailer of telecommunication products based in Henrietta, New York. The company is engaged in the sale of telecom and networking products such as desktops, phones, enterprise switches, PBX systems, routers and phone accessories and it also offers refurbished products.
05/26/2024	Nissan of Tustin	Undisclosed Acquirer	NA	NA	NA	Retailer of automotive vehicles based in Tustin, California. The company's platform offers new models and a vast selection of cars, pre-owned Nissans, affordable commuters and other cars.

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	\$456.50	74.6%	\$202,562.3	\$199,940.3	0.9x	20.2x	19.2x	34.5x
DDS	Dillard's	\$323.20	82.7%	\$5,534.8	\$5,406.8	0.8x	3.9x	5.3x	6.4x
KSS	Kohl's	\$25.25	39.2%	\$2,789.7	\$10,764.7	0.6x	5.9x	6.4x	6.1x
M	Macy's	\$20.65	72.4%	\$5,598.5	\$11,439.5	0.4x	4.0x	4.7x	4.3x
JWN	Nordstrom	\$16.14	54.5%	\$2,583.7	\$7,045.7	0.4x	5.2x	5.4x	8.0x
ROST	Ross Stores	\$116.07	96.4%	\$39,971.1	\$41,773.2	2.3x	18.1x	15.4x	28.1x
TGT	Target (US)	\$149.04	58.5%	\$68,604.6	\$86,684.6	0.8x	11.5x	9.7x	20.4x
TJX	TJX	\$79.60	98.1%	\$91,978.1	\$101,236.8	2.1x	18.5x	15.8x	27.8x
WMT	Walmart	\$141.79	88.2%	\$382,379.3	\$444,302.3	0.7x	17.4x	12.0x	43.6x

<b>Mean</b>	<b>1.2x</b>	<b>11.2x</b>	<b>10.8x</b>	<b>18.3x</b>
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<b>Apparel &amp; Footwear <sup>1</sup></b>									
ANF	Abercrombie & Fitch	\$177.84	90.3%	\$9,088.6	\$9,295.5	2.1x	12.9x	10.9x	22.1x
AEO	American Eagle Outfitters	\$19.96	75.5%	\$3,920.8	\$4,926.4	0.9x	9.5x	7.2x	18.0x
BKE	Buckle	\$36.94	76.7%	\$1,875.8	\$1,909.1	1.5x	6.4x	N/A	8.7x
BURL	Burlington Stores	\$240.00	97.8%	\$15,318.2	\$19,393.2	1.9x	20.9x	18.4x	40.4x
DBI	Designer Brands	\$6.83	50.8%	\$394.8	\$1,649.5	0.5x	12.9x	8.3x	23.6x
FL	Foot Locker	\$24.92	70.0%	\$2,360.4	\$5,004.4	0.6x	N/A	10.9x	N/A
GPS	Gap	\$23.89	77.7%	\$8,960.3	\$12,729.3	0.8x	9.9x	8.4x	13.3x
RL	Ralph Lauren	\$175.06	91.2%	\$11,019.1	\$11,911.2	1.8x	12.2x	10.4x	18.0x
TPR	Tapestry (New York)	\$42.79	87.7%	\$9,832.0	\$11,683.8	1.7x	8.6x	7.7x	11.4x
JILL	The J.Jill Group	\$34.97	86.1%	\$410.8	\$623.5	1.0x	5.6x	5.6x	10.5x
TLYS	World of Jeans & Tops	\$6.03	63.5%	\$160.3	\$318.5	0.5x	N/A	N/A	N/A
ZUMZ	Zumiez	\$19.48	90.6%	\$394.9	\$462.6	0.5x	N/A	18.2x	N/A

<b>Mean</b>	<b>1.2x</b>	<b>9.7x</b>	<b>8.7x</b>	<b>15.7x</b>
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<b>Discount Store <sup>2</sup></b>									
NYSE: BIG	Big Lots	\$1.73	15.6%	\$51.3	\$2,383.4	0.5x	N/A	N/A	N/A
DG	Dollar General	\$105.35	80.0%	\$60,265.8	\$81,378.9	1.1x	6.3x	6.1x	11.9x
DLTR	Dollar Tree	\$106.77	68.9%	\$22,949.6	\$32,680.3	1.1x	N/A	11.0x	N/A
FIVE	Five Below	\$108.97	50.4%	\$6,001.1	\$7,469.6	2.0x	14.4x	14.1x	20.6x
OLLI	Ollie's Bargain Outlet	\$98.17	97.7%	\$6,008.7	\$6,154.0	2.9x	21.8x	20.4x	31.0x
PSMT	Pricesmart	\$81.20	92.3%	\$2,461.6	\$2,458.5	0.5x	9.4x	7.7x	20.5x

<b>Mean</b>	<b>1.3x</b>	<b>13.0x</b>	<b>11.8x</b>	<b>21.0x</b>
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# 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<sup>3</sup></b>									
CVS	CVS Health	\$59.06	70.9%	\$74,142.3	\$143,027.3	0.4x	8.3x	8.2x	10.4x
PETS	Petmed Express	\$4.05	26.9%	\$83.5	\$29.6	0.1x	108.9x	2.7x	N/A
RAD	Rite Aid	\$0.03	26.8%	\$11.6	\$10.4	N/A	N/A	N/A	N/A
WBA	Walgreens Boots Alliance	\$12.10	38.6%	\$10,441.3	\$44,202.3	0.3x	N/A	10.5x	N/A

**Mean** 0.3x 8.3x 7.1x 10.4x

<b>Food Retail<sup>4</sup></b>									
ACI	Albertsons Companies	\$19.75	82.7%	\$11,437.0	\$25,487.7	0.3x	5.7x	6.1x	8.9x
ARKO	Arko Holdings	\$6.27	73.3%	\$725.7	\$3,189.9	0.3x	13.6x	12.3x	24.1x
CASY	Casey's	\$381.56	98.0%	\$13,887.3	\$15,316.8	1.0x	14.5x	13.3x	28.4x
GO	Grocery Outlet	\$22.12	60.5%	\$2,208.9	\$3,540.7	0.9x	19.2x	13.8x	34.6x
KR	Kroger	\$49.93	85.6%	\$36,039.0	\$51,258.0	0.3x	7.4x	6.5x	17.0x
SPTN	SpartanNash	\$18.76	76.5%	\$635.8	\$1,515.5	0.2x	7.0x	5.8x	12.1x
SFM	Sprouts Farmers Market	\$83.66	99.9%	\$8,405.9	\$9,796.4	1.4x	14.8x	17.2x	28.8x
WMK	Weis Markets	\$62.77	87.9%	\$1,688.4	\$1,436.3	0.3x	5.7x	N/A	16.7x

**Mean** 0.6x 9.8x 10.7x 19.4x

<b>Electronics &amp; Appliances</b>									
BBY	Best Buy	\$84.29	89.9%	\$18,182.5	\$20,952.5	0.5x	8.1x	8.1x	14.8x
CONN	Conns	\$1.11	21.0%	\$27.5	\$1,743.3	1.4x	31.5x	16.8x	N/A
GME	GameStop	\$24.69	38.1%	\$10,523.3	\$10,029.1	2.0x	307.6x	80.9x	352.7x

**Mean** 1.3x 19.8x 12.4x 14.8x

<b>Internet Retail<sup>5</sup></b>									
AMZN	Amazon.com	\$193.25	96.7%	\$2,011,080.7	\$2,060,692.7	3.5x	21.6x	15.0x	54.0x
CHWY	Chewy	\$27.24	68.5%	\$11,874.2	\$11,255.4	1.0x	76.4x	22.7x	143.4x
EBAY	eBay	\$53.72	97.1%	\$26,967.4	\$27,062.4	2.7x	6.9x	8.4x	10.7x
ETSY	Etsy	\$58.98	57.4%	\$6,896.7	\$8,242.0	3.0x	21.3x	10.8x	26.9x
HOUR	Hour Loop	\$0.93	42.5%	\$32.8	\$34.8	0.3x	103.0x	N/A	N/A
NEGG	Newegg	\$0.91	42.2%	\$346.6	\$334.6	0.2x	N/A	N/A	N/A
BYON	Overstock.com	\$13.08	33.3%	\$598.4	\$379.3	0.2x	N/A	N/A	N/A
W	Wayfair	\$52.73	58.1%	\$6,429.4	\$9,272.4	0.8x	N/A	15.9x	N/A

**Mean** 1.1x 25.5x 12.1x 63.1x

# 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>6</sup></b>										
FND	Floor & Decor	\$99.41	73.3%	\$10,778.2	\$12,384.7	2.8x	24.9x	24.0x	48.0x	
LOW	Lowe's Companies	\$220.46	84.0%	\$125,625.9	\$162,615.9	1.9x	12.6x	13.2x	17.7x	
LL	Lumber Liquidators	\$1.43	29.5%	\$43.8	\$280.6	0.3x	N/A	N/A	N/A	
HD	The Home Depot	\$344.24	86.7%	\$338,626.3	\$385,373.3	2.5x	15.7x	15.2x	23.1x	
TTSH	The Tile Shop	\$6.93	90.4%	\$308.6	\$424.5	1.2x	12.3x	N/A	33.0x	
<b>Mean</b>						<b>1.8x</b>	<b>16.4x</b>	<b>17.4x</b>	<b>24.6x</b>	
<b>Specialty Retail <sup>7</sup></b>										
ASO	Academy Sports + Outdoors	\$53.25	70.3%	\$3,840.7	\$5,169.9	0.8x	6.5x	6.5x	8.2x	
AAP	Advance Auto Parts	\$63.33	71.5%	\$3,775.9	\$7,303.3	0.6x	17.8x	10.7x	234.6x	
AZO	AutoZone	\$2,964.10	91.0%	\$50,635.2	\$62,622.3	3.5x	14.7x	13.8x	20.5x	
BBWI	Bath & Body Works	\$39.05	73.7%	\$8,717.2	\$13,321.2	1.8x	8.1x	8.5x	10.1x	
BJ	BJ's Wholesale Club	\$87.84	97.1%	\$11,657.2	\$14,517.1	0.7x	14.4x	13.4x	22.8x	
DKS	Dick's Sporting Goods	\$214.85	91.6%	\$17,508.2	\$20,165.3	1.5x	11.3x	10.7x	17.8x	
ORLY	O'Reilly Automotive Stores	\$1,056.06	90.3%	\$62,195.7	\$69,694.5	4.3x	19.0x	18.1x	26.8x	
WOOF	Petco Animal Supplies	\$3.78	38.8%	\$1,031.9	\$3,921.5	0.6x	N/A	11.4x	N/A	
RH	RH	\$244.44	60.2%	\$4,508.8	\$8,095.3	2.7x	18.4x	14.0x	65.7x	
SPWH	Sportsman's Warehouse	\$2.41	38.0%	\$91.0	\$617.1	0.5x	45.3x	13.6x	N/A	
ULTA	ULTA Beauty	\$385.87	67.1%	\$18,412.3	\$19,780.5	1.8x	10.5x	10.6x	15.1x	
WSM	Williams-Sonoma	\$141.19	81.0%	\$18,158.7	\$18,245.8	2.4x	11.4x	11.5x	17.3x	
<b>Mean</b>						<b>1.5x</b>	<b>13.2x</b>	<b>11.9x</b>	<b>41.5x</b>	
<b>OVERALL RETAIL SECTOR</b>						<b>Mean</b>	<b>1.2x</b>	<b>13.1x</b>	<b>11.7x</b>	<b>20.5x</b>

[1] COST excluded from mean calculation of P/E multiples

[2] BURL and ZUMZ excluded from mean calculation of EBITDA and P/E multiples

[3] PETS excluded from mean calculation of LTM EBITDA multiples

[4] GO excluded from mean calculation of LTM EBITDA and P/E multiples

[5] GME excluded from mean calculation of EBITDA and P/E multiples

[6] CHWY excluded from mean calculation of LTM EBITDA and P/E multiples, AMZN excluded from mean calculation of P/E multiples, HOUR excluded from mean calculation of LTM EBITDA multiples

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

[8] ORLY excluded from mean calculation of Revenue multiples, SPWH excluded from mean calculation of LTM EBITDA multiples, RH excluded from mean calculation of P/E 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 Restructuring of Warehouse Loans</p>  <p>Restructuring Advisor</p>	<p>\$13,000,000,000 Filed Unsecured Claims</p>  <p>Restructuring Advisor</p>	<p>\$750,000,000 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> a subsidiary of Digital Corporation has been acquired by</p>  <p>Financial Advisor</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> Pasadena Tank Corporation 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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