

# RETAIL



Quarterly Update  
Fourth Quarter 2022

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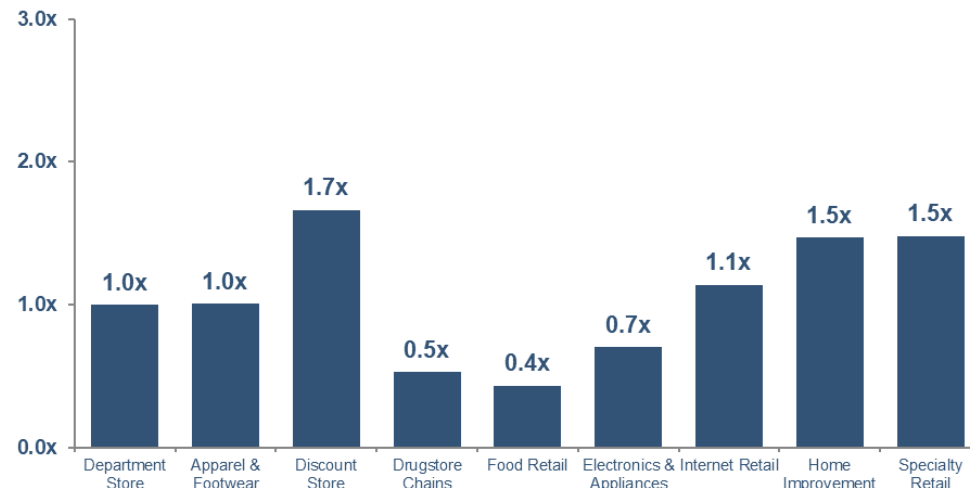
**RESTRUCTURING • INVESTMENT BANKING • DISTRESSED ASSET SUPPORT SERVICES**

# KEY HIGHLIGHTS

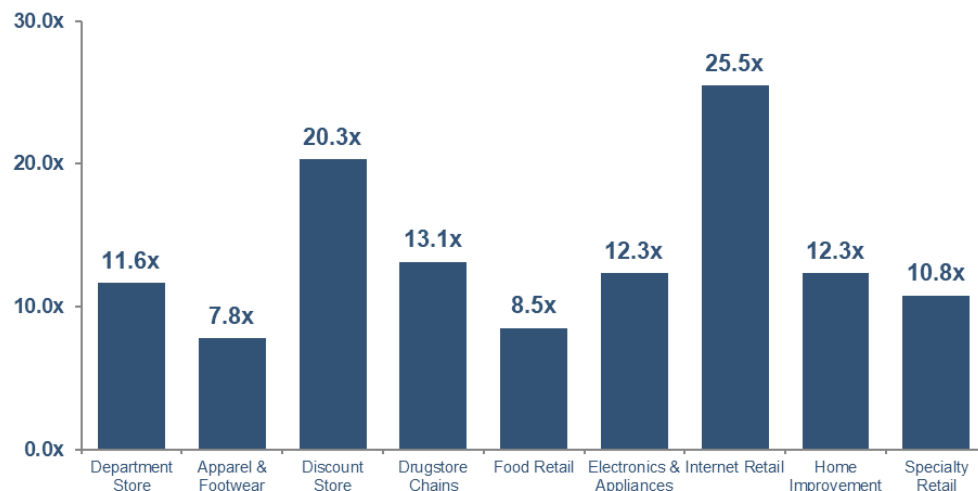
## KEY HIGHLIGHTS

- In Q4 2022, M&A activity in the Retail sector rose to 61 transactions, representing a 7% increase from the previous quarter
  - A majority of retail M&A activity featured the acquisition of regional and local retailers, as buyers sought opportunities to expand their footprints amidst sellers' economic concerns
  - Private equity backed companies and firms were the busiest acquirers in Q4 due to stronger liquidity
- Specialty Retail was the busiest subsector again from an M&A perspective with 23 transactions, which represented 37% of all retail deals identified by SOLIC in Q4
- Public company valuation multiples recovered from the prior quarter but remained down on a full year basis – the average retail EV/EBITDA multiple at the end of Q4 was 13.6x, up from 12.1x in Q3, and 15.5x at the end of 2021
  - EBITDA multiples increased about 13% over the quarter, but declined 12% since Q4 2021
- Rising inventory levels were a key theme for retail in Q4
  - Retail inventories began to level off in Q4 after over a year of sharp increases. Retail inventories were \$739B in Q4, up slightly from \$738B in Q3. Q4 inventory levels represent an 18% year over year increase
  - Q4 inventory levels rose 0.2% from the prior quarter, while the average growth of the prior five quarters was 4.1%
  - Rising inventories pose concerns to many retailers, as inventory levels outpace sales
  - Retailers are expected to heavily discount items in hopes of clearing inventory and driving consumer demand
- The Consumer Price Index (CPI) in Q4 remained flat from the prior quarter, while continuing its year over year growth trend
  - Year over year, CPI increased 7.7%, 7.1%, and 6.5%, respectively during each month of Q4
  - The December CPI implied the beginning of easing inflation, exhibiting the lowest year over year growth rate since October 2021
  - Food, energy, and transportation services experienced the largest sector CPI growth in Q4
- **Q4 2022 Equity Capital Market Returns:** The SOLIC Retail Sector Index ("SRSI") increased (5.4%) as compared to the broader S&P (7.1%) and NASDAQ (-1.0%) indices over the same period. Seven of the nine subsectors increased in Q4.
  - SRSI Department Store subsector performance: 6.7%
  - SRSI Apparel & Footwear subsector performance: 40.1%
  - SRSI Discount Store subsector performance: 3.8%
  - SRSI Drugstore Chains subsector performance: 1.4%
  - SRSI Food Retail subsector performance: -0.7%
  - SRSI Electronics & Appliances subsector performance: 6.6%
  - SRSI Internet Retail subsector performance: -23.9%
  - SRSI Home Improvement subsector performance: 10.6%
  - SRSI Specialty Retail subsector performance: 11.4%

## Enterprise Value to Revenue



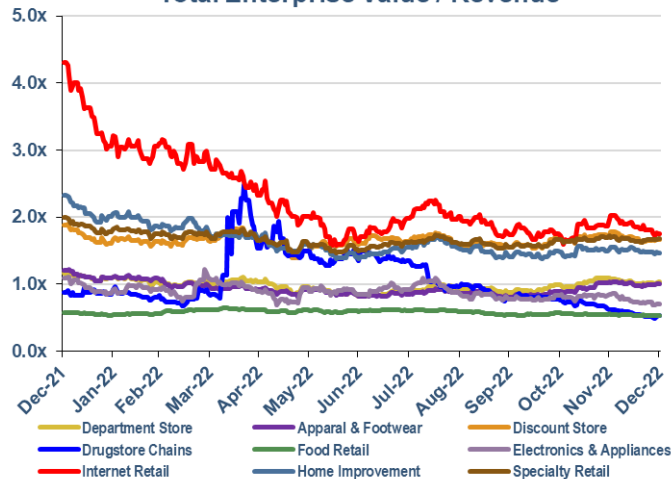
## Enterprise Value to EBITDA



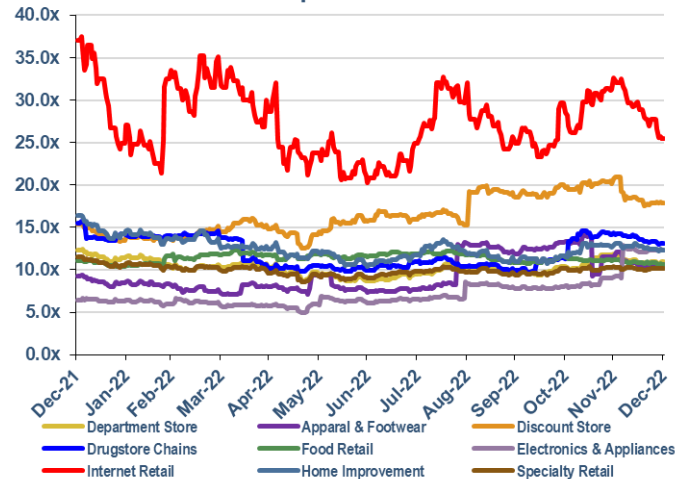
Source: Pitchbook and SOLIC Research

# KEY HIGHLIGHTS (continued)

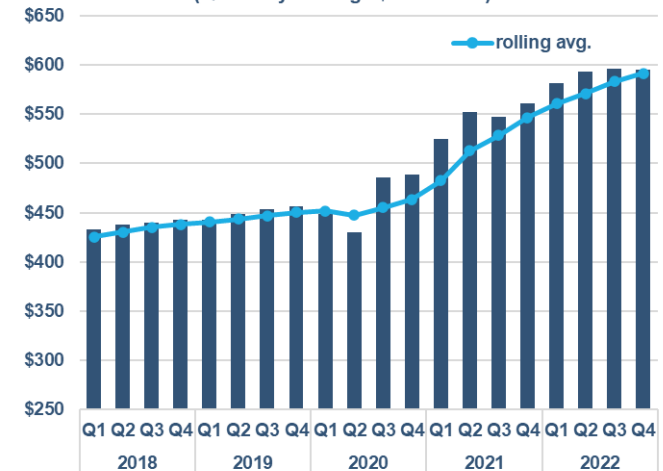
**Retail Sectors:  
Total Enterprise Value / Revenue**



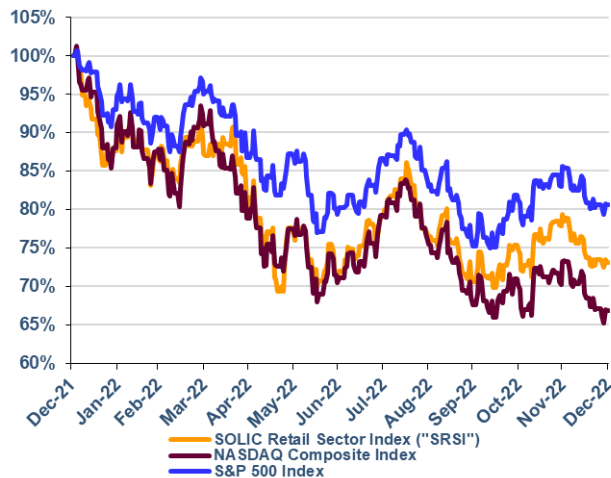
**Retail Sectors:  
Total Enterprise Value / EBITDA**



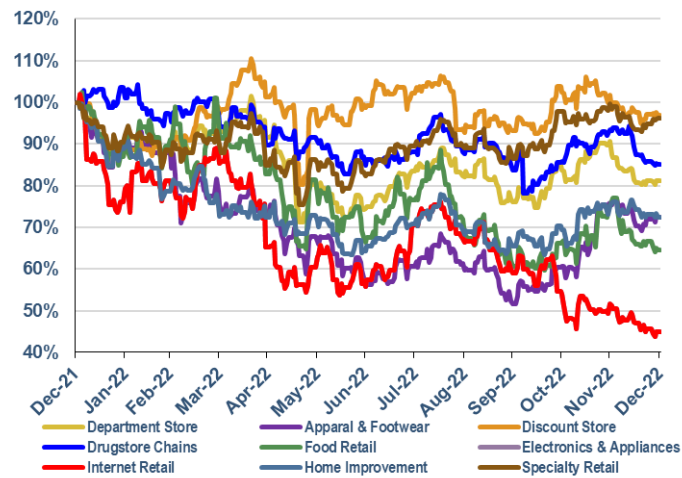
**U.S. Retail Sales  
(Quarterly average \$ in billions)**



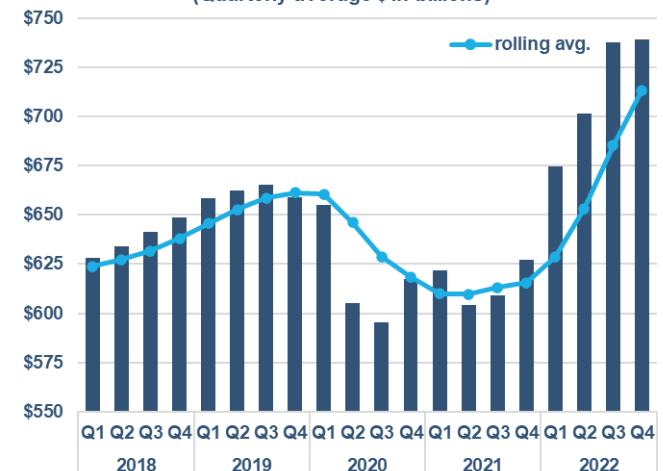
**SOLIC Retail Sector Index ("SRSI")**



**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

- Major department stores have focused on efficiency amidst current economic conditions by closing thousands of stores
- Loss prevention and theft were a major theme for retail stores
  - Retail theft increased significantly since the start of the COVID pandemic. The NRF reported \$100B in goods stolen in 2022, up from \$95B in 2021
  - Labor shortages and the digitization of store checkouts provided security challenges for retailers
- Retailers attempted to innovate their store experience through digitization of stores
  - Many retailers converted stores to “tech-enabled” stores to aid with the shopping and check out experience
  - Digitization included increased installation of climate-tech solutions, such as AI enabled HVAC systems, to optimize energy consumption in stores

### Apparel & Footwear

- Six transactions took place in the Footwear and Apparel subsector during Q4 2022. Regional stores targeted local retailers, while larger brands and retailers looked to expand their product offerings through acquisitions.
- Private equity backed apparel retailers, such as ski apparel outfitter Christy Sports, took advantage of market conditions to expand operations into new locations through M&A
  - Christy Sports, backed by PE sponsor TPZ Group, expanded their 60+ store footprint by acquiring a Montana based retailer, Grizzly Outfitters
- Other private equity backed apparel retailers switched hands amidst signs of distress
  - Intermix, a retailer of luxury women’s clothing was sold to Regent LP by Altamont Capital Partners in December after laying off numerous employees and failing to pay its brands and vendors

### Discount Store

- Inflation and economic uncertainty in 2022 led discount stores to outperform the broader retail sector
  - Discount retailers saw the largest growth in food sales, as consumers combatted inflation that hit food prices the hardest
  - Discount apparel retailers have benefitted from rising inventory levels in department stores and apparel retail, bolstering their shelves through purchasing from these excess inventories at a discount
- While other retailers have focused on operational streamlining and efficiency by closing stores, discount retailers are expanding including:
  - Dollar General plans to open over 1,000 new stores in 2023
  - Ross, TJX, Burlington, and Primark have all expanded their store count in 2022 with plans to add more stores in 2023

### Drugstore Chains

- Three transactions occurred in the drugstore chain subsector during Q4 2022
- Pharmacy acquisitions primarily occurred at the local level, with Golden Developing Solutions acquiring Bushnell Pharmacy (FL) for \$2M
- Another notable transactions was Precisions Pharmacy’s acquisition of Wickliffe Veterinary Pharmacy, creating the largest equine-centered pharmacy
- Rite-Aid continued to show signs of distress after reporting worsening TTM losses in November. The third largest U.S. drugstore chain also saw Fitch downgrade their debt to a ‘C’ in Q4.
- Staffing issues remained unresolved despite prior efforts to attract talent, leading major pharmacies like CVS to significantly reduce hours in a majority of locations

### Food Retail

- Food Retail remained an active subsector, with 14 M&A transactions taking place during Q4.
- The largest retail transaction, and one of largest across any industry in Q4, featured the consolidated of grocery giants, with Kroger (NYS:KR) acquiring Albertsons Companies (NYS:ACI) for \$25B which expands Kroger’s footprint by 2,200 stores to nearly 5,000 locations, and its market share to about 12% of the Food Retail market
- Another significant transaction was GPM Investments’ acquisition of Pride Stores, an operator of convenience stores across the country for \$230M
- While major national grocery stores merged, regional and local consolidation continued to be a dominant M&A trend in the subsector



# SUB-SECTOR HIGHLIGHTS

## COMMENTARY (continued)

### Electronics & Appliances

- There were four Electronics & Appliances transactions during Q4 2022
  - Electronic retail transactions primarily featured the acquisition of local stores, such as Cerritos, CA based lighting products manufacturer, West-Lite Supply, which was acquired by Facility Solutions Group
- While their sales have suffered the most in 2022 from inflation and recessions concerns, electronics and appliance retailers were the largest benefactors of a record breaking Black Friday that saw \$9.1B in sales
  - Many consumers were more price conscious on large purchases like electronics in 2022 and waited until Black Friday to make these purchases
  - Buy now, pay later (BNPL) services played a major role in Black Friday electronics sales as 7.9% of all shoppers used BNPL services (vs 5.6% in 2021)

### Internet Retail

- The Internet Retail subsector saw five transactions during Q4
  - Strategic acquirers were noticeably absent in Q4 Internet Retail transactions, while private equity and individual buyers were active
- Internet Retail companies have continued to struggle amidst economic uncertainty, and many internet retailers have laid off employees in parallel with their tech industry counterparts
  - In Q4, Amazon, Wayfair, Stitch Fix, Saks.com, Cart.com, Attentive, and other internet retail companies announced layoffs of 10-20% of all employees
  - Despite the valuation contractions over the course of the year, the Internet Retail sector's EBITDA multiples remained the highest in the Retail sector due to higher gross margins
- Retail media networks were a major trend in the internet retail subsector
  - Retail media networks, advertising platforms within retailer's various digital media outlets, offer a new revenue stream for retailers by allowing brands to advertise direct to retail customers throughout the online shopping process
  - A majority of brands have heavily invested marketing dollars on retail media networks recently, as they are able to use data to advertise to a tailored audience despite data privacy changes

### Home Improvement

- There were six transactions in the Home Improvement subsector during Q4
- Transactions skewed towards local and regional building material retailers, as larger retailers sought to strengthen product offerings and expand their store footprint
- Acquirers took advantage of declined materials prices to purchase building products retailers that specialize in lumber, concrete, soils, and others
- New home construction and building permits were significantly lower on a year over year basis year, but began to level off in Q4 after steady declines throughout 2022
  - Privately-owned housing units authorized by building permits in December 2022 were 30% lower than the prior year
  - Privately-owned housing construction starts in December 2022 were 23% below December 2021

### Specialty Retail

- Specialty Retail had the most transactions of all SRSI subsectors, with 23 transactions in Q4
- M&A trends continued in Specialty Retail from the prior quarter; auto dealerships changed hands more than other specialty retailers, as many owners exited to larger dealership groups ahead of economic uncertainty
  - Domestic auto inventories rose sharply in the quarterly, up about 50% from the prior year, suggesting rapidly shifting demand for automobiles
  - National and regional auto dealership groups, such as Group 1 Automotive (NYS: GPI), McGovern Automotive Group, and Lithia Motors (NYS: LAD) took advantage of their liquidity and the market to add locations
- Similar trends occurred across the specialty retail spectrum including luxury goods, jewelry, and cannabis retailers

# SELECTED M & A TRANSACTIONS

Date	Target	Buyer	ENTERPRISE VALUE			Description
			(\$MM)	TO LTM REVENUE	TO LTM EBITDA	
10/20/2022	Airstream Adventures NW	Lithia Motors (NYS: LAD)	na	na	na	Sells and provides maintenance and parts support services of Airstream travel trailers in Oregon
10/14/2022	Albertsons Companies (NYS: ACI)	Kroger (NYS: KR)	\$21,607.6	\$0.3	\$4.3	Second-largest traditional grocer in America, operating 2,276 stores under 24 banners in 34 states
10/03/2022	Amazon Produce Network	Silver Oak Services Partners	na	na	na	Distributors of mangoes and other produce committed to continuously monitoring food safety measures throughout the supply chain
11/03/2022	Bank's Apothecary	Terrapin Pharmacy, WindRose Health Investors	na	na	na	Operator of a specialty pharmacy providing personalized assistance to both the prescriber and the patient
10/20/2022	Bob Wards	Al's Sporting Goods	na	na	na	Retailer of sporting goods offering outdoor equipment and sportswear for running, climbing, hunting, hiking, camping, fishing and skiing based in Missoula, Montana
10/07/2022	Bushnell Pharmacy	Golden Developing Solutions (PINX: DVLP)	\$2.3	na	na	Operator of a retail pharmacy company offering prescription services and medical supplies
10/24/2022	Cali Care Group	Leaf Of Faith Beverage (PINX: BNOW)	na	na	na	Retailer of cannabis-based products based in Redlands, California
10/04/2022	Capitol Wright Distributing	Reyes Beer Division	na	na	na	Distributor of alcoholic and non-alcoholic beverages based in Manor, Texas
10/13/2022	Coastal Fire Systems	Municipal Emergency Services, Platte River Equity	na	na	na	Provider of firefighting equipment and service serving municipalities and volunteer fire departments
12/01/2022	Conroy Tractor	Individual buyer	na	na	na	Operator of New Holland tractor dealership including new and used equipment along with repair and maintenance services based in Texas
10/25/2022	Customcuffs	Individual buyer	na	na	na	Operator of an online retail store providing custom jewelry
11/14/2022	Designers' Rug Center	Stark Carpet	na	na	na	Provider of carpeting serving the interior design community including custom rugs, wall-to-wall carpeting and rug cleaning services
11/01/2022	Discount Garage Doors	NorthCurrent Partners	na	na	na	Retailer of garage doors specializing in the sale, installation and repair of garage doors based in Brooksville, Florida
12/15/2022	Dubben Brothers	Ferrellgas Partners	na	na	na	Provider of heating, ventilation and cooling services serving the Catskill region
10/01/2022	EbLens	Undisclosed buyer	na	na	na	Operator of clothing and footwear retail stores based in Torrington, Connecticut
10/31/2022	Eckler's	Turn5	na	na	na	Retailer of automotive parts and accessories intended a better quality restoration
10/05/2022	Enterprises Group (Rapid Supply & Sales)	Envoy Solutions	na	na	na	Provider of carpet and other flooring services in Grand Rapids, Michigan
11/07/2022	Eufloa	JARS Cannabis	na	na	na	Operator of boutique recreational cannabis dispensaries dedicated to managing illnesses and enhancing appetite
10/18/2022	Federal Hybrids	Rob-See-Co	na	na	na	Distributor of agricultural seeds located in West Bend, Iowa
11/01/2022	Fins & Feathers	Yellow Dog Flyfishing Adventures	na	na	na	Operator of a fly fishing shop
11/07/2022	Goodrich Lumber	Court Square, Kodiak Building Partners	na	na	na	Provider of lumber and building materials to contractors, builders and homeowners
10/13/2022	Grailed	GOAT	na	na	na	Operator of an online marketplace for curated men's fashion
10/17/2022	Green's Natural Foods	Healthier Choices Management (PINX: HCMC)	na	na	na	Operator of a chain of grocery stores serving organic and all-natural products
12/14/2022	Grizzly Outfitters	Christy Sports, TZP Group	na	na	na	Retailer of a diverse range of sports and outdoor adventure clothing products
10/03/2022	Hamer Honda	Brandon Steven Motors	na	na	na	Operator of new and pre-owned Honda car dealership company
10/11/2022	Harbor View Marine	OneWater Marine (NAS: ONEW)	na	na	na	Retailer of new and pre-owned boats based in Pensacola, Florida
12/26/2022	Hooman Nissan	Roundtree Automotive Group	na	na	na	Owner and operator of car dealership based in Long Beach, California
10/03/2022	Indianapolis Fruit Company	Wind Point Partners	na	na	na	Distributor of fruits and vegetables serving retail partners such as grocery stores, restaurants, schools, and food management companies
11/21/2022	Intercept Silver & Jewelry Care	JK Findings	na	na	na	Manufacturer and distributor of Intercept technology anti-corrosion and anti-tarnish products catering to the silver and jewelry industries
12/01/2022	Intermix	Regent, L.P.	na	na	na	Retailer of women's ready-to-wear apparel, accessories and cosmetics
11/10/2022	Kicks On Demand	Maison Luxe	na	na	na	Retailer of luxury footwear and apparel based in New York

# SELECTED M&A TRANSACTIONS

Date	Target	Buyer	ENTERPRISE VALUE			Description
			(\$MM)	TO LTM REVENUE	TO LTM EBITDA	
12/06/2022	McCaddon Cadillac Buick GMC	Maroone USA	na	na	na	Operator of new and pre-owned car dealership company, as well as auto maintenance and repair services
12/29/2022	McGovern Ford Route 1	McGovern Automotive Group	na	na	na	Dealer of pre-owned and new Ford cars in Massachusetts
12/01/2022	Mercedes-Benz of Anaheim	Group 1 Automotive (NYS: GPI)	na	na	na	Operator of Mercedes-Benz car dealership company in California
10/03/2022	National Educational Music Company	Undisclosed buyer	na	na	na	Supplier of band and orchestra musical instruments and accessories for use in educational programs
11/21/2022	Norkan Industrial Supplies	Incline Equity Partners, Jon-Don, Trivest Partners	na	na	na	Distributor and retailer of abatement supplies, concrete restoration, paint and safety products based in Warren, Michigan
12/08/2022	Pride Stores	GPM Investments, Harvest Partners	\$230.0	na	\$18.9	Operator of chain of convenience stores
10/26/2022	PuppySpot	Digital Fuel Capital	na	na	na	Operator of an online marketplace for purebred and designer-breed puppies
12/05/2022	Quadropress	Purivitae Ventures	na	na	na	Retailer of workout devices and accessories catering to the fitness sector
11/19/2022	Resident Essentials	WILsquare Capital	na	na	na	Operator of an online store of comprehensive products for nursing home residents, guardian clients and individuals
12/12/2022	Rowe's IGA Supermarkets	Massy Group (TRN: MASSY)	\$47.0	na	na	Operator of a convenience store located in Jacksonville, Florida
10/26/2022	SmartLab Toys	Educational Development (NAS: EDUC)	na	na	na	Developer of toys to develop skills in the core disciplines of science, technology, engineering, arts, and math
12/14/2022	Snowe	Interweave Brands	na	na	na	Designer and retailer of luxury home goods and stylish and durable home essentials and products
10/21/2022	Somsel Lumber Company	Homestead Timbers	na	na	na	Operator of a local hardware store based in Kaleva, Michigan
10/31/2022	Sook Commerce	Individual buyer	na	na	na	Operator of an eCommerce platform of local and small-batch brands based in Seattle, Washington
11/07/2022	St. Louis Hydroponic Company	GrowGeneration (NAS: GRWG)	na	na	na	Retailer of hydroponic gardening equipment and supplies based in St. Louis, Missouri
11/14/2022	Starfire Direct	Blackford Capital	na	na	na	Operator of an online retailer of patio and hearth related products
12/23/2022	Sunrise Volkswagen	Atlantic Automotive Group	na	na	na	Operator of a car dealership based in Lynbrook, New York
10/24/2022	Supermarket Operations	Harps Food	na	na	na	Operator of a grocery store chain based in Mississippi
10/24/2022	The Markets	Harps Food	na	na	na	Operator of grocery chain and self-service retail store providing food and other household goods
10/07/2022	The Souk Market	Undisclosed private equity buyer	na	na	na	Operator of a direct retail store business including a variety of ethnic groceries serving consumers in the San Francisco area
10/01/2022	Trulieve Cannabis (CNQ: TRUL)	Undisclosed buyer	na	na	na	Medical marijuana company engaged in the cultivation, possession, use, sale, and distribution of medical cannabis
12/01/2022	U.S. Upfitters	Driverge	na	na	na	Distributor and installer of commercial truck and van equipment serving the automotive
10/17/2022	Vegan Essentials	PlantX Lifestyle USA	\$0.7	na	na	Retailer of vegan products and delivery service for meals and indoor plants based in Waukesha, Wisconsin
11/18/2022	Vinebase	Corksy	na	na	na	Operator of a wine retailing platform connecting wineries and consumers online
11/11/2022	Wagner's IGA	Individual buyer	na	na	na	Operator of an online grocery store based in Minster, Ohio
12/14/2022	West-Lite Supply	Facility Solutions Group	na	na	na	Distributor of lighting products based in Cerritos, California
12/22/2022	Whittlesey Landscape Supplies and Recycling	SiteOne Landscape Supply (NYS: SITE)	na	na	na	Supplier and manufacturer of building products specializing in mulch and custom-blended soil mixtures as well as composts and gravels
10/31/2022	Wickliffe Veterinary Pharmacy	Precision Pharmacy	na	na	na	Operator of a compounding pharmacy which develops customized remedies in easy-to-dose forms for animal patients
11/10/2022	William Stout Architectural Books	Eames Institute	na	na	na	Operator of an architectural books institution in San Francisco, California
11/10/2022	Yucca Valley Chrysler Dodge Jeep Ram	Individual buyer	na	na	na	Retailer of used automotive vehicles in Yucca Valley, California

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	\$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>1.0x</b>	<b>11.6x</b>	<b>10.4x</b>	<b>19.9x</b>
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<b>Apparel &amp; Footwear <sup>1</sup></b>									
ANF	Abercrombie & Fitch	\$22.91	54.4%	\$1,122.6	\$2,091.5	0.6x	8.8x	6.9x	57.3x
AEO	American Eagle Outfitters	\$13.96	53.5%	\$2,616.2	\$4,367.8	0.9x	9.6x	8.6x	22.9x
BKE	Buckle	\$45.35	97.2%	\$2,271.7	\$2,214.3	1.7x	6.3x	N/A	8.9x
BURL	Burlington Stores	\$202.76	68.9%	\$13,218.2	\$17,487.3	2.0x	30.9x	18.8x	82.1x
DBI	Designer Brands	\$9.78	50.5%	\$622.3	\$1,791.7	0.5x	6.5x	6.2x	5.5x
FL	Foot Locker	\$37.79	79.7%	\$3,526.6	\$6,387.6	0.7x	7.5x	8.2x	8.5x
GPS	Gap	\$11.28	59.2%	\$4,117.7	\$9,638.7	0.6x	19.2x	10.0x	75.2x
RL	Ralph Lauren	\$105.67	77.7%	\$6,971.3	\$8,316.4	1.3x	9.0x	7.7x	14.6x
TPR	Tapestry (New York)	\$38.08	89.9%	\$9,175.8	\$11,853.1	1.8x	9.5x	8.9x	12.1x
JILL	The J.Jill Group	\$24.80	90.3%	\$251.8	\$530.0	0.9x	5.0x	4.8x	7.6x
TLYS	World of Jeans & Tops	\$9.05	53.4%	\$270.1	\$416.9	0.6x	9.3x	12.7x	12.9x
ZUMZ	Zumiez	\$21.74	43.5%	\$423.7	\$536.7	0.5x	6.2x	9.0x	10.2x

<b>Mean</b>	<b>1.0x</b>	<b>7.8x</b>	<b>8.3x</b>	<b>16.0x</b>
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<b>Discount Store <sup>2</sup></b>									
BIG	Big Lots	\$14.70	28.9%	\$425.7	\$2,644.9	0.5x	N/A	13.2x	N/A
DG	Dollar General	\$246.25	93.9%	\$55,055.3	\$71,130.4	2.0x	18.3x	15.9x	24.0x
DLTR	Dollar Tree	\$141.44	79.8%	\$31,284.3	\$41,198.3	1.5x	13.9x	13.0x	19.7x
FIVE	Five Below	\$176.87	82.5%	\$9,818.7	\$11,189.1	3.8x	27.6x	20.4x	43.0x
OLLI	Ollie's Bargain Outlet	\$46.84	64.8%	\$2,915.3	\$3,189.4	1.8x	21.5x	13.2x	31.4x
PSMT	Pricesmart	\$60.78	68.8%	\$1,887.3	\$1,912.3	0.5x	8.3x	N/A	18.0x

<b>Mean</b>	<b>1.7x</b>	<b>20.3x</b>	<b>15.2x</b>	<b>27.2x</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	
Drugstore Chains <sup>3</sup>									
CVS	CVS Health	\$93.19	83.8%	\$122,448.6	\$173,859.6	0.6x	16.2x	8.6x	39.2x
MDVL	MedAvail	\$0.30	8.4%	\$24.0	\$9.0	0.2x	N/A	N/A	N/A
PETS	Petmed Express	\$17.70	59.9%	\$373.0	\$276.5	1.1x	12.2x	8.8x	23.0x
RAD	Rite Aid	\$3.34	21.4%	\$188.8	\$6,285.2	0.3x	N/A	18.9x	N/A
WBA	Walgreens Boots Alliance	\$37.36	67.9%	\$32,216.8	\$70,355.8	0.5x	11.0x	12.0x	7.5x
					Mean	0.5x	13.1x	9.8x	23.2x
Food Retail <sup>4</sup>									
ACI	Albertsons	\$20.74	54.6%	\$11,097.3	\$22,357.7	0.3x	4.4x	5.0x	7.1x
ARKO	Arko Holdings	\$8.66	80.1%	\$1,039.8	\$3,018.4	0.3x	11.5x	10.6x	16.0x
CASY	Casey's	\$224.35	89.8%	\$8,359.0	\$9,617.7	0.6x	10.6x	10.4x	20.3x
GO	Grocery Outlet	\$29.19	63.0%	\$2,839.6	\$4,149.2	1.2x	25.8x	16.2x	52.1x
KR	Kroger	\$44.58	71.0%	\$31,911.3	\$50,014.3	0.3x	7.1x	6.6x	14.0x
SPTN	SpartanNash	\$30.24	80.1%	\$1,066.3	\$1,856.5	0.2x	9.9x	7.4x	19.6x
SFM	Sprouts Farmers Market	\$32.37	91.6%	\$3,426.4	\$4,623.9	0.7x	7.8x	9.4x	14.1x
WMK	Weis Markets	\$82.29	86.1%	\$2,213.5	\$2,067.5	0.5x	8.0x	N/A	18.6x
					Mean	0.4x	8.5x	8.2x	15.7x
Electronics & Appliances									
BBY	Best Buy	\$80.21	71.0%	\$17,747.6	\$20,827.6	0.4x	7.2x	7.3x	12.0x
CONN	Conns	\$6.88	26.5%	\$164.7	\$1,128.6	0.8x	17.5x	13.8x	N/A
GME	GameStop	\$18.46	37.0%	\$5,622.5	\$5,154.9	0.9x	N/A	N/A	N/A
					Mean	0.7x	12.3x	10.5x	12.0x
Internet Retail <sup>5</sup>									
AMZN	Amazon.com	\$84.00	49.0%	\$856,939.0	\$926,528.0	1.8x	18.5x	11.0x	76.4x
BOXD	Boxed	\$0.19	1.3%	\$14.2	\$114.3	0.6x	N/A	N/A	N/A
CHWY	Chewy	\$37.08	60.6%	\$15,697.8	\$15,508.5	1.6x	285.0x	46.1x	N/A
EBAY	eBay	\$41.47	61.4%	\$22,504.1	\$27,301.1	2.8x	N/A	8.2x	N/A
ETSY	Etsy	\$119.78	53.3%	\$15,054.9	\$16,403.5	6.6x	N/A	21.6x	N/A
HOUR	Hour Loop	\$2.61	25.3%	\$91.5	\$95.2	1.3x	40.9x	N/A	49.8x
NEGG	Newegg	\$1.31	12.0%	\$491.6	\$509.9	0.3x	N/A	N/A	N/A
OSTK	Overstock.com	\$19.36	31.5%	\$885.5	\$502.8	0.2x	17.0x	7.5x	88.0x
W	Wayfair	\$32.89	16.6%	\$3,523.2	\$6,278.2	0.5x	N/A	N/A	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	\$69.63	52.8%	\$7,389.0	\$9,039.9	2.2x	17.7x	13.7x	26.8x
LOW	Lowe's Companies	\$199.24	76.4%	\$120,480.9	\$155,500.9	1.6x	12.6x	11.3x	19.2x
LL	Lumber Liquidators	\$5.62	31.6%	\$164.7	\$362.8	0.3x	10.6x	N/A	12.5x
HD	The Home Depot	\$315.86	75.6%	\$321,920.1	\$369,171.1	2.3x	13.6x	14.1x	19.0x
TTSH	The Tile Shop	\$4.38	60.4%	\$194.3	\$341.7	0.9x	7.1x	7.0x	14.1x
					Mean	1.5x	12.3x	11.5x	16.2x
Specialty Retail <sup>7</sup>									
ASO	Academy Sports + Outdoors	\$52.54	90.8%	\$4,105.7	\$5,655.7	0.9x	5.9x	5.9x	7.4x
AAP	Advance Auto Parts	\$147.03	60.1%	\$8,712.1	\$12,145.3	1.1x	12.8x	9.0x	18.9x
AZO	AutoZone	\$2,466.18	94.5%	\$46,279.5	\$55,448.2	3.3x	15.0x	14.3x	20.7x
BBWI	Bath & Body Works	\$42.14	58.9%	\$9,625.4	\$15,405.4	2.0x	8.5x	9.1x	11.1x
BJ	BJ's Wholesale Club	\$66.16	82.3%	\$8,894.2	\$12,016.9	0.6x	13.4x	11.9x	18.4x
DKS	Dick's Sporting Goods	\$120.29	96.1%	\$10,033.6	\$12,743.6	1.1x	6.5x	7.4x	10.6x
ORLY	O'Reilly Automotive Stores	\$844.03	96.9%	\$52,815.9	\$59,289.4	4.2x	18.0x	16.6x	25.8x
WOOF	Petco Animal Supplies	\$9.48	41.7%	\$2,520.9	\$5,462.0	0.9x	14.3x	9.3x	28.7x
RH	RH	\$267.19	48.0%	\$6,399.5	\$8,019.3	2.2x	10.7x	9.6x	10.0x
SPWH	Sportsman's Warehouse	\$9.41	76.6%	\$354.7	\$761.8	0.5x	5.1x	6.7x	4.7x
ULTA	ULTA Beauty	\$469.07	97.0%	\$23,866.6	\$25,513.0	2.6x	14.1x	13.6x	20.6x
WSM	Williams-Sonoma	\$114.92	65.0%	\$7,649.9	\$8,965.0	1.0x	5.1x	6.1x	7.0x
					Mean	1.5x	10.8x	10.0x	16.3x
OVERALL RETAIL SECTOR					Mean	1.0x	13.6x	10.7x	23.3x

[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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