



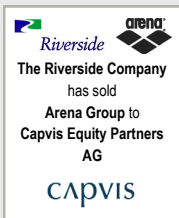
## Soft Goods Group Update

### Lincoln's 2014 Consumer Conference

Lincoln International's First Annual Consumer Conference was a great success, with 32 companies presenting in San Francisco in April. World leaders in social media including Dick Costolo, CEO of Twitter, and Gary Vaynerchuk, NY Times best selling author and social media entrepreneur, also presented at the event. The following six companies from the soft goods sector presented at the conference:



### Q1 2014 Transaction—Arena Group



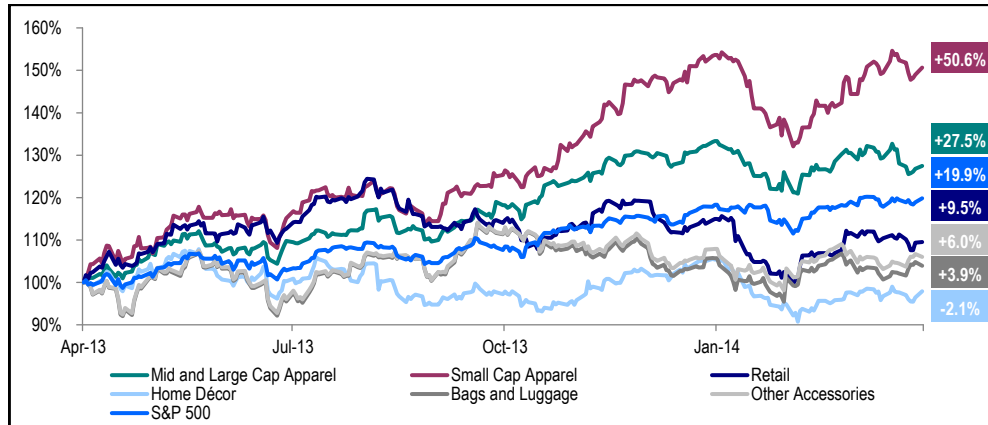
- Financial Buyer
- Cross-Border Transaction (U.S.A. / UK / Switzerland)

## Market Intelligence

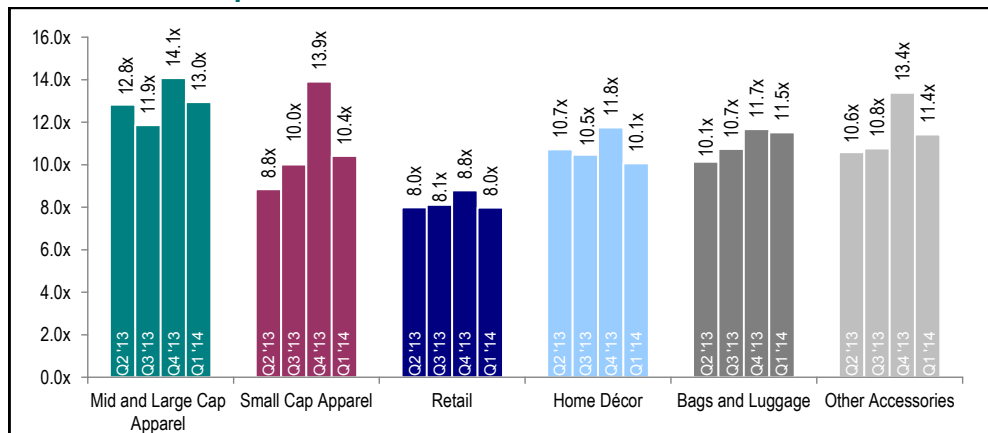
- Q4 2013 EV / EBITDA multiples were up**, primarily driven by high GDP growth that exceeded previous estimates. Strong consumer spending was the main reason for the revised GDP estimate and noticeably impacted the apparel companies during a busy holiday season.
- Stock prices fell in early 2014** caused by concerns around the global economy and company earnings, as well as turmoil in emerging markets.
- Overall market improvement**, following the index's lowest point in early February, is expected to continue; Soft Goods companies performing well, some even showing M&A interest.
  - Gill Apparel** recently reported an interest in making acquisitions, but does not have a specific target in the pipeline.

## Lincoln International Consumer Soft Goods Index

### LTM Relative Stock Price Performance



### Historical Enterprise Value / EBITDA Valuation Performance



## M&A Transaction Recap

Announced Date	Target Company	Target Description	Acquiring Company
24-Mar-14	The Jones Group Inc., Brian Atwood IP and Related Assets	Offers branded footwear and handbags	Steven Madden, Ltd.
17-Mar-14	Shock Doctor, Inc.	Offers sports protection and mouthguard products	Bregal Partners, L.P.
14-Mar-14	Franco Sarto Inc.	Designs and produces women's shoes	Brown Shoe Co. Inc.
5-Mar-14	Stormforce Corporation	Offers screen printed or embroidered apparel	Organized SportsWear, LLC
5-Mar-14	Nolan Glove Co. Inc.	Manufactures and sells handwear, headwear and neckwear	BIOWORLD Merchandising Inc.
4-Mar-14	Built NY, Inc.	Designs, manufactures and distributes bags, totes and cases	Lifetime Brands, Inc.
20-Feb-14	Maverick J, LLC, James Campbell Brands	Provides branded men's clothing and shoes	Hampshire Group, Limited
18-Feb-14	Sahaja LLC	Manufactures knitted garments including sweaters and scarves	Bitzio, Inc.
12-Feb-14	Emotion Apparel, Inc.	Manufactures women's apparel	Bitzio, Inc.
20-Jan-14	Sombrio International	Designs and manufactures apparel, outerwear and street wear	Hi Fibre Textiles (Sugoi) Ltd.
13-Jan-14	Hawk Designs, Inc.	Manufactures skateboard apparel	Cherokee Inc.
7-Jan-14	Colorifics	Designs and offers shoes	Sizzle Brands, LLC
6-Jan-14	G&K Services Inc., Direct Sale Business and Ireland Ops	Provides branded uniform and facility services	Affinity Specialty Apparel, Inc.
6-Jan-14	Globe Footwear LLC	Manufactures footwear	Globe Manufacturing Company

# Lincoln International Consumer Soft Goods Index (Continued)

## Selected Consumer Soft Goods Public Comparables

Company Name	Stock Price	% of 52-week High	Market Cap	Enterprise Value	LTM		YoY Revenue	EBITDA	EV / LTM	
					Revenue	EBITDA	Growth	Margin	Revenue	EBITDA
<b>Mid and Large Cap Apparel</b>										
Adidas AG	\$ 108.51	84%	\$ 22,703	\$ 22,221	\$ 19,957	\$ 1,942	2%	10%	1.1x	11.4x
Hanesbrands Inc.	76.48	100%	7,610	9,179	4,742	716	5%	15%	1.9x	12.8x
Nike, Inc.	73.86	92%	65,402	61,700	27,071	4,178	9%	15%	2.3x	14.8x
PVH Corp.	124.77	90%	10,184	13,566	8,186	1,047	38%	13%	1.7x	13.0x
Ralph Lauren Corporation	160.93	84%	14,417	13,560	7,227	1,347	5%	19%	1.9x	10.1x
Under Armour, Inc.	57.32	92%	12,207	12,012	2,502	334	30%	13%	4.8x	35.9x
V.F. Corporation	61.88	98%	27,250	27,924	11,589	1,963	7%	17%	2.4x	14.2x
<b>Small Cap Apparel</b>										
Columbia Sportswear Company	\$ 82.65	94%	\$ 2,860	\$ 2,339	\$ 1,761	\$ 205	5%	12%	1.3x	11.4x
Deckers Outdoor Corp.	79.73	89%	2,760	2,533	1,588	249	11%	16%	1.6x	10.2x
G-III Apparel Group, Ltd.	71.58	93%	1,460	1,511	1,718	145	23%	8%	0.9x	10.4x
Oxford Industries Inc.	78.20	94%	1,283	1,417	917	118	12%	13%	1.5x	12.0x
Perry Ellis International Inc.	13.74	62%	203	345	912	34	(3%)	4%	0.4x	10.1x
Quiksilver Inc.	7.51	81%	1,274	2,081	1,791	103	(6%)	6%	1.2x	20.3x
Rocky Brands, Inc.	14.39	72%	109	143	257	18	12%	7%	0.6x	7.8x
Wolverine World Wide Inc.	28.55	84%	2,893	3,833	2,673	296	63%	11%	1.4x	13.0x
Zumiez, Inc.	24.24	72%	706	591	724	98	15%	14%	0.8x	6.0x
<b>Retail</b>										
Abercrombie & Fitch Co.	\$ 38.50	70%	\$ 2,826	\$ 2,422	\$ 4,117	\$ 448	(6%)	11%	0.6x	5.4x
Aéropostale, Inc.	5.02	29%	394	288	2,091	(70)	(13%)	(3%)	0.1x	nmf
American Eagle Outfitters, Inc.	12.24	58%	2,372	1,943	3,306	356	(2%)	11%	0.6x	5.5x
Bed Bath & Beyond Inc.	68.80	85%	14,649	13,955	11,504	1,833	12%	16%	1.2x	7.6x
Express Inc.	15.88	63%	1,333	1,220	2,219	283	6%	13%	0.5x	4.3x
Francesca's Holdings Corporation	18.14	56%	765	752	340	84	25%	25%	2.2x	8.9x
The Gap, Inc.	40.06	86%	17,907	17,791	16,148	2,670	6%	17%	1.1x	6.7x
Kirkland's Inc.	18.49	70%	320	231	461	40	6%	9%	0.5x	5.8x
L Brands, Inc.	56.77	85%	16,521	19,992	10,773	2,150	6%	20%	1.9x	9.3x
Pier 1 Imports, Inc.	18.88	75%	1,886	1,772	221	99	9%	12%	1.0x	8.0x
Restoration Hardware Holdings, Inc.	73.59	94%	2,862	2,971	1,551	147	41%	9%	1.9x	nmf
Tuesday Morning Corporation	14.15	85%	612	559	850	48	3%	6%	0.7x	11.6x
Urban Outfitters Inc.	36.47	81%	5,372	4,849	3,087	549	10%	18%	1.6x	8.8x
Williams-Sonoma Inc.	66.64	98%	6,284	5,958	4,388	605	12%	14%	1.4x	9.8x
<b>Home Décor</b>										
Dorel Industries Inc.	\$ 33.53	82%	\$ 1,074	\$ 1,450	\$ 2,435	\$ 150	(2%)	6%	0.6x	9.7x
Ethan Allen Interiors Inc.	25.45	76%	736	770	730	80	(0%)	11%	1.1x	9.7x
La-Z-Boy Incorporated	27.10	87%	1,418	1,281	1,404	119	12%	8%	0.9x	10.8x
Leggett & Platt, Incorporated	32.64	95%	4,528	5,132	3,732	443	1%	12%	1.4x	11.6x
Ralph Lauren Corporation	160.93	84%	14,417	13,560	7,227	1,347	5%	19%	1.9x	10.1x
Select Comfort Corporation	18.08	65%	990	880	978	114	5%	12%	0.9x	7.7x
Tempur Sealy International Inc.	50.67	92%	3,080	4,847	2,464	347	76%	14%	2.0x	14.0x
<b>Bags and Luggage</b>										
Coach, Inc.	\$ 49.66	83%	\$ 13,785	\$ 12,986	\$ 4,893	\$ 1,582	(1%)	32%	2.7x	8.2x
LVMH Moët Hennessy Louis Vuitton SA	181.81	88%	90,979	99,843	40,142	9,717	8%	24%	2.5x	10.3x
Samsonite International S.A.	3.09	97%	4,355	4,181	2,038	328	15%	16%	2.1x	12.8x
Tumi Holdings, Inc.	22.63	86%	1,536	1,506	467	101	17%	22%	3.2x	15.0x
Vera Bradley, Inc.	26.99	92%	1,096	1,037	536	111	4%	21%	1.9x	9.4x
VIP Industries Limited	1.74	96%	246	251	161	13	(5%)	8%	1.6x	18.9x
<b>Other Accessories</b>										
Columbia Sportswear Company	\$ 82.65	94%	\$ 2,860	\$ 2,339	\$ 1,761	\$ 205	5%	12%	1.3x	11.4x
Jarden Corp.	59.83	93%	7,960	11,574	7,507	868	11%	12%	1.5x	13.3x
Newell Rubbermaid Inc.	29.90	92%	8,339	9,988	5,693	913	2%	16%	1.8x	10.9x

Source: Bloomberg, Capital IQ and company filings, as of 3/31/2014

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