



DealReader

Retail

H1 2016

Lincoln's 2016 Consumer Conference

Lincoln International hosted its annual Consumer Conference on Thursday, May 12, 2016 at the Hotel Nikko in San Francisco.

The Conference had 41 presenting companies and was attended by over 350 investors, executives and industry experts.

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Recap of Lincoln's 2016 Consumer Conference

Retail Public Comparables

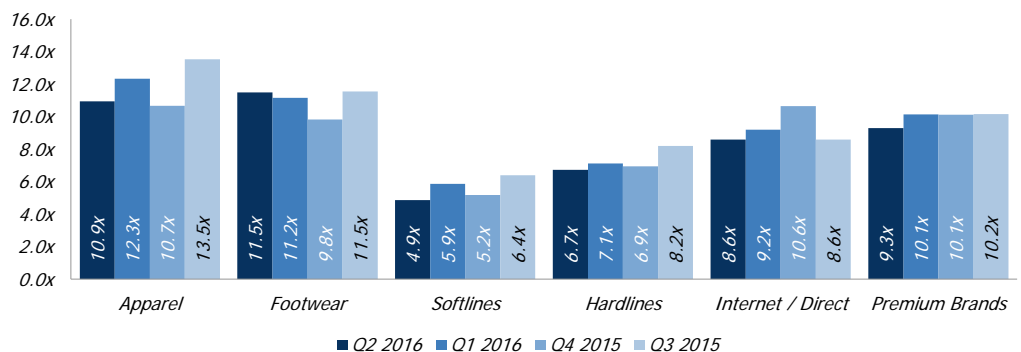
	Stock Price 6/27/2016	% of Yr High	Enterprise Value	LTM		YoY	EBITDA Margin	EV / LTM		EV / NTM
				Revenue	EBITDA	Revenue Growth		Revenue	EBITDA	EBITDA
Apparel										
Columbia Sportswear Company	\$54.77	73%	\$3,405	\$2,372	\$311	6%	13%	1.4x	10.9x	10.3x
G-III Apparel Group, Ltd.	42.52	58%	1,858	2,369	205	9%	9%	0.8x	9.1x	7.9x
Gildan Activewear Inc.	27.06	77%	7,049	2,526	513	4%	20%	2.8x	13.8x	12.2x
Hanesbrands Inc.	25.42	73%	12,756	5,742	992	8%	17%	2.2x	12.9x	11.7x
Oxford Industries Inc.	53.67	59%	1,053	965	131	7%	14%	1.1x	8.0x	8.0x
PVH Corp.	84.91	70%	10,037	8,059	1,030	2%	13%	1.2x	9.7x	9.5x
Ralph Lauren Corporation	87.38	64%	7,234	7,405	1,070	-11%	14%	1.0x	6.8x	7.5x
Under Armour, Inc.	35.92	68%	16,370	4,206	534	25%	13%	3.9x	30.7x	26.2x
V.F. Corporation	58.29	75%	26,598	12,379	2,017	4%	16%	2.1x	13.2x	12.1x
Footwear										
Adidas AG	\$131.98	96%	\$27,873	\$20,046	\$1,736	11%	9%	1.4x	16.1x	14.5x
Crocs, Inc.	10.17	64%	864	1,108	15	4%	1%	0.8x	NM	11.0x
Deckers Outdoor Corp.	53.71	72%	1,615	1,875	244	-1%	13%	0.9x	6.6x	6.5x
NIKE, Inc.	51.89	76%	86,445	31,911	5,147	6%	16%	2.7x	16.8x	15.0x
Rocky Brands, Inc.	11.37	57%	105	261	15	5%	6%	0.4x	6.9x	5.3x
Softlines										
Abercrombie & Fitch Co.	\$16.80	51%	\$998	\$3,495	\$346	-2%	10%	0.3x	2.9x	3.3x
American Eagle Outfitters, Inc.	15.41	83%	2,588	3,572	489	3%	14%	0.7x	5.3x	5.0x
Boot Barn Holdings, Inc.	7.94	23%	463	569	54	10%	9%	0.8x	8.6x	7.6x
Express Inc.	14.18	66%	1,050	2,351	281	-1%	12%	0.4x	3.7x	3.8x
Francesca's Holdings Corporation	10.26	52%	390	450	80	7%	18%	0.9x	4.9x	5.1x
L Brands, Inc.	65.26	65%	23,289	12,256	2,645	2%	22%	1.9x	8.8x	9.1x
Lululemon Athletica Inc.	69.00	94%	9,021	2,132	432	14%	20%	4.2x	20.9x	17.9x
The Buckle, Inc.	24.49	52%	995	1,092	246	-6%	22%	0.9x	4.1x	4.5x
The Gap, Inc.	20.07	51%	8,683	15,578	2,060	-3%	13%	0.6x	4.2x	4.8x
Urban Outfitters Inc.	25.72	70%	2,852	3,469	499	4%	14%	0.8x	5.7x	5.5x
Zumiez, Inc.	14.01	50%	286	800	73	0%	9%	0.4x	3.9x	4.8x
Hardlines										
Bed Bath & Beyond Inc.	\$41.86	60%	\$7,499	\$12,103	\$1,636	2%	14%	0.6x	4.6x	5.0x
Dick's Sporting Goods Inc.	40.07	74%	4,806	7,366	731	5%	10%	0.7x	6.6x	6.4x
Ethan Allen Interiors Inc.	31.35	89%	879	782	102	4%	13%	1.1x	8.7x	7.9x
Lowe's Companies, Inc.	76.32	95%	79,813	60,179	6,948	7%	12%	1.3x	11.5x	9.8x
Pier 1 Imports, Inc.	5.34	40%	525	1,892	131	-1%	7%	0.3x	4.0x	4.2x
Rent-A-Center, Inc.	11.41	38%	1,324	3,236	290	-3%	9%	0.4x	4.6x	4.3x
Staples, Inc.	8.07	51%	8,029	20,898	1,348	-3%	6%	0.4x	6.0x	5.8x
The Home Depot, Inc.	124.67	90%	176,339	90,390	14,088	6%	16%	2.0x	12.5x	11.4x
Tractor Supply Company	92.90	96%	12,762	6,363	793	12%	12%	2.0x	16.1x	14.2x
Williams-Sonoma Inc.	49.56	55%	4,563	5,043	663	5%	13%	0.9x	6.9x	6.5x
Internet / Direct										
1-800-Flowers.com Inc.	\$8.19	75%	\$610	\$1,167	\$85	4%	7%	0.5x	7.2x	6.5x
Amazon.com, Inc.	691.36	95%	335,784	113,417	9,087	25%	8%	3.0x	NM	NM
Overstock.com Inc.	15.57	65%	294	1,673	8	0%	0%	0.2x	NM	6.6x
PetMed Express, Inc.	18.21	88%	331	235	33	2%	14%	1.4x	10.0x	9.6x
Wayfair Inc.	38.84	68%	2,952	2,573	(75)	57%	-3%	1.1x	NM	NM
Premium Brands										
Coach, Inc.	\$37.41	89%	\$10,316	\$4,341	\$945	7%	22%	2.4x	10.9x	9.3x
Kate Spade & Company	18.85	71%	2,647	1,262	210	13%	17%	2.1x	12.6x	9.7x
Kering SA	152.43	76%	25,579	12,581	2,302	4%	18%	2.0x	11.1x	10.6x
LVMH Moët Hennessy Louis Vuitton S.E.	144.51	74%	81,236	38,734	8,741	4%	23%	2.1x	9.3x	8.5x
Michael Kors Holdings Limited	46.19	78%	7,675	4,712	1,369	-1%	29%	1.6x	5.6x	6.4x
Movado Group, Inc.	20.15	65%	310	589	79	-3%	14%	0.5x	3.9x	4.4x
Tiffany & Co.	57.48	60%	7,773	4,034	939	-2%	23%	1.9x	8.3x	8.1x

Source: Capital IQ as of 6/27/2016

Public Markets

- Many investors are cautious regarding the retail sector due to thematic market shifts including the rapid migration to online purchases, demographic shifts and difficult mall traffic trends
- Following a decline in April, the latest Conference Board Consumer Confidence Index reported a decrease in May
- Nevertheless, as unemployment declines and gas prices remain low, consumer spending continues to be relatively robust

Historical EV to EBITDA



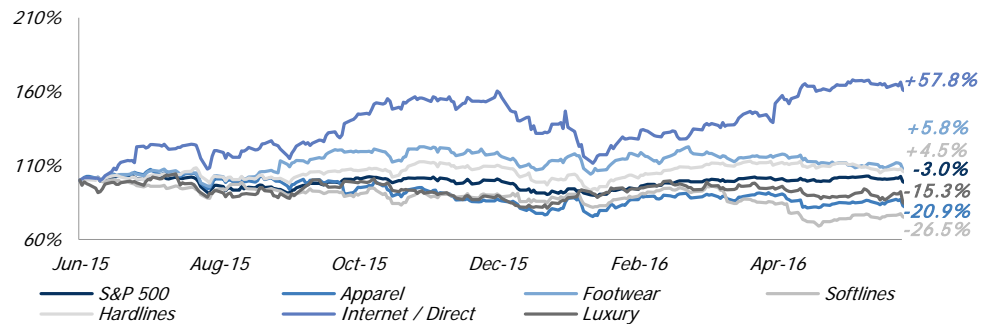
Source: Capital IQ as of 6/27/2016

Public Markets

(continued)

- The Internet / Direct segment has significantly outperformed the S&P 500, driven by strong operations and growth by Amazon
- In line with deflated consumer confidence, the stock performance of apparel and softline companies has been weak
- Despite tepid public market performance, Lincoln's Consumer Group has been highly active, having closed three retail transactions in the past three months:
 - **On Campus Marketing** – largest marketing and eCommerce platform exclusively serving the college demographic
 - **In the Swim** – leading D2C retailer of aftermarket swimming pool and spa supplies and equipment
 - **Providence Industries** – leading provider of design, engineering, development, manufacturing and sourcing services for apparel and retail companies

Relative Stock Performance



Source: Capital IQ as of 6/27/2016

Retail M&A Activity

Lincoln Recent Transaction Highlights

<p>has sold</p> <p>to</p>	<p>has sold</p> <p>to</p>	<p>has received debt financing from</p> <p>Revolving Credit Facility Senior Term Loan</p>	<p>has received a preferred equity investment from</p> <p>Preferred Equity</p>
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M&A Activity

Date	Target Company	Target Description	Acquiring Company	Private Equity Involvement
Announced	Reiss Ltd	Owns and operates apparel stores that offer menswear, women's apparel and accessories	Warburg Pincus LLC	✓
Announced	SMCP S.A.S.	Provides fashion and luxury apparel for men and women under the Sandro, Maje and Claudie Pierlot brands	Shandong Ruyi Science and Technology Group Co., Ltd.	
Announced	Tumi Holdings, Inc.	Designs, produces and markets various travel and business products and accessories	Samsonite International S.A.	
Announced	Shoply Limited	Operates online shopping destinations, such as eStore.com.au, WowBaby.com.au and YourHomeDepot.com.au	Anyware Corporation Pty Ltd.	
Jun-16	In The Swim	Multi-channel retailer of swimming pool supplies and equipment, providing chemicals, covers and liners, equipment parts and accessories	Leslie's Pool Mart	✓
Jun-16	VF Corporation, Contemporary Brands	Designs, produces, procures, markets and distributes branded lifestyle apparel; transaction includes 7 for All Mankind, Splendid and Ella Moss brands	Delta Galil Industries Ltd.	
Jun-16	One Kings Lane Inc.	Retails home products including living, bedroom and bath, dining and kitchen, lighting and outdoor products	Bed Bath & Beyond Inc.	
Jun-16	Ashley Stewart Holdings, Inc.	Owns and operates women's apparel retail stores that offer extended sizes	The Invus Group, LLC	✓
May-16	On Campus Marketing LLC	Operates an online store that offers university-approved merchandise for campus living, gifting and special occasions	Spire Capital Partners, LLC	✓
Mar-16	J.America, Inc.	Provides sportswear and custom apparel for collegiate, resort and high school markets	Blue Point Capital Partners	✓
Mar-16	Whistles Limited	Manufactures and designs clothing, bags, jewelry and accessories for men and women	Phase Eight (Fashion and Designs) Ltd.	
Mar-16	Ebuys, Inc.	Doing business as ShoeMetro, retails shoes and accessories, such as handbags and watches	DSW Shoe Warehouse, Inc.	
Mar-16	The Guildery Inc.	Manufactures and sells home textiles and upholstered accessories on-demand	MINTED LLC	
Feb-16	Mills e-Commerce Enterprises, Inc.	Sells hunting, fishing, sporting, auto and all-terrain vehicle, farm, pet and lawn and garden products	KKR & Co. L.P.	✓
Feb-16	Furniture Factory Outlet, LLC	Owns and operates furniture and accessories retail stores	Sun Capital Partners, Inc.	✓
Feb-16	Gilt Groupe, Inc.	Retails luxury goods online, providing a range of merchandise, including fashion, home decor and activities in select cities	Hudson's Bay Company	
Jan-16	Broke Out Inc.	Designs, manufactures and sells street ware and gym fitness apparel, including headwear, jackets, sweaters and shirts	Digitrade Developments Ltd.	
Jan-16	Boston Proper, LLC	Operates as an online and catalog retailer of apparel and accessories for women	Brentwood Associates, Inc.	✓
Jan-16	LIDS Team Sports	Provides sports uniforms, custom apparel, footwear and equipment, including institutional team sportswear and sporting goods	BSN Sports, Inc.	

Source: Capital IQ; MergerMarket as of 7/1/2016

2016 RECAP CONSUMER CONFERENCE

Highlights

- Over 350 attendees, including prominent consumer, food & beverage and retail investors, executives, business owners and industry experts
- 41 presenting private companies
- Theme: using digital marketing and social media to drive brand awareness and consumer engagement
- Event included a mix of company presentations, dynamic keynote speakers, networking reception and 200 1x1 meetings

Dynamic Speakers and Content



Erik Qualman

Bestselling Author and Motivational Keynote Speaker

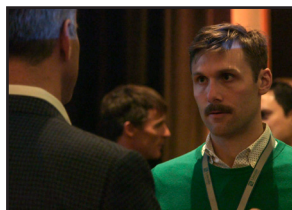


Jay Baer

Bestselling Author, Business Strategist and Keynote Speaker



Company Presentations



1 x 1 Meetings



Networking Reception

Sponsors

Platinum



Gold



Selected Registered Companies: AB InBev | AGR Partners | Albertsons | Alliance Consumer Growth | Altamont Capital Partners | American Giant | Arbor Investments | Argand Partners | Arlon Group | Audax Group | AVALT | Beechwood Capital | Berkshire Partners | Bertram Capital Management | BFG Partners | Blue Point Capital Partners | Blueberry Ventures | Bregal Partners | Brentwood Associates | Brynwood Partners | Burbank Hafeli - Morgan Stanley | Burt's Bees | Business Development Corporation of America | Calera Capital | Canum Capital Partners | Capital Partners | Capitala Group | Castanea Partners | Catalyst Brands | CDIB Capital International Corporation | Centre Partners Management | CenturyPark Capital Partners | Champlain Capital Partners | Charlesbank Capital Partners | CIC Partners | CircleUp | CITIC Capital | CJ America | Clarion Capital Partners | Clearlake Capital Group | ClearLight Partners | Compass Group | Comvest Partners | Consumer Growth Partners | Convergent Capital | Corporate Partners | Creative Snacks | Crimson Investment | CVC | EBOOST | Ecosystem Integrity Fund | Eli's Cheesecake Company | Emerson Capital | Falcon Investment Advisors | FFL Partners | Fields Texas | First Beverage Ventures | Freeman Spogli | Frontier Snacks | Genero Capital Partners | George Weston | gimMe Health Foods | Gladstone Capital Corporation | Graham Partners | Grand Crossing Capital | Greenhouse Capital Partners | Grey Mountain Partners | Gridiron Capital | Gryphon Investors | Guard Hill Holdings | Guardian Capital Partners | Gump's | H.I.G. Capital | Harbour Group Industries | Harvest Partners | HCP & Company | Health Warrior | Highlander Partners | Hilco Global | Horizon Holdings | HSNi - TravelSmith | Hydros | IFP | Insignia Capital Group | IVEST Consumer Partners | J.M. Smucker | J.W. Childs Associates | JH Whitney & Co. | JMC Investment | Kainos Capital | Kamei North America Co. | KarpReilly | Kingfish Group | KOSE Corporation | L. Catterton | Lake Pacific Partners | Lancaster Colony | Lariat Partners | LaSalle Capital | Leonard Green & Partners | LNK Partners | Madison Dearborn Partners | Main Post Partners | Marubeni Corporation | Mason Wells | Mass Probiotics (GoLive Products) | Metropoulos & Co. | MidOcean Partners | Mill City Capital | Mistral Equity Partners | Mitsubishi Corporation (Americas) | Mitsui & Co. | Monomoy Capital Partners | Mora Partners | Moxie Capital | MSD Capital | Murano Group | MVC Capital | NatureBox | New French Bakery | Nordstrom | North Castle Partners | Norwest Equity Partners | Norwest Venture Partners | Numi Organic Tea | Oaktree Capital | Obi Probiotic Soda | ONCAP Management Partners | OpenSlate | OrganicGirl | Outlaw Energy | Palladin Consumer Retail Group | Pasta Chips | Paxion Capital | Pixlee | Prairie Capital | Pretzel Perfection | Prophet Equity | Prospect Partners | PSP Capital Partners | Pulmuone Principal Investments | Raymundo's Food Group | Renewal Funds | Riata Capital Group | RLJ Equity Partners | Ruiz Foods | S.R. Smith | San Francisco Equity Partners | Saratoga Investment | Searchlight Capital Partners | Sentinel Capital Partners | Sheridan Capital Partners | Silas Capital | Simple Mills | Smári Organics | Snow Phipps Group | Spanos Barber Jesse & Co. | Star Avenue Capital | Stockton Road Capital | Stone-Goff Partners | Stripes Group | Summit Partners | Swander Pace Capital | Synetro Group | TA Associates | Teasdale | Tengram Capital | The Builders Fund | The Clorox Company | The Daily Crave | The Riverside Company | Thomas H. Lee Partners | Transom Capital Group | TreeHouse Foods | Trilantic Capital Partners | Tristar Products | Trivest Partners | TSG Consumer Partners | Two Moms | Valor Equity Partners | Ventura Foods | VeriQuest Private Capital | Vestar Capital Partners | VG Growth Partners | VMG Partners | Wasserstein | Wind Point Partners | Women's Marketing | Wyandot Snacks | Yellow Wood Partners | Zenfinity Capital | 2x Consumer Products Growth Partners

Pre-Conference Events

Presenter's Dinner:

- Featured remarks by Rohan Oza, Co-Founder of CAVU Ventures, previously with Coca Cola, Vitaminwater and PopChips
- Cocktails and networking, followed by private dinner
- Approximately 120 dinner attendees, including presenting company executives and event sponsors

Cocktail Networking Event:

- Attendees included private equity investors, consumer business executives and guests arriving upon conclusion of dinner

Conference Schedule

Registration & Breakfast

Welcome & Opening Remarks

Morning Keynote Speaker: Erik Qualman

Break

Healthy / Active Living



Snacking



Retail & Merchandising



Break

Natural & Organic



Specialty Food & Beverage



Health & Personal Care



Lunch & Afternoon Keynote Speaker: Jay Baer

Break

Artisanal Food & Beverage



Apparel & Accessories



Home & Electronics



Networking Reception

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Chemicals
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Distribution
Electronics
Energy & Power
Financial Institutions
Food & Beverage
Healthcare
Industrials
Packaging
Technology & Media

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About Lincoln International

Lincoln International specializes in merger and acquisition advisory services, debt advisory services, private capital raising and restructuring advice on mid-market transactions. Lincoln International also provides fairness opinions, valuations and pension advisory services on a wide range of transaction sizes. With sixteen offices in the Americas, Asia and Europe, Lincoln International has strong local knowledge and contacts in key global economies. The firm provides clients with senior-level attention, in-depth industry expertise and integrated resources. By being focused and independent, Lincoln International serves its clients without conflicts of interest. More information about Lincoln International can be obtained at www.lincolninternational.com.

Lincoln's Global Consumer Group

North America

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Head of Retail North America
Managing Director (New York)

Brad Akason
Co-Head of Consumer North America
Managing Director (Chicago)

David Houser
Co-Head of Consumer North America
Managing Director (Chicago)

Federico Mennella
Managing Director (New York)

Chris Stradling
Managing Director (Chicago)

Aaron Goldstein
Director (Chicago)

Alberto Sinesi
Vice President (Chicago)

Mark Jones-Pritchard
Vice President (Chicago)

Asia

Guarav Marathe
Managing Director (Mumbai)

Joe Chang
Managing Director (Beijing)

Tetsuya Fujii
Managing Director (Tokyo)

South America

James Sinclair
Managing Director (São Paulo)

Luiz Recchia
Managing Director (São Paulo)

Europe

Andrei Joosten
Managing Director (Moscow)

Dirk Langenbach
Managing Director (Frankfurt)

Dominique Lecendreau
Managing Director (Paris)

Filippo Lardera
Managing Director (Milan)

Francois Rispoli
Managing Director (Paris)

Iván Marina
Managing Director (Madrid)

Mark Barrow
Managing Director (London)

Michael Prill
Managing Director (Frankfurt)

Øyvind Bjordal
Managing Director (Zurich)

Stephan von Parpart
Managing Director (Frankfurt)

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