

# Quarterly Industry Update

As of September 30, 2016

Industry: Online Women's Retail



## Industry Summary

Cogent Valuation identified Online Women's Retail publicly traded companies, IPOs, and recent M&A transactions within the Online Women's Retail industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Over the last year since September 30, 2015, the median 52-week share price return of the Online Women's Retail industry was 16.0%. Between September 30, 2014 and September 30, 2016, the median EV/EBITDA multiple increased from 8.0 to 14.2. Furthermore, the median price-to-earnings multiple increased from 16.9 to 32.3 over the same period.

## Comparable Public Company Key Statistics

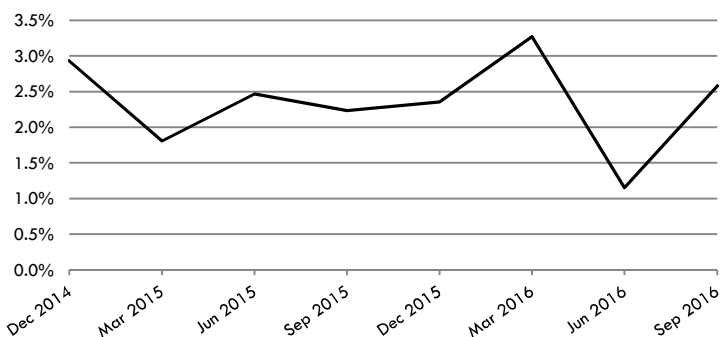
Median 52-Week Return	16.0%	Median EV/Revenue Multiple	1.1x	Median Price/Earnings Multiple	32.3x
Median 3-Year CAGR Return	-7.9%	Median EV/EBITDA Multiple	14.2x	Median EV/Gross CF Multiple	17.3x

## Comparable Public Company Market Price Returns As of September 30, 2016

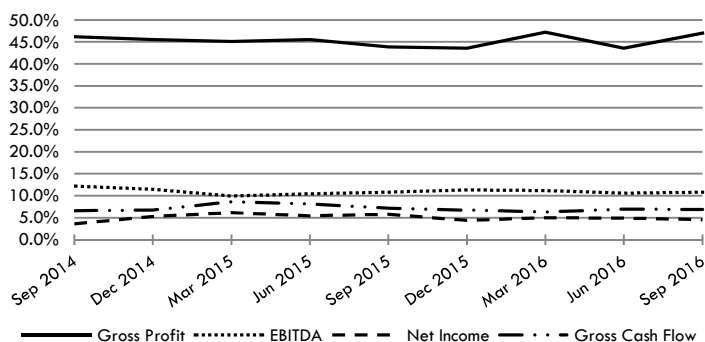
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2015	2014	2013	2012	2011
Duluth Holdings Inc.	81.7%	8.4%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Express Inc.	-31.8%	-18.7%	-34.0%	-13.1%	-20.6%	-10.3%	17.6%	-21.3%	23.7%	-24.3%	6.1%
Francesca's Holdings Corporation	-11.4%	39.6%	26.2%	5.2%	-6.1%	-6.2%	4.3%	-9.2%	-29.0%	49.9%	N/A
Jumei International Holding Limited	-35.4%	41.6%	-40.7%	-50.1%	N/A	N/A	-33.5%	N/A	N/A	N/A	N/A
Nutrisystem, Inc.	37.2%	17.1%	12.0%	39.0%	27.3%	19.6%	10.7%	18.9%	101.2%	-36.8%	-38.5%
Tilly's, Inc.	41.6%	62.2%	27.6%	11.7%	-13.5%	N/A	-31.6%	-15.4%	-15.1%	N/A	N/A
Vera Bradley, Inc.	-3.9%	6.9%	20.1%	-14.4%	-9.6%	-15.9%	-22.7%	-15.2%	-4.2%	-22.2%	-2.3%
Vince Holding Corp	23.1%	2.9%	64.4%	-56.8%	N/A	N/A	-82.5%	-14.8%	N/A	N/A	N/A
Vipshop Holdings Limited	-3.9%	31.3%	-12.7%	-11.9%	37.2%	N/A	-21.9%	133.5%	369.1%	N/A	N/A
<b>Median of Industry Public Companies</b>	<b>-3.9%</b>	<b>17.1%</b>	<b>16.0%</b>	<b>-12.5%</b>	<b>-7.9%</b>	<b>-8.2%</b>	<b>-22.3%</b>	<b>-14.8%</b>	<b>9.8%</b>	<b>-23.2%</b>	<b>-2.3%</b>

(Multiple year periods are calculated as the average annual return.)

## Median Quarterly Revenue Growth of All Online Women's Retail Companies



## Median Gross Profit, EBITDA, Net Income and Gross Cash Flow Margins



## Median Public Company Multiples of the Online Women's Retail Industry

Date:	9/30/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015	12/31/2015	3/31/2016	6/30/2016	9/30/2016
EV/Revenues Multiple	1.5x	1.7x	1.6x	1.4x	1.0x	1.1x	1.2x	0.9x	1.1x
EV/EBITDA Multiple	8.0x	9.5x	10.1x	6.8x	6.8x	10.6x	10.3x	9.7x	14.2x
Price/Earnings Multiple	16.9x	22.0x	23.4x	19.3x	18.1x	22.6x	27.8x	26.6x	32.3x
EV/Gross Cash Flows Multiple	11.9x	13.9x	15.8x	12.0x	9.9x	15.1x	16.7x	8.0x	17.3x

This industry research is provided at no charge to Cogent Valuation's clients. Research or detailed information not covered in this report can be obtained for a fee. Contact [Steven Kam](mailto:Steven.Kam@CogentValuation.com) at 415-392-0888 for additional information or questions in connection with this research report. Copyright © 2016 Cogent Valuation. All Rights Reserved.

# Quarterly Industry Update

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## Industry Initial Public Offerings (dollars in millions, except share prices)

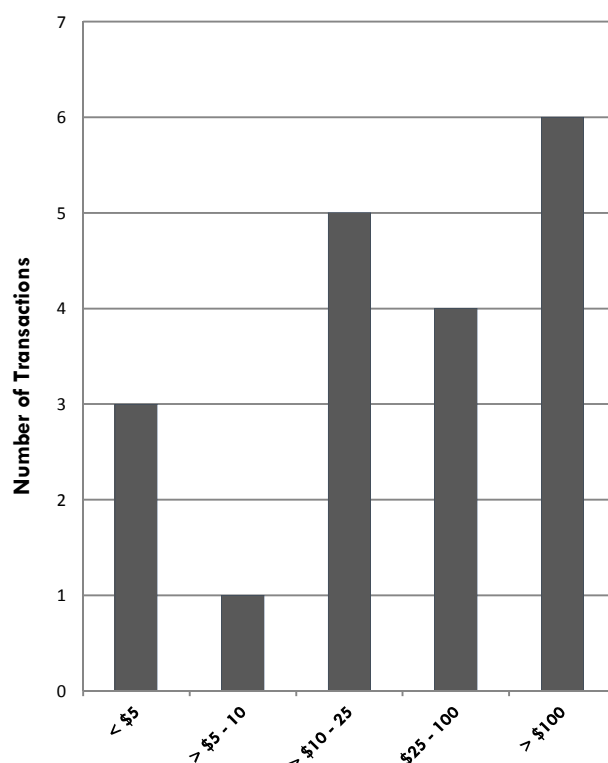
Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
11/19/2015	Duluth Holdings Inc.	\$12.00	6.7	\$80.0	\$74.4	\$12.7	\$261.2	\$27.8	\$15.6	\$30.0
5/16/2014	Jumei International Holding Limited	\$22.00	11.1	\$395.1	N/A	N/A	N/A	N/A	N/A	N/A
11/21/2013	Vince Holding Corp	\$20.00	10.0	\$200.0	\$467.8	\$502.4	\$752.5	\$53.4	(\$52.1)	\$59.0
5/3/2012	Tilly's, Inc.	\$15.50	8.0	\$124.0	\$140.8	\$4.6	\$400.6	\$50.6	\$20.8	\$65.7
3/22/2012	Vipshop Holdings Limited	\$6.50	11.0	\$71.5	\$167.4	\$15.7	\$227.1	(\$105.1)	(\$107.3)	(\$103.7)
7/21/2011	Francesca's Holdings Corporation	\$17.00	10.0	\$170.0	\$67.7	\$92.6	\$151.0	\$38.4	\$19.2	\$41.3
10/20/2010	Vera Bradley, Inc.	\$16.00	11.0	\$176.0	\$169.2	\$33.2	\$322.9	\$67.6	\$56.0	\$75.7
5/12/2010	Express Inc.	\$17.00	16.0	\$272.0	\$869.6	\$418.7	\$1,721.1	\$206.8	\$75.3	\$271.5
<b>Median of All IPOs</b>		<b>nm</b>	<b>nm</b>	<b>\$173.0</b>	<b>\$167.4</b>	<b>\$33.2</b>	<b>\$322.9</b>	<b>\$50.6</b>	<b>\$19.2</b>	<b>\$59.0</b>

nm: not meaningful, N/A: not applicable

## Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought
5/9/2016	The Mountain Corporation	Gladstone Investment Corp.	\$25.5	100%
4/25/2016	Karrah Inc.	Precious Investments	\$1.5	100%
4/19/2016	Southern Tide, LLC	Oxford of South Carolina	\$85.0	100%
2/1/2016	Gilt Groupe, Inc.	Hudson's Bay Company	\$250.0	100%
1/7/2016	Barstool Sports, Inc.	The Chernin Group, LLC	\$15.0	51%
9/30/2015	zulily, Inc.	QVC, Inc.	\$2,476.2	100%
7/13/2015	Orchard Brands Corp.	Bluestem Brands, Inc.	\$410.0	100%
6/1/2015	Karmaloop, Inc.	CapX Partners	\$13.0	100%
4/3/2015	SkyMall, LLC	C&A Marketing Inc.	\$1.9	100%
3/31/2015	MUSE & Co. Ltd.	Mixi, Inc.	\$14.7	94%
3/6/2015	LogoSportswear, Inc.	Gladstone Investment Corp.	\$9.7	100%
12/12/2014	Shoes.com, Inc.	Shoes.com Technologies	\$11.5	100%
9/5/2014	Surfstitch Pty Ltd.	N/A	\$35.7	100%
8/5/2014	M and M Direct Limited	BESTSELLER A/S	\$237.8	100%
7/11/2014	Shoes.com, Inc.	Hardy Capital Partners	\$140.0	100%
6/30/2014	Healthy Directions, LLC	Helen of Troy Limited	\$195.9	100%
3/5/2014	Altrec Inc.	TruSnow.com	\$3.3	100%
1/24/2014	Brandosab AB	Footway Group AB (publ)	\$11.2	100%
1/13/2014	ideeli Inc.	Groupon, Inc.	\$62.1	100%
<b>Median of the 19 M&amp;A Transaction Targets</b>			<b>\$25.5</b>	<b>100%</b>

## Size of the 19 M&A Transactions (dollars in millions)



### Definitions of Financial Terms Used in this Quarterly Industry Update:

Enterprise Value (EV): Market Value of Equity + Market Value of Debt - Cash

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA): Profitability metric sometimes also referred to as operating profit or operating earnings.

Gross Cash Flows: Net Income + Depreciation and Amortization Expense

Latest Twelve Months (LTM): Financial information is as of the latest twelve months through the date of this Quarterly Industry Update.

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