

# Q2: Quarterly Industry Update

AS OF June 30, 2019



## Specialty Bags and Luggage

### INDUSTRY SUMMARY

COGENT VALUATION identified **Specialty Bags/Luggage** publicly traded companies, IPOs, and recent M&A transactions within the Specialty Bags/Luggage 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 June 30, 2018, the median 52-week share price return of the Specialty Bags/Luggage industry was 59.4%. Between June 30, 2017 and June 30, 2019, the median EV/EBITDA multiple decreased from 11.8 to 11.2. However, the median price-to-earnings multiple increased from 20.1 to 48.0 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 4.8% and 12.8%, respectively.

### Public Company Key Statistics

Median 52-Week  
Return

59.4%

Median 3-Year CAGR  
Return

6.5%

Median EV/Revenue  
Multiple

1.4x

Median EV/EBITDA  
Multiple

11.2x

Median Price/Earnings  
Multiple

48x

Median EV/Gross CF  
Multiple

22.2x

## Comparable Public Company Market Price Returns as of June 30, 2019

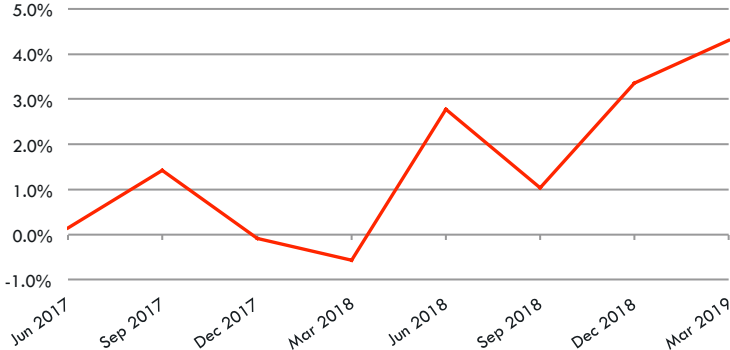
	2019	3 Month	1 Year	2 Year	3 Year	2018	2017	2016
Callaway Golf Company	49.3%	49.3%	48.4%	19.6%	15.4%	16.3%	22.3%	-8.7%
Clarus Corporation	26.2%	26.2%	24.1%	-15.2%	-16.0%	21.0%	-49.5%	-34.4%
Gaia, Inc.	79.2%	79.2%	80.8%	30.9%	13.4%	38.6%	-12.5%	7.7%
G-III Apparel Group, Ltd.	27.5%	27.5%	78.0%	-40.4%	-15.1%	-33.2%	-12.4%	36.6%
Lululemon Athletica Inc.	37.1%	37.1%	109.2%	-4.4%	13.8%	23.9%	-6.0%	-5.5%
Ralph Lauren Corporation	23.8%	23.8%	70.4%	-25.3%	-22.8%	-19.0%	-39.8%	4.9%
V.F. Corporation	38.9%	38.9%	41.5%	-9.1%	-2.9%	-14.3%	-16.9%	20.1%
Vera Bradley, Inc.	-9.5%	-9.5%	43.6%	-6.8%	-23.5%	-25.6%	-22.7%	-15.2%
<b>Median of Industry Public Companies</b>	<b>32.3%</b>	<b>32.3%</b>	<b>59%</b>	<b>-6.8%</b>	<b>-2.9%</b>	<b>1.0%</b>	<b>-14.7%</b>	<b>-0.3%</b>

Multiple year periods are calculated as the average annual return.

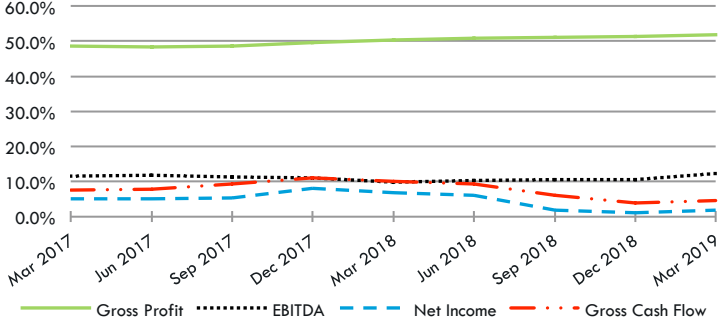
■ Highest Return
 ■ Lowest Return
 ■ Median Return

# Industry Revenue Growth and Profit Margins for the Past Two Years

Median Quarterly Revenue Growth of All Specialty Bags Companies



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



## Public Company Median Multiples by Quarter

	6/30/19	3/31/19	12/31/18	9/30/18	6/30/18	3/31/18	12/31/17	9/30/17
<b>EV/Revenues Multiple</b>	1.5x	1.4x	1.4x	1.5x	1.0x	1.0x	1.0x	1.1x
<b>EV/EBITDA Multiple</b>	11.2x	11.8x	13.9x	13.2x	12.1x	11.2x	10.8x	10.2x
<b>Price/Earnings Multiple</b>	48.0x	38.2x	40.6x	30.1x	24.8x	20.5x	17.0x	21.5x
<b>EV/Gross Cash Flows Multiple</b>	22.2x	23.0x	29.3x	19.2x	19.6x	14.2x	14.4x	16.1x

■ Highest Multiple   
 ■ Lowest Multiple   
 ■ Median Multiple

## Industry Initial Public Offerings—Specialty Bags and Luggage (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
5/26/19	<b>Sling Group Holdings Limited</b>	\$0.05	140.0	\$7.7	\$16.2	\$4.1	\$32.1	\$3.4	\$19,606.4	\$22,558.7
2/1/19	<b>JS Corporation</b>	\$19.11	3.3	\$62.7	\$135.1	\$26.4	\$204.2	\$19.2	\$19.6	\$84.4
12/8/18	<b>Tumi Holdings, Inc.</b>	\$18.00	18.8	\$338.0	\$448.3	\$321.7	\$344.1	\$74.6	\$56.0	\$77.9
10/20/17	<b>Vera Bradley, Inc.</b>	\$16.00	11.0	\$176.0	\$178.5	\$140.2	\$322.9	\$69.8	\$8.0	\$34.1
	<b>Median of all IPOs</b>	nm	nm	\$176.0	\$135.1	\$26.4	\$204.2	\$29.4	\$37.8	\$81.1

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

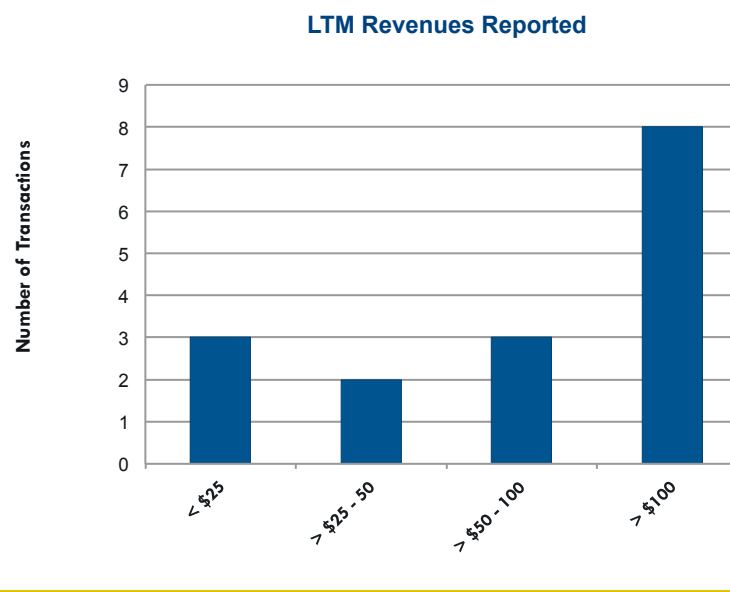
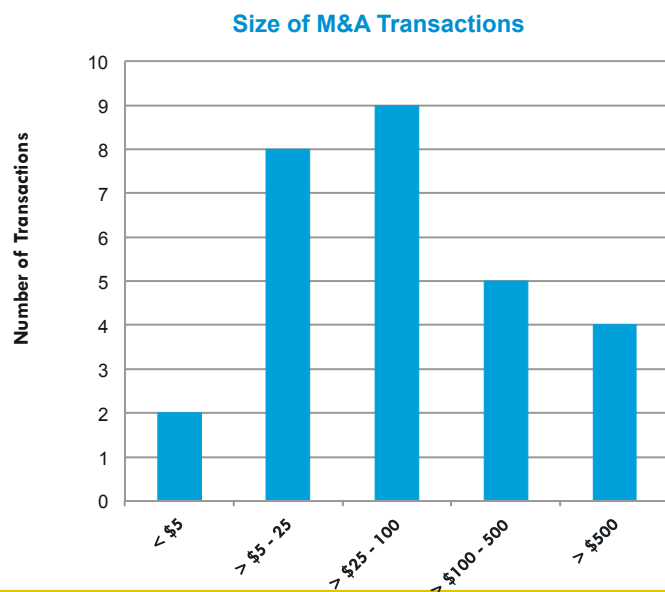
Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
6/29/19	<b>NAF NAF SAS</b>	La Chapelle Enterprise	\$125.5	100%	\$258.3	0.2x
8/17/18	<b>travisMathew, LLC</b>	Callaway Golf Company	\$105.0	100%	N/A	N/A
5/5/17	<b>eBags, Inc.</b>	Samsonite LLC	\$1,828.8	50%	\$158.5	0.7x
8/1/16	<b>Tumi Holdings, Inc.</b>	Samsonite International S.A.	\$96.2	100%	\$547.7	3.2x
6/3/16	<b>Lee &amp; Man Handbags</b>	Sonic Tycoon Limited	\$370.8	100%	\$82.0	1.5x
2/11/16	<b>Kurt Geiger Ltd</b>	Cinven Limited	\$65.9	100%	\$393.5	0.9x
12/30/15	<b>Sergio Rossi S.p.A.</b>	InvestIndustrial	\$5.4	100%	\$90.1	0.7x
10/12/15	<b>MD Inc. Limited</b>	Silver Summit Investments	\$9.6	100%	\$3.9	1.4x
9/30/15	<b>Chic Accent</b>	Samsonite S.p.A.	\$3.5	61%	\$17.1	0.6x
6/1/15	<b>Newton Manufacturing</b>	HALO Branded Solutions	\$54.6	100%	N/A	N/A
5/31/15	<b>Sino Golf Holdings Ltd.</b>	N/A	\$0.0	90%	\$234.4	0.0x
5/20/15	<b>Calzaturificio Valleverde</b>	Silver 1 srl	\$10.0	100%	N/A	N/A
5/15/15	<b>Fresh Produce Sportswear</b>	Fresh Produce Holdings	\$7.1	100%	N/A	N/A
3/26/15	<b>A.S.Adventure n.v.</b>	PAI Partners	\$448.7	100%	\$456.6	1.0x
3/6/15	<b>LogoSportswear, Inc.</b>	Gladstone Investment Corp.	\$9.7	100%	N/A	N/A
2/16/15	<b>The Rolling Luggage Co.</b>	Samsonite GmbH	\$24.2	100%	\$41.0	0.6x
12/31/14	<b>BHS Limited</b>	Retail Acquisitions Limited	\$104.3	100%	N/A	N/A
12/8/14	<b>Character World Ltd.</b>	Palatine Private Equity	\$56.3	100%	N/A	N/A
11/25/14	<b>Bank Fashion Limited</b>	Hilco UK Limited	\$28.5	100%	N/A	N/A
9/12/14	<b>Roberto Cavalli S.p.A.</b>	VTB Bank	\$323.7	60%	N/A	N/A
8/1/14	<b>David Jones Limited</b>	Vela Investments Pty	\$2,061.7	100%	\$1,787	1.1x

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

(Continued from previous page)

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
4/1/14	<b>Distri Bagages Sarl</b>	<b>Samsonite Europe N.V.</b>	\$27.6	100%	\$9.0	3.1x
3/5/14	<b>Altrec Inc.</b>	<b>TruSnow.com</b>	\$3.3	100%	N/A	N/A
12/5/13	<b>Loro Piana S.p.A.</b>	<b>LVMH Moët Hennessy</b>	\$2,573.8	80%	\$810.8	4.0x
8/12/13	<b>Pro Hockey Life</b>	<b>FGL Sports Ltd.</b>	\$85.6	100%	\$95.7	0.9x
8/6/13	<b>Distri Bagages Sarl</b>	<b>The Men's Wearhouse</b>	\$97.5	100%	N/A	N/A
7/31/13	<b>Altrec Inc.</b>	<b>Divine Investments SA</b>	\$2,123.6	100%	\$1,925	1.1x
7/19/13	<b>Loro Piana S.p.A.</b>	<b>Altamont Capital Partners</b>	\$64.6	100%	N/A	N/A
6/29/13	<b>Pro Hockey Life</b>	<b>N/A</b>	\$6.0	100%	N/A	N/A
4/1/14	<b>JA Apparel Corp.</b>	<b>Samsonite Europe N.V.</b>	\$56.3	100%	\$127.1	1.0x
<b>Median of the 29 M&amp;A Transaction Targets</b>			<b>\$27.6</b>	<b>100%</b>	<b>\$128.2</b>	<b>1.0x</b>

## Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions) as of June 30, 2019





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**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):** 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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