

Q1: Quarterly Industry Update

AS OF March 31, 2020

cogent valuation
FINANCIAL OPINIONS

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 March 31, 2019, the median 52-week share price return of the Specialty Bags/Luggage industry was 59.4%. Between March 31, 2019 and March 31, 2020, 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

60.9%

Median 3-Year CAGR
Return

15.9%

Median EV/Revenue
Multiple

1.7x

Median EV/EBITDA
Multiple

13.2x

Median Price/Earnings
Multiple

32.2x

Median EV/Gross CF
Multiple

21.3x

Comparable Public Company Market Price Returns as of March 31, 2020

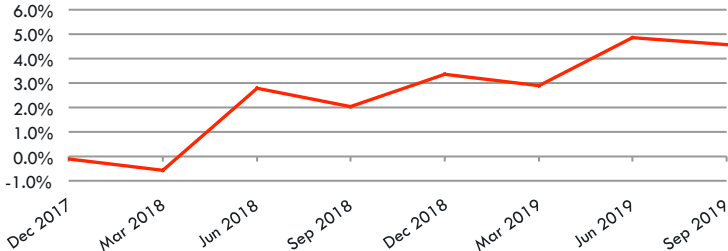
	2020	3 Month	1 Year	2 Year	3 Year	2019	2018	2017
Callaway Golf Company	49.3%	49.3%	48.4%	19.6%	15.4%	16.3%	22.3%	-8.7%
Clarus Corporation	26.2%	26.2%	24.1%	-15.2%	-16.0%	21.0%	-49.5%	-34.4%
Gaia, Inc.	79.2%	79.2%	80.8%	30.9%	13.4%	38.6%	-12.5%	7.7%
G-III Apparel Group, Ltd.	27.5%	27.5%	78.0%	-40.4%	-15.1%	-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%
Median of Industry Public Companies	32.3%	32.3%	59%	-6.8%	-2.9%	1.0%	-14.7%	-0.3%

Multiple year periods are calculated as the average annual return.

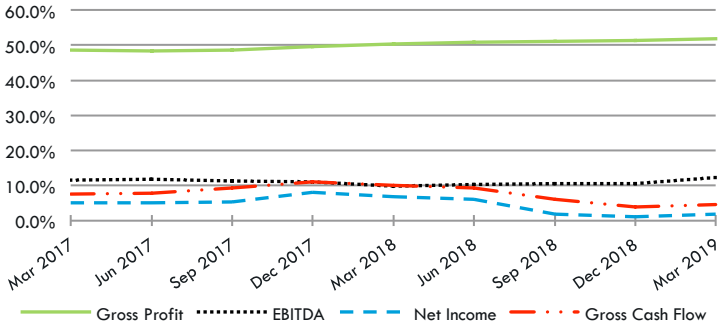
■ Highest Return
 ■ Lowest Return
 ■ Median Return

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

	3/31/20	12/31/19	9/30/19	6/30/19	3/31/19	12/31/18	9/30/18	6/30/18
EV/Revenues Multiple	1.7x	1.4x	1.4x	1.5x	1.0x	1.0x	1.0x	1.1x
EV/EBITDA Multiple	13.2x	11.8x	13.9x	13.2x	12.1x	11.2x	10.8x	10.2x
Price/Earnings Multiple	32.2x	38.2x	40.6x	30.1x	24.8x	20.5x	17.0x	21.5x
EV/Gross Cash Flows Multiple	21.3x	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
3/12/20	Prosperous Industrial (Holdings) Limited	\$0.11	140.0	\$7.7	\$16.2	\$4.1	\$32.1	\$3.4	\$19,606.4	\$22,558.7
1/15/20	Sling Group Holdings Limited	\$0.05	3.3	\$62.7	\$135.1	\$26.4	\$204.2	\$19.2	\$19.6	\$84.4
12/11/19	JS Corporation	\$19.11	18.8	\$338.0	\$448.3	\$321.7	\$344.1	\$74.6	\$56.0	\$77.9
4/19/19	Tumi Holdings, Inc.	\$19.00	11.0	\$176.0	\$178.5	\$140.2	\$322.9	\$69.8	\$8.0	\$34.1
	Median of all IPOs	nm	nm	\$176.0	\$135.1	\$26.4	\$204.2	\$29.4	\$37.8	\$81.1

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

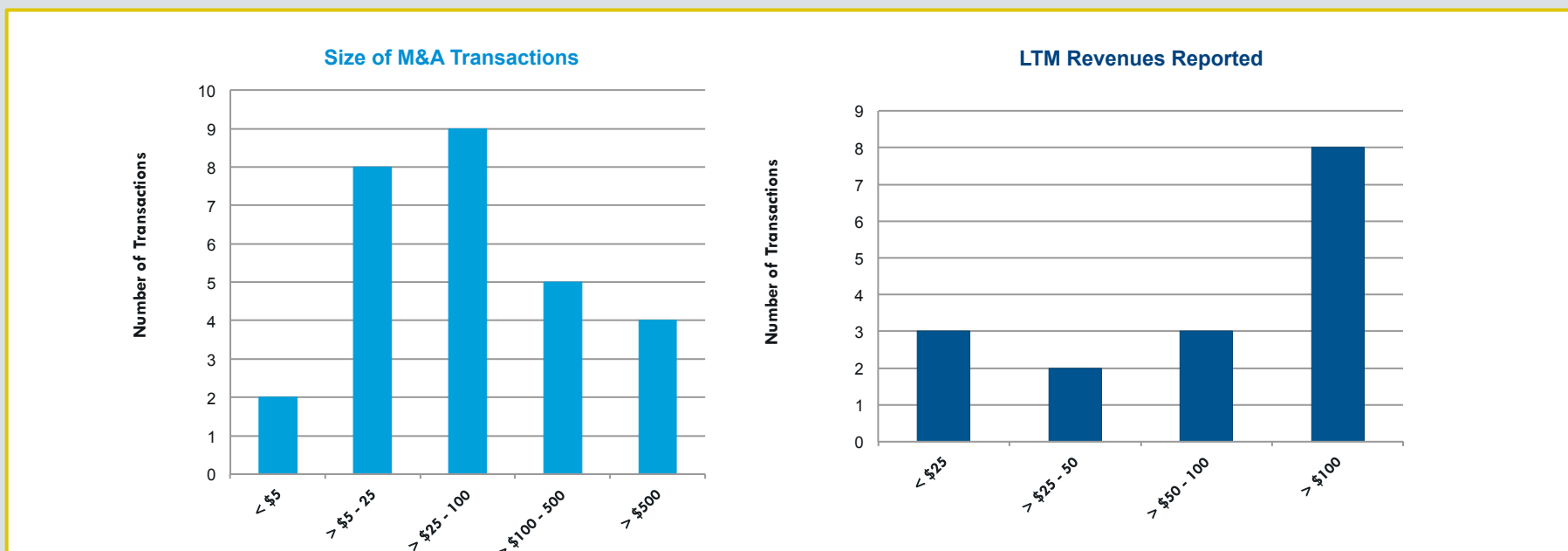
Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
1/19/20	NAF NAF SAS	La Chapelle Enterprise	\$125.5	100%	\$258.3	0.2x
1/17/20	travisMathew, LLC	Callaway Golf Company	\$105.0	100%	N/A	N/A
12/5/19	eBags, Inc.	Samsonite LLC	\$1,828.8	50%	\$158.5	0.7x
8/1/18	Tumi Holdings, Inc.	Samsonite International S.A.	\$96.2	100%	\$547.7	3.2x
6/3/17	Lee & Man Handbags	Sonic Tycoon Limited	\$370.8	100%	\$82.0	1.5x
2/11/16	Kurt Geiger Ltd	Cinven Limited	\$65.9	100%	\$393.5	0.9x
12/30/15	Sergio Rossi S.p.A.	InvestIndustrial	\$5.4	100%	\$90.1	0.7x
10/12/15	MD Inc. Limited	Silver Summit Investments	\$9.6	100%	\$3.9	1.4x
9/30/15	Chic Accent	Samsonite S.p.A.	\$3.5	61%	\$17.1	0.6x
6/1/15	Newton Manufacturing	HALO Branded Solutions	\$54.6	100%	N/A	N/A
5/31/15	Sino Golf Holdings Ltd.	N/A	\$0.0	90%	\$234.4	0.0x
5/20/15	Calzaturificio Valleverde	Silver 1 srl	\$10.0	100%	N/A	N/A
5/15/15	Fresh Produce Sportswear	Fresh Produce Holdings	\$7.1	100%	N/A	N/A
3/26/15	A.S.Adventure n.v.	PAI Partners	\$448.7	100%	\$456.6	1.0x
3/6/15	LogoSportswear, Inc.	Gladstone Investment Corp.	\$9.7	100%	N/A	N/A
2/16/15	The Rolling Luggage Co.	Samsonite GmbH	\$24.2	100%	\$41.0	0.6x
12/31/14	BHS Limited	Retail Acquisitions Limited	\$104.3	100%	N/A	N/A
12/8/14	Character World Ltd.	Palatine Private Equity	\$56.3	100%	N/A	N/A
11/25/14	Bank Fashion Limited	Hilco UK Limited	\$28.5	100%	N/A	N/A
9/12/14	Roberto Cavalli S.p.A.	VTB Bank	\$323.7	60%	N/A	N/A
8/1/14	David Jones Limited	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	Distri Bagages Sarl	Samsonite Europe N.V.	\$27.6	100%	\$9.0	3.1x
3/5/14	Altrec Inc.	TruSnow.com	\$3.3	100%	N/A	N/A
12/5/13	Loro Piana S.p.A.	LVMH Moët Hennessy	\$2,573.8	80%	\$810.8	4.0x
8/12/13	Pro Hockey Life	FGL Sports Ltd.	\$85.6	100%	\$95.7	0.9x
8/6/13	Distri Bagages Sarl	The Men's Wearhouse	\$97.5	100%	N/A	N/A
7/31/13	Altrec Inc.	Divine Investments SA	\$2,123.6	100%	\$1,925	1.1x
7/19/13	Loro Piana S.p.A.	Altamont Capital Partners	\$64.6	100%	N/A	N/A
6/29/13	Pro Hockey Life	N/A	\$6.0	100%	N/A	N/A
4/1/14	JA Apparel Corp.	Samsonite Europe N.V.	\$56.3	100%	\$127.1	1.0x
Median of the 29 M&A Transaction Targets			\$27.6	100%	\$128.2	1.0x

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



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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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