CFRA

Industry Surveys

Retail (Non-Apparel)

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NEW THEMES

What's Changed: More U.S. consumers now trust private brands at least as much as national brands. For more on this, check out page 17.

What's Changed: In 2022, most international markets saw double-digit e-commerce sales growth, with China leading the pack, accounting for nearly 50% of all global retail e-commerce sales. Read more on page 18.

EXECUTIVE SUMMARY

CFRA has a neutral outlook on the Retail (Non-apparel) industry. Below are the key themes we highlight for 2023.

Automation Technology Helps Retailers to Get a Handle on Labor Crunch

Nearly one in three retailers are worried about being able to attract and retain staff in 2023. To make up for the shortfall, nearly 70% of retailers are using or plan to use automation. Automation technology not only addresses labor crunch issues but also improves productivity, and as technology improves, workplace errors and mishaps should decline. Automation and technology are no brainers for non-apparel retailers.

The Hybrid Model Is Here to Stay

With lockdowns and restrictions put into place across the globe, non-apparel retailers had to innovate and pivot in order to get their products to consumers during the pandemic. Buy online, pick-up in-store (BOPIS), curbside pick-up, and buy online ship from store allowed retailers to reach their customers with little to no contact. Now, lockdowns have been lifted and restrictions are few and far between. Yet, non-apparel retail companies are still having success with this new hybrid model. E-commerce revenue continues to grow while some consumers are returning to the store to browse or pick up online orders. It is no secret that companies that can do both well have outperformed in recent years. Companies like Home Depot and Williams-Sonoma demand much higher multiples because of their high margins and a strong mix between e-commerce and brick-and-mortar sales. It took a pandemic for many other retailers to see just how important the hybrid approach is.

Inflation Changing Consumers' Appetites?

In January, the Consumer Price Index rose 6.4% Y/Y, and down from the summer highs. As prices rise more quickly than wages, shifts in consumers' appetites will inevitably come, causing many consumers to turn to discount stores to pursue promotions and warehouse stores where they can buy in bulk. The Federal Reserve has taken drastic actions to tighten financial conditions over the past year, which should impact the consumer in 2023. The consumer savings rate has been well below historical levels over the past 12 months while credit card debt continues to rise, which we expect will eventually creep into retail sales and change where consumers shop.

Supply Chains to Help Margins in 2023?

Retail inventories are now above pre-pandemic levels, which is helping to ease some supply chain pressures. The Federal Reserve now sees the U.S. at full employment, which should help ease some of the supply chain constraints alongside higher inventory. For now, raw material and input prices have eased along with lower freight costs, which should be tailwinds for retailers in 2023 after being strong headwinds in 2022. We expect supply chain pressures to continue to ease as consumer demand continues to fall, bringing them back to normal operating levels and potentially below if a recession ensues due to tightening financial conditions.

2023 Sales Forecast

CFRA anticipates sales to slump throughout 2023 as consumer spending fades and retailers lap tough comps from 2021 and 2022. Even after a muted 2022, we see sales at non-apparel retailers to continue to trend down in low single digits compared to 2022. We expect 2023 to be similar to 2019, where strong brands with consistent growth lead the pack. Overall, the Retail (Non-apparel) industry is dealing with higher inventory, which pressures margins, and the consumer is now fully aware of higher costs. We expect 2023 to be a tough year for retailers as consumer sentiment remains low and inventory is above historical levels, leading to elevated promotions.

RETAIL (NON- APPAREL)

Outlook: Neutral

SUB-INDUSTRY OUTLOOK

SUB-INDUSTRY	FUNDAMENTAL OUTLOOK
Multiline Retail:	
General Merchandise	Neutral
Department Stores	Neutral
Specialty Retail:	
Automotive Retail	Neutral
Computer & Electronic Retail	Negative
Home Furnishings Retails	Neutral
Home Improvement Retail	Positive
Specialty Retail:	
Cosmetics	Neutral
Jewelry	Neutral
Pets & Pet Products	Positive
Sporting Goods	Positive

Source: CFRA.

ETF FOCUS

ETF	AUM ($M)	Expense Ratio
XLY Consumer Discretionary Select Sector SPDR Fund	13,742	0.10
VCR Vanguard Consumer Discretionary ETF	4,094	0.10
FDIS Fidelity MSCI Consumer Discretionary Index ETF	1,020	0.08
XRT SPDR S&P Retail ETF	405	0.35

BY THE NUMBERS

5.7% Increase in CPI excluding food and energy for 12 months ending December 2022

9.2% Growth for retail sales in 2022

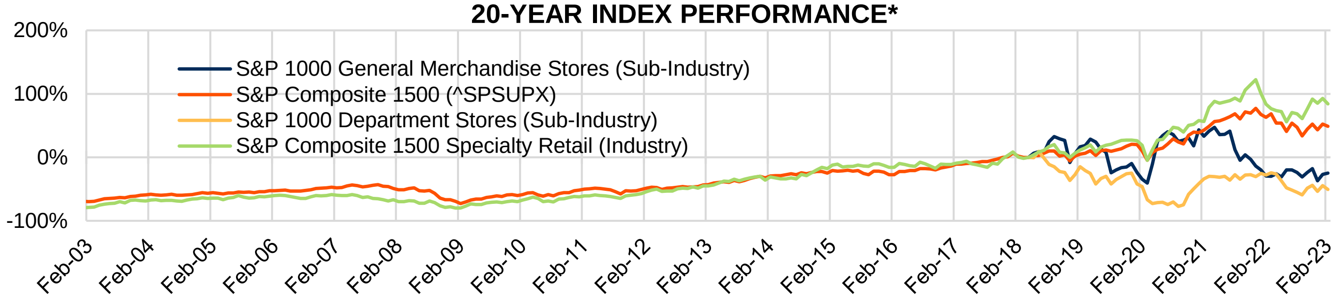
1.0% Growth for department stores sales in 2022

3.5% Unemployment rate in December 2022, vs. 14.8% in April 2020

3.4% Personal Savings Rate for December 2022 – below pre-pandemic levels

64.9 Consumer Sentiment in January 2023, compared to 67.2 in prior-year period

20-YEAR INDEX PERFORMANCE*

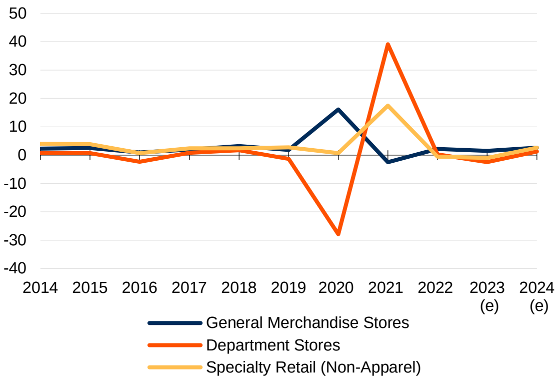


*Data through February 28, 2023.
Source: S&P Global Market Intelligence.

FINANCIAL METRICS

Median Same-Store Sales

(percent change, Y/Y)

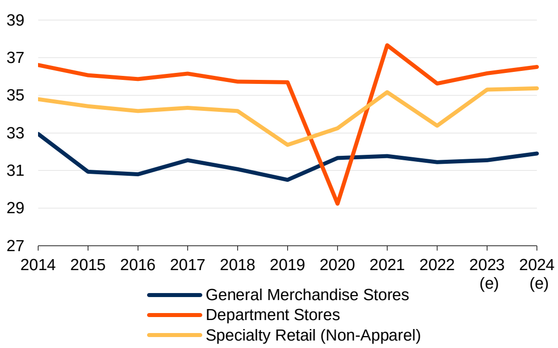


e-Estimate
Source: CFRA, S&P Global Market Intelligence.

- We project same-store sales for general merchandisers to grow modestly by 1.5% in 2023 and 2.6% in 2024 after a lackluster growth of 1.0% in 2022. The increase in same-store sales is expected as more consumers trade down for lower-priced goods. However, the recovery may be impeded by inflation, additional interest rate hikes, and risk of a recession.
- Same-store sales for department stores increased 0.3% in 2022 and are expected to decline 2.5% in 2023 before growing 1.3% in 2024. We attribute the decline to the closure of unprofitable stores, further exacerbated by the prolonged inflation.
- Same-store sales for non-apparel specialty retailers dropped 0.5% in 2022 due to rising inflation and interest rate hikes. We project a continued slowdown of -1.0% in 2023 before any reasonable growth to take place in 2024 as inflation gradually eases.

Median Gross Margin

(percent)

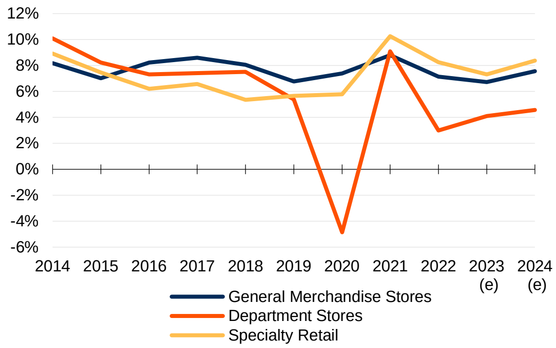


e-Estimate
Source: CFRA, S&P Global Market Intelligence.

- Gross margin for general merchandisers narrowed slightly to 31.4% in 2022 and will likely stay unchanged through 2023. Despite so, we expect margins to expand in the longer term as general merchandisers focus on fulfilling both discretionary and non-discretionary needs, netting a higher margin.
- Department stores' gross margin shrank by 204 bps in 2022 and is expected to grow in 2023 and 2024 as inflation eases.
- Gross margin for non-apparel specialty retailers contracted to 33.4% in 2022 from 34.2% in 2021 and is forecasted to recover to 35.3% and 35.4% in 2023 and 2024, respectively. We expect margins to recover slowly as demand rises amid easing of inflation.

Median EBIT Margin

(percent)

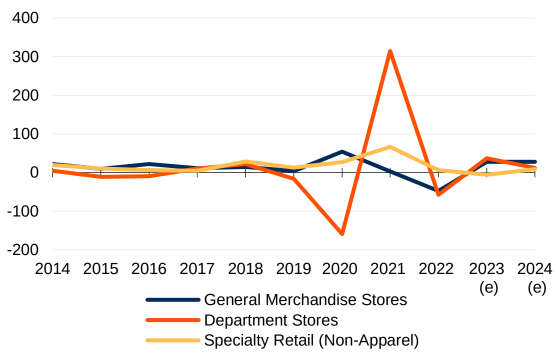


e-Estimate
Source: CFRA, S&P Global Market Intelligence.

- After a massive rebound in 2021, EBIT margin for department stores declined to 3.1% in 2022. The figure is expected to remain subdued as we expect consumers to be more frugal due to economic uncertainty relating to inflation, interest rate hikes, and risk of a recession.
- EBIT margin for general merchandise stores shrank to 7.1% in 2022 from 8.8% in 2021, while margin for specialty retailers dropped to 8.3% from 10.3% in 2021. EBIT margin for general merchandise stores is expected to decline to 6.7% in 2023 before rising to 7.6% in 2024, while we expect specialty retailers' margin to further decline to 7.3% in 2023 before rebounding to 2022 levels.

Median Earnings Per Share Growth (EPS)

(percent)

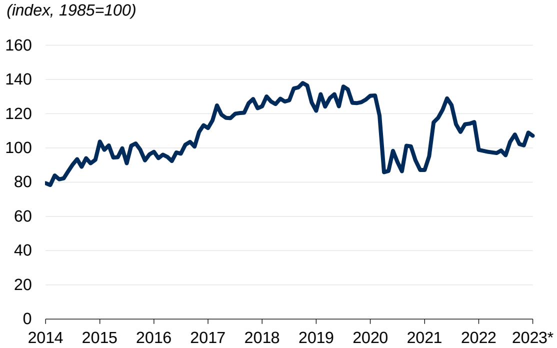


e-Estimate
Source: CFRA, S&P Global Market Intelligence.

- Despite a sizeable earnings recovery for department stores in 2021, we see this trend to be unsustainable. The proliferation of e-commerce and next-day shipping has completely destroyed department stores' historical appeal for the convenience of one-stop shopping. Furthermore, department stores are typically located in areas now served by off-price competitors, significantly reducing their survival chances.
- In 2022, earnings growth for general merchandisers came down significantly off historically high levels in 2021 as consumer spending on durable goods slowed. However, we do not expect this trend to stick around in 2023 and 2024 as inflation is already peaking. Non-apparel specialty retailers posted solid EPS growth for 2020-2022 despite the pandemic being a major headwind for most industries. We expect EPS growth to stabilize in 2023 before continuing its growth in 2024. In the longer term, the group is well-positioned to benefit from aggressive store expansion and capture market share from cash-constrained peers.

KEY INDUSTRY DRIVERS

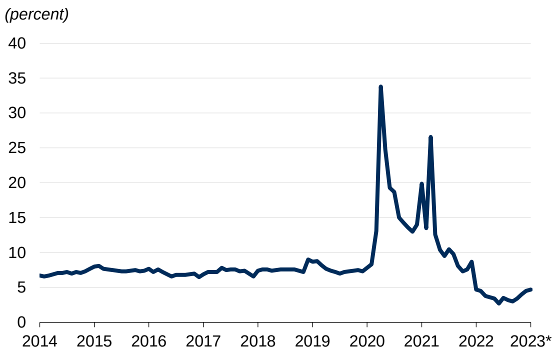
Consumer Confidence Index



*Data through January 2023.
Source: The Conference Board.

- After the consumer confidence index (CCI) rebounded near pre-pandemic levels in 2021, it continued to decline in the first half of 2022 amid market uncertainty stemming from inflation concerns, effects of the Ukraine-Russia war, and interest rate hikes.
- However, the CCI started to rebound in the second half of 2022. Improvement in confidence will support spending, but rising inflation and interest rate hikes still pose risks to economic growth in the short term, according to the Conference Board.

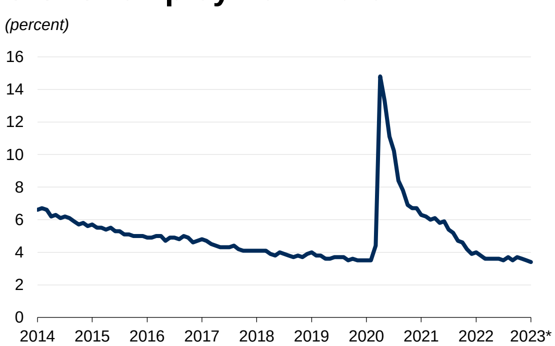
U.S. Personal Saving vs. Disposable Income



*Data through January 2023.
Source: Bureau of Economic Analysis.

- After reaching a record high of 26.6% in 2021, personal saving plummeted to a low of 2.7% in June 2022. The steep decline was due to an unprecedented sharp rise in inflation and interest rates.
- However, the figure is slowly but steadily rising and now stands at 4.7% in January 2023. We expect savings to recover but remain below pre-pandemic levels in 2023, with inflation cooling down.

U.S. Unemployment Rate



*Data through January 2023.
Source: Bureau of Labor Statistics.

- The U.S. unemployment rate rose to a high of 14.8% in April 2020 before retracting to 4.0% in January 2022.
- The figure recovered to 3.4% in January 2023, reaching pre-pandemic levels. The recovery was supported by a fast-recovering economy, coupled with a strong demand for labor.
- We project the unemployment rate to increase to 4.1% through 2023 due to a significant slowdown in economic growth as the risk of a recession looms.

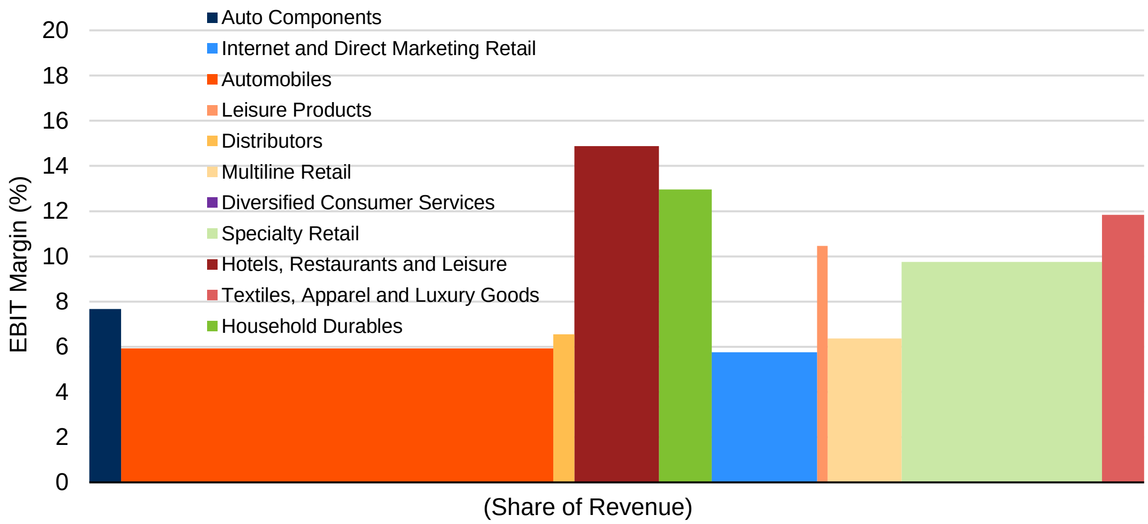
INDUSTRY TRENDS

Competitive Environment

INDUSTRY PROFIT SHARE MAP

From 2017 to 2022, the Multiline Retail and Specialty Retail industries averaged 6.7% and 18.9% revenues of the entire Consumer Discretionary sector, respectively. The EBIT margins for the industries were 6.4% and 9.8%, respectively.

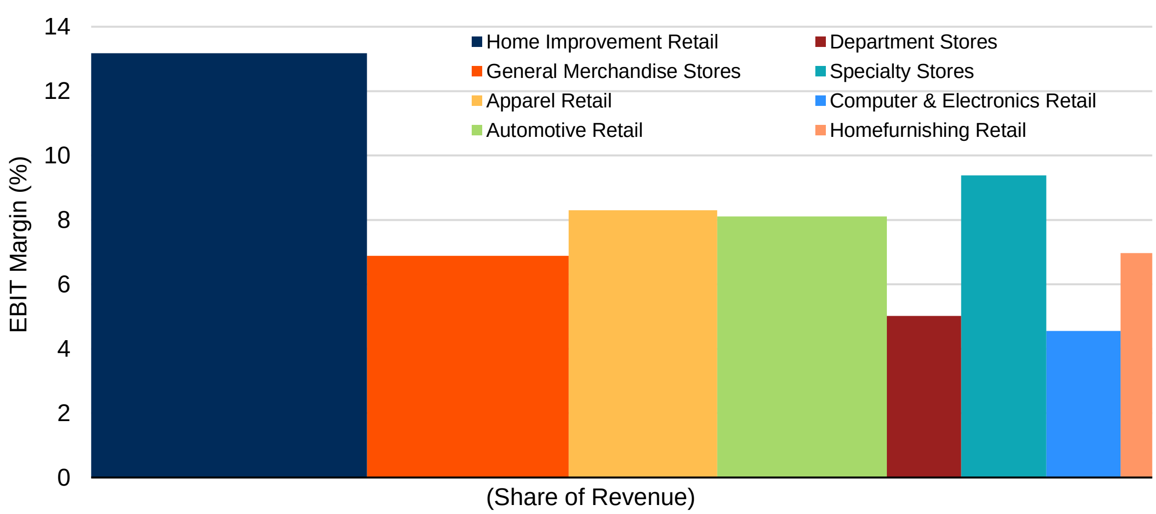
PROFIT SHARE MAP OF THE CONSUMER DISCRETIONARY INDUSTRIES
(5-year average)



Source: CFRA, S&P Global Market Intelligence.

The two largest revenue contributors within the Retail industry are Home Improvement Retail at 26.6% and General Merchandise Stores at 19.2%.

PROFIT SHARE MAP OF THE MULTILINE AND SPECIALTY RETAIL SUB-INDUSTRIES
(5-year average)



Source: CFRA, S&P Global Market Intelligence.

PORTER'S FIVE FORCES

General Merchandise Stores

◆ **Threat of New Entry (Low)** – New firms lack the ability to achieve economies of scale enjoyed by big companies.

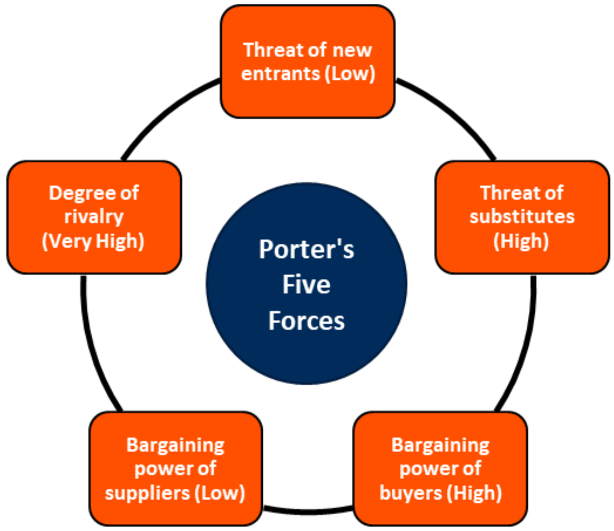
◆ **Threat of Substitutes (Moderate)** – While e-commerce had affected sales somewhat, the value-for-money proposition general merchandisers offer largely insulated them from such substitutes.

◆ **Bargaining Power of Buyers (High)** – Customers are more interested in the products than the stores, thus lowest price will prevail.

◆ **Bargaining Power of Suppliers (Low)** – Firms generally leverage on economies of scale and the increasing commoditization of products to demand for more competitive pricings.

◆ **Degree of Rivalry (High)** – Firms are required to build and preserve customer loyalty, attain efficient distribution, and maintain low prices.

Department Stores



◆ **Threat of New Entry (Low)** – New firms lack the ability to achieve economies of scale enjoyed by big companies.

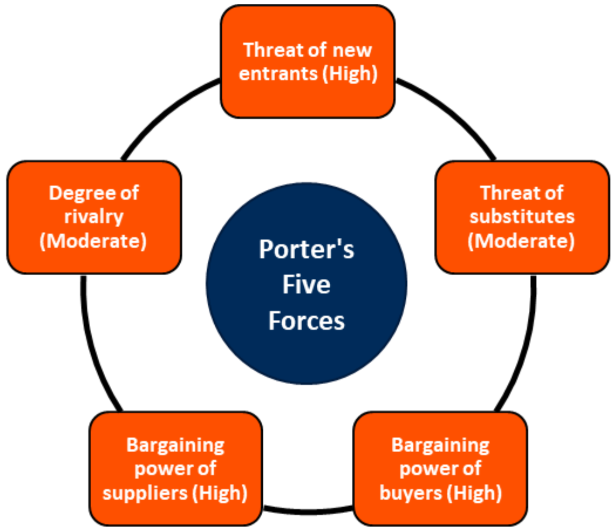
◆ **Threat of Substitutes (High)** – The proliferation of Internet of Things (IoT) has seen firms facing threats from technological disruption.

◆ **Bargaining Power of Buyers (High)** – Customers are more interested in the products than the stores, thus lowest price will prevail.

◆ **Bargaining Power of Suppliers (Low)** – Firms generally leverage on economies of scale and the increasing commoditization of products to demand for more competitive pricings.

◆ **Degree of Rivalry (Very High)** – Firms are required to build and preserve customer loyalty, attain efficient distribution, and maintain low prices.

Specialty Retail (Non-Apparel)



◆ **Threat of New Entry (High)** – Firms lacking competitive advantage may see their business being replicated.

◆ **Threat of Substitutes (Moderate)** – Products that offer new value proposition to customers will generally prevail.

◆ **Bargaining Power of Buyers (High)** – Customers are always seeking the best possible product at the lowest possible price.

◆ **Bargaining Power of Suppliers (High)** – Firms generally obtain their raw materials from numerous suppliers. Suppliers in more dominant positions could lower a specialty retailer’s margins.

◆ **Degree of Rivalry (Moderate)** – Firms are required to either continuously innovate or adopt low pricing strategies to compete for market share.

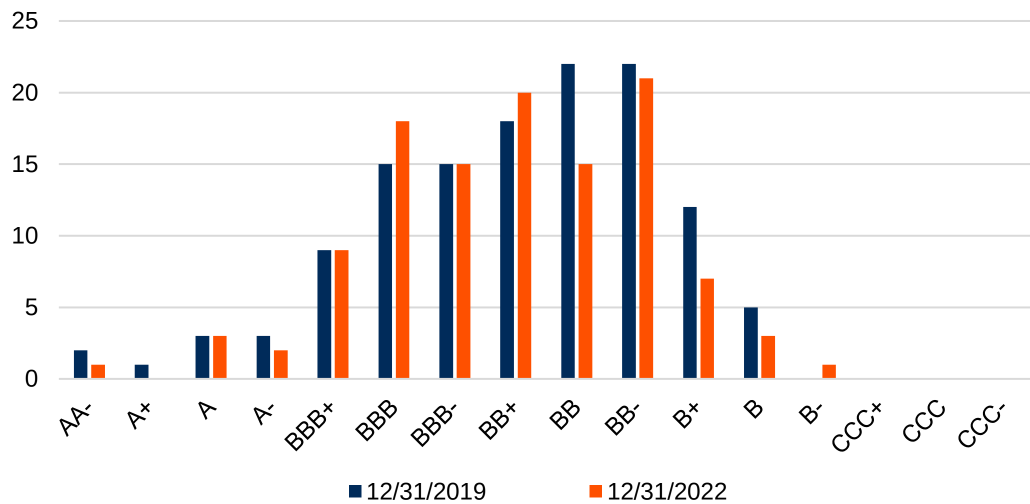
COMPETITVE TRENDS WITHIN THE INDUSTRY

Credit Ratings Fall Flat

During the first four months (*i.e.,* March–June 2020) when the pandemic hit the hardest, S&P Global Ratings downgraded a total of 482 loan facilities in the U.S. as companies were forced to limit or halt operations to protect their workers and slow the spread of Covid-19. However, the industry managed to recover in 2021 driven by stimulus checks and low interest rates that boosted U.S. consumer spending.

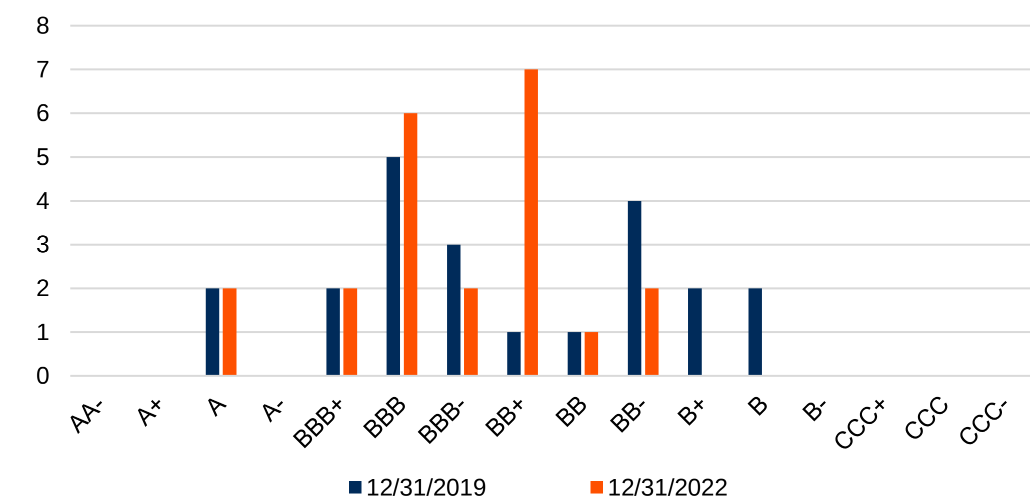
The industry saw a strong recovery in 2021 following the growing vaccine coverage and reopening of the economy, with the number of rating downgrades reduced and number of upgrades increased, almost reaching the pre-pandemic level. However, 2022 proved to be a challenging year as inflation and interest rates continued to rise to unprecedented levels, eating into consumers' pandemic saving to supplement the shortage in income. However, U.S. consumer spending remained resilient during the year despite the two significant headwinds (inflation and interest rates) leading to flat rather than declining ratings, as shown in the charts below.

CREDIT RATINGS FOR THE CONSUMER DISCRETIONARY SECTOR



Source: CFRA, S&P Global Market Intelligence.

CREDIT RATINGS FOR THE RETAIL (NON-APPAREL) INDUSTRY



Source: CFRA, S&P Global Market Intelligence.

E-commerce and Logistics Shifts

Covid-19 pulled forward a decade of change and made e-commerce essential to survive, prompting retailers to scramble to invest in technology and process enhancements to add and expand fulfillment options. Instead of a complete transition to a pure-play online store, many retailers had opted for a buy online, pick-up in-store (BOPIS) model. Another variation to this is the curbside pickup model, where purchases could be picked up from the parking lot, thereby eliminating any physical contact. When combined with the buy online, return in-store (BORIS) model, these strategies could be invaluable in the long run as they benefit both the retailer and their customers.

That is not to say that physical stores will become obsolete. The new normal in brick-and-mortar retail will embrace omnichannel values front-and-center. Retailers would record higher in-store transactions while doing what traditional retailers struggle to do – bring shoppers into their store – where they are more likely to make impulse purchases. Shoppers, on the other hand, get to skip the checkout line and save on delivery costs. Walmart, for example, rolled out a reimagined store design, which includes new signage on the interior and exterior of the store that showcases the Walmart app icon to encourage customers to use the app while they shop. Stores also include self-checkout kiosks and Scan Go options, which allow consumers to manage their checkout by themselves.

BOPIS and Ship-from-Store will also allow retailers to better compete with Amazon. BOPIS helps retailers cut down on shipping costs and bolster store foot traffic, while Ship-from-Store takes off the load from distribution centers and helps retailers keep pace with digital demand. Both are essential components for retailers to compete with Amazon's same-day and next-day shipping options. Using a physical store to fulfill digital orders can also help retailers better manage inventory, save on logistics costs, and offset fixed store lease expenses.

As e-commerce continues to grow and become relevant, it is hard to imagine these companies growing their online presence more than in 2020. As the world comes out of the pandemic, it is likely to see those numbers grow similar to pre-pandemic levels as people get back out and shop more in person or use one of the hybrid options such as BOPIS or BORIS. Companies now realize they must give consumers the option to shop online in some variation.

In 2017, Carvana, a completely online used car retailer, went public. Many questioned how successful a used car retailer could be operating completely online. Cars were something you needed to test drive before buying and shipping costs were way too high to operate completely online. Flash ahead four years, Carvana stock was up nearly 2,300% since its IPO and the company became the second largest used car retailer in the U.S. in 2020. If used cars can successfully be sold completely online in 2021, the question is: what can't be sold online?

Operating Environment

Automated Technology Helps Retailers Get a Handle on Labor Crunch

The U.S. unemployment rate hit its highest level of all time in April 2020 at 14.8% after employers laid off workers in anticipation of the economic impact of the impeding pandemic. Since then, the U.S. has recovered rapidly, gaining hundreds of thousands of jobs a month on average and bringing the unemployment rate down to 3.4% in January 2023. Retailers, which historically employed nearly one in four American jobs, reevaluated their footprint and learned they could be nimble with less, leading to mass layoffs. In December 2020, the retail trade industry employed 15.26 million people in the U.S. As of December 2022, 15.79 million were employed and well above pre-pandemic levels as retailers over-hired to meet surging demand in 2021 and 2022. We expect retailers to cut back on hiring in 2023 due to economic uncertainty and slowing consumer demand. Over the past five years, retail trade employment numbers have been on the decline, after it peaked at 15.92 million in January 2017. As retailers adapt to the changing environment, they are lowering their brick-and-mortar exposure and bolstering their e-commerce platforms, while some opt for automation technologies, reducing the number of jobs in the industry. Even brick-and-mortar stores are leveraging technology to better anticipate sales and reduce overhead costs. We expect many brick-and-mortar stores to adopt automation technologies in addressing labor crunch issues.

Supply Chains Still in Shock

Covid-19 shocked supply chains across the globe and many manufacturing and transport companies laid off workers as uncertainties took hold. Manufacturing facilities shut down or reduced capacity, and transport companies canceled routes or pivoted to different businesses. Raw material plants also shuttered as demand went away. Inventories at retailers grew for a short time before starting to fall as consumers returned. Inventory levels have finally returned to pre-pandemic levels, but retailers are still talking about inflationary pressures throughout the supply chain. As demand returned, these same companies couldn't bring back workers fast enough to keep up with demand. Many companies have shifted production away from China over the past year due to the government's handling of Covid-19 and their lack of free market operations. We expect supply chain issues to reignite in 2023 after some slack was created in 2022 due to slowing demand. We think China's reopening and government stimulus will drive demand in Asia and cause issues for retailers and their supply chain.

Inflation Takes Hold but Is Expected to Slowly Cool on Rising Interest Rates

As the government supported the economy and spent trillions to help Americans through the pandemic, demand spiked and supply struggled to catch up. Inflation began to emerge and hit the consumer. In June 2022, the total Consumer Price Index (CPI) rose 9.1% from the year prior; 2022 saw the highest inflation level since 1981. CPI excluding food and energy in June 2022 rose 5.9% from the prior year. The Federal Reserve has since tightened monetary policy to a much more restrictive stance to help slow demand and cool inflation. As of January 2023, CPI fell to 6.4% for all items and 5.6% for all items less food and energy. We expect inflation data to continue to cool as the Federal Reserve continues to raise rates. We believe this remains a double-edged sword that will bring inflation down over time while also leading to a recession.

Stumbling Consumer Sentiment?

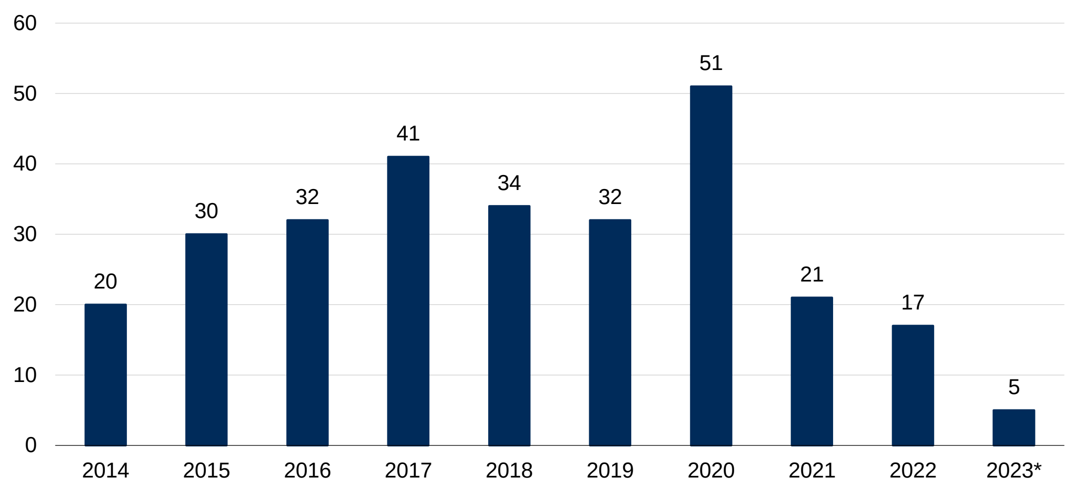
In January 2023, the University of Michigan Consumer Sentiment Index improved to 64.9, up from 50.0 in June – the lowest level since the survey began. Although consumer sentiment is improving, it remains depressed and significantly below 2019 levels of 90+. This leading economic indicator continues to show that consumers are not feeling optimistic of the current economic conditions as interest rates rise, food prices remain elevated, and savings rates remain depressed.

The Fate of Retail

Following the long-term credit downgrades, layoffs, and store closures for various retailers, bankruptcy counts drastically increased for U.S. retailers in 2020. The first half of 2021 was a completely different story. As consumers returned in a strong fashion, bankruptcies dropped as quickly as they rose. U.S. retail bankruptcies totaled just 21 in 2021, compared to 51 in 2020. The last time bankruptcies were this low was in 2014. As the pandemic forced shutdowns and restricted the consumer, retailers on the brink of bankruptcy shuttered while other retailers tapped the highly liquid debt markets and strengthened balance sheets with low interest rate debt. The consumer returned towards the end of 2020 and into 2021, pockets full of government stimulus and excess savings. Many retailers saw record quarters as consumers got vaccinated and returned to in-person shopping. These same retailers used their record cash flow to pay down debt and bolster their cash positions. After emerging from Covid-19, U.S. retailers are in a much better position financially and strategically to endure challenges and adapt to the changing landscape within retail.

However, 2023 may prove to be a challenging year for retailers, as a potential pullback in discretionary spending could have a particularly harmful effect on the industry, particularly to general merchandisers. While consumer spending has been improving in the last few months, that could change as saving slowly dries up as interest rates and inflation continue to rise, and the risk of a recession further exacerbates consumer spending appetite.

ANNOUNCED U.S. RETAIL BANKRUPTCIES



*Year-to-date through February 14, 2023.
Source: CFRA, S&P Global Market Intelligence.

Adapting to the Hybrid Retail Environment
It is no secret that the most successful retail companies invested heavily in creating a user-friendly e-commerce platform early and have continued investing since. Companies that quickly adapted to the fundamental shift in retail from brick-and-mortar to e-commerce have been reaping the benefits for the last few years while others have underperformed and some even filed for bankruptcy. As Covid-19 accelerated this shift, it has also provided some light into how brick-and-mortar retail may continue to exist long into the future. For years now, investors and analysts have been calling for the death of brick-and-mortar and boasting the growth of e-commerce. CFRA believes that the two will continue to co-exist for the foreseeable future.

The traditional brick-and-mortar retailers are finally adapting to the changing landscape and innovating on ways to stay true to their original business model while investing heavily in the growth of e-commerce. Retailers are innovating in their technology and logistics department in order to bring products to consumers in as many ways as possible. In the second quarter of 2021, Dick's Sporting Goods CEO Lauren Hobart stated: "Importantly, our stores continue to be the hub of our industry-leading omnichannel experience, serving both our in-store athletes and providing over 800 forward points of distribution for digital fulfillment. During the second quarter, our stores enabled over 90% of our total sales, and it fulfilled more than 70% of our online sales, either through ship from store, in-store pickup or curbside." Dick's Sporting Goods stock is up over 92% over the past two years compared to -9% for the XLY (Consumer Discretionary ETF).

Williams-Sonoma's CEO Laura Alber had this to say about the mix of e-commerce and brick-and-mortar: "This operating model allowed us to generate strong e-commerce growth, maintaining at 65% of our revenue mix, while delivering some of the highest retail growth we have seen on both a 1-year and 2-year basis. The cohesiveness of our websites, stores, and storytelling brings our products to life, improving our customers' ability to visualize and imagine our products in their home. And with the evolving nature of shopping behaviors, this synergy from our digital-first omni models have never felt more relevant." Williams-Sonoma's stock has seen its stock rise 166% over the past five years.

Private Labels Shape the Future

Retailers with distinct and innovative private brands stand a better chance of staying ahead of competitors and flourishing. Exclusivity could drive profitability. According to retail services firm Daymon Worldwide's 2022 Private Brands Intelligence Report, 89% of U.S. consumers now trust private brands at least as much as national brands, and 75% of consumers prefer stores to have both value and premium private brand products. The report also highlighted that when shopping for private brands online, 54% of consumers mention price as their top driver, 46% mention lower prices of private brands sold online compared to name brands, 29% mention the appeal of online coupons and mobile offers, and 26% cite that the online selection is better than in stores.

Highlighting several players in the industry, Home Depot offers a range of proprietary and exclusive brands, including Husky hand tools, Hampton Bay lighting, Vigoro lawn care products, Ryobi power tools, among others. Discount retailer Dollar General also hopped on the bandwagon by offering more than 40 unique private label lines ranging from pet food to cosmetics. When used effectively, private labels support margin expansion and are critical to building a retailer's brand image and customer loyalty. Not surprisingly, Amazon has also penetrated the private label space. The e-commerce behemoth offers more than 120 clothing, shoes, and jewelry exclusive brands marketed across a wide assortment of prices and a diverse quality spectrum.

Widening Wealth Gap and Value Seekers Buoy Discount Retailers

The widening wealth gap should support general merchandisers and off-price retailers. Off-price retailers did not see the same growth as other retailers in 2021 as massive stimulus and pent-up demand drove shoppers away from deals and bargain hunts. However, with additional interest rate hikes, CFRA expects this trend to reverse as inflation hits consumer wallets. As lower-income households are seeing fewer opportunities to build wealth, they are leaning more and more on general merchandisers and off-price retailers to fulfill discretionary and non-discretionary needs.

We also like the industries' gear toward a value-conscious consumer, notably during a softer macroeconomic environment, which will increase the allure of the hunt, we think. What makes off-price retailers and general merchandisers appealing to shoppers is the thrill of a bargain hunt. Shoppers feel the euphoria of spotting branded items at half their retail price and may be compelled to purchase (on impulse), knowing that it may no longer be available the next time they look for it. The success of off-price retailers lies very much in their ability to source the right goods at the right price. The idea of product scarcity and the ever-changing supply of inventory also work to a retailer's advantage.

Booming Subscription E-commerce Services

E-commerce has been growing rapidly with global sales expected to top at approximately $5.7 trillion in 2022. This figure is forecasted to grow by 50% over the next three years, reaching about $9.1 trillion by 2027. Additionally, by the end of 2023, e-commerce is expected to account for 20.3% of all global retail sales compared to two years ago when it accounted for only 17.8%. This growth in e-commerce and m-commerce (mobile commerce) is driven by a variety of emerging trends, including improved mobile shopping experiences, increased BOPIS utilization, easy access to curbside pickup, and expanded rapid delivery by retailers and third-party providers.

Although the industry had faced difficult two years since 2020 as the market landscape shifted significantly, most international markets saw double-digit e-commerce sales growth in 2022. China continues to lead the global e-commerce market, accounting for nearly 50% of all global retail e-commerce sales, with total sales reaching $2.8 trillion in 2022. The second in line is the U.S., with sales over $904.9 billion in 2022 and a 39.4% share of total e-commerce sales. The third largest e-commerce market is the United Kingdom with a 4.8% share of global e-commerce sales, followed by Japan (3%) and South Korea (2.5%), according to eMarketer data.

The success of e-commerce has also given rise to a slew of online consumer goods subscription services. These businesses, led by start-ups such as Dollar Shave Club, Peloton Spin Bikes, and Blue Apron meal kits, are among the fastest-growing subsets of the e-commerce universe. Subscriptions could be categorized into three main categories: curation, access, and replenishment. Curation subscribers are provided with a selection of personalized items or experiences on a predetermined basis in various categories such as food, fashion, or beauty. Access subscriptions offer member-only privileges or lower prices on consumer goods. Lastly, subscribers to replenishment services will have their household products restocked at regular intervals.

According to the latest report by Research and Markets, released in January 2023, the global subscription e-commerce market is expected to reach $2.42 trillion by 2028, from $96.61 billion in 2022, growing at a CAGR of 71.0%. On top of that, subscription businesses' revenues grew approximately five times faster than S&P 500 company revenues over the last decade (through 2021), according to a report on the Subscription Economy Index by Zuora.

HOW THE INDUSTRY OPERATES

Retailing includes all business activities that involve the sale of goods and services to consumers for personal, family, or household use. Retailers also sell their goods and services to businesses, large and small, for commercial and industrial purposes.

The Retailers

MULTILINE RETAIL

The multiline retail industry comprises two sub-industries: department stores and general merchandise stores.

Department Stores

Department stores engage in retailing a wide range of merchandise, typically arranged in separate departments, with no single line predominating. Such merchandise includes apparel, furniture, home furnishings, appliances, and selected additional items, such as paint, hardware, toiletries, cosmetics, photographic equipment, jewelry, toys, and sporting goods.

The North American Industry Classification System (NAICS) categorizes department stores in terms of business structure – department stores and discount department stores.

◆ **Department stores.** Comprises establishments that sell various merchandise lines, such as apparel, jewelry, home furnishings, and linens, and provide departmental customer checkout service and customer assistance.

◆ **Discount department stores.** Comprises establishments that sell a wide range of general merchandise, excluding fresh, perishable foods, and have central customer checkout areas, generally in the front of the store. Additional cash registers may be located in one or more individual departments. Kohl's is an example of a discount department store.

CFRA categorizes department stores in terms of merchandise sold – full-line department stores and specialty department stores.

◆ **Full-line department stores.** These retailers offer a broader array of merchandise than do specialty department stores. In addition to apparel, such stores may also have departments selling appliances, electronics, cookware, sheets, towels, and giftware. Sears and JC Penney are examples of full-line department stores.

◆ **Specialty department stores.** The focus at specialty department stores is almost solely on apparel, shoes and accessories for men, women, and children. Nordstrom is an example of a specialty department store.

General Merchandisers

General merchandisers carry a much broader assortment of merchandise than most department stores and are unique in that companies have the physical and human capital of retailing a large assortment of goods from a fixed point-of-sale location.

The NAICS categorizes general merchandisers as follows:

◆ **General merchandise stores.** Comprises establishments primarily engaged in retailing new goods in general merchandise stores (except department stores). These establishments retail a general line of new merchandise, such as apparel, automotive parts, dry goods, hardware, groceries, housewares, and home furnishings, with no one merchandise line predominating.

◆ **Warehouse clubs and supercenters.** Comprises establishments primarily engaged in retailing a general line of groceries, including a significant amount and variety of fresh fruits, vegetables, dairy products, meats, and other perishable groceries, in combination with a general line of new merchandise, such as apparel, furniture, and appliances.

◆ **All other general merchandise stores.** Comprises establishments primarily engaged in retailing new goods in general merchandise stores (except department stores, warehouse clubs, superstores, and supercenters). These establishments retail a general line of new merchandise, such as apparel, automotive parts, dry goods, hardware, housewares or home furnishings, and other lines in limited amounts, with none of the lines predominating.

CFRA does not further categorize general merchandisers.

SPECIALTY RETAIL

Specialty retailers sell products in specific merchandise categories, such as apparel, footwear, office supplies, home furnishings, sports equipment, books, jewelry, and so forth.

Despite the proliferation of large chains and superstore formats, the specialty retailing landscape remains fragmented, with thousands of small- to medium-sized businesses, often catering to local tastes and preferences. Because specialty retailing generally requires less start-up capital than other industries, it continues to offer opportunities for entrepreneurs with new product ideas.

Given their heavy concentration in a particular product or service category, the performance of specialty retailing companies is often less sensitive to broader macroeconomic and retail trends than is the case for general merchandisers. On the other hand, specialty retailers may be more susceptible – for better or worse – to shifts in narrowly defined cultural, lifestyle, or demographic factors.

The NAICS categorizes specialty retailers as follows:

◆ **Clothing and clothing accessories stores.** Comprises establishments that retail new clothing and clothing accessories from fixed point-of-sale locations.

◆ **Motor vehicle and parts dealers.** Comprises establishments that retail motor vehicles and parts from fixed point-of-sale locations. Establishments in this segment typically operate from a showroom and/or an open lot where the vehicles are on display. The display of vehicles and the related parts require little by way of display equipment.

◆ **Electronics and appliance stores.** Comprises establishments that retail new electronics and appliances from point-of-sale locations. Establishments in this segment often operate from locations that have special provisions for floor displays requiring special electrical capacity to accommodate the proper demonstration of the products.

◆ **Furniture and home furnishings stores.** Comprises establishments that retail new furniture and home furnishings from fixed point-of-sale locations. Establishments in this segment usually operate from showrooms and have substantial areas for the presentation of their products. Many offer interior decorating services in addition to the sale of products.

◆ **Building material and garden equipment and supplies dealers.** Comprises establishments that retail new building material and garden equipment and supplies from fixed point-of-sale locations. Establishments in this segment have display equipment designed to handle lumber and related products and garden equipment and supplies that may be kept either indoors or outdoors under covered areas.

◆ **Food and beverage stores.** Comprises establishments that retail food and beverage merchandise from fixed point-of-sale locations. Establishments in this segment have special equipment (*e.g.*, freezers, refrigerated display cases, refrigerators) for displaying food and beverage goods. They have staff trained in the processing of food products to guarantee the proper storage and sanitary conditions required by regulatory authority.

◆ **Health and personal care stores.** Comprises establishments that retail health and personal care merchandise from fixed point-of-sale locations. Establishments in this segment are characterized principally by the products they retail, and some health and personal care stores may have specialized staff trained in dealing with the products.

◆ **Gasoline stations, sporting goods.** Comprises establishments that retail automotive fuels (*e.g.,* gasoline, diesel fuel, gasohol, alternative fuels) and automotive oils or retail these products in combination with convenience store items. These establishments have specialized equipment for storing and dispensing automotive fuels.

◆ **Hobby, musical instrument, and book stores.** Comprises establishments that are engaged in retailing and providing expertise on the use of sporting equipment or supplies for other specific leisure activities, such as needlework and musical instruments. Book stores are also included in this segment.

◆ **Miscellaneous store retailers.** Establishments in this segment include stores with unique characteristics, such as florists, used merchandise stores, and pet supply stores.

◆ **Non-store retailers.** Comprises establishments that retail merchandise using methods, such as the broadcasting of infomercials, the broadcasting and publishing of direct-response advertising, the publishing of paper and electronic catalogs, door-to-door solicitation, in-home demonstration, selling from portable stalls, and distribution through vending machines. Establishments in this segment include mail-order houses, vending machine operators, home delivery sales, door-to-door sales, party plan sales, electronic shopping, and sales through portable stalls (*e.g.,* street vendors, except food). Establishments engaged in the direct sale (*i.e.,* non-store) of products, such as home heating oil dealers and newspaper delivery service providers, are included in this segment.

CFRA categorizes specialty retailers as follows:

◆ **Apparel retail.** Comprises establishments that retail new clothing and clothing accessories from fixed point-of-sale locations such as The TJX Companies and Ross Stores.

◆ **Automotive retail.** Comprises establishments that retail new electronics and appliances from point-of-sale locations such as O’Reilly Automotive and AutoZone.

◆ **Computer and electronics retail.** Comprises establishments that retail new electronics and appliances from point-of-sale locations such as Best Buy and GameStop.

◆ **Home furnishing retail.** Comprises establishments that retail home furnishings from fixed point-of-sale locations such as Williams-Sonoma and Bed Bath & Beyond.

◆ **Home improvement retail.** Comprises establishments that retail home improvement products from fixed point-of-sale locations such as Home Depot and Lowe’s.

◆ **Specialty stores.** Establishments in this segment include stores with unique characteristics, such as Ulta Beauty and Tiffany & Co.

The Merchandise

Merchandise is a retailer's most valuable asset and can be classified as either soft goods or hard goods.

HARD GOODS

There are three types of hard goods: hardlines, hardline consumables, and seasonal hardlines. The hardlines category is comprised of electronics, hardware and paint, small appliances, stationery/office supplies, and impulse merchandise. Hardline consumables include health and beauty aids, over-the-counter medicines, cosmetics, candy and tobacco, paper goods, and pet supplies. In the seasonal hardlines category are sporting goods, toys, lawn and garden equipment, automotive supplies, and seasonal and holiday merchandise.

SOFT GOODS

The soft goods category comprises apparel, accessories, sheets, towels, and other linens. Apparel covers three types of merchandise: fashion, basic and fashion-basic. For more about Apparel Retail, please read CFRA's *Apparel Retail* Industry Survey.

Behind the Scenes: Inventory Management

Retailers form the link between the producer of goods and the consumer. Getting the merchandise that customers want to buy is critical to their success. Doing it profitably is essential for their survival. Today's retail giants are large corporate structures with comprehensive merchandise and financial information systems that conform to their own strategic plans.

The type of products carried also affects the retailers' inventory management in various ways, from order lead times to distribution methods. For instance, different product classes typically sell at different speeds and with varying predictability. In addition, while all retailers hold merchandise in their stores as inventory, large retail chains also keep goods in distribution centers.

Getting the Goods
The ordering and tracking of some 100,000 individual items (stock keeping units, or SKUs) department by department do not happen by chance. Merchandise must be ordered, shipped, delivered, and stocked. Stores must be staffed, payrolls met, and merchandise advertised. Financial management and real estate strategies are essential.

Because sales are derived from inventory, ensuring a large stock of well-selected merchandise is essential. A merchandise plan is developed by the retailer's buyer based on the company's corporate objectives (*i.e.,* goals for sales, expense levels, margins, and profitability) while considering consumer spending patterns and the economic outlook. The buyer is then responsible for planning which goods to stock and in what quantities that are consistent with the merchandise plan. The company's sales forecasts are based on three to five years' worth of sales data anchored to the retailer's sales figures from the preceding year.

Other steps in formulating a merchandise budget include a plan for merchandise price reductions, such as markdowns for promotions, special sales, and buying errors (merchandise that customers do not want). Variation in seasonal demand is another important consideration.

Technology-guided Inventory Management
The ability to anticipate trends will always be key in retailing, and it is a distinctly human skill needed to succeed in this business. Nonetheless, quantitative accounting is also important. Successful retailing demands sophisticated planning and technology so that decisions can be made based on information rather than pure intuition. This is particularly true for large chains competing in major metropolitan markets across the nation.

As retailing technology has evolved, such technologies have become powerful competitive tools. Accurate information on retail prices, SKUs, and the aging of inventory are being captured, and sales trend data are then used to plan procurement, thus shortening distribution cycles.

The computerization of purchasing orders, invoice processing, and credit card authorization has significantly streamlined operations. Retailers improve their in-stock positions by sharing sales information with vendors and by allowing them to automatically replenish stocks. This ensures availability of merchandise while meeting customers' buying patterns and preferences. Automatic replenishment increases profitability by boosting sales while lowering cost by enhancing vendors' manufacturing cycle.

◆ **Inventory planning/management.** Perpetual inventory systems enable retailers to leverage point-of-sale data to improve sales forecasting, as well as merchandise planning and allocation. By collecting and analyzing sales at the SKU level and by location, retailers can improve in-stock levels on the most popular items, and reduce inventory positions on slower-selling assortments.

The ability to deliver the right product, at the right time, and in the right locations enables retailers to drive full-price sales, improve profitability, and build customer satisfaction and loyalty. Close collaboration with key vendors on assortment planning and inventory replenishment also provides retailers with opportunities to establish competitive advantages and to improve market share.

◆ **Quick response programs.** A quick response program is part of the inventory management system in which manufacturers assume responsibility to stock a retailer's stores. The goal is to ensure availability of merchandise in stores while maintaining a lean inventory. Vendors will assume part of the inventory expense, historically one of a retailer's highest costs.

Electronic data interchange (EDI) is the technology used to support quick response programs and it employs interconnected computer terminals between retailer and vendor, allowing large amounts of information to be transmitted. This up-to-the-minute report on a store's sales is then relayed to the manufacturer.

With access to precise retail sales data, the manufacturer can tailor its production to consumer demand. The data recorded by barcode scanners in an EDI system are also used for automatic (or just-in-time) reordering, enabling a manufacturer to restock a retailer's shelves quickly. In addition to providing for automatic replenishment, EDI makes distribution and shipping information processing more efficient.

Intermediate Steps in the Supply Chain

Retailers operate one or more distribution centers, which act as an intermediate point between manufacturers (vendors) and retail stores. As a retailer expands into new regions, additional distribution centers may be needed. In state-of-the art distribution centers, merchandise are sorted, tracked, and distributed in a highly automated manner. Automation allows for a more accurate count of inventory and quicker reordering when goods are in short supply, thus maintaining optimal in-stock positions at the store level. Centralized purchasing and distribution systems also permit store employees to spend more time on customer service and store presentation.

Merchandise arrive from vendors pre-distributed by store location, ready to be split into shipments at the distribution center. From the distribution center, products are shipped to stores on an as-needed basis. This distribution system, called cross-docking, streamlines the supply chain from vendor to the point of sale. Cross-docking reduces handling and storage of inventory, improves transit time, and lowers transportation costs.

Pricing the Goods

In pricing merchandise, the retailer determines the "initial mark-on"—the difference between an item's cost and its retail price, usually computed as a percentage of the retail price. For example, if an item costs $100 and the retailer sells it for $200, the initial dollar mark-on is $100 and the mark-on percentage is 50% ($100 ÷ $200 = 0.5 or 50%). Retailers can raise their merchandise margin by increasing the initial mark-on. In times of sharp price competition, they may lower it. In the case of a fast-selling item, a retailer may raise the price by adding another price increase, called a “markup.”

When merchandise does not appeal to customers, the retailer must reduce prices to move it and make room for new – and hopefully more saleable – items. The term “markdown” is used when a retail price is lowered. Markdowns help to clear out inventories and to draw customers into stores. Merchants always plan for some price reductions, especially during season-ending clearances, but excessive markdowns erode profitability.

HOW TO ANALYZE A COMPANY IN THIS INDUSTRY

While individual companies' sales depend on the specific products they offer, overall industry demand is driven by general economic trends. A good starting point when analyzing specialty and multiline retailers is to assess the current macroeconomic environment, with emphasis on trends in employment, consumer income, and spending. The state of the economy, in general, and consumer income and spending, in particular, influence the amount of money that consumers are willing or able to spend. Demographic and lifestyle trends can also be important determinants of consumer demand.

At CFRA, we recommend a top-down approach to valuation.

Industry Drivers

◆ **Consumer confidence.** The Conference Board, a not-for-profit research group, conducts the most widely followed consumer confidence survey by polling 5,000 representative U.S. households to gauge consumer sentiment. This measure is expressed as an index, in which 1985 is used as a base year (1985=100). Compiled from monthly surveys of consumer attitudes, the index has two components: the present situation index, which measures consumers' feelings about their current economic condition; and the expectations index, which tracks consumers' feelings about the future. Any reading above 90 is considered strong, according to The Conference Board.

When consumer confidence is high or rising, it is often accompanied by increased spending and borrowing. Conversely, when consumers are uncertain about the future, they may reduce or postpone expenditures.

◆ **Disposable personal income.** Reported each month by the U.S. Department of Commerce, this measure tracks the growth in consumers' after-tax income. When personal income is gaining ground, consumers generally become more willing to loosen their purse strings. Conversely, when disposable income levels advance at a lackluster pace or not at all, consumers are less willing to spend. They may trade down to less expensive products, or postpone or forgo purchases, particularly big-ticket items.

◆ **Consumer price index.** The consumer price index (CPI) is released monthly by the U.S. Bureau of Labor Statistics (BLS). It measures changes in the prices of commodities, fuel oil, electricity, utilities, telephone services, food, and energy in the U.S. The core CPI smooths out the index by removing the volatile food and energy categories.

Company Analysis

After gaining an understanding of the industry's drivers, an analyst should then focus on company-specific analysis. Company-specific analysis focuses on a range of factors – both qualitative and quantitative – and should be used to evaluate a firm's strengths and weaknesses, as well as assess its overall position within the overall retail landscape.

QUALITATIVE MEASURES

Evaluating a Company's Competitive Stance
Investors evaluating companies in this industry have the advantages of being able to test merchandise quality, compare it with alternatives, and assess the selling environment in terms of customer service and visual accoutrements.

When visiting a retail location, things to note include how much square footage a store devotes to selling particular products compared with competitors, whether merchandise appears to be selling at full or discounted prices, merchandise display formats, and how complete collections appear. Also important are overall traffic trends and the average age of the typical shopper. In addition, one should observe the degree of merchandise differentiation from competing brands across distribution channels because consumers shop multiple channels – discount, specialty, luxury retailers, and mass merchandisers. Although the operations in one or two stores may not be indicative of the entire chain, the investor can get a general understanding of a retailer's store concept and how effectively it is being implemented.

Any characteristic that favorably distinguishes a company and its products gives it a competitive advantage in the marketplace. Such traits can include the following:

◆ **Brand names.** In this industry, a strong and recognizable brand name is the key to success and drives store (and website) traffic. Through marketing efforts, companies try to create a well-known brand name that consumers will identify with a high-quality or fashionable product. Brand loyalty is built over time as companies support advertising and promote brand awareness.

◆ **Product differentiation.** A company can also create a competitive advantage by differentiating its product line from that of its competitors. Differentiation allows a company to charge higher prices and generate brand loyalty among consumers. This practice is gaining in importance as basic merchandise becomes increasingly indistinguishable to consumers. In reality, a company does not have to create a markedly different product, but it must create a perception of difference. Companies can cultivate an aura of difference through marketing, using advertising to create a brand image.

◆ **Customer demographics and target market.** Growth potential depends primarily on three factors: the size of the target market for the company's products, the market's growth rate, and the company's market share. It is important to identify the firm's target customers and assess whether the company is successfully addressing their needs and wants from both a marketing and design standpoint. If the firm targets a narrow demographic group, such as senior citizens or teenagers, it is also crucial to evaluate the ramifications of expected changes in the segment's population growth.

For category-dominant companies in an established segment, sales growth is typically driven by gains in market share rather than by overall market growth. Companies operating in emerging or fast-growing segments often benefit from growth in total market sales.

◆ **Distribution.** What distribution channels does the company use? Has it recently expanded or narrowed its distribution system? If it has consolidated its distribution infrastructure, has it realized any operating synergies by doing so?

Expanding the channels of distribution can reduce retailers' reliance on any particular channel. Companies must choose channels with some thought to the targeted consumer groups, and the desired price points and brand images.

◆ **Assessing management.** In the specialty and multiline retail businesses, as in most industries, a company with a superior management team can distinguish itself from its peers by creating successful competitive strategies.

When evaluating a management team's ability to create, recognize, analyze, and act on market opportunities, several questions should be asked. What is management's financial and operating philosophy? How long have the senior managers been with the company? What are the managers' track records, both individually and working as a team? If managers have taken control recently, what was their previous experience? Has the company been adept at integrating acquisitions? Do growth strategies make sense considering the current environment and the company's particular situation? Are management's interests aligned with those of its shareholders?

QUANTITATIVE MEASURES

Quantitative factors in the company analysis include trends in same-store sales, revenues, gross profit and operating margins, inventory, receivables, and payables.

Same-store Sales

Specialty and multiline retailers typically report same-store (or comparable store) sales on a quarterly and annual basis. In theory, this metric allows investors to determine the level of sales growth from increased sales in existing stores versus the amount of sales growth from new store openings. Same-store sales growth is an important indicator of a company's longer-term growth potential, especially as the rate of new store openings begins to slow.

Watch Out! *As a non-GAAP measure, same-store sales growth is subject to considerable company discretion both in terms of how it is calculated and how often the methodology is revised. Look out for changes in definition of same-store sales, lack of definition of same-store sales, and unusual volatility in same-store sales.*

Revenues

A company's sales growth should be compared with that of its competitors and the overall market. It is important to determine what is driving sales growth. Is it pricing, volume gains, or acquisitions? Is the sales growth broad-based or driven by only a few categories? Is the company gaining market share or just riding the market's overall growth?

Watch Out! *The estimates for establishing certain reserves can be used by management to manipulate revenue, earnings, and margins. Investors should pay attention to allowance for doubtful accounts to gross accounts receivable, and inventory reserve (including spoilage) to total inventory. We view a decrease in any of these reserve metrics as an unsustainable boost to margins and could create tough year over year comparisons.*

Gross Profit Margin

Gross margin is calculated as gross profit (net sales minus the cost of goods sold) expressed as a percentage of net sales. It generally reflects a company's product mix and its operational efficiency. The cost of goods sold comprises a number of items other than merchandise, including purchasing, warehousing, freight, occupancy, and insurance costs, and can vary from company to company.

Watch Out! *The inventory obsolescence reserve is an estimate that is based on the expected salability of current inventory. Inventory obsolescence provisions are generally included in cost of sales and are subject to a high degree of management discretion. A large inventory charge would hurt earnings in the current period but could lead to higher margins and earnings if, as a result of the charge, a company reduces its inventory obsolescence provision in subsequent periods. Additionally, if a company sells this reserved inventory in later periods, it would receive a boost to gross margins and earnings as the cost basis for the product would be artificially low.*

Operating Profit Margin

Operating profit margin is calculated as gross profit minus operating expenses, expressed as a percentage of net sales. Operating expenses typically include selling, general, and administrative (SG&A) expenses, and exclude interest payments and other non-operating expenses. Companies can widen their operating margin by using resources more efficiently, allowing fixed costs to be spread across greater volumes.

Watch Out! *Some companies offer credit to some of their customers through store branded credit cards. Companies who offer such credit cards derive additional revenues from finance charges, late fees, and other credit card related activities, as well as third-party merchant fees to the extent that the credit cards are accepted by other merchants. There are significant expenses, primarily bad debt expense and operations and marketing expenses associated with these revenues. Look out for any changes in classification policy in which SG&A expenses may be understated due to inclusion of expenses for credit card operations.*

Inventory

The importance of the planning, buying, and controlling of merchandise inventory cannot be overstated. An investor should consider inventory growth and turnover to assess how well the company is managing its inventory.

◆ **Inventory growth.** Merchandise held in inventory is an asset on the balance sheet, and its year-over-year change can be measured. Any growth in inventory should be in line with that of same-store sales and units. A significant rise from the year-earlier quarter might reflect the opening of new stores, which would require additional inventory. However, if new store growth has been minimal, it may be a warning that stores are overstocked and vulnerable to a high level of markdowns.

◆ **Inventory turnover.** The speed with which inventory is sold – or "turns" – indicates whether goods are selling well relative to the average amount of inventory kept in stock and is calculated as cost of goods sold divided by year-end inventory. The turnover rate should be consistent with the company's business and comparable to other manufacturers in the same business segment.

◆ **Inventory-to-forward sales.** The level of inventories can also be assessed by comparing current inventory levels against the six-month forward revenue guidance or consensus estimates.

Watch Out! *U.S. GAAP allows considerable flexibility in choosing an inventory costing method, including the first-in, first-out (FIFO) method, the last-in, first-out (LIFO) method and the average cost method. During inflationary periods, a company using FIFO will report higher margins and higher inventory than those using LIFO or average cost. Analysts should further note that a decline in the LIFO reserve (a LIFO liquidation) generally represents an unsustainable boost to earnings as older, lower-cost inventories flow through the income statement. Look out for a change in inventory accounting policies and rising inventory levels relative to cost of goods sold.*

Watch Out! *Shrink (the difference between recorded amount of inventory and physical inventory; especially pertinent in the Specialty Retail industry) and inventory reserves are subject to management estimates and can be used by companies to manipulate earnings. It is important to determine whether there have been any significant declines in inventory reserves relative to gross inventory or changes in shrink reserve as a percentage of sales, as it may suggest earnings manipulation absent an alternative explanation from the company.*

Receivables

Receivables are the lifeblood of cash flow. An investor should consider receivables turnover and allowance for doubtful accounts relative to gross receivables to assess how well the company is issuing credit to its customers and collecting funds in a timely manner.

◆ **Receivables turnover.** Receivables turnover is calculated as net sales divided by year-end accounts receivable. It generally reflects how efficiently a firm is collecting its sales that were made on credit. A decrease in receivables turnover could signify late quarter sales, extended payment terms, or increased collection risk, while an increase could signify an aggressive collections department or a conservative credit policy.

Watch Out! *There are many available tactics management can use to accelerate revenue, some of which include allocating a higher proportion of transaction price to elements delivered upfront in contracts with multiple deliverables or performance obligations, faster recognition of deferred revenue, large shipments at period-end, a change in revenue recognition policy, and a change in interpretation of the revenue recognition policy. Often times, the acceleration of revenue can be identified by monitoring changes in accounts receivable. Look out for growth in accounts receivable (or unbilled accounts receivable).*

Payables

Accounts payable management is crucial to ensure suppliers and credits receive timely payments and maximum capital is freed up for other purposes.

◆ **Payables turnover.** Payables turnover is calculated as total purchases made from suppliers divided by year-end accounts payable. It generally reflects the speed with which a company pays its suppliers. A decrease in payables turnover signifies that a company is taking longer to pay off its suppliers than in previous periods, perhaps an indication of an increase in bargaining power or a worsening of the company's financial condition. An increase in payables turnover signifies a company is paying off its suppliers at a faster rate than prior periods, perhaps a reflection of tighter collection policies, or a discount of rebate from vendors for earlier payment.

Watch Out! *Some companies engage in supplier financing, aka reverse factoring. There are several variations of these programs, but basically, a company arranges for a financial institution to pay its suppliers and the company repays the financial institution later. This effectively lengthens the supplier payment terms and thus improves working capital. However, operating cash flows can be overstated if the cash payment to the financial institution is presented as financing outflows rather than operating cash flows, which would be the case if the company pays the supplier directly. Furthermore, companies may not reclassify accounts payable under reverse factoring programs into financial liabilities, which may understate leverage ratios.*

GLOSSARY

Brand—A name that identifies the goods of one seller.

Brick-and-mortar stores—Traditional or physical stores where products can be marketed and sold.

Buyer—The person responsible for the merchandising operations of a retail outlet or of a specific department.

E-commerce—Marketing and selling of products and services via the internet or online social networks.

Electronic data interchange (EDI)—The technology used to support quick response programs and employ interconnected computer terminals between retailer and vendor.

Hard goods— Refers to less personal items, such as appliances or sports equipment. Hardlines are essentially synonymous with consumer durables.

Markdown—A reduction in the retail price of an item, expressed as a percentage of the original price of the merchandise.

Markup—An increase in the retail price of an item, expressed as a percentage of the original price of the merchandise.

M-commerce—As a form of e-commerce, m-commerce involves the buying and selling of goods and services through wireless handheld devices such as smartphones and tablets without the use of a computer.

Omnichannel—A multichannel approach that gives consumers greater flexibility and options in how, when, and where they shop (*i.e.*, mobile phones, tablets, social media).

Point-of-sale terminal—A kind of cash register that transacts and monitors all sales at checkout through a computer database.

Quick response programs—A part of the inventory management system in which manufacturers assume responsibility to stock a retailer's stores.

Soft goods—Refers to goods that are literally soft, such as clothing and bedding.

Stock keeping unit (SKU)—A single merchandise item, as measured for inventory management purposes.

Superstore—A retail store that is larger than a traditional retail store and offers a wide assortment of products, typically at prices favorable to the consumer.

INDUSTRY REFERENCES

MARKET RESEARCH FIRMS

Alexa Internet
alexa.com
An American web traffic analysis company based in San Francisco. It is a subsidiary of Amazon.

Berkeley Research Group
thinkbrg.com
A global consulting firm that helps leading organizations advance in three key areas: disputes and investigations, corporate finance, and strategy and operations.

Center for Popular Democracy
Populardemocracy.org
A non-profit organization involved in setting state and local policy to strengthen the progressive movement.

Coresight Research
coresight.com
Provides future-focused analysis and consulting to organizations navigating the intersection of retail, technology, and fashion.

Daymon Worldwide
daymon.com
Provides consumables retailing services and primarily engages in branding, sourcing, and commercializing customized retail solutions.

International Council of Shopping Centers
icsc.com/
The global trade association of the shopping center and retail real estate industries.

McKinsey & Company
mckinsey.com
A management consulting firm, founded in 1926 by the University of Chicago.

Research and Markets
researchandmarkets.com
The world's largest market research store, with clients across the globe, including 450+ of the Fortune 500 Clients.

Sprout Social
sproutsocial.com
A social media management and optimization platform for brands and agencies of all sizes.

The Conference Board Inc.
conference-board.org
A private research organization that publishes the consumer confidence index.

The NPD Group
npd.com
A market research firm specializing in consumer purchasing and behavior.

Urban Institute
urban.org
A think tank that carries out economic and social policy research to "open minds, shape decisions, and offer solutions". The institute receives funding from government contracts, foundations, and private donors.

Zuora
zuora.com
An enterprise software company that creates and provides software for businesses to launch and manage their subscription-based services.

REGULATORY AND GOVERNMENT AGENCIES

Federal Reserve Board
federalreserve.gov
The U.S. central bank promotes the effective operation of the U.S. economy and, more generally, the public interest.

U.S. Bureau of Labor Statistics
bls.gov
A division of the U.S. Department of Labor; the principal fact-finding agency of the federal government in the broad fields of labor, economics, and statistics. Its major programs include the consumer price, producer price, and employment cost indices, as well as the national compensation survey.

U.S. Department of Commerce
commerce.gov
A Cabinet-level department responsible for various government agencies that monitor and regulate U.S. commerce. Among its many divisions are the Census Bureau and the Bureau of Economic Analysis.

Comparative Company Analysis

Company	Yr. End	Operating Revenues: Million $ 2021	2020	2019	2018	2017	2016	2015	CAGR(%) 10-Yr.	5-Yr.	1-Yr.	Index Basis (2011=100) 2021	2020	2019	2018	2017	2016
MULTILINE RETAIL																	
DEPARTMENT STORES																	
DILLARD'S, INC.	JAN	6,624.3	4,433.2	6,343.2	6,503.3	6,422.7	6,418.0	6,754.5	(3.4)	(8.1)	(30.1)	98	66	94	96	95	95
† KOHL'S CORPORATION	JAN	19,433.0	15,955.0	19,974.0	20,229.0	20,084.0	19,681.0	19,204.0	(1.4)	(3.6)	(20.1)	101	83	104	105	105	102
† MACY'S, INC.	JAN	25,292.0	18,097.0	25,331.0	25,739.0	25,641.0	26,564.0	27,079.0	(3.2)	(7.7)	(28.6)	93	67	94	95	95	98
† NORDSTROM, INC.	JAN	14,789.0	10,715.0	15,524.0	15,860.0	15,478.0	14,757.0	14,437.0	1.0	(5.8)	(31.0)	102	74	108	110	107	102
GENERAL MERCHANDISE STORES																	
§ BIG LOTS, INC.	JAN	6,150.6	6,199.2	5,323.2	5,238.1	5,264.4	5,194.0	5,190.6	2.3	3.6	16.5	118	119	103	101	101	100
[] DOLLAR GENERAL CORPORATION	JAN	34,220.4	33,746.8	27,754.0	25,625.0	23,471.0	21,986.6	20,368.6	10.0	10.6	21.6	168	166	136	126	115	108
[] DOLLAR TREE, INC.	JAN	26,321.2	25,509.3	23,610.8	22,823.3	22,245.5	20,719.2	15,498.4	15.8	10.5	8.0	170	165	152	147	144	134
† OLLIE'S BARGAIN OUTLET HOLDINGS, INC.	JAN	1,753.0	1,808.8	1,408.2	1,241.4	1,077.0	890.3	762.4	NA	18.9	28.4	230	237	185	163	141	117
[] TARGET CORPORATION	JAN	106,005.0	93,561.0	78,112.0	75,356.0	72,714.0	70,271.0	73,785.0	3.3	4.9	19.8	144	127	106	102	99	95
SPECIALTY RETAIL																	
COMPUTER AND ELECTRONICS RETAIL																	
[] BEST BUY CO., INC.	JAN	51,761.0	47,262.0	43,638.0	42,879.0	42,151.0	39,403.0	39,528.0	(0.5)	3.6	8.3	131	120	110	108	107	100
§ CONN'S, INC.	JAN	1,590.0	1,386.0	1,543.7	1,549.8	1,516.0	1,596.8	1,613.2	5.5	(3.0)	(10.2)	99	86	96	96	94	99
§ GAMESTOP CORP.	JAN	6,010.7	5,089.8	6,466.0	8,285.3	8,547.1	7,965.0	9,363.8	(6.0)	(11.5)	(21.3)	64	54	69	88	91	85
§ RENT-A-CENTER, INC.	DEC	4,583.5	2,814.2	2,669.9	2,660.5	2,702.5	2,963.3	3,278.4	4.7	9.1	62.9	140	86	81	81	82	90
HOME IMPROVEMENT RETAIL																	
[] LOWE'S COMPANIES, INC.	JAN	96,250.0	89,597.0	72,148.0	71,309.0	68,619.0	65,017.0	59,074.0	6.3	8.7	24.2	163	152	122	121	116	110
§ LL FLOORING HOLDINGS, INC.	DEC	1,152.3	1,097.7	1,092.6	1,084.6	1,028.9	960.6	978.8	5.4	3.7	5.0	118	112	112	111	105	98
[] THE HOME DEPOT, INC.	JAN	151,157.0	132,110.0	110,225.0	108,203.0	100,904.0	94,595.0	88,519.0	6.9	8.3	19.9	171	149	125	122	114	107
§																	

Operating Revenues

Company	Yr. End	Million $ 2021	2020	2019	2018	2017	2016	2015	CAGR(%) 10-Yr.	5-Yr.	1-Yr.	Index Basis (2011=100) 2021	2020	2019	2018	2017	2016
SPECIALTY STORES																	
§ BARNES & NOBLE EDUCATION, INC.	MAY	1,531.4	1,433.9	1,851.1	2,034.6	2,203.6	1,874.4	1,808.0	NA	(4.5)	(22.5)	85	79	102	113	122	104
† DICK'S SPORTING GOODS, INC.	JAN	12,293.4	9,584.0	8,750.7	8,436.6	8,590.5	7,922.0	7,271.0	7.0	5.7	9.5	169	132	120	116	118	109
† FIVE BELOW, INC.	JAN	2,848.4	1,962.1	1,846.7	1,559.6	1,278.2	1,000.4	832.0	25.8	18.7	6.2	342	236	222	187	154	120
§ HIBBETT, INC.	JAN	1,691.2	1,419.7	1,184.2	1,008.7	968.2	973.0	943.1	7.9	8.5	19.9	179	151	126	107	103	103
§ MARINEMAX, INC.	SEP	2,063.3	1,509.7	1,237.2	1,177.4	1,052.3	942.1	751.4	15.7	17.0	36.7	275	201	165	157	140	125
§ THE ODP CORPORATION	DEC	8,465.0	8,872.0	9,667.0	11,015.0	10,240.0	11,021.0	11,727.0	(3.0)	(5.1)	(4.6)	72	76	82	94	87	94
† SALLY BEAUTY HOLDINGS, INC.	SEP	3,875.0	3,514.3	3,876.4	3,932.6	3,938.3	3,952.6	3,834.3	1.7	(0.4)	10.3	101	92	101	103	103	103
† SIGNET JEWELERS LIMITED	JAN	7,826.0	5,226.9	6,137.1	6,247.1	6,253.0	6,690.9	6,802.8	4.0	(5.1)	(14.8)	115	77	90	92	92	98
†																	
[]																	
[] TRACTOR SUPPLY COMPANY	DEC	12,731.1	10,620.4	8,351.9	7,911.0	7,256.4	6,779.6	6,226.5	11.6	13.4	19.9	204	171	134	127	117	109
[] ULTA BEAUTY, INC.	JAN	8,630.9	6,152.0	7,398.1	6,716.6	5,884.5	4,854.7	3,924.1	15.5	9.4	(16.8)	220	157	189	171	150	124
§																	
AUTOMOTIVE RETAIL																	
[] ADVANCE AUTO PARTS, INC.	JAN	0.0	10,998.0	9,709.0	9,580.6	9,373.8	9,567.7	9,567.7	5.9	2.8	8.8	0	115	101	100	98	100
§ ASBURY AUTOMOTIVE GROUP, INC.	DEC	9,837.7	7,131.8	7,210.3	6,874.4	6,456.5	6,527.8	6,588.3	9.0	8.5	37.9	149	108	109	104	98	99
† AUTONATION, INC.	DEC	25,844.0	20,390.0	21,335.7	21,412.8	21,534.6	21,609.0	20,862.0	6.5	3.6	26.7	124	98	102	103	103	104
[] AUTOZONE, INC.	AUG	14,629.6	12,632.0	11,863.7	11,221.1	10,888.7	10,635.7	10,187.3	6.1	6.6	15.8	144	124	116	110	107	104
[] CARMAX, INC.	FEB	33,197.2	20,092.1	21,424.1	19,146.0	17,976.8	16,637.1	15,832.6	7.9	4.9	(6.2)	210	127	135	121	114	105
§ GROUP 1 AUTOMOTIVE, INC.	DEC	13,481.9	10,600.2	11,597.9	11,601.4	11,123.7	10,887.6	10,632.5	8.3	4.4	27.2	127	100	109	109	105	102
§ LITHIA MOTORS, INC.	DEC	22,831.7	13,124.3	12,672.7	11,821.4	10,086.5	8,678.2	7,864.3	24.1	21.3	74.0	290	167	161	150	128	110
§ MONRO, INC.	MAR	1,359.3	1,125.7	1,256.5	1,200.2	1,127.8	1,021.5	943.7	5.9	3.6	(10.4)	144	119	133	127	120	108
† MURPHY USA INC.	DEC	15,318.8	9,504.3	12,101.3	12,524.0	10,853.5	9,633.1	10,730.8	(1.1)	9.7	61.2	143	89	113	117	101	90
[] O'REILLY AUTOMOTIVE, INC.	DEC	13,327.6	11,604.5	10,150.0	9,536.4	8,977.7	8,593.1	7,966.7	8.7	9.2	14.8	167	146	127	120	113	108
§ SONIC AUTOMOTIVE, INC.	DEC	12,396.4	9,767.0	10,454.3	9,951.6	9,867.2	9,731.8	9,624.3	5.1	5.0	26.9	129	101	109	103	103	101
HOMEFURNISHING RETAIL																	
† THE AARON'S COMPANY, INC.	DEC	1,845.5	1,734.9	1,784.5	1,794.7	1,781.9	3,207.7	3,207.7	NA	(10.5)	6.4	58	54	56	56	56	100
† BED BATH & BEYOND INC.	FEB	7,867.8	9,233.0	11,158.6	12,028.8	12,349.3	12,215.8	12,103.9	0.5	(5.3)	(17.3)	65	76	92	99	102	101
§ HAVERTY FURNITURE COMPANIES, INC.	DEC	1,012.8	748.3	802.3	817.7	820.0	821.8	805.2	5.0	4.3	35.4	126	93	100	102	102	102
§ RH	JAN	3,758.8	2,848.6	2,647.4	2,505.7	2,440.2	2,134.9	2,109.0	13.9	6.2	7.6	178	135	126	119	116	101
§ SLEEP NUMBER CORPORATION	JAN	0.0	2,184.9	1,698.4	1,531.6	1,444.5	1,311.3	1,311.3	11.4	10.8	17.7	0	167	130	117	110	100
† WILLIAMS-SONOMA, INC.	JAN	8,245.9	6,783.2	5,898.0	5,671.6	5,292.4	5,083.8	4,976.1	6.8	6.4	15.0	166	136	119	114	106	102

Note: Data as originally reported. CAGR-Compound annual growth rate. []Company included in the S&P 500. †Company included in the S&P MidCap 400. §Company included in the S&P SmallCap 600. #Of the following calendar year.
Souce: S&P Capital IQ.

Net Income

		Million $							CAGR(%)			Index Basis (2011=100)					
Company	Yr. End	2021	2020	2019	2018	2017	2016	2015	10-Yr.	5-Yr.	1-Yr.	2021	2020	2019	2018	2017	2016
MULTILINE RETAIL																	
DEPARTMENT STORES																	
DILLARD'S, INC.	JAN	862.5	(71.7)	111.1	170.3	221.3	169.2	269.4	NA	NM	NM	320	(27)	41	63	82	63
† KOHL'S CORPORATION	JAN	938.0	(163.0)	691.0	801.0	859.0	556.0	673.0	NA	NM	NM	139	(24)	103	119	128	83
† MACY'S, INC.	JAN	1,430.0	(3,944.0)	564.0	1,108.0	1,566.0	627.0	1,072.0	NA	NM	NM	133	(368)	53	103	146	58
† NORDSTROM, INC.	JAN	178.0	(690.0)	496.0	564.0	437.0	354.0	600.0	NA	NM	NM	30	(115)	83	94	73	59
GENERAL MERCHANDISE STORES																	
§ BIG LOTS, INC.	JAN	177.8	629.2	242.5	156.9	189.8	152.8	142.9	11.0	34.5	159.5	124	440	170	110	133	107
[] DOLLAR GENERAL CORPORATION	JAN	2,399.2	2,655.1	1,712.6	1,589.5	1,539.0	1,251.1	1,165.1	15.5	17.9	55.0	206	228	147	136	132	107
[] DOLLAR TREE, INC.	JAN	1,327.9	1,341.9	827.0	(1,590.8)	1,714.3	896.2	282.4	12.9	36.6	62.3	470	475	293	(563)	607	317
† OLLIE'S BARGAIN OUTLET HOLDINGS, INC.	JAN	157.5	242.7	141.1	135.0	127.6	59.8	35.8	NA	46.6	72.0	439	677	394	377	356	167
[] TARGET CORPORATION	JAN	6,946.0	4,368.0	3,281.0	2,937.0	2,914.0	2,734.0	3,363.0	4.1	5.4	33.1	207	130	98	87	87	81
SPECIALTY RETAIL																	
COMPUTER AND ELECTRONICS RETAIL																	
[] BEST BUY CO., INC.	JAN	2,454.0	1,798.0	1,541.0	1,464.0	1,000.0	1,228.0	897.0	3.5	14.9	16.7	274	200	172	163	111	137
§ CONN'S, INC.	JAN	108.2	(3.1)	56.0	73.8	6.5	(25.6)	30.9	11.3	NM	NM	351	(10)	182	239	21	(83)
§ GAMESTOP CORP.	JAN	(381.3)	(215.3)	(470.9)	(673.0)	34.7	353.2	402.8	NA	NM	(54.3)	(95)	(53)	(117)	(167)	9	88
§ RENT-A-CENTER, INC.	DEC	134.9	208.1	173.5	8.5	6.7	(105.2)	(953.5)	(1.9)	NM	(35.2)	(14)	(22)	(18)	(1)	(1)	11
HOME IMPROVEMENT RETAIL																	
[] LOWE'S COMPANIES, INC.	JAN	8,442.0	5,835.0	4,281.0	2,314.0	3,447.0	3,093.0	2,546.0	11.2	18.0	36.3	332	229	168	91	135	121
§ LL FLOORING HOLDINGS, INC.	DEC	41.7	61.4	9.7	(54.4)	(37.8)	(68.6)	(56.4)	4.7	NM	(32.1)	(74)	(109)	(17)	96	67	121
[] THE HOME DEPOT, INC.	JAN	16,433.0	12,866.0	11,242.0	11,121.0	8,630.0	7,957.0	7,009.0	14.4	12.9	14.4	234	184	160	159	123	114

		Net Income															
		Million $							CAGR(%)			Index Basis (2011=100)					
Company	Yr. End	2021	2020	2019	2018	2017	2016	2015	10-Yr.	5-Yr.	1-Yr.	2021	2020	2019	2018	2017	2016
SPECIALTY STORES																	
§ BARNES & NOBLE EDUCATION, INC.	MAY	(68.9)	(139.8)	(38.3)	(24.4)	(252.6)	5.4	0.1	NA	NM	265.5	NM	NM	NM	NM	NM	6,382
† DICK'S SPORTING GOODS, INC.	JAN	1,519.9	530.3	297.5	319.9	323.4	287.4	330.4	11.3	9.9	78.3	460	160	90	97	98	87
† FIVE BELOW, INC.	JAN	278.8	123.4	175.1	149.6	102.5	71.8	57.7	33.2	16.4	(29.5)	483	214	303	259	178	125
§ HIBBETT, INC.	JAN	174.3	74.3	27.3	28.4	35.0	61.1	70.5	4.8	1.0	171.6	247	105	39	40	50	87
§ MARINEMAX, INC.	SEP	155.0	74.6	36.0	39.3	23.5	22.6	48.3	NA	47.0	107.7	321	155	75	81	49	47
§ THE ODP CORPORATION	DEC	(208.0)	(319.0)	99.0	104.0	181.0	529.0	8.0	NA	NM	(34.8)	NM	NM	1,238	1,300	2,263	6,613
† SALLY BEAUTY HOLDINGS, INC.	SEP	239.9	113.2	271.6	258.0	215.1	222.9	235.1	1.2	1.5	111.8	102	48	116	110	91	95
† SIGNET JEWELERS LIMITED	JAN	769.9	(15.2)	105.5	(657.4)	519.3	543.2	467.9	NA	NM	NM	165	(3)	23	(141)	111	116
†																	
[]																	
[] TRACTOR SUPPLY COMPANY	DEC	997.1	749.0	562.4	532.4	422.6	437.1	410.4	16.2	17.9	33.1	243	182	137	130	103	107
[] ULTA BEAUTY, INC.	JAN	985.8	175.8	705.9	658.6	555.2	409.8	320.0	9.5	(11.3)	(75.1)	308	55	221	206	174	128
§																	
AUTOMOTIVE RETAIL																	
[] ADVANCE AUTO PARTS, INC.	JAN	0.0	616.1	486.9	423.8	475.5	459.6	459.6	4.6	6.0	25.0	0	134	106	92	103	100
§ ASBURY AUTOMOTIVE GROUP, INC.	DEC	532.4	254.4	184.4	168.0	139.1	167.2	169.2	22.9	26.1	109.3	315	150	109	99	82	99
† AUTONATION, INC.	DEC	1,373.0	381.6	450.0	396.0	434.6	430.5	442.6	17.2	26.1	259.8	310	86	102	89	98	97
[] AUTOZONE, INC.	AUG	2,170.3	1,733.0	1,617.2	1,337.5	1,280.9	1,241.0	1,160.2	9.8	11.8	25.2	187	149	139	115	110	107
[] CARMAX, INC.	FEB	1,151.3	746.9	888.4	842.4	664.1	627.0	623.4	7.1	3.7	(15.9)	185	120	143	135	107	101
§ GROUP 1 AUTOMOTIVE, INC.	DEC	552.1	286.5	174.0	157.8	213.4	147.1	94.0	21.0	30.3	92.7	587	305	185	168	227	156
§ LITHIA MOTORS, INC.	DEC	1,060.1	470.3	271.5	265.7	245.2	197.1	183.0	33.5	40.0	125.4	579	257	148	145	134	108
§ MONRO, INC.	MAR	61.6	34.3	58.0	79.8	63.9	61.5	66.8	(2.9)	(12.5)	(40.9)	92	51	87	119	96	92
† MURPHY USA INC.	DEC	396.9	386.1	154.8	213.6	245.3	221.5	176.3	2.0	12.4	2.8	225	219	88	121	139	126
[] O'REILLY AUTOMOTIVE, INC.	DEC	2,164.7	1,752.3	1,391.0	1,324.5	1,133.8	1,037.7	931.2	15.6	15.8	23.5	232	188	149	142	122	111
§ SONIC AUTOMOTIVE, INC.	DEC	348.9	(51.4)	144.1	51.7	93.0	93.2	86.3	16.4	30.2	NM	404	(60)	167	60	108	108
HOMEFURNISHING RETAIL																	
† THE AARON'S COMPANY, INC.	DEC	109.9	(265.9)	28.1	50.7	142.9	139.3	139.3	NA	(4.6)	NM	79	(191)	20	36	103	100
† BED BATH & BEYOND INC.	FEB	(559.6)	(150.8)	(613.8)	(137.2)	424.9	685.1	841.5	NA	NM	(75.4)	(67)	(18)	(73)	(16)	50	81
§ HAVERTY FURNITURE COMPANIES, INC.	DEC	90.8	59.1	21.9	30.3	21.1	28.4	27.8	19.4	26.2	53.5	327	213	79	109	76	102
§ RH	JAN	688.5	271.8	220.4	135.7	(2.6)	5.4	91.1	NA	24.4	23.3	756	298	242	149	(3)	6
§ SLEEP NUMBER CORPORATION	JAN	0.0	153.7	81.8	69.5	65.1	51.4	51.4	9.8	24.5	10.5	0	299	159	135	127	100
† WILLIAMS-SONOMA, INC.	JAN	1,126.3	680.7	356.1	333.7	259.5	305.4	310.1	13.0	17.0	91.2	363	220	115	108	84	98

Note: Data as originally reported. CAGR-Compound annual growth rate. []Company included in the S&P 500. †Company included in the S&P MidCap 400. §Company included in the S&P SmallCap 600. #Of the following calendar year.
Souce: S&P Capital IQ.

Company	Yr. End	Return on Revenues (%)						Return on Assets (%)						Return on Equity(%)					
		2021	2020	2019	2018	2017	2016	2021	2020	2019	2018	2017	2016	2021	2020	2019	2018	2017	2016
MULTILINE RETAIL																			
DEPARTMENT STORES																			
DILLARD'S, INC.	JAN	13.0	NM	1.8	2.6	3.4	2.6	26.6	NM	3.2	5.0	6.0	4.4	59.6	NM	6.7	10.1	12.9	9.6
† KOHL'S CORPORATION	JAN	4.8	NM	3.5	4.0	4.3	2.8	6.2	NM	4.7	6.4	6.4	4.1	19.0	NM	12.6	14.6	16.2	10.4
† MACY'S, INC.	JAN	5.7	NM	2.2	4.3	6.1	2.4	8.1	NM	2.7	5.8	8.0	3.2	46.3	NM	8.8	18.0	30.9	14.4
† NORDSTROM, INC.	JAN	1.2	NM	3.2	3.6	2.8	2.4	2.0	NM	5.1	7.2	5.4	4.5	40.2	NM	53.6	61.0	47.3	40.7
GENERAL MERCHANDISE STORES																			
§ BIG LOTS, INC.	JAN	2.9	10.1	4.6	3.0	3.6	2.9	4.5	15.6	7.6	7.8	11.5	9.5	15.6	59.3	31.5	23.0	28.8	22.3
[] DOLLAR GENERAL CORPORATION	JAN	7.0	7.9	6.2	6.2	6.6	5.7	9.1	10.3	7.5	12.0	12.3	10.7	37.1	39.7	26.1	25.3	26.7	23.2
[] DOLLAR TREE, INC.	JAN	5.0	5.3	3.5	NM	7.7	4.3	6.1	6.5	4.2	NM	10.5	5.7	17.7	19.8	13.9	NM	27.3	18.3
† OLLIE'S BARGAIN OUTLET HOLDINGS, INC.	JAN	9.0	13.4	10.0	10.9	11.8	6.7	8.0	12.1	8.8	11.6	12.3	5.7	12.0	20.3	14.1	15.5	17.6	9.9
[] TARGET CORPORATION	JAN	6.6	4.7	4.2	3.9	4.0	3.9	12.9	8.5	7.7	7.1	7.2	7.3	50.9	33.3	28.3	25.5	25.7	22.3
[] TARGET CORPORATION	JAN	6.6	4.7	4.2	3.9	4.0	3.9	12.9	8.5	7.7	7.1	7.2	7.3	50.9	33.3	28.3	25.5	25.7	22.3
SPECIALTY RETAIL																			
COMPUTER AND ELECTRONICS RETAIL																			
[] BEST BUY CO., INC.	JAN	4.7	3.8	3.5	3.4	2.4	3.1	14.0	9.4	9.9	11.3	7.7	8.9	64.5	44.6	45.4	42.3	24.0	26.6
§ CONN'S, INC.	JAN	6.8	NM	3.6	4.8	0.4	NM	6.2	NM	2.6	3.9	0.3	NM	18.5	NM	9.0	12.8	1.2	NM
§ GAMESTOP CORP.	JAN	NM	NM	NM	NM	0.4	4.4	NM	NM	NM	NM	0.7	7.1	NM	NM	NM	NM	10.3	14.0
§ RENT-A-CENTER, INC.	DEC	2.9	7.4	6.5	0.3	0.2	NM	4.5	11.9	11.0	0.6	0.5	NM	24.4	39.6	46.6	3.0	2.5	NM
HOME IMPROVEMENT RETAIL																			
[] LOWE'S COMPANIES, INC.	JAN	8.8	6.5	5.9	3.2	5.0	4.8	18.9	12.5	10.8	6.7	9.8	9.0	NM	342.3	152.5	48.6	56.0	43.9
§ LL FLOORING HOLDINGS, INC.	DEC	3.6	5.6	0.9	NM	NM	NM	6.9	9.1	1.6	NM	NM	NM	16.7	31.6	6.3	NM	NM	NM
[] THE HOME DEPOT, INC.	JAN	10.9	9.7	10.2	10.3	8.6	8.4	22.9	18.2	21.9	25.3	19.4	18.5	2050.3	14061.2	NM	NM	298.3	149.4

		Return on Revenues (%)						Return on Assets (%)						Return on Equity(%)					
Company	**Yr. End**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
SPECIALTY STORES																			
§ BARNES & NOBLE EDUCATION, INC.	MAY	NM	NM	NM	NM	NM	0.3	NM	NM	NM	NM	NM	0.4	NM	NM	NM	NM	NM	0.8
† DICK'S SPORTING GOODS, INC.	JAN	12.4	5.5	3.4	3.8	3.8	3.6	16.8	6.8	4.5	7.6	7.7	7.1	68.4	26.0	16.4	16.6	16.7	15.5
† FIVE BELOW, INC.	JAN	9.8	6.3	9.5	9.6	8.0	7.2	9.7	5.3	8.9	15.7	14.7	14.4	27.9	15.0	25.5	27.9	25.9	24.9
§ HIBBETT, INC.	JAN	10.3	5.2	2.3	2.8	3.6	6.3	24.8	9.2	3.6	5.2	7.6	13.3	51.1	20.6	8.2	8.7	10.7	18.9
§ MARINEMAX, INC.	SEP	7.5	4.9	2.9	3.3	2.2	2.4	15.4	9.6	4.6	6.1	3.7	4.1	29.5	18.1	10.0	12.0	7.7	7.6
§ THE ODP CORPORATION	DEC	NM	NM	1.0	0.9	1.8	4.8	NM	NM	1.4	1.7	2.9	9.5	11.3	NM	5.9	4.6	7.3	39.3
† SALLY BEAUTY HOLDINGS, INC.	SEP	6.2	3.2	7.0	6.6	5.5	5.6	8.4	3.9	12.9	12.3	10.2	10.5	162.0	NM	NM	NM	NM	NM
† SIGNET JEWELERS LIMITED	JAN	9.8	NM	1.7	NM	8.3	8.1	11.7	NM	1.7	NM	8.9	8.2	38.0	NM	5.8	NM	16.7	17.6
†																			
[]																			
[] TRACTOR SUPPLY COMPANY	DEC	7.8	7.1	6.7	6.7	5.8	6.4	12.8	10.6	10.6	17.3	14.7	16.3	50.8	42.9	35.9	35.7	29.4	30.7
[] ULTA BEAUTY, INC.	JAN	11.4	2.9	9.5	9.8	9.4	8.4	20.7	3.5	14.5	20.6	19.1	16.1	55.8	9.0	37.9	36.6	33.4	27.4
§																			
AUTOMOTIVE RETAIL																			
[] ADVANCE AUTO PARTS, INC.	JAN	0.0	5.6	4.9	5.0	4.4	5.1	NA	5.1	4.2	4.3	4.7	5.6	0.0	18.4	13.9	13.7	12.2	15.0
§ ASBURY AUTOMOTIVE GROUP, INC.	DEC	5.4	3.6	2.6	2.4	2.2	2.6	6.7	6.9	6.3	6.2	5.9	7.2	35.2	32.8	32.9	38.7	41.3	56.3
† AUTONATION, INC.	DEC	5.3	1.9	2.1	1.8	2.0	2.0	15.4	3.9	4.3	3.7	4.2	4.3	48.9	11.9	15.3	15.6	18.6	18.5
[] AUTOZONE, INC.	AUG	14.8	13.7	13.6	11.9	11.8	11.7	15.0	12.0	16.3	14.3	13.8	14.4	NM	NM	NM	NM	NM	NM
[] CARMAX, INC.	FEB	3.5	3.7	4.1	4.4	3.7	3.8	4.4	3.5	4.2	4.5	3.8	3.9	24.0	18.4	24.9	25.2	20.7	20.9
§ GROUP 1 AUTOMOTIVE, INC.	DEC	4.1	2.7	1.5	1.4	1.9	1.4	9.6	5.6	3.1	3.2	4.4	3.3	38.2	21.9	14.4	14.2	20.8	15.9
§ LITHIA MOTORS, INC.	DEC	4.6	3.6	2.1	2.2	2.4	2.3	9.5	6.0	4.5	4.9	5.2	5.1	29.0	22.8	20.4	23.3	24.6	22.7
§ MONRO, INC.	MAR	4.5	3.0	4.6	6.6	5.7	6.0	3.3	1.9	2.8	6.1	5.2	5.2	8.0	4.6	8.1	12.0	10.6	11.0
† MURPHY USA INC.	DEC	2.6	4.1	1.3	1.7	2.3	2.3	9.8	14.4	5.8	9.0	10.5	10.6	49.9	48.7	19.2	27.6	34.2	29.7
[] O'REILLY AUTOMOTIVE, INC.	DEC	16.2	15.1	13.7	13.9	12.6	12.1	18.5	15.1	13.0	16.6	15.0	14.4	5863.6	651.9	370.4	263.1	99.4	57.8
§ SONIC AUTOMOTIVE, INC.	DEC	2.8	NM	1.4	0.5	0.9	1.0	7.0	NM	3.5	1.4	2.4	2.6	36.9	NM	16.3	6.5	12.5	13.0
HOMEFURNISHING RETAIL																			
† THE AARON'S COMPANY, INC.	DEC	6.0	NM	1.6	2.8	8.0	4.3	7.6	NM	1.4	3.1	5.3	5.3	15.4	NM	3.5	4.0	8.9	0.0
† BED BATH & BEYOND INC.	FEB	NM	NM	NM	NM	3.4	5.6	NM	NM	NM	NM	6.0	10.0	NM	NM	NM	NM	15.2	26.0
§ HAVERTY FURNITURE COMPANIES, INC.	DEC	9.0	7.9	2.7	3.7	2.6	3.5	13.2	8.7	3.9	6.9	4.6	6.2	35.7	23.0	8.2	10.7	7.3	9.7
§ RH	JAN	18.3	9.5	8.3	5.4	NM	0.3	12.4	9.4	9.0	5.6	NM	0.2	85.1	116.7	NM	NM	NM	0.6
§ SLEEP NUMBER CORPORATION	JAN	0.0	7.0	7.5	4.8	4.5	4.5	NA	16.7	17.4	10.2	14.8	13.8	0.0	NM	NM	NM	NM	52.2
† WILLIAMS-SONOMA, INC.	JAN	13.7	10.0	6.0	5.9	4.9	6.0	24.3	14.6	8.8	11.9	9.3	12.3	67.9	47.2	29.8	28.3	21.2	25.0

Note: Data as originally reported. CAGR-Compound annual growth rate. []Company included in the S&P 500. †Company included in the S&P MidCap 400. §Company included in the S&P SmallCap 600. #Of the following calendar year.
Souce: S&P Capital IQ.

Company	Yr. End	Current Ratio 2021	2020	2019	2018	2017	2016	Debt/Capital Ratio(%) 2021	2020	2019	2018	2017	2016	Debt as a % of Net Working Capital 2021	2020	2019	2018	2017	2016
MULTILINE RETAIL																			
DEPARTMENT STORES																			
DILLARD'S, INC.	JAN	2.0	2.2	2.0	1.9	1.7	1.9	26.4	28.2	25.8	25.2	24.9	29.7	55.0	63.6	61.7	67.6	81.9	84.3
† KOHL'S CORPORATION	JAN	1.5	1.9	1.7	1.8	2.0	1.8	33.6	35.9	30.1	25.2	34.0	35.1	135.6	103.5	124.8	88.4	104.7	123.0
† MACY'S, INC.	JAN	1.2	1.2	1.2	1.4	1.5	1.4	47.6	63.3	36.2	42.1	50.4	60.2	245.5	532.9	341.6	211.6	236.5	330.2
† NORDSTROM, INC.	JAN	1.0	0.9	0.9	1.0	1.1	1.1	83.1	90.1	73.2	75.4	73.3	76.1	NM	NM	NM	NM	1252.8	1297.2
GENERAL MERCHANDISE STORES																			
§ BIG LOTS, INC.	JAN	1.3	1.6	1.2	1.8	1.7	1.5	0.3	2.7	24.8	35.1	23.0	14.1	1.2	6.1	144.7	76.4	46.2	33.7
[] DOLLAR GENERAL CORPORATION	JAN	1.1	1.2	1.1	1.5	1.4	1.4	40.0	38.3	30.3	30.8	29.8	33.4	1285.7	343.3	458.7	173.8	203.0	256.9
[] DOLLAR TREE, INC.	JAN	1.3	1.4	1.2	2.0	1.6	1.9	30.7	30.7	36.0	43.0	39.9	53.4	238.5	244.3	487.2	194.1	277.3	336.8
† OLLIE'S BARGAIN OUTLET HOLDINGS, INC.	JAN	2.8	2.8	2.4	2.4	2.2	3.0	0.0	0.0	0.0	0.0	4.6	22.5	0.0	0.0	0.0	0.0	23.3	90.8
[] TARGET CORPORATION	JAN	1.0	1.0	0.9	0.8	1.0	0.9	47.4	40.4	45.9	45.0	46.8	50.2	NM	1548.3	NM	NM	NM	NM
SPECIALTY RETAIL																			
COMPUTER AND ELECTRONICS RETAIL																			
[] BEST BUY CO., INC.	JAN	1.0	1.2	1.1	1.2	1.3	1.5	28.2	23.0	26.2	26.1	18.4	19.7	NM	66.3	154.7	86.1	40.5	34.1
§ CONN'S, INC.	JAN	3.2	4.0	6.5	4.3	6.6	6.5	45.7	52.0	61.9	59.1	67.1	68.8	91.9	95.4	113.9	115.4	119.0	124.2
§ GAMESTOP CORP.	JAN	1.9	1.2	1.3	1.4	1.6	1.2	2.5	36.9	40.7	26.1	27.0	26.6	3.3	115.6	106.0	49.8	75.2	214.9
§ RENT-A-CENTER, INC.	DEC	0.5	0.6	0.4	0.6	0.5	0.5	75.4	24.3	33.5	65.3	71.2	73.2	NM	(90.2)	(93.1)	NM	NM	NM
HOME IMPROVEMENT RETAIL																			
[] LOWE'S COMPANIES, INC.	JAN	1.0	1.2	1.0	1.0	1.1	1.0	126.0	93.3	99.8	83.1	77.9	71.6	5948.2	559.1	13306.6	NM	2470.6	57323.1
§ LL FLOORING HOLDINGS, INC.	DEC	1.5	1.8	1.5	1.5	1.7	1.9	0.0	30.7	33.7	30.6	7.0	14.8	0.0	51.6	67.8	52.3	12.5	23.9
[] THE HOME DEPOT, INC.	JAN	1.0	1.2	1.1	1.1	1.2	1.3	108.6	90.9	116.7	113.4	100.4	86.4	9558.3	623.6	1990.5	1497.7	942.9	642.1

		Current Ratio						Debt/Capital Ratio(%)						Debt as a % of Net Working Capital					
Company	Yr. End	2021	2020	2019	2018	2017	2016	2021	2020	2019	2018	2017	2016	2021	2020	2019	2018	2017	2016
SPECIALTY STORES																			
§ BARNES & NOBLE EDUCATION, INC.	MAY	1.3	1.3	1.4	1.4	1.5	1.5	54.5	42.2	33.8	27.6	34.8	20.6	192.4	139.7	98.0	73.0	95.4	84.3
† DICK'S SPORTING GOODS, INC.	JAN	1.9	1.5	1.2	1.4	1.4	1.4	47.9	15.2	11.5	2.6	2.8	0.2	80.6	34.6	67.2	8.3	9.6	0.8
† FIVE BELOW, INC.	JAN	1.5	1.7	1.9	2.5	2.9	2.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
§ HIBBETT, INC.	JAN	1.4	2.0	1.6	2.1	3.0	3.5	0.0	0.0	0.0	10.4	0.0	0.0	0.0	0.0	0.0	18.0	0.0	0.0
§ MARINEMAX, INC.	SEP	2.1	1.8	1.4	1.6	1.4	1.7	11.1	32.8	84.6	60.3	84.1	53.3	26.8	65.7	200.4	118.8	182.8	104.6
§ THE ODP CORPORATION	DEC	1.1	1.1	1.1	1.2	1.4	1.5	11.8	13.6	19.2	39.5	43.8	35.3	155.6	113.4	146.5	278.9	201.6	107.2
† SALLY BEAUTY HOLDINGS, INC.	SEP	2.1	2.5	2.6	2.4	2.0	2.4	83.1	99.1	103.9	117.9	125.8	118.3	192.3	206.5	225.3	266.4	311.1	260.7
† SIGNET JEWELERS LIMITED	JAN	1.8	1.8	1.9	2.8	3.3	3.9	6.2	7.4	25.6	28.0	18.5	30.1	8.9	9.3	40.2	37.8	29.2	38.7
[] TRACTOR SUPPLY COMPANY	DEC	1.6	1.9	1.4	1.9	1.9	2.0	33.0	33.8	19.0	19.6	22.0	15.4	83.2	65.0	67.9	44.5	49.8	35.6
[] ULTA BEAUTY, INC.	JAN	1.5	1.9	1.8	2.3	2.6	2.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
§																			
AUTOMOTIVE RETAIL																			
[] ADVANCE AUTO PARTS, INC.	JAN	0.0	1.2	1.3	1.3	1.6	1.6	NA	24.8	22.5	17.4	22.8	23.4	NA	94.4	67.7	61.4	47.6	53.6
§ ASBURY AUTOMOTIVE GROUP, INC.	DEC	1.2	1.1	1.3	1.2	1.2	1.2	75.0	96.6	114.7	143.4	133.9	148.8	1274.9	1099.6	496.4	767.7	688.4	781.0
† AUTONATION, INC.	DEC	0.9	1.0	0.9	0.9	0.9	0.8	87.6	90.3	112.5	141.9	140.8	163.3	NM	NM	NM	NM	NM	NM
[] AUTOZONE, INC.	AUG	0.9	1.1	0.9	0.9	1.0	0.9	151.8	118.9	149.1	143.6	139.1	157.0	NM	1042.7	NM	NM	NM	NM
[] CARMAX, INC.	FEB	3.2	2.4	2.4	2.5	2.6	2.6	77.6	77.0	79.9	80.4	78.7	78.5	403.7	604.6	701.9	724.2	649.7	641.5
§ GROUP 1 AUTOMOTIVE, INC.	DEC	1.1	1.1	1.0	1.0	1.1	1.0	66.9	86.4	113.3	124.4	118.1	124.5	1903.0	1419.9	3153.7	18732.9	2214.0	2763.6
§ LITHIA MOTORS, INC.	DEC	1.5	1.3	1.2	1.2	1.2	1.2	55.5	80.8	120.9	134.1	139.6	141.1	383.8	421.7	692.0	680.3	611.8	649.3
§ MONRO, INC.	MAR	0.8	0.9	2.3	1.1	1.1	1.1	18.4	20.2	43.5	16.4	19.1	23.9	NM	NM	166.1	641.6	1117.4	1367.2
† MURPHY USA INC.	DEC	1.1	1.2	1.4	1.2	1.2	1.0	67.4	54.8	55.4	51.0	53.8	47.5	1804.9	1009.9	485.0	914.1	1061.2	63342.3
[] O'REILLY AUTOMOTIVE, INC.	DEC	0.8	0.9	0.9	0.9	0.9	1.0	101.8	96.7	90.7	90.6	82.0	53.7	NM	NM	NM	NM	NM	NM
§ SONIC AUTOMOTIVE, INC.	DEC	1.1	1.0	1.0	1.0	1.0	1.0	107.4	134.7	137.6	141.3	141.5	151.1	1444.4	3859.4	NM	5117.5	3812.9	2514.7
HOMEFURNISHING RETAIL																			
† THE AARON'S COMPANY, INC.	DEC	2.5	3.7	3.1	2.9	0.0	0.0	0.0	0.0	23.3	30.0	17.6	25.2	0.0	0.0	40.1	55.1	26.5	33.4
† BED BATH & BEYOND INC.	FEB	1.1	1.6	1.6	1.9	1.8	1.8	87.3	48.5	45.7	36.8	34.1	35.4	413.4	90.8	109.5	81.2	82.6	95.7
§ HAVERTY FURNITURE COMPANIES, INC.	DEC	1.5	1.5	1.6	2.3	2.3	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
§ RH	JAN	2.9	0.9	0.6	0.7	1.2	2.7	65.3	56.4	105.7	106.9	100.8	38.2	108.4	NM	NM	NM	720.6	78.6
§ SLEEP NUMBER CORPORATION	JAN	0.0	0.2	0.3	0.3	0.3	0.5	NA	(90.0)	(109.0)	(144.9)	(182.2)	27.5	NA	(54.7)	(51.5)	(53.2)	(59.1)	(15.9)
† WILLIAMS-SONOMA, INC.	JAN	1.3	1.3	1.1	1.6	1.6	1.4	0.0	0.0	0.0	20.6	19.9	0.0	0.0	0.0	0.0	48.4	47.6	0.0

Note: Data as originally reported. CAGR-Compound annual growth rate. []Company included in the S&P 500. †Company included in the S&P MidCap 400. §Company included in the S&P SmallCap 600. #Of the following calendar year.
Souce: S&P Capital IQ.

Company	Yr. End	Price/Earnings Ratio (High-Low)						Dividend Payout Ratio(%)						Dividend Yield(High-Low, %)					
		2021	2020	2019	2018	2017	2016	2021	2020	2019	2018	2017	2016	2021	2020	2019	2018	2017	2016
MULTILINE RETAIL																			
DEPARTMENT STORES																			
DILLARD'S, INC.	JAN	NM - NM	19 - 13	16 - 9	11 - 6	18 - 11	21 - 9	2	NM	10	7	4	6	1.1 - 0.2	2.7 - 0.8	1.1 - 0.5	0.7 - 0.4	0.8 - 0.4	0.5 - 0.3
† KOHL'S CORPORATION	JAN	NM - NM	17 - 10	17 - 12	13 - 7	19 - 11	23 - 12	16	NM	61	50	43	64	2.3 - 0.0	24.5 - 0.0	6.1 - 3.5	4.2 - 3.0	6.2 - 3.9	5.8 - 3.4
† MACY'S, INC.	JAN	NM - NM	14 - 8	12 - 7	7 - 3	22 - 14	22 - 11	6	NM	83	42	29	73	2.9 - 0.0	24.4 - 0.0	10.6 - 4.8	6.4 - 3.6	8.6 - 4.2	5.0 - 3.3
† NORDSTROM, INC.	JAN	NM - NM	15 - 8	20 - 13	20 - 15	30 - 18	26 - 14	0	NM	46	44	57	72	0.0 - 0.0	8.6 - 0.0	5.9 - 3.0	3.3 - 2.2	3.9 - 3.0	4.1 - 2.4
GENERAL MERCHANDISE STORES																			
§ BIG LOTS, INC.	JAN	4 - 1	6 - 3	17 - 7	14 - 10	17 - 11	18 - 13	23	7	20	32	24	25	2.9 - 1.7	11.3 - 2.2	6.3 - 3.1	4.5 - 1.6	2.2 - 1.6	2.1 - 1.5
[] DOLLAR GENERAL CORPORATION	JAN	21 - 13	25 - 17	20 - 14	19 - 12	22 - 15	21 - 15	16	13	19	19	18	22	0.9 - 0.7	1.1 - 0.6	1.1 - 0.8	1.3 - 1.0	1.5 - 1.1	1.5 - 1.0
[] DOLLAR TREE, INC.	JAN	20 - 12	34 - 25	NM - NM	16 - 9	26 - 19	66 - 48	0	0	0	0	0	0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0
† OLLIE'S BARGAIN OUTLET HOLDINGS, INC.	JAN	30 - 9	45 - 24	45 - 24	28 - 14	33 - 19	31 - 23	0	0	0	0	0	0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0
[] TARGET CORPORATION	JAN	23 - 10	20 - 11	16 - 11	15 - 9	18 - 13	16 - 13	22	31	41	45	46	49	1.7 - 1.2	2.9 - 1.5	3.9 - 2.0	4.2 - 2.9	4.9 - 3.3	3.6 - 2.7
SPECIALTY RETAIL																			
COMPUTER AND ELECTRONICS RETAIL																			
[] BEST BUY CO., INC.	JAN	18 - 7	16 - 10	16 - 9	23 - 13	13 - 7	16 - 10	28	32	34	34	41	29	2.9 - 1.8	4.3 - 1.8	3.4 - 2.3	3.7 - 1.7	3.2 - 2.0	3.8 - 2.3
§ CONN'S, INC.	JAN	NM - NM	14 - 5	18 - 8	180 - 39	NM - NM	49 - 15	0	0	0	0	0	0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0
§ GAMESTOP CORP.	JAN	NM - NM	NM - NM	NM - NM	77 - 47	10 - 6	12 - 7	0	NM	NM	NM	447	44	0.0 - 0.0	0.0 - 0.0	20.3 - 0.0	13.0 - 7.6	9.5 - 5.6	7.1 - 4.4
§ RENT-A-CENTER, INC.	DEC	28 - 16	10 - 3	9 - 5	103 - 46	110 - 64	NM - NM	53	30	8	0	193	NM	7.0 - 2.7	3.7 - 1.9	9.6 - 3.2	4.5 - 0.0	0.0 - 0.0	4.0 - 0.0
HOME IMPROVEMENT RETAIL																			
[] LOWE'S COMPANIES, INC.	JAN	23 - 8	22 - 17	41 - 29	26 - 18	24 - 18	28 - 24	24	29	38	63	37	36	1.8 - 1.1	3.4 - 1.4	2.4 - 1.6	2.2 - 1.5	2.3 - 1.6	2.1 - 1.4
§ LL FLOORING HOLDINGS, INC.	DEC	23 - 10	16 - 2	40 - 22	NM - NM	NM - NM	NM - NM	0	0	0	0	0	0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0
[] THE HOME DEPOT, INC.	JAN	24 - 13	23 - 17	22 - 16	28 - 19	21 - 17	25 - 19	43	50	53	42	49	43	2.5 - 1.6	3.9 - 2.1	3.0 - 2.1	2.6 - 1.7	2.5 - 1.9	2.3 - 1.8
SPECIALTY STORES																			
§ BARNES & NOBLE EDUCATION, INC.	MAY	NM - NM	NM - NM	NM - NM	NM - NM	111 - 76	8390 - 4709	0	0	0	0	0	0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0
† DICK'S SPORTING GOODS, INC.	JAN	11 - 3	15 - 9	12 - 9	18 - 8	24 - 14	21 - 12	9	20	33	28	23	24	2.2 - 1.2	7.4 - 2.0	3.5 - 2.2	3.0 - 1.9	2.8 - 1.1	1.6 - 1.0
† FIVE BELOW, INC.	JAN	88 - 24	47 - 33	50 - 23	39 - 20	40 - 25	38 - 26	0	0	0	0	0	0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0
§ HIBBETT, INC.	JAN	12 - 2	19 - 10	19 - 9	20 - 6	17 - 11	18 - 10	6	0	0	0	0	0	1.5 - 1.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0
§ MARINEMAX, INC.	SEP	9 - 4	10 - 2	16 - 9	14 - 9	24 - 14	23 - 15	0	0	0	0	0	0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0
§ THE ODP CORPORATION	DEC	NM - NM	NM - NM	21 - 7	19 - 11	18 - 9	8 - 3	0	NM	56	53	29	5	0.0 - 0.0	0.0 - 0.0	4.6 - 0.0	8.1 - 2.7	5.0 - 2.8	3.3 - 1.6
† SALLY BEAUTY HOLDINGS, INC.	SEP	12 - 4	20 - 7	10 - 5	10 - 7	19 - 11	22 - 15	0	0	0	0	0	0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0
† SIGNET JEWELERS LIMITED	JAN	NM - NM	21 - 8	NM - NM	10 - 6	17 - 10	26 - 20	6	NM	103	NM	21	14	1.2 - 0.0	25.3 - 0.0	13.4 - 4.0	5.0 - 2.2	2.6 - 1.1	1.4 - 0.7
[] TRACTOR SUPPLY COMPANY	DEC	27 - 16	24 - 10	24 - 17	22 - 13	23 - 15	29 - 19	24	23	29	28	32	28	2.2 - 0.9	1.2 - 0.9	2.1 - 0.9	1.6 - 1.1	1.9 - 1.3	2.1 - 1.2
[] ULTA BEAUTY, INC.	JAN	97 - 41	30 - 18	29 - 18	35 - 21	42 - 23	37 - 26	0	0	0	0	0	0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0

		Price/Earnings Ratio (High-Low)						Dividend Payout Ratio(%)						Dividend Yield(High-Low, %)					
Company	Yr. End	2021	2020	2019	2018	2017	2016	2021	2020	2019	2018	2017	2016	2021	2020	2019	2018	2017	2016
AUTOMOTIVE RETAIL																			
[] ADVANCE AUTO PARTS, INC.	JAN	18 - 8	25 - 19	27 - 15	29 - 14	27 - 21	32 - 23	0	26	11	4	4	4	2.1 - 0.5	1.3 - 0.2	0.2 - 0.1	0.2 - 0.1	0.3 - 0.1	0.2 - 0.1
§ ASBURY AUTOMOTIVE GROUP, INC.	DEC	9 - 5	11 - 3	13 - 7	9 - 7	10 - 7	9 - 6	0	0	0	0	0	0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0
† AUTONATION, INC.	DEC	7 - 4	16 - 5	11 - 7	14 - 8	13 - 9	15 - 10	0	0	0	0	0	0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0
[] AUTOZONE, INC.	AUG	17 - 11	17 - 10	18 - 11	16 - 11	18 - 11	20 - 17	0	0	0	0	0	0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0
[] CARMAX, INC.	FEB	28 - 10	19 - 11	17 - 12	21 - 15	21 - 14	24 - 14	0	0	0	0	0	0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0
§ GROUP 1 AUTOMOTIVE, INC.	DEC	7 - 4	9 - 2	12 - 6	11 - 6	8 - 5	12 - 7	4	4	12	13	10	14	1.0 - 0.7	1.0 - 0.6	3.7 - 0.0	2.1 - 1.1	2.0 - 1.2	1.8 - 1.1
§ LITHIA MOTORS, INC.	DEC	11 - 8	16 - 3	14 - 6	12 - 6	13 - 8	14 - 9	4	6	10	10	11	12	0.7 - 0.4	0.5 - 0.3	1.9 - 0.4	1.7 - 0.7	1.6 - 0.9	1.2 - 0.9
§ MONRO, INC.	MAR	70 - 39	52 - 23	35 - 22	33 - 21	39 - 28	37 - 28	56	87	51	34	37	37	2.3 - 1.2	2.2 - 1.3	1.6 - 0.9	1.5 - 1.0	1.8 - 1.1	1.3 - 0.8
† MURPHY USA INC.	DEC	13 - 8	11 - 6	25 - 15	14 - 10	12 - 9	14 - 10	7	2	0	0	0	0	0.7 - 0.4	0.8 - 0.6	0.8 - 0.7	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0
[] O'REILLY AUTOMOTIVE, INC.	DEC	22 - 14	20 - 11	25 - 19	22 - 14	22 - 13	27 - 21	0	0	0	0	0	0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0
§ SONIC AUTOMOTIVE, INC.	DEC	7 - 5	NM - NM	10 - 4	19 - 11	12 - 8	12 - 8	5	NM	11	19	10	9	2.9 - 0.9	1.1 - 0.7	4.0 - 0.9	2.9 - 1.2	1.5 - 0.9	1.2 - 0.8
HOMEFURNISHING RETAIL																			
† THE AARON'S COMPANY, INC.	DEC	11 - 5	NM - NM	NA - NA	NA - NA	NA - NA	NA - NA	9	0	0	0	0	0	3.5 - 1.6	1.8 - 1.1	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0
† BED BATH & BEYOND INC.	FEB	NM - NM	NM - NM	NM - NM	14 - 6	11 - 8	15 - 8	NM	NM	NM	NM	19	8	0.0 - 0.0	19.1 - 0.0	9.2 - 3.4	6.0 - 2.6	3.1 - 1.2	1.3 - 1.0
§ HAVERTY FURNITURE COMPANIES, INC.	DEC	10 - 5	10 - 3	23 - 15	17 - 12	27 - 21	18 - 13	19	24	69	49	54	33	12.9 - 9.3	10.2 - 1.8	8.0 - 2.4	4.4 - 2.9	4.0 - 2.4	2.6 - 1.8
§ RH	JAN	37 - 6	21 - 7	26 - 12	NM - NM	467 - 191	47 - 27	0	0	0	0	0	0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0
§ SLEEP NUMBER CORPORATION	JAN	17 - 2	11 - 7	15 - 10	20 - 10	18 - 10	31 - 17	0	0	0	0	0	0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0
† WILLIAMS-SONOMA, INC.	JAN	17 - 3	17 - 11	18 - 11	18 - 14	18 - 13	26 - 14	17	23	42	42	52	44	2.1 - 1.3	6.3 - 1.9	3.8 - 2.6	3.8 - 2.4	3.6 - 2.8	3.2 - 2.4

Note: Data as originally reported. CAGR-Compound annual growth rate. []Company included in the S&P 500. †Company included in the S&P MidCap 400. §Company included in the S&P SmallCap 600. #Of the following calendar year.
Souce: S&P Capital IQ.

Company	Yr. End	Earnings per Share($)						Tangible Book Value per Share($)						Share Price (High-Low, $)					
		2021	2020	2019	2018	2017	2016	2021	2020	2019	2018	2017	2016	2021	2020	2019	2018	2017	2016
SPECIALTY RETAIL (Cont.)																			
COMPUTER AND ELECTRONICS RETAIL																			
[] BEST BUY CO., INC.	JUL	9.84	6.84	5.75	5.20	3.26	3.81	5.99	12.84	8.24	7.61	11.20	13.71	141.97 - 94.54	124.89 - 48.11	89.50 - 50.94	84.37 - 47.72	68.98 - 41.67	49.40 - 25.31
§ CONN'S, INC.	JUL	3.61	(0.11)	1.82	2.28	0.20	(0.83)	22.83	19.06	21.90	19.50	17.02	16.72	31.48 - 11.26	14.73 - 2.83	27.57 - 12.11	42.65 - 17.00	37.80 - 7.75	23.48 - 6.54
§ GAMESTOP CORP.	JUL	(1.31)	(0.83)	(1.35)	(1.65)	0.09	0.85	5.31	1.67	2.38	2.38	1.90	0.05	120.75 - 4.27	5.59 - 0.64	4.23 - 0.79	5.08 - 2.89	6.67 - 3.96	8.43 - 5.03
§ RENT-A-CENTER, INC.	JUN	2.02	3.73	3.10	0.16	0.12	(1.98)	(3.05)	9.47	6.94	4.28	4.03	3.85	67.76 - 36.99	41.42 - 11.69	28.96 - 15.88	16.68 - 7.22	13.89 - 7.76	16.37 - 8.00
HOME IMPROVEMENT RETAIL																			
[] LOWE'S COMPANIES, INC.	JUL	12.04	7.75	5.49	2.84	4.09	3.47	(8.43)	0.97	2.19	4.17	5.50	6.18	263.31 - 150.84	180.67 - 60.00	121.46 - 90.23	117.70 - 81.16	93.55 - 70.49	83.65 - 62.62
§ LL FLOORING HOLDINGS, INC.	JUN	1.41	2.10	0.34	(1.90)	(1.33)	(2.51)	9.01	7.54	5.28	4.78	6.60	7.83	35.10 - 15.00	34.97 - 3.77	14.44 - 6.59	32.14 - 9.39	41.33 - 14.99	20.10 - 10.01
[] THE HOME DEPOT, INC.	JUL	15.53	11.94	10.25	9.73	7.29	6.45	(12.22)	(6.91)	(4.99)	(3.74)	(0.71)	1.86	420.61 - 246.59	292.95 - 140.63	239.31 - 168.21	215.43 - 158.09	191.49 - 133.05	139.00 - 109.62
§																			
SPECIALTY STORES																			
§ BARNES & NOBLE EDUCATION, INC.	JUL	(1.33)	(2.81)	(0.80)	(0.52)	(5.40)	0.11	1.81	2.67	4.93	5.28	4.25	3.75	12.01 - 4.48	5.84 - 1.11	7.78 - 2.82	8.69 - 3.58	12.25 - 4.99	13.15 - 8.50
† DICK'S SPORTING GOODS, INC.	JUL	13.87	5.72	3.34	3.24	3.01	2.56	23.40	23.59	16.65	16.23	15.09	13.99	147.39 - 55.10	63.29 - 13.46	49.80 - 30.59	39.75 - 28.86	56.25 - 23.88	62.88 - 33.44
† FIVE BELOW, INC.	JUL	4.95	2.20	3.12	2.66	1.84	1.30	20.13	15.77	13.64	11.03	8.27	6.04	237.86 - 164.33	175.76 - 47.53	148.22 - 99.31	136.13 - 60.00	68.98 - 37.14	52.70 - 31.46
§ HIBBETT, INC.	JUL	11.19	4.36	1.52	1.51	1.71	2.72	20.16	22.30	16.42	15.33	16.86	15.41	101.65 - 45.60	55.96 - 7.33	30.98 - 14.10	29.60 - 13.08	38.70 - 9.40	45.85 - 28.23
§ MARINEMAX, INC.	JUN	6.78	3.37	1.57	1.71	0.95	0.91	18.04	16.97	14.29	14.36	12.62	12.46	70.89 - 34.14	39.96 - 7.25	21.09 - 13.73	26.11 - 16.40	23.65 - 13.80	22.05 - 13.56
§ THE ODP CORPORATION	JUN	(3.76)	(6.03)	1.78	1.86	3.35	9.67	16.61	24.82	15.71	14.53	14.82	28.27	51.40 - 28.55	30.98 - 13.60	38.20 - 12.30	36.60 - 20.00	62.55 - 29.70	79.10 - 30.10
† SALLY BEAUTY HOLDINGS, INC.	JUN	2.10	0.99	2.26	2.08	1.56	1.50	(2.81)	(5.19)	(5.60)	(7.31)	(7.58)	(6.24)	25.66 - 12.57	18.42 - 6.28	21.98 - 11.46	23.61 - 13.72	26.98 - 14.05	32.93 - 23.72
† SIGNET JEWELERS LIMITED	JUL	12.22	(0.94)	1.40	(12.62)	7.44	7.08	15.33	14.79	13.58	12.33	19.78	22.78	111.92 - 27.17	32.22 - 5.60	37.22 - 10.40	71.07 - 28.30	96.39 - 46.09	135.59 - 72.65
†																			
[]																			
[] TRACTOR SUPPLY COMPANY	JUN	8.61	6.38	4.66	4.31	3.30	3.27	17.21	16.07	12.21	11.80	10.33	10.15	239.54 - 138.14	157.07 - 63.89	114.25 - 80.31	97.65 - 58.27	78.25 - 49.87	97.25 - 61.50
[] ULTA BEAUTY, INC.	JUL	17.98	3.11	12.15	10.94	8.96	6.52	29.11	35.30	33.35	30.81	29.17	24.95	417.85 - 276.00	304.65 - 124.05	368.83 - 222.00	322.49 - 191.70	314.86 - 187.96	278.63 - 146.77
§																			
AUTOMOTIVE RETAIL																			
[] ADVANCE AUTO PARTS, INC.	JUL	0.00	9.55	7.14	6.84	5.73	6.42	0.00	24.13	28.64	26.86	27.90	24.78	243.05 - 143.15	170.50 - 71.33	182.56 - 130.09	186.15 - 99.71	177.50 - 78.81	177.83 - 131.59
§ ASBURY AUTOMOTIVE GROUP, INC.	JUN	26.49	13.18	9.55	8.28	6.62	7.40	(77.62)	(4.25)	16.75	11.69	8.83	4.85	230.97 - 137.96	150.00 - 39.36	123.45 - 65.54	77.75 - 58.60	71.00 - 49.10	67.34 - 43.56
† AUTONATION, INC.	JUN	18.31	4.30	4.97	4.34	4.43	4.15	6.36	18.32	12.07	6.75	2.92	1.99	133.48 - 66.86	70.88 - 20.59	53.19 - 32.83	62.02 - 32.87	57.83 - 38.20	59.22 - 39.28
[] AUTOZONE, INC.	MAY	95.19	71.93	63.43	48.77	44.07	40.70	(99.36)	(50.51)	(84.12)	(71.20)	(67.29)	(76.94)	2110.00 - 1111.71	1267.93 - 684.91	1274.41 - 798.41	896.03 - 590.76	802.15 - 491.13	819.54 - 681.01
[] CARMAX, INC.	MAY	6.97	4.52	5.33	4.79	3.60	3.26	31.63	26.74	23.11	20.04	18.45	16.66	155.98 - 92.13	109.31 - 37.59	100.49 - 57.95	81.67 - 55.24	77.64 - 54.29	66.64 - 41.25
§ GROUP 1 AUTOMOTIVE, INC.	JUN	30.11	15.51	9.34	7.83	10.08	6.67	0.76	12.58	(0.34)	(7.24)	(3.68)	(11.26)	212.23 - 120.30	136.35 - 26.26	110.11 - 52.22	83.97 - 48.69	84.47 - 51.62	82.35 - 47.31
§ LITHIA MOTORS, INC.	JUN	36.56	19.53	11.60	10.86	9.75	7.72	96.61	64.84	30.45	20.59	25.70	18.58	417.98 - 274.03	310.57 - 55.74	165.27 - 74.87	127.99 - 67.90	123.50 - 80.88	105.38 - 68.70
§ MONRO, INC.	JUN	1.81	1.01	1.71	2.37	1.92	1.85	(0.61)	1.02	0.98	2.50	1.72	0.77	72.67 - 52.26	79.57 - 37.09	89.72 - 60.78	84.38 - 50.25	61.10 - 39.65	73.86 - 52.05
† MURPHY USA INC.	JUN	14.92	13.08	4.86	6.48	6.78	5.59	13.58	27.51	26.36	25.02	21.66	18.87	201.14 - 119.47	144.09 - 78.75	121.24 - 72.07	89.69 - 61.05	81.30 - 60.44	80.44 - 51.68
[] O'REILLY AUTOMOTIVE, INC.	JUN	31.10	23.53	17.88	16.10	12.67	10.73	(14.84)	(11.21)	(7.16)	(5.85)	(1.72)	8.94	710.86 - 424.03	487.95 - 251.52	454.31 - 329.86	363.20 - 217.64	283.97 - 169.43	292.84 - 225.12
§ SONIC AUTOMOTIVE, INC.	JUN	8.06	(1.21)	3.30	1.20	2.09	2.03	4.42	12.83	9.38	5.70	4.32	3.86	58.00 - 37.53	46.84 - 9.00	35.41 - 13.43	23.60 - 12.78	27.45 - 15.95	24.30 - 15.68
HOMEFURNISHING RETAIL																			
† THE AARON'S COMPANY, INC.	JUN	3.26	(7.85)	0.83	1.50	1.98	1.91	21.06	18.93	9.62	0.00	24.47	20.74	37.49 - 16.64	31.00 - 16.20	0.00 - 0.00	0.00 - 0.00	0.00 - 0.00	0.00 - 0.00
† BED BATH & BEYOND INC.	MAY	(5.64)	(1.24)	(4.94)	(1.02)	3.04	4.58	1.94	11.55	13.49	15.76	13.71	12.02	53.90 - 13.38	26.16 - 3.43	19.57 - 7.31	24.08 - 10.46	42.36 - 19.07	52.71 - 38.61
§ HAVERTY FURNITURE COMPANIES, INC.	JUN	4.90	3.12	1.08	1.42	0.98	1.30	14.95	13.89	13.63	13.37	13.86	13.36	52.84 - 27.07	31.57 - 9.81	25.09 - 15.81	24.25 - 17.70	27.23 - 21.05	24.55 - 16.57
§ RH	JUL	22.13	9.96	9.07	5.12	(0.10)	0.13	44.45	11.16	(9.97)	(12.16)	(11.62)	15.81	744.56 - 411.88	494.40 - 73.14	243.67 - 84.11	164.49 - 74.50	109.53 - 24.41	78.96 - 24.75
§ SLEEP NUMBER CORPORATION	JUL	0.00	6.16	4.90	2.70	1.92	1.55	0.00	(21.84)	(11.69)	(8.32)	(5.99)	0.30	151.44 - 72.72	90.00 - 15.27	52.15 - 30.70	41.05 - 26.22	38.85 - 18.89	28.34 - 14.28
† WILLIAMS-SONOMA, INC.	JUL	14.75	8.61	4.49	4.05	3.02	3.41	21.94	20.51	14.92	13.58	14.15	14.08	223.32 - 98.75	114.65 - 26.01	74.18 - 49.18	73.99 - 45.01	55.89 - 42.68	61.97 - 45.96

Note: Data as originally reported. CAGR-Compound annual growth rate. []Company included in the S&P 500. †Company included in the S&P MidCap 400. §Company included in the S&P SmallCap 600. #Of the following calendar year.
Souce: S&P Capital IQ.

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