Industry Surveys

Textiles, Apparel & Luxury Goods

SEPTEMBER 2022

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CONTENTS

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CHARTS & FIGURES

NEW THEMES

What's Changed: Faced with rising inflation and higher raw material prices in 2022, apparel companies are guiding for lower margins than in 2021.
Check out page 11.

What's Changed: Freight prices have been soaring due to strong demand, and we expect prices to remain elevated in 2022.
See page 12.

What's Changed: Consumers have been spending more on clothes in 2022 so far compared to the same period last year. However, the increase in dollar sales is not accompanied by a similar increase in unit sales.
See page 13

EXECUTIVE SUMMARY

Ever since March 2020, when the Covid-19 State of Emergency was declared in the United States, apparel retailers have had to change the way they do business in order to survive. Some failed and were forced into bankruptcy, while others quickly pivoted and adapted to the new normal. As we emerge from the pandemic, apparel retailers boast higher operating margin and healthier balance sheets. These apparel retail companies invested heavily in their e-commerce platforms and provided consumers with innovative means to shop and receive their products. CFRA believes these trends will continue to benefit the Textiles, Apparel & Luxury Goods industry. However, due to the uncertain macroeconomic backdrop, we lower our rating to neutral.

The Hybrid Model is Here to Stay

Buy online, pick-up in-store (BOPIS); buy online, ship from store; and curbside pick-up allowed retailers to reach their customers with little-to-no contact. Now lockdowns have been lifted and restrictions are few and far between, yet apparel retail companies are still having success with this new hybrid model. E-commerce revenue continues to grow rapidly while some consumers are returning to the store to browse or pick up online orders. It is no secret that companies that can effectively do both have outperformed in recent years. Companies like Nike and Lululemon demand much higher multiples because of their high margins and rapidly growing direct-to-consumer businesses. It took a pandemic for many of the other apparel retailers to see just how important the hybrid approach is.

Will Inflation Continue Its Hot Streak?

In July 2022, the total Consumer Price Index rose 8.5% from the prior year. Earnings calls continue to be flooded with top executives warning of persistently higher freight costs and rising raw material costs pressuring margins well into 2022. The last time inflation data was this hot was in 1981. Apparel retailers continue to warn about margins in 2022 as they continue to guide for lower margins than 2021. The Federal Reserve continues to get more cautious about inflation – we are seeing steady interest rate hikes with inflation running well above their 2.5% mark.

Supply Chains in Shock?

Since the unemployment rate hit a high of 14.8% in April 2020, it has dropped significantly, ending July 2022 at just 3.5%, reaching a new pandemic low. This points to a sustainable recovery in the job market, supported by a quickly recovering economy and strong demand for labor. Employers are still having difficulty hiring, and many workers have recently resigned and moved on to positions with more competitive pay. Rather than a mismatch in supply and demand, there is more likely an occupational mismatch, evidenced by signs littering restaurants, gas stations, and retail storefronts, offering $12, $15, and $18 an hour. Retail inventories have returned to well above pre-pandemic levels; as of June 2022, retail inventories were 9% above pre-pandemic levels. Manufacturers across the globe are dealing with higher costs for raw materials, freight, and wages. The Federal Reserve now sees the U.S. at full employment, which should help ease some of the supply chain constraints.

2022 Sales Forecast

CFRA anticipates sales to slump throughout the year as government stimulus fades and retailers lap tough comps from a stimulus-packed 2021. Even as consumers continue to return to in-person shopping, we see sales at Textiles, Apparel & Luxury Goods retailers to be flat to down low single digits compared to 2021. We expect 2022 to be similar to 2019, where strong brands with consistent growth led the pack. Overall, the Textiles, Apparel & Luxury Goods industry is dealing with higher costs across the board, which is pressuring margins, and the consumer is now fully aware of higher costs. We expect 2022 to be a tough year for retailers as consumer sentiment remains low and monetary policy keeps getting tighter.

CFRA **Industry Snapshot** www.cfraresearch.com

TEXTILES, APPAREL & LUXURY GOODS

Outlook: Neutral

MARKET CAP BREAKDOWN*

RANK NO.	COMPANY NAME	MARKET CAP ($ billion)
1	NIKE	167.0
2	V.F. Corp	16.1
3	Deckers	8.5
4	Tapestry	8.4
5	Capri Hldgs	6.5
	Others†	44.2

Source: CFRA, S&P Global Market Intelligence.
Data as of August 31, 2022.
†Refer to the "Comparative Company Analysis" section of this survey for the list of companies.

ETF FOCUS

ETF	AUM ($M)	Expense Ratio
XLY Consumer Discretionary Select Sector SPDR	15,985	0.12
VCR Vanguard Consumer Discretionary	4,753	0.10
FDIS Fidelity MSCI Consumer Discretionary	1,148	0.08
XRT SPDR S&P Retail	235	0.35

BY THE NUMBERS

2.3% Increase in clothing and accessory store sales Y/Y – July 2022

8.5% Inflation in apparel Y/Y – July 2022

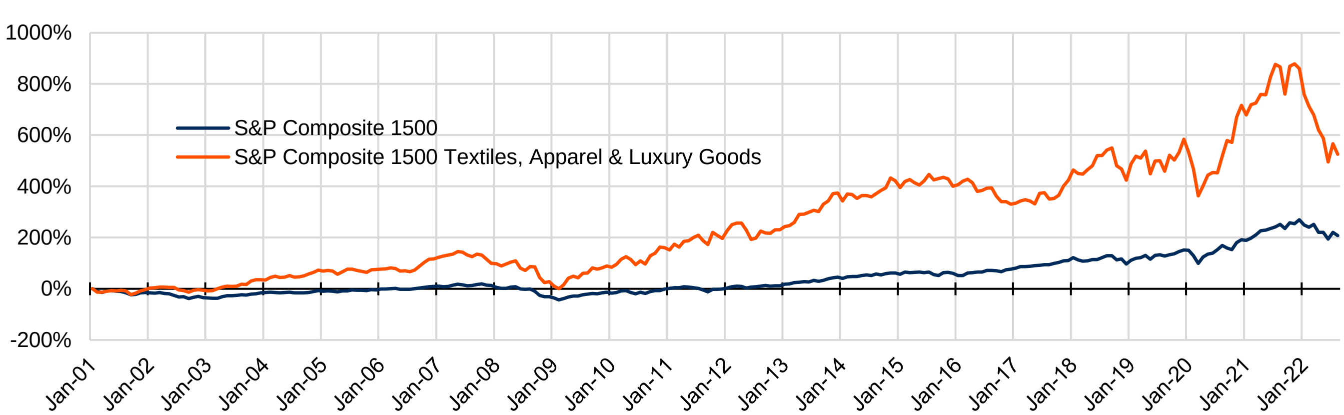
96.2 Consumer Confidence level – July 2022

21.1% Y/Y increase in inventories for retail trade – July 2022

5.1% Personal Saving Rate – lowest level since August 2009

3.5% Unemployment rate in July 2022 – down from 6.0% in April 2021

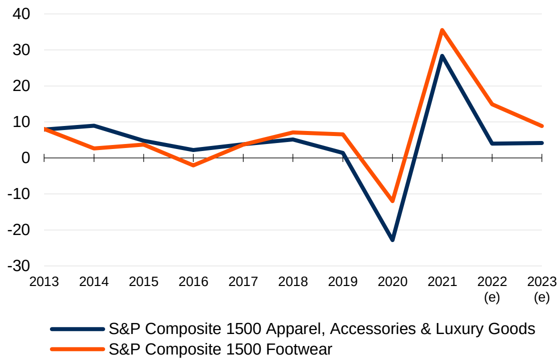
HISTORICAL INDEX PERFORMANCE



FINANCIAL METRICS

Median Revenue Growth

(percent change, Y/Y)



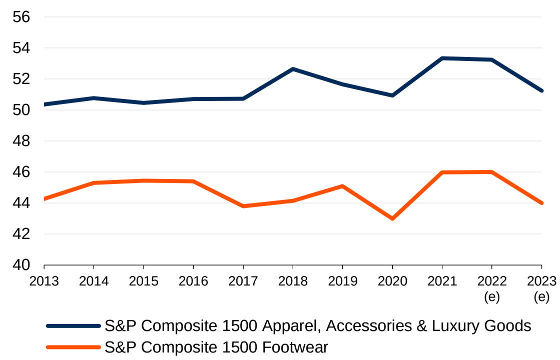
e-Estimate
Source: CFRA, S&P Global Market Intelligence.

- Following a 28.3% rebound in revenue growth for apparel, accessories & luxury goods (AALG) companies alongside economic recovery, CFRA expects median revenue growth to taper to 4.0% in 2022 and 4.2% in 2023. In 2020, revenue for the sub-industry plunged 22.8%.

- Revenue for the footwear sub-industry is expected to grow 14.9% this year, as increased outdoor activities translate to higher footwear demands. In 2023, revenue growth is expected to taper slightly to 8.8%. The sub-industry did not suffer as much in 2020 – only a decline of 12.0% – mainly due to positive sales growth from Crocs and Deckers as consumers seek comfortable footwear for the home.

Median Gross Margin

(percent)



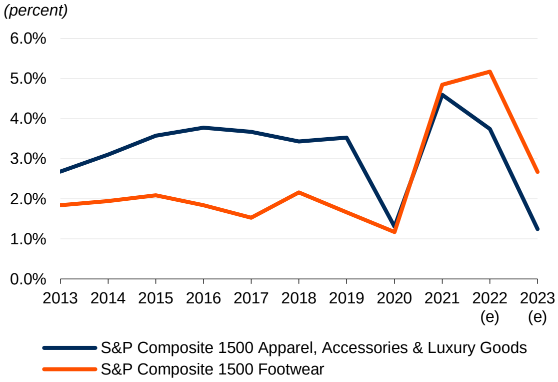
e-Estimate
Source: CFRA, S&P Global Market Intelligence.

- Fortunately, gross margins were only slightly affected by the recession. Subsequently, in 2021, gross margins largely recovered for both industries – an increase of 240 bps to 53.3% for the AALG sub-industry and an increase of 299 bps to 46.0% for the footwear sub-industry.

- Looking ahead, we expect gross margin growth to compress 200 bps for both AALG and footwear companies amid higher raw material costs due to supply chain restrictions.

Median Operating Margin

(percent)



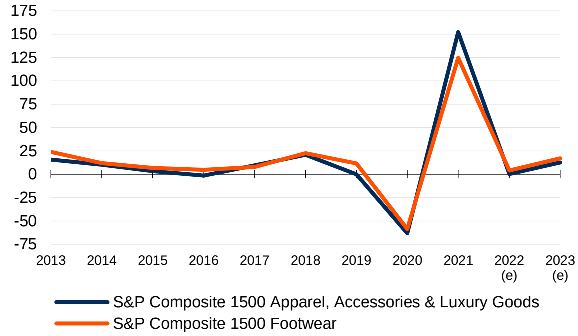
e-Estimate
Source: CFRA, S&P Global Market Intelligence.

- In 2021, we saw EBIT margins for both industries recovering to pre-Covid-19 levels. The footwear sub-industry, in particular, experienced greater margin expansion amid increasing contributions from online avenues.

- However, we expect the operating margin for both sub-industries to decline by 250 bps this year on lower gross margins and a shift from online avenues to the lower-margined brick-and-mortar.

Median Earnings Per Share (EPS) Growth

(percent change, Y/Y)

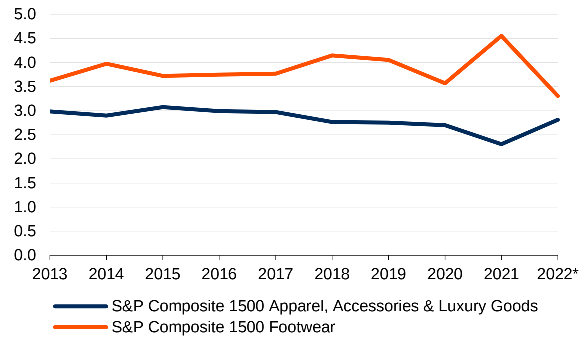


e-Estimate
Source: CFRA, S&P Global Market Intelligence.

- In 2021, EPS expanded by 152.3% and 124.7% for the AALG sub-industry and the footwear sub-industry, respectively.
- In 2022, we project a more tapered 12.8% and 17.0% growth for the two sub-industries, respectively. We attribute this to inflation and a strong first half, which we expect to slow significantly as we move through the second half.
- However, EPS figures would likely remain volatile in the coming years as companies strive to balance top-line growth, operating expenses, and business investments.

Median Inventory Turnover Ratio

(ratio)

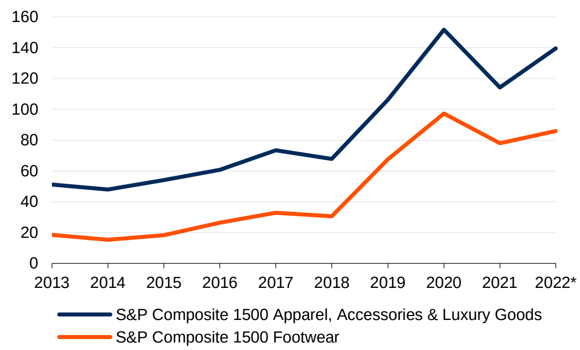


*YTD through August 25.
Source: CFRA, S&P Global Market Intelligence.

- While both sub-industries suffered a drop in inventory turnover in 2020, their outcomes could not be more different in 2021. Shoemakers saw products leaving shelves faster than their AALG counterparts.
- One company in particular – Crocs – contributed the most to the increase. Its inventory turnover ratio in 2021 of 4.6x was even higher than 2019's 4.1x. We think the company has been an unintended beneficiary as consumers seek comfort over aesthetic footwear during pandemic times.

Debt-to-Equity Ratio (D/E Ratio)

(percent)



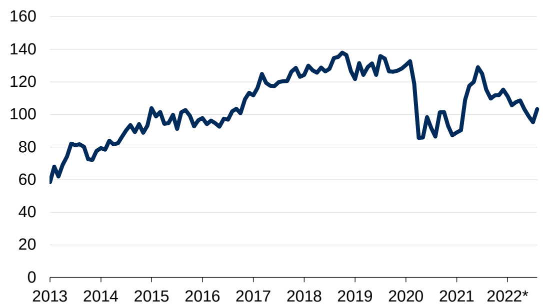
Source: CFRA, S&P Global Market Intelligence.

- The gradual increase in D/E ratios since 2018 came about as companies pursued various corporate strategies such as store expansion and share buybacks.
- The ratio spiked in 2020, reaching 151.8% for the AALG sub-industry and 97.3% for the footwear sub-industry, as companies shored up loans to preserve liquidity and weather a low demand period. Since then, the ratio had recovered, though still higher than pre-pandemic figures.
- We expect debt levels to remain elevated for the next year or two before they can be repaid from proceeds generated from the higher levels of sales.

KEY INDUSTRY DRIVERS

Consumer Confidence Index (CCI)

(index, 1985=100)

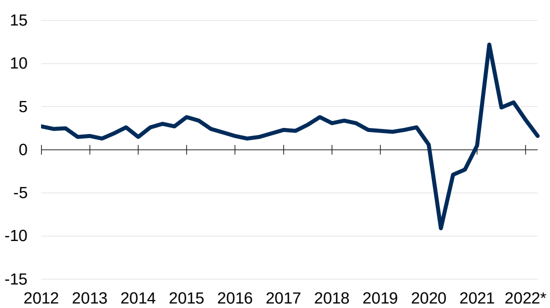


*Data through August.
Source: The Conference Board.

- Consumers are no longer confident about the near future due to runaway inflation that hurts disposable income for food, fuel, and shelter costs. This is evidenced by a plunge of 41.3% Y/Y growth in the consumer sentiment index in June 2022.
- In August, the CCI recorded an increase after three consecutive months of declines. The CCI now stands at 103.2, supported by inflation-cooling measures by the Fed. Potential headwinds include failed attempts to combat inflation and sustained instability of raw material prices amid the Russia-Ukraine conflict.

U.S. Real GDP

(percent change, Y/Y)

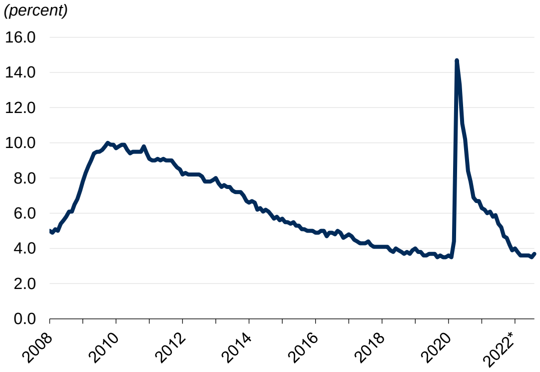


*Data through Q2.
Source: Bureau of Economic Analysis.

- The U.S. economy expanded 5.5% in 2021, following a 2.3% decrease in 2020 and a 2.6% increase in 2019. Action Economics forecasts U.S. GDP to recover by 0.4% in 2022 and 1.7% in 2023.
- Global GDP grew 5.9% last year after a 3.1% contraction during the pandemic. This comes after a slowdown in global GDP growth to 2.8% in 2019 from 3.6% in 2018 amid sustained global trade and investment weaknesses.
- For 2022 and 2023, the World Bank forecasts a slight pullback in global GDP, with growth of -1.3% and -0.2%, respectively.

U.S. Unemployment Rate

(percent)



*Data through August.
Source: Bureau of Labor Statistics

- The U.S. unemployment rate rose to a high of 14.7% in April 2020 before retracing to the current 3.7%.
- We project the U.S. unemployment rate to decrease marginally to 3.6% in 2022 before continuing its recovery to 3.3% in 2023.
- However, the recovery of the unemployment rate depends largely on the government's economic stimulus programs and the Fed's monetary policy. To a larger extent, the recovery also depends on the global economic growth rate.

INDUSTRY TRENDS

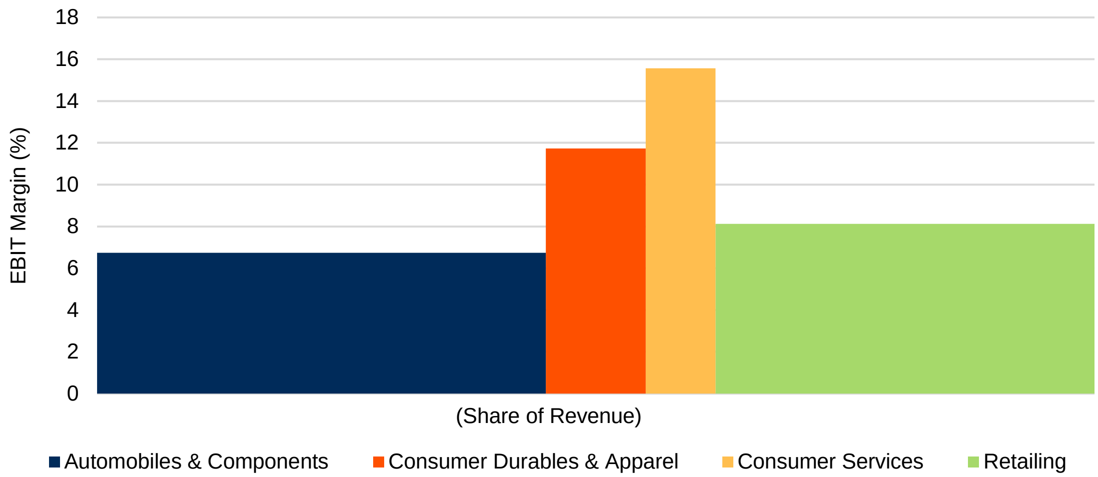
We have a neutral stance on the Textiles, Apparel & Luxury Goods industry. Here are the key themes we have highlighted.

Competitive Environment

INDUSTRY PROFIT SHARE MAP

The Textiles, Apparel & Luxury Goods industry comes under the Consumer Durables & Apparel industry group and comprises 3.6% of revenue for the entire Consumer Discretionary sector. The trailing five-year EBIT margin for the industry was 11.8% at the end of 2021.

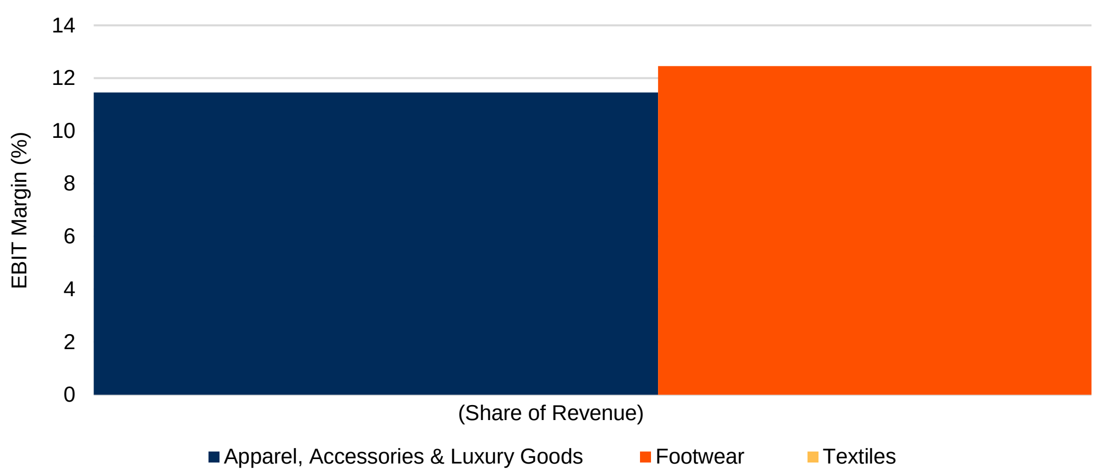
PROFIT SHARE MAP OF THE CONSUMER DISCRETIONARY SECTOR
(5-year average through 2021)



Source: CFRA, S&P Global Market Intelligence

The two largest revenue contributors within the Textiles, Apparel & Luxury Goods industry for the past five years are apparel, accessories & luxury goods at 56.1% and footwear at 43.4%.

PROFIT SHARE MAP OF THE TEXTILES, APPAREL & LUXURY GOODS INDUSTRY
(5-year average through 2021)



Source: CFRA, S&P Global Market Intelligence

PORTER'S FIVE FORCES

Textiles, Apparel & Luxury Goods

◆ **Threat of New Entrants (Moderate)** – Despite the ease of setting up a new apparel, accessories, or luxury goods business, economies of scale and brand recognition remain hard to replicate.

◆ **Threat of Substitutes (Moderate)** – There are very few substitutes for products in the industry.

◆ **Bargaining Power of Buyers (Moderate)** – By maintaining a large customer base and constantly innovating their products, firms are able to reduce consumers' bargaining power. Low switching costs enable consumers to continually seek the best possible substitutes at the lowest possible price. Brand loyalty, however, may induce them to stay with the same companies.

◆ **Bargaining Power of Suppliers (Low)** – Firms generally obtain their raw materials from numerous suppliers while experimenting with different materials in product design to provide flexibility if prices of raw materials increase. However, suppliers of rare materials for accessories and luxury goods may have more bargaining power.

◆ **Degree of Rivalry (High)** – Firms are expected to build and preserve customer loyalty, attain efficient distributions, and sustain product differentiation. More recently, industry players also faced fierce competition with each other as the temporary closure of the economy brought about a promotional environment while firms attempted to unload excess inventories.

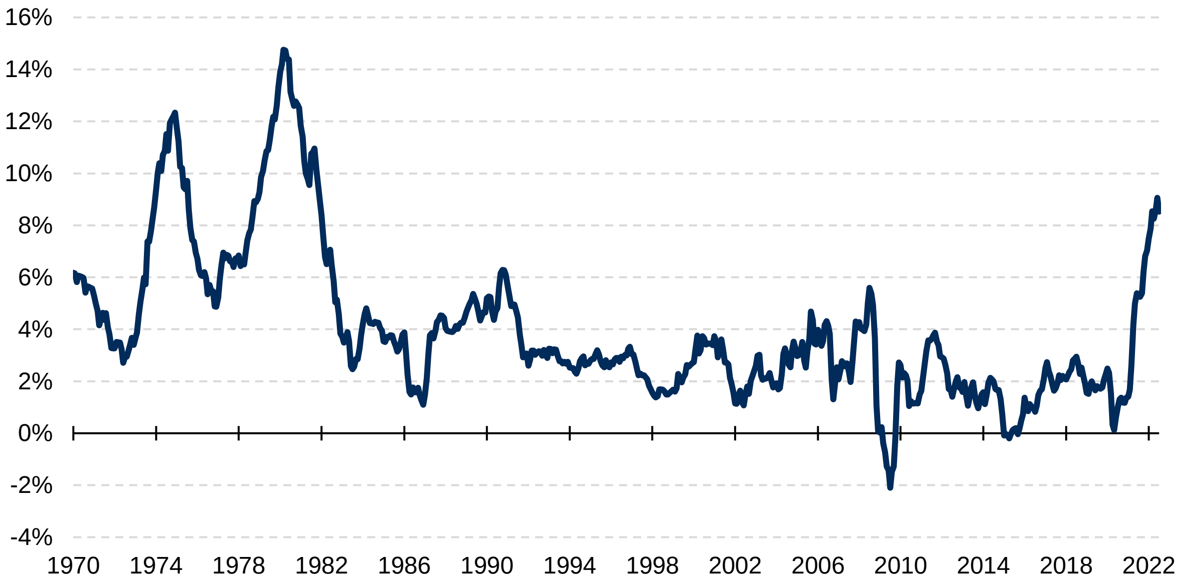
Operating Environment

Here we highlight operating trends in the Textiles, Apparel & Luxury Goods industry:

Inflation, Inflation, Inflation
While there has been a healthy debate on the causes of this inflationary cycle, there is no doubt that expansionary monetary and fiscal policy and supply chain bottlenecks are a few reasons for the current supply-demand imbalance. The Consumer Price Index in July 2022, excluding food and energy, rose 8.5% from the prior year. The last time inflation was this high was in 1981. The Federal Reserve has now walked back on its statement that inflation is transitory and is now raising interest rates significantly.

Apparel company executives continue to mention high shipping costs and uncertainties within the supply chain. In its March earnings call, Nike's CFO Matthew Friend stated: "I am so proud of how our teams continue to respond, demonstrating how to win in a dynamic and rapidly changing environment." Companies across the textiles, apparel & luxury goods industry repeatedly state the same issues.

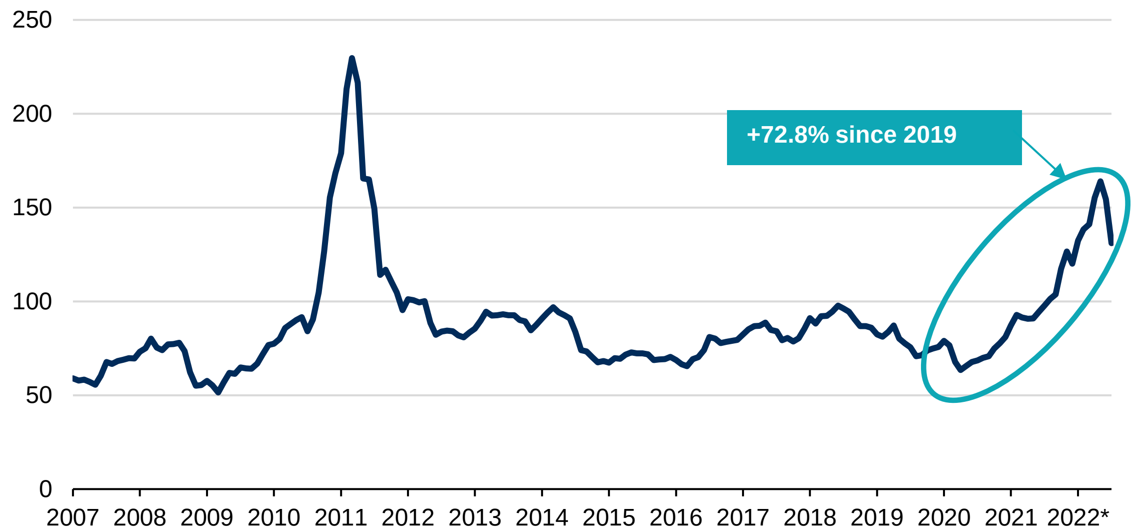
OVERALL CONSUMER PRICE INDEX (CPI) (Y/Y CHANGE)



Note: Data through July 2022.
Source: CFRA, U.S. Bureau of Labor Statistics (BLS).

For the textiles, apparel & luxury goods sub-industry, most companies are facing labor pressures and higher raw material and transportation costs. For example, cotton, the main raw material used in most apparel manufacturing, is a commodity with surging prices. According to the U.S. Bureau of Labor Statistics, producers paid on average 34% more Y/Y for cotton in July 2022. Over the past two years, pulp, paper, and allied product costs have surged approximately 73%.

GLOBAL PRICE OF COTTON
(U.S. cents per pound)

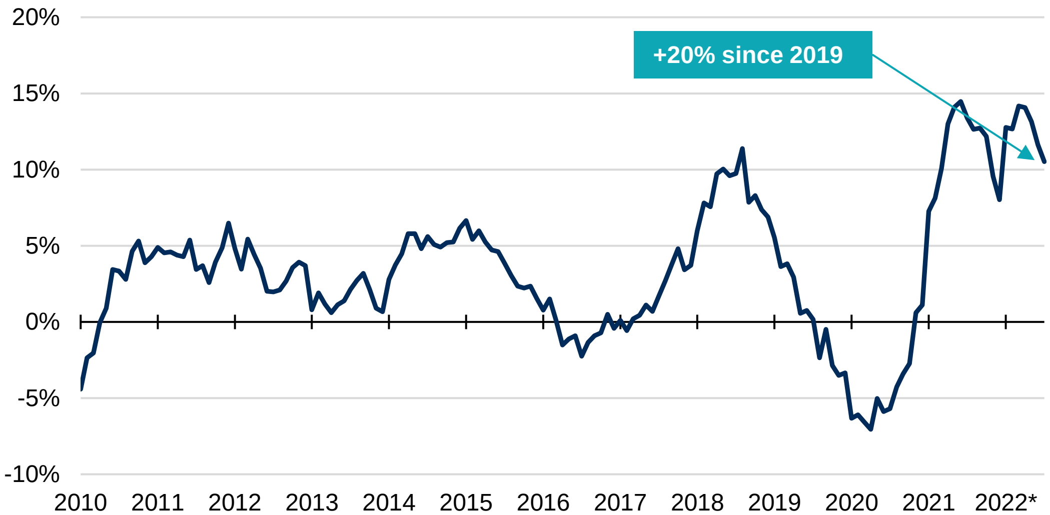


*Data through July.
Source: U.S. Bureau of Labor Statistics.

Freight Cost Remains Elevated as Supply Chain Recovers from Shock
As demand returned, these same companies couldn't bring back workers fast enough to keep up with demand. Companies are still dealing with issues throughout the supply chain as inventory levels are now well above pre-pandemic levels. As of June 2022, Clothing and Clothing Accessory Store inventories were $57.8 billion compared to $50.7 billion in January 2020.

In addition, freight prices have been soaring due to strong demand and major supply constraints in two critical components – drivers and tractors. According to the Cass Truckload Linehaul Index, which tracks per-mile truckload linehaul rates (ex-fuel), freight rates are up 8.5% Y/Y in July 2022. The index rose 14.5% Y/Y in June 2021, the largest Y/Y increase since the data was first collected in 2005. Freight rates are still increasing Y/Y, but the growth rate has decelerated in recent months. We expect freight to remain elevated in 2022 due to strong demand and tight capacity. We note more freight is being moved to trucks from rails due to the port congestion on the West Coast. One positive for the sub-industry is modest cost inflation can typically be passed on to the customer or consumer. The downside is this inflationary cycle currently looks steeper than previous ones, suggesting that many companies might not be able to pass these higher costs to the consumer fully.

CASS TRUCKLOAD LINEHAUL INDEX
(per-mile truck hauling rates - not including fuel, Y/Y change)



*Data through July.
Source: Cass Information Systems, Inc.

In its Q3 2021 earnings call, Lululemon CEO Calvin McDonald stated: “With that in mind, I’d like to spend a few minutes on China, given the current conditions related to Covid-19 and its impact on both our operations and supply chain. Consistent with many retailers in the region, we see modest impacts of the Covid-19-related lockdowns on our stores and with some of our vendors”. In its Q1 2022 earnings call, Under Armour CFO David Bergman also said: “As discussed on prior earnings calls, this result included an approximate 10-point headwind-related to proactive order cancellations due to supply constraints associated with Covid-19 pandemic impacts.” Now companies must deal with new geopolitical issues arising in Europe as Russia invades Ukraine, which will likely impact the supply chain once again as well as continued Covid-19 lockdowns in Asia that continue to pressure manufacturing for U.S.companies.

U.S. Employment Rebounds as Companies Struggle to Find Workers

The U.S. unemployment rate hit its highest level in April 2020 at 14.8% after employers laid off workers in anticipation of the economic impact of the impending 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 3.5% in July 2022. 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 February 2020, the retail trade industry employed 15.6 million people in the U.S. As of August 2022, that number recovered above pre-pandemic levels and sat 200,000 above February 2020 levels. Retail trade employment numbers had declined since January 2017, when they peaked at 15.92 million. As retailers adapt to the changing environment, they are lowering their brick-and-mortar exposure and bolstering their e-commerce platforms, reducing the number of jobs in the industry. Even brick-and-mortar stores are leveraging technology to anticipate sales better and reduce overhead. We expect this trend to continue.

Consumers Are Paying More for Fewer Clothes

Despite rising apparel prices, consumers, in aggregate, spent more on clothes in 2022 than in the same period last year. In fact, according to market research firm NPD, apparel sales in the U.S. grew 5% Y/Y for the January-May period and a 5.1% Y/Y increase in apparel prices in July 2022. The same firm, however, noted that there had been some pullbacks recently. The increase in dollar sales was not accompanied by a proportionate increase in unit sales. While price increases could have partially contributed to such an increase, consumers were also spending more on higher-priced items. Demand for formal attire, in particular, had increased significantly as more people tied the knot and headed back to the office. Many do not mind spending on full-priced items when shopping for such occasions.

Apparel spending among shoppers had not been equal across the board. Higher-income earners were not as greatly affected by inflation as their lower-income counterparts. They were more willing to spend on full-priced items, which has helped sustain apparel sales in the higher-end and luxury markets. Lower-income shoppers, on the other hand, may have to think twice before making a purchase as the rising prices have greatly reduced their spending power.

Stumbling Consumer Sentiment?

In July 2022, the University of Michigan's Index of Consumer Sentiment fell to 51.5, the lowest level ever for the survey. The 36.6% Y/Y decrease represents just how badly U.S. citizens think the current economy has gotten in just a few months. As government spending slows and inflation remains hot, the consumer spending outlook is weakening. In July, seasonally adjusted U.S. retail was flat compared to the prior month with gas stations and online retailers seeing massive increases.

Do Sustainable Materials Make Fashion Sense?

Orange-peel fiber and lab-growth mycelium may soon make their way to your wardrobe as apparel, footwear, and accessories companies ramp up their quest to source more environmentally friendly and carbon-minimal materials. While these new materials may not have been created with performance in mind, claimed a former ESG director in Stella McCartney, it had led to increased efforts to help tackle global warming concerns.

Manufacturers come under growing pressure from various stakeholders to clean up their ecological and social footprint. Over the years, consumer values experienced a dramatic shift toward environmental preservation and are reflected in the change in their purchasing trends. Various surveys indicated that consumers are more inclined towards so-called sustainable brands, even when priced at a premium. On the international front, the enactment of the UN's Fashion Industry Charter for Climate Action has compelled global brands to substantially improve their carbon emissions throughout their supply chain.

The increased call for sustainable clothing spurred the rise of start-ups such as Allbirds. The sustainable sneaker company expanded its foray into apparel in mid-2021 by introducing men's and women's casual wear. With prices ranging from $48 for a T-shirt to $267 for a cropped puffer jacket, they do not come in cheap and would challenge consumers to put money where their mouths are.

Designers Test 'Made to Order' Production Model

The current production model for apparel is problematic, to say the least. It requires brands to place large orders with overseas factories, mostly a year in advance, and often results in over-production that leads to heavy discounting to clear unsold inventories. Not only does this hurt the bottom line, but it also adds waste as most surpluses end up in landfills. What's more, the pandemic unveiled an even greater weakness of this model. During the lockdown, many retailers were stuck with unsold clothes from the previous year, causing many smaller and financially weaker companies to bankrupt.

These problems are what the new "on-demand" production model is trying to solve. In this model, designers only place orders for production after an item is purchased. In addition to the significant reduction in inventory, this production method minimizes the environmental impact of throwaway clothes. However, the obvious problem with this model is scalability. For this model to work, large brands must change how their items are designed to accommodate the production process. Unlike the fully-automated automobile manufacturing, apparel manufacturing still requires great human intervention, which adds costs and slows production. Fortunately, vast improvements have been made in scalability by way of automation, according to Resonance Companies Inc., a company that specializes in on-demand manufacturing. So, keep in mind that the next time you make an online purchase from an apparel retailer – those items may not exist yet.

Direct-to-Consumer Is Poised to Blossom
As apparel makers reevaluate their business models, direct-to-consumer (D2C) is poised to blossom. According to Interactive Advertising Bureau research, two-thirds of consumers today expect to connect directly with brands. By cutting out intermediaries, apparel and footwear makers can form personal relationships with customers, maximizing margins and engaging in data-oriented marketing. However, the cost of consumer acquisition remains a primary concern for the D2C strategy. Without the help of big retail chains and their online marketplaces, apparel companies must find ways to engage with consumers while simultaneously keeping costs down.

To boost their D2C strategy, many companies are capitalizing on the trend of personalization. Nike pioneered the space with the introduction of the “Nike By You” customization service. The service allows shoppers to add a personal touch such as monograms or designs to their base model – or silhouette – to stand out from the rest. This service allowed the company to deliver an innovative and uniquely personal experience, which also helped foster loyalty to the brand. Other companies, such as Vans (owned by VF Corp), also allowed customization, though not as successful as Nike’s.

E-commerce and Logistics Shifts
Covid-19 accelerated 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 is the curbside pick-up model, where purchases could be picked up from the parking lot, 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. On the other hand, shoppers 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 store’s interior and exterior 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 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 also helps 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 variations.

Private Labels Shape the Future
Companies with distinct and innovative private brands stand a better chance of staying ahead of competitors and flourishing. Exclusivity could drive profitability. If executed effectively, private labels could support margin expansion and would be critical in building the company’s brand and, subsequently, customer loyalty. Not surprisingly, Amazon has also penetrated the private label space. The e-commerce behemoth offers more than 120 clothing, shoe, and exclusive jewelry brands, marketed across a wide assortment of prices and a diverse quality spectrum.

In CFRA's view, apparel and footwear makers that diversify into private label manufacturing amid the Covid-19 backdrop will be the ones that survive and flourish. We base our opinion on two key trends. First, private labels have entered a renaissance in the past few years. Retail services firm Daymon Worldwide reports that 81% of U.S. consumers purchase at least one private-brand product every time they shop, while 74% of consumers think that private label items boast better value for money. Second, and perhaps more importantly, loyalty towards private label brands is growing. Daymon Worldwide found that 85% of consumers trust private label branded products at least as much as national brands, and 53% of consumers said they shop at a specific store specifically for its private label brands.

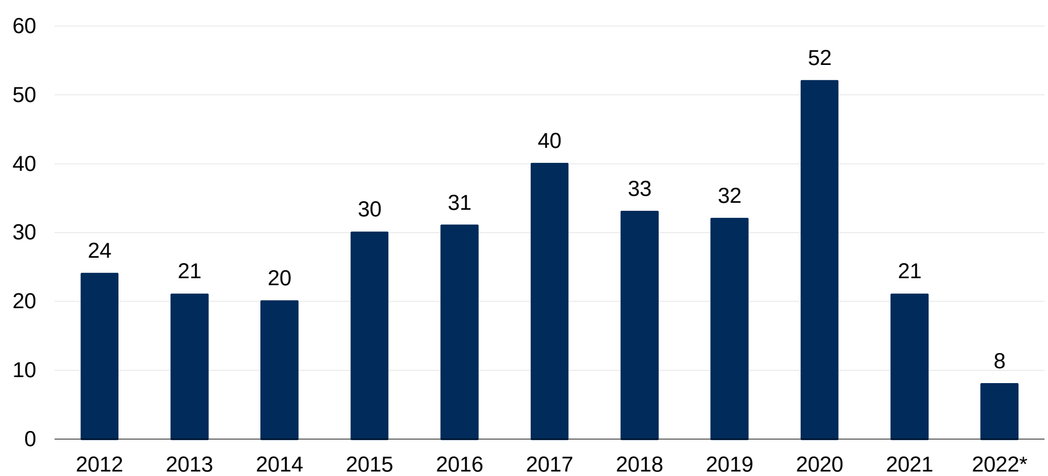
In our view, private label manufacturing can boost overall corporate margins and position manufacturers to gain market share over competitors, especially when done so online. When an apparel maker supplies a private label, it increases its presence in the specific product category. Dual manufacturing can also give apparel makers more influence on pricing, shelf space allocation between private labels and traditional branded products, and the timing of brand promotions.

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. 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, less than half of the previous year. Year-to-date through July 31, 2022, there were only eight retail bankruptcy fillings, the lowest in the last 12 years.

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. Consumers 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. The same retailers used their record cash flow to pay down debt and bolster their cash positions. Although it is still unclear whether we are completely out of the woods with Covid-19, it is safe to say that the vast majority of U.S. retailers are in a much better position financially and strategically to endure challenges and adapt to the changing landscape within retail.

ANNOUNCED U.S. RETAIL BANKRUPTCIES



*Year-to-date through July 31.

Source: CFRA; S&P Global Market Intelligence.

M&A Environment

According to S&P Global Market Intelligence data, global M&A activity for the Consumer Discretionary sector grew 39.1% in 2021 to $237.8 billion due to a low base. Coming out of the pandemic, global M&A had a record-setting 2021 totaling $4 trillion in transaction value. Some of the factors contributing to this were the pent-up demand during the pandemic year of 2020, widespread inflation throughout 2021, and a sustained low-interest environment globally. YTD through August 31, 2022, hotels, resorts, and cruise lines made up the largest proportion of M&A activities within the sector at $545 million, representing 18.4% of the total M&A transaction value. The total deal size for companies in the global Apparel, Accessories & Luxury Goods sub-industry was $113 million (3.8% of total transaction value) during the same period.

The story of recovery can also be told for the U.S. Textiles, Apparel & Luxury Goods industry. As shown in the table below, industry M&A transactions above $100 million showed an increase in 2021 from the previous year. We attribute this surge to a general increase in business sentiment and a rise in the number of financially weak businesses seeking M&A as an alternative to bankruptcy or liquidation. We foresee that companies with weak financials may hold off M&A for the foreseeable future; some may even see themselves as targets for acquisition. On the other hand, companies with healthy cash positions may continue to be looking for synergistic or strategic acquisitions.

M&A ACTIVITIES IN THE U.S. TEXTILES, APPAREL & LUXURY GOODS INDUSTRY*
(arranged by year and transaction size, in $, millions)

COMPLETION DATE	ACQUIRER	TARGET	SIZE ($ MILLION)
2022			
3/1/22	Authentic Brands Group	Reebok International	2,500
8/8/22	Vista Outdoor Operations	Fox Head	590
7/12/22	Relentless Intermediate	PrimaLoft	530
2021			
7/30/21	Lancer Capital	Iconix Brand Group	656
12/29/21	Helen of Troy	Osprey Packs	415
9/21/21	Levi Strauss	Beyond Yoga	403
11/12/21	Galaxy Universal	And1, Avia, Gaiam and SPRI brands of Sequential Brands Group	329
9/3/21	Compass Diversified	Lugano Diamonds & Jewelry	263
3/15/21	Rocky Brands, Rocky Brands Intl.	Performance and Lifestyle Footwear Business of Honeywell	230
8/10/21	Shutterfly	Spoonflower	225
7/1/21	Authentic Brands Group	Certain Intellectual Property And Other Assets Of Heritage Brands Business Of PVH Corp.	223
12/10/21	Gildan Activewear	Frontier Yarns	168
5/19/21	Diversified Energy Company	Cotton Valley Upstream Assets and Facilities in Louisiana	135
9/1/21	Solo DTC Brands	Chubbies	130
2020			
10/16/20	Compass Diversified	Boa Technology	462
9/3/20	Bunzl	Shelby Group International	366
8/14/20	SPARC Group	Substantially All of the Operating Assets of Lucky Brand	192
4/6/20	Pentland Group	Speedo North America Business of PVH Corp.	170

*Transaction size over $100 million.

Sources: CFRA, S&P Global Market Intelligence.

HOW THE INDUSTRY OPERATES

The apparel and footwear businesses are diverse, with hundreds of product lines designed for men, women, and children in a wide range of styles and price points. Each line is designed specifically for a targeted consumer group, based on its observed and expected trends and needs.

The Brand Owners

APPAREL MANUFACTURERS

In the apparel business, companies can operate as manufacturers (wholesalers), retailers, or both. An apparel manufacturer may sell its products under its own brand name, sell under a brand name that it has licensed from another company, or supply a retailer's private label.

Fabrics play an important role in function and quality. In general, woolens and knits are high-quality fabrics that can command higher selling prices. Woven fabrics tend to be lower in both quality and price.

Many traditional apparel vendors, aiming to diversify their assortments, offer complementary accessories such as costume jewelry, handbags, hats, belts, watches, sunglasses, scarves, gloves, and footwear.

The North American Industry Classification System (NAICS) categorizes the manufacturing business in terms of the product they produce. The apparel business is categorized under:

◆ **Apparel Manufacturing.** Comprises establishments with two distinct manufacturing processes: (1) cut and sew (i.e., purchasing fabric and cutting and sewing to make a garment), and (2) the manufacture of garments in establishments that first knit fabric and then cut and sew the fabric into a garment. Knitting, when done alone, is classified in the textile mills subsector, but when knitting is combined with the production of complete garments, the activity is classified in apparel manufacturing.

FOOTWEAR MANUFACTURERS

As with the apparel business, U.S. footwear companies operate either as manufacturers, retailers, or both. Footwear comprises garments worn on the feet either for protection, fashion, or performance enhancement. They include heels, stilettos, flats, flip flop, loafers, boots, wedges, shoes (formal, casual, sports), sneakers, sandals, slippers, bellies, flippers, peep toes, clogs, etc.

The footwear industry is a major growth contributor to the entire U.S. leather industry and has operations that are truly global in scope.

The NAICS categorizes the footwear business under:

◆ **Leather and Allied Product Manufacturing.** Comprises establishments that transform hides into leather by tanning or curing and fabricating the leather into products for final consumption. It also includes the manufacture of similar products from other materials, including products (except apparel) made from "leather substitutes," such as rubber, plastics, or textiles. Rubber footwear, textile luggage, and plastics purses or wallets are examples of "leather substitute" products included in this group. The products made from leather substitutes are included in this subsector because they are made in similar ways leather products are made (e.g., luggage). They are made in the same establishments, so it is not practical to separate them.

Retail Strategies

Brand Management

Brand management is vital to create value for the consumer and brand equity for the company. When products become commodity, the company's pricing power is nonexistent, and deflationary pressures (along with price wars) rule the day. On the other hand, when companies create brands that provide some emotional meaning to the consumer, pricing is not the sole driver of purchases. Successful brands provide opportunities for brand extensions and potentially generate superior gross margins.

Over time, consumers have become "brand polygamists," according to retail consulting firm Design Forum, a position with which CFRA heartily concurs. To compensate for lower levels of brand loyalty, companies now must incorporate tangible product features, such as quality and appearance, with intangibles, such as a personal level of communication and innovation, an emotional connection, or aspirational value.

Brand management requires a balance between preserving and growing brand value (also known as brand equity) and capitalizing on opportunities to expand or stretch the brand. Done well, a brand extension can strengthen the brand proposition—the perception of value associated with the brand. However, extending a brand too far beyond its core associations or expanding its markets to less prestigious channels can weaken a brand.

Superior brand strategy often translates into a sustainable competitive advantage and creates barriers for competitors to dislodge loyal customers. Other brand benefits include premium pricing and leverage in the distribution channel. For an apparel or footwear brand, such leverage means superior product placement or preferred square footage in retail outlets.

Merchandising Is Key

Manufacturers must support their brands through advertising campaigns and by delivering the right product in an appropriate retail setting. They also must establish and maintain good relationships with retailers and help them to effectively present and sell their goods. Some manufacturers supply retailers with an in-store shop—from concept to display, including fixtures—which allows the retailer to create an environment consistent with the brand's image. It also increases consumer product recognition and loyalty as customers become familiar with a product's in-store presentation and location.

A manufacturer's merchandising team usually uses consumer focus groups to provide customer feedback on the company's products or to generate new product ideas. This information is shared with designers and the production staff. The merchandising team will also educate the retailer on the company's new products and servicing of customers. Increasingly, manufacturers will open a few retail stores as a way to test their products and gain direct feedback from their end customers.

Inventory Management and Sales Channels

Technology-Enabled Inventory Management

In both apparel and footwear, technological innovations facilitate global expansion and closer coordination between retailers and manufacturers, while also cutting costs. For example, improvements in manufacturing processes—such as efficiencies in cut-and-sew operations in the apparel business—are helping to reduce manual labor costs.

◆ **Computer-aided design (CAD).** CAD systems enable a manufacturer to reduce the design-to-production cycle to only a few months, so that fashion/style/high-performance sportswear companies can provide the marketplace with a steady flow of new products.

◆ **Quick-response programs.** The goal of quick response is to keep inventories lean and avoid overstocking, while ensuring that retailers have the merchandise customers want to buy, when they want to buy it. By assuming responsibility for stocking stores, apparel companies help to carry inventory costs, historically one of retailers' highest costs. They also alleviate many of the retailers' reordering headaches and help them buy as close to the selling season as possible. For manufacturers today, quick response has become key to survival.

◆ **Electronic data interchange (EDI).** An EDI system employs interconnected computer terminals throughout the entire manufacturing and sales systems. This up-to-the-minute report on a given store's sales is then relayed to the manufacturer. With direct access to detailed sales information, the manufacturer can tailor its production to consumer demand. The data recorded by bar code scanners in the EDI system also are 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.

Quick response and EDI technologies have proven successful with basic goods, which are relatively simple to produce, require shorter lead times, and increasingly are manufactured in highly automated factories in the U.S. However, these systems are more difficult to implement for seasonal and fashion apparel because such goods require more labor input and thus tend to be made in regions with low-cost labor, like the Caribbean or Southeast Asia.

Proliferating Sales Channels

Today, most companies distribute their products through a variety of channels: wholesale, catalog, internet sales, and retail stores. Within the wholesale channel, manufacturers often try to sell to various types of retailers:

◆ **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.

◆ **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.

◆ **Online stores.** These channels cater directly to consumers via the internet. Online stores boomed during the Covid-19 pandemic when shelter-in-place restrictions were largely enforced. The lack of need for real estate to display merchandices enabled retailers to offer an even greater array of products in their online stores.

In the past decade, many manufacturers have opened their own retail and online stores, reducing their dependence on the wholesale channel while potentially increasing sales. This strategy has benefits—it permits manufacturers to showcase an entire line of products, enhance brand awareness, test new products, and directly collect customer feedback—but it also carries the risk of alienating retailers who carry the same merchandise. Some manufacturers have also established outlet stores to move older inventory.

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 this industry is to assess the current macroeconomic environment, with emphasis on trends in employment, and consumer income and spending. The state of the economy in general, and consumer income and spending in particular, influence the amount of money consumers are willing or able to spend on clothing and accessories. Demographic and lifestyle trends also can be important determinants of consumer demand.

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.

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.

◆ **Real growth in GDP.** Reported quarterly by the Bureau of Economic Analysis within the U.S Department of Commerce (DOC), real GDP growth is a measure of change in the U.S. economy's output of goods and services, adjusted for inflation. It is a gauge of the overall health of the country's economy.

Most major economies are cyclical, advancing and contracting with the business cycle. The business cycle dating committee of the National Bureau of Economic Research (NBER), a private, non-profit, economic research organization, establishes the beginning and the end of recessions. The general rule of thumb is that two consecutive quarters of decline in real GDP signal that the country is in a recession.

◆ **U.S. Unemployment Rate.** Unemployment occurs when people are without work and are actively seeking employment. In an economy, the labor force is the actual number of people available for work. Economists use the labor force participation rate to determine the unemployment rate.

Within the economy, long-term unemployment increases the inequality present in the economy and impedes economic growth. Unemployment wastes resources and generates redistributive pressures and distortions within the economy. When unemployment is high, the economy is not using all of the available resources, specifically labor. Unemployment can also reduce the efficiency of the economy because unemployed workers are willing to accept employment that is below their skill level.

Company Analysis

After gaining an understanding of the industry's drivers, an investor 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.

Because of the glut of apparel and accessories offerings, 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. For example, a company trying to sell first-quality designer clothes in a mass-market outlet could dilute the brand irreparably.

◆ **Assessing management.** A company with a superior management team can distinguish itself from its peers by creating successful competitive strategies. For apparel and accessories companies, in addition to top management, lead designers and merchandising and procurement officers should also be evaluated.

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 revenues, gross profit and operating margins, inventory, receivables, and payables.

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.

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 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. Investors 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.*

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 collects revenue for 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.*

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.

Class A/B/C Malls—A mall's "class" is generally a function of its smaller tenants' sales per square foot (psf). Class A malls typically generate upwards of $500 psf. Class B malls typically generate $300-$500 psf while Class C malls generate less than $300 psf.

Direct-to-consumer (DTC)—Sale of product directly from the brand owner to the consumer without an intermediary.

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 employs interconnected computer terminals between retailer and vendor.

Factoring—The practice of selling manufacturers' and wholesalers' account receivables to financial institutions.

Fashion trend—A style that has moved from limited to wide acceptance.

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.

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).

Price point—The price range at which a line of merchandise is offered for sale.

Private label—Merchandise designed by a retailer that carries the store's own brand name.

Quick response—A partnership between a vendor and retailer through which orders are automatically replenished via computer links.

Same-store sales—The measure of year-on-year sales growth or decline for a store or chain of stores. The figure excludes new and closed stores, which can skew results. Also referred to as comparable-store sales.

INDUSTRY REFERENCES

MARKET RESEARCH FIRMS

451 Research
451research.com
A New York City-based technology industry research firm that also provides research for data center operators.

Accenture
accenture.com
A multinational professional services company that provides services in strategy, consulting, digital, technology, and operations.

Adobe
adobe.com
Historically focused upon the creation of multimedia and creativity software products, this company made a more recent foray towards digital marketing software.

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

Bain & Company
bain.com
One of the "Big Three" elite management consultancies. The firm provides advice to public, private, and non-profit organizations.

Business Insider
businessinsider.com
An American financial and business news website that provides deep financial, media, tech, and other industry verticals.

Boston Consulting Group
bcg.com
One of the "Big Three" elite management consulting firms. Partners with leaders in business and society to tackle their most important challenges and capture their greatest opportunities.

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

Daymon Worldwide
daymon.com
Engages in branding, sourcing, and commercializing customized retail solutions.

eMarketer
emarketer.com
A subscription-based market research company that provides insights and trends related to digital marketing, media, and commerce.

Green Street Advisors
greenstreetadvisors.com
An independent research and advisory firm concentrating on the commercial real estate industry in North America and Europe.

Interactive Advertising Bureau
iab.com
An advertising business organization that develops industry standards, conducts research, and provides legal support for the online advertising industry.

International Council of Shopping Centers (ICSC)
icsc.com
The global trade association of the shopping center and retail real estate industry.

McKinsey & Company
www.mckinsey.com
One of the "Big Three" elite management consulting firms. Provides strategy and management consulting services, such as offering advice on an acquisition, developing a plan to restructure a sales force, creating a new business strategy, or giving advice on downsizing.

The Conference Board Inc.
conference-board.org
A non-profit, non-advocacy business membership and research organization that calculates and disseminates leading economic indicators and an index of consumer confidence.

The NPD Group, Inc.
npd.com
Market research firm specializing in consumer purchasing and behavior.

GOVERNMENT AGENCIES

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

U.S. Bureau of Labor Statistics (BLS)
bls.gov
A division of the U.S. Department of Labor. The BLS is 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 and the national compensation survey.

U.S. Department of Commerce (DOC)
commerce.gov
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.

U.S. Department of Labor (DOL)
dol.gov
U.S. Cabinet-level department responsible for occupational safety, wage and hour standards, unemployment insurance benefits, reemployment services, and some economic statistics.

World Health Organization: WHO
who.int
A specialized agency of the United Nations responsible for international public health.

CORPORATE INFORMATION

U.S. Securities and Exchange Commission (SEC)—EDGAR
sec.gov/edgar
Archive of corporate filings with the federal SEC, including 10-Ks and 10-Qs. In addition, most general retailers operate their own corporate and e-commerce websites.

COMPARATIVE COMPANY ANALYSIS

				Operating Revenues																
				Million $							CAGR(%)			Index Basis (2011=100)						
Ticker	Company		Yr. End	2021	2020	2019	2018	2017	2016	2015	10-Yr.	5-Yr.	1-Yr.	2021	2020	2019	2018	2017	2016
APPAREL, ACCESSORIES AND LUXURY GOODS																			
CPRI	[] CAPRI HOLDINGS LIMITED	#	MAR	5,654.0	4,060.0	5,551.0	5,238.0	4,719.0	4,494.0	4,712.1	17.6	(2.9)	(26.9)	120	86	118	111	100	95
CRI	† CARTER'S, INC.	#	JAN	0.0	3,486.4	3,519.3	3,462.3	3,400.5	3,198.5	3,198.5	5.2	1.7	15.3	0	109	110	108	106	100
COLM	COLUMBIA SPORTSWEAR COMPANY		DEC	3,126.4	2,501.6	3,042.5	2,802.3	2,466.1	2,377.0	2,326.2	6.3	5.6	25.0	134	108	131	120	106	102
FOSL	§ FOSSIL GROUP, INC.	#	JAN	0.0	1,870.0	2,217.7	2,541.5	2,788.2	3,042.4	3,042.4	(3.1)	(9.3)	15.9	0	61	73	84	92	100
GIII	§ G-III APPAREL GROUP, LTD.	#	JAN	2,766.5	2,055.1	3,160.5	3,076.2	2,806.9	2,386.4	2,344.1	6.8	(2.6)	(35.0)	118	88	135	131	120	102
HBI	[] HANESBRANDS INC.	#	JAN	0.0	6,801.2	6,425.7	6,804.0	6,471.4	6,028.2	6,028.2	4.4	2.4	11.0	0	113	107	113	107	100
KTB	KONTOOR BRANDS, INC.	#	JAN	0.0	2,475.9	2,548.8	2,764.0	2,830.1	2,926.5	2,926.5	NA	(3.3)	18.0	0	85	87	94	97	100
MOV	§ MOVADO GROUP, INC.	#	JAN	732.4	506.4	701.0	679.6	568.0	552.8	594.9	2.9	(3.2)	(27.8)	123	85	118	114	95	93
OXM	§ OXFORD INDUSTRIES, INC.	#	JAN	1,142.1	748.8	1,122.8	1,107.5	1,086.2	1,022.6	969.3	2.2	(5.0)	(33.3)	118	77	116	114	112	105
PVH	[] PVH CORP.	#	JAN	9,154.7	7,132.6	9,909.0	9,656.8	8,914.8	8,203.1	8,020.3	4.4	(2.3)	(28.0)	114	89	124	120	111	102
RL	[] RALPH LAUREN CORPORATION	#	MAR	6,218.5	4,400.8	6,159.8	6,313.0	6,182.3	6,652.8	7,405.2	(2.5)	(9.9)	(28.6)	84	59	83	85	83	90
TPR	[] TAPESTRY, INC.		JUL	5,746.3	4,961.4	6,027.1	5,880.0	4,488.3	4,491.8	4,191.6	3.3	5.0	15.8	137	118	144	140	107	107
UA	[] UNDER ARMOUR, INC.		DEC	5,683.5	4,474.7	5,267.1	5,193.2	4,989.2	4,833.3	3,963.3	14.5	3.3	27.0	143	113	133	131	126	122
VFC	[] V.F. CORPORATION	#	APR	11,841.8	9,238.8	10,488.6	10,266.9	8,394.7	11,026.1	11,026.1	(0.2)	(3.5)	(11.9)	107	84	95	93	76	100
VRA	§ VERA BRADLEY, INC.	#	JAN	540.5	468.3	495.2	416.1	454.6	485.9	502.6	2.5	(1.4)	(5.4)	108	93	99	83	90	97
FOOTWEAR																			
CROX	§ CROCS, INC.		DEC	2,313.4	1,386.0	1,230.6	1,088.2	1,023.5	1,036.3	1,090.6	8.7	17.4	66.9	212	127	113	100	94	95
DECK	† DECKERS OUTDOOR CORPORATION	#	MAR	3,150.3	2,545.6	2,132.7	2,020.4	1,903.3	1,790.1	1,875.2	6.3	6.3	19.4	168	136	114	108	102	95
NKE	[] NIKE, INC.	#	MAY	46,710.0	44,538.0	37,403.0	39,117.0	36,397.0	34,350.0	32,376.0	8.3	6.6	19.1	144	138	116	121	112	106
SKX	† SKECHERS U.S.A., INC.		DEC	6,310.2	4,613.4	5,242.5	4,662.7	4,180.8	3,577.2	3,159.1	14.6	12.0	36.8	200	146	166	148	132	113
SHOO	§ STEVEN MADDEN, LTD.		DEC	1,866.1	1,201.8	1,787.2	1,677.7	1,567.1	1,399.6	1,405.2	6.8	5.9	55.3	133	86	127	119	112	100
WWW	§ WOLVERINE WORLD WIDE, INC.	#	JAN	0.0	2,414.9	2,273.7	2,239.2	2,350.0	2,494.6	2,494.6	5.5	(0.6)	34.8	0	97	91	90	94	100
TEXTILES																			
UFI	§ UNIFI, INC.		JUN	667.6	606.5	708.8	678.9	647.3	643.6	687.1	(0.7)	0.7	10.1	97	88	103	99	94	94

Note: Data as originally reported. CAGR-Compound annual grow th 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 follow ing calendar year.
Souce: S&P Capital IQ.

				Net Income																
				Million $							CAGR(%)			Index Basis (2011=100)						
Ticker	Company		Yr. End	2021	2020	2019	2018	2017	2016	2015	10-Yr.	5-Yr.	1-Yr.	2021	2020	2019	2018	2017	2016
APPAREL, ACCESSORIES AND LUXURY GOODS																			
CPRI	[] CAPRI HOLDINGS LIMITED	#	MAR	822.0	(62.0)	(223.0)	543.0	592.0	553.0	839.1	NA	NM	(72.2)	98	(7)	(27)	65	71	66
CRI	† CARTER'S, INC.	#	JAN	0.0	339.7	263.8	282.1	302.8	257.7	257.7	11.5	5.7	209.7	0	132	102	109	118	100
COLM	COLUMBIA SPORTSWEAR COMPANY		DEC	354.1	108.0	330.5	268.3	105.1	191.9	174.3	13.1	13.0	227.8	203	62	190	154	60	110
FOSL	§ FOSSIL GROUP, INC.	#	JAN	0.0	25.4	(52.4)	(3.5)	(478.2)	78.9	78.9	(21.7)	(20.3)	NM	0	32	(66)	(4)	(606)	100
GIII	§ G-III APPAREL GROUP, LTD.	#	JAN	200.6	23.5	143.8	138.1	62.1	51.9	114.3	(8.4)	(27.1)	(83.6)	175	21	126	121	54	45
HBI	[] HANESBRANDS INC.	#	JAN	0.0	77.2	600.7	539.7	73.9	539.4	539.4	(11.7)	(32.2)	NM	0	14	111	100	14	100
KTB	KONTOOR BRANDS, INC.	#	JAN	0.0	195.4	96.7	263.1	116.2	315.0	315.0	NA	(9.1)	187.7	0	62	31	84	37	100
MOV	§ MOVADO GROUP, INC.	#	JAN	91.6	(111.5)	42.7	61.6	(15.2)	35.1	45.1	9.0	NM	NM	203	(247)	95	137	(34)	78
OXM	§ OXFORD INDUSTRIES, INC.	#	JAN	131.3	(95.7)	68.5	66.3	65.1	52.5	30.6	NA	NM	NM	430	(313)	224	217	213	172
PVH	[] PVH CORP.	#	JAN	952.3	(1,136.1)	417.3	746.4	537.8	549.0	572.4	NA	NM	NM	166	(198)	73	130	94	96
RL	[] RALPH LAUREN CORPORATION	#	MAR	600.1	(121.1)	384.3	430.9	162.8	(99.3)	396.4	NA	NM	NM	151	(31)	97	109	41	(25)
TPR	[] TAPESTRY, INC.		JUL	834.2	(652.1)	643.4	397.5	591.0	460.5	402.4	(0.5)	12.6	NM	207	(162)	160	99	147	114
UA	[] UNDER ARMOUR, INC.		DEC	360.1	(549.2)	92.1	(46.3)	(48.3)	257.0	232.6	14.0	7.0	NM	155	(236)	40	(20)	(21)	110
VFC	[] V.F. CORPORATION	#	APR	1,386.9	407.9	679.4	1,259.8	614.9	1,074.1	1,074.1	(7.5)	(17.6)	(40.0)	129	38	63	117	57	100
VRA	§ VERA BRADLEY, INC.	#	JAN	17.8	8.7	16.0	20.8	7.0	19.8	27.6	(15.4)	(20.6)	(45.9)	65	32	58	75	25	72
FOOTWEAR																			
CROX	§ CROCS, INC.		DEC	725.7	312.9	119.5	50.4	10.2	(16.5)	(83.2)	20.5	NM	132.0	(872)	(376)	(144)	(61)	(12)	20
DECK	† DECKERS OUTDOOR CORPORATION	#	MAR	451.9	382.6	276.1	264.3	114.4	5.7	122.3	6.8	25.6	38.5	370	313	226	216	94	5
NKE	[] NIKE, INC.	#	MAY	6,046.0	5,727.0	2,539.0	4,029.0	1,933.0	4,240.0	3,760.0	10.4	8.8	125.6	161	152	68	107	51	113
SKX	† SKECHERS U.S.A., INC.		DEC	741.5	98.6	346.6	301.0	179.2	243.5	231.9	NA	24.9	652.3	320	43	149	130	77	105
SHOO	§ STEVEN MADDEN, LTD.		DEC	190.7	(18.4)	141.3	129.1	117.9	120.9	112.9	7.0	9.5	NM	169	(16)	125	114	104	107
WWW	§ WOLVERINE WORLD WIDE, INC.	#	JAN	0.0	68.6	128.5	200.1	0.3	87.7	87.7	(5.7)	(4.8)	NM	0	78	147	228	0	100
TEXTILES																			
UFI	§ UNIFI, INC.		JUN	29.1	(57.2)	2.5	31.7	32.9	34.4	42.2	1.5	(3.3)	NM	69	(136)	6	75	78	82

Note: Data as originally reported. CAGR-Compound annual grow th 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 follow ing calendar year.
Souce: S&P Capital IQ.

				Return on Revenues (%)						Return on Assets (%)						Return on Equity(%)					
Ticker	**Company**		**Yr. End**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
APPAREL, ACCESSORIES AND LUXURY GOODS																					
CPRI	[] CAPRI HOLDINGS LIMITED	#	MAR	14.5	NM	NM	10.4	12.5	12.3	11.0	NM	NM	8.2	14.6	22.9	34.9	NM	NM	24.3	32.7	30.7
CRI	† CARTER'S, INC.	#	JAN	0.0	9.7	3.6	7.5	8.1	8.9	NA	10.6	3.2	9.6	13.7	14.6	0.0	36.0	12.1	30.2	32.7	36.8
COLM	COLUMBIA SPORTSWEAR COMPANY		DEC	11.3	4.3	10.9	9.6	4.3	8.1	11.5	3.8	11.3	11.3	4.8	9.5	18.5	5.9	18.7	16.5	6.9	13.2
FOSL	§ FOSSIL GROUP, INC.	#	JAN	0.0	1.4	NM	NM	NM	NM	NA	1.9	NM	NM	NM	NM	0.0	5.9	NM	NM	NM	NM
GIII	§ G-III APPAREL GROUP, LTD.	#	JAN	7.3	1.1	4.6	4.5	2.2	2.2	7.3	1.0	5.6	6.3	3.2	2.8	14.0	1.8	11.6	12.0	5.8	5.4
HBI	[] HANESBRANDS INC.	#	JAN	0.0	1.1	NM	9.3	7.9	1.1	NA	1.1	NM	8.2	7.5	1.1	0.0	68.7	NM	54.4	69.3	8.0
KTB	KONTOOR BRANDS, INC.	#	JAN	0.0	7.9	3.2	3.8	9.5	4.1	NA	12.7	4.4	6.4	10.7	5.5	0.0	167.9	88.3	10.8	17.1	0.0
MOV	§ MOVADO GROUP, INC.	#	JAN	12.5	NM	6.1	9.1	NM	6.3	12.0	NM	5.0	8.1	NM	5.8	20.4	NM	8.2	12.7	NM	7.7
OXM	§ OXFORD INDUSTRIES, INC.	#	JAN	11.5	NM	6.1	6.0	6.0	5.1	13.7	NM	6.6	9.1	9.3	7.7	28.8	NM	13.6	14.6	16.1	15.3
PVH	[] PVH CORP.	#	JAN	10.4	NM	4.2	7.7	6.0	6.7	7.7	NM	3.1	6.3	4.5	5.0	19.0	NM	7.1	13.1	10.4	11.7
RL	[] RALPH LAUREN CORPORATION	#	MAR	9.7	NM	6.2	6.8	2.6	NM	7.8	NM	5.3	7.3	2.7	NM	23.3	NM	12.9	12.8	4.8	NM
TPR	[] TAPESTRY, INC.		JUL	14.5	NM	10.7	6.8	13.2	10.3	10.0	NM	9.4	6.0	10.1	9.4	30.1	NM	19.0	12.7	20.8	17.8
UA	[] UNDER ARMOUR, INC.		DEC	6.3	NM	1.7	NM	NM	5.3	7.2	NM	1.9	NM	NM	7.1	19.1	NM	4.4	NM	NM	13.9
VFC	[] V.F. CORPORATION	#	APR	11.7	4.4	6.5	12.3	5.7	7.3	10.4	3.0	6.1	12.2	6.4	6.2	36.9	11.1	16.4	21.8	0.0	6.2
VRA	§ VERA BRADLEY, INC.	#	JAN	3.3	1.9	3.2	5.0	1.5	4.1	3.4	1.7	3.0	5.7	2.0	5.3	5.8	3.2	4.9	7.2	2.5	6.9
FOOTWEAR																					
CROX	§ CROCS, INC.		DEC	31.4	22.6	9.7	4.6	1.0	NM	47.0	28.0	16.2	10.8	1.9	NM	476.3	148.1	84.7	19.5	2.7	NM
DECK	† DECKERS OUTDOOR CORPORATION	#	MAR	14.3	15.0	12.9	13.1	6.0	0.3	19.4	17.6	15.6	18.5	9.0	0.5	30.3	29.6	25.3	26.6	12.1	0.6
NKE	[] NIKE, INC.	#	MAY	12.9	12.9	6.8	10.3	5.3	12.3	15.0	15.2	8.1	17.0	8.6	18.2	43.1	55.0	29.7	42.7	17.4	34.4
SKX	† SKECHERS U.S.A., INC.		DEC	11.8	2.1	6.6	6.5	4.3	6.8	11.4	1.7	7.1	9.3	6.6	10.2	26.0	5.6	18.1	17.9	12.9	18.6
SHOO	§ STEVEN MADDEN, LTD.		DEC	10.2	NM	7.9	7.7	7.5	8.6	14.1	NM	11.1	12.0	11.2	12.6	23.9	NM	17.1	16.1	15.4	17.1
WWW	§ WOLVERINE WORLD WIDE, INC.	#	JAN	0.0	2.8	NM	5.7	8.9	0.0	NA	2.7	NM	5.2	9.2	0.0	0.0	11.0	NM	14.6	20.6	NM
TEXTILES																					
UFI	§ UNIFI, INC.		JUN	4.4	NM	0.3	4.7	5.1	5.3	5.2	NM	0.4	5.3	5.8	6.5	8.6	NM	0.6	8.4	9.4	10.6

Note: Data as originally reported. CAGR-Compound annual grow th 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 follow ing calendar year.
Souce: S&P Capital IQ.

			Current Ratio						Debt/Capital Ratio(%)						Debt as a % of Net Working Capital					
Ticker	**Company**	**Yr. End**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
APPAREL, ACCESSORIES AND LUXURY GOODS																				
CPRI	[] CAPRI HOLDINGS LIMITED #	MAR	1.2	1.0	1.4	1.1	1.3	2.1	31.4	36.9	49.1	56.9	32.4	8.3	356.9	NM	416.0	1329.4	289.7	22.2
CRI	† CARTER'S, INC. #	JAN	0.0	2.6	2.5	2.3	3.2	3.1	NA	51.1	51.3	40.3	40.6	41.9	NA	83.8	85.8	94.1	82.9	89.5
COLM	COLUMBIA SPORTSWEAR COMPANY	DEC	3.1	3.4	3.0	3.1	3.6	3.9	0.0	0.0	0.0	0.0	0.0	0.9	0.0	0.0	0.0	0.0	0.0	1.3
FOSL	§ FOSSIL GROUP, INC. #	JAN	0.0	1.9	1.8	1.9	2.1	2.5	NA	23.3	29.7	26.0	31.2	43.1	NA	29.0	43.0	35.4	40.9	56.3
GIII	§ G-III APPAREL GROUP, LTD. #	JAN	3.2	3.3	2.2	2.2	2.8	2.8	25.3	27.5	23.5	24.5	25.9	31.1	45.1	53.9	52.6	57.4	63.9	81.4
HBI	[] HANESBRANDS INC. #	JAN	0.0	1.5	1.6	1.8	1.7	1.9	NA	82.6	82.1	72.6	80.3	84.6	NA	276.9	286.5	224.4	236.6	231.0
KTB	KONTOOR BRANDS, INC. #	JAN	0.0	2.0	2.2	2.3	3.1	2.5	NA	84.3	91.4	93.1	15.8	20.2	NA	174.0	182.2	183.2	20.6	29.3
MOV	§ MOVADO GROUP, INC. #	JAN	3.7	3.9	4.3	4.2	4.8	7.1	0.0	4.7	8.9	9.1	0.0	5.0	0.0	5.7	14.6	14.1	0.0	5.8
OXM	§ OXFORD INDUSTRIES, INC. #	JAN	1.8	1.3	1.6	1.9	1.7	1.8	0.0	0.0	0.0	2.6	9.6	19.6	0.0	0.0	0.0	10.2	45.3	91.3
PVH	[] PVH CORP. #	JAN	1.3	1.5	1.4	1.7	1.6	1.8	30.6	42.6	32.3	32.8	35.8	40.2	268.8	258.2	265.6	210.7	265.8	244.6
RL	[] RALPH LAUREN CORPORATION #	MAR	1.9	2.7	1.6	3.0	2.2	2.5	30.9	38.5	28.2	17.5	8.2	15.3	57.9	62.2	67.9	29.0	15.8	33.3
TPR	[] TAPESTRY, INC.	JUL	2.4	1.5	2.8	2.6	5.2	2.6	32.8	59.2	31.2	32.9	34.5	24.3	81.6	282.1	97.4	106.7	49.4	64.0
UA	[] UNDER ARMOUR, INC.	DEC	2.3	2.3	1.9	2.0	2.2	2.9	24.1	37.5	21.6	25.9	32.0	28.0	35.1	55.5	46.3	55.1	69.7	61.8
VFC	[] V.F. CORPORATION #	APR	1.4	2.2	1.7	1.8	1.5	1.6	60.5	65.2	64.2	43.0	63.3	49.4	385.2	221.4	190.4	136.5	242.0	178.6
VRA	§ VERA BRADLEY, INC. #	JAN	3.6	3.4	2.5	5.8	6.0	4.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FOOTWEAR																				
CROX	§ CROCS, INC.	DEC	1.7	1.7	1.7	2.1	2.7	2.9	98.2	38.2	60.8	44.4	0.0	0.0	277.2	89.4	121.9	61.3	0.0	0.0
DECK	† DECKERS OUTDOOR CORPORATION #	MAR	3.2	3.5	4.0	4.4	4.8	5.2	0.0	0.0	2.6	2.9	3.2	3.3	0.0	0.0	3.4	3.7	4.4	4.9
NKE	[] NIKE, INC. #	MAY	2.6	2.7	2.5	2.1	2.5	2.9	36.9	42.4	55.3	27.8	28.6	23.9	51.1	56.7	78.7	40.1	41.8	35.9
SKX	† SKECHERS U.S.A., INC.	DEC	2.3	2.8	2.3	2.9	3.5	2.9	7.0	20.0	2.1	4.2	3.9	4.2	13.7	32.0	3.5	5.9	5.2	6.1
SHOO	§ STEVEN MADDEN, LTD.	DEC	2.2	3.0	2.6	3.1	3.1	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
WWW	§ WOLVERINE WORLD WIDE, INC. #	JAN	0.0	1.2	2.2	1.2	1.8	3.0	NA	69.5	55.4	65.3	39.4	43.8	NA	664.0	143.0	437.3	142.6	104.6
TEXTILES																				
UFI	§ UNIFI, INC.	JUN	3.1	4.6	3.6	3.2	3.2	2.8	15.4	20.1	21.3	20.8	20.5	22.7	29.2	39.8	55.8	54.1	55.7	70.5

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.

					Price/Earnings Ratio (High-Low)						Dividend Payout Ratio(%)						Dividend Yield(High-Low, %)					
Ticker		Company		Yr. End	2021	2020	2019	2018	2017	2016	2021	2020	2019	2018	2017	2016	2021	2020	2019	2018	2017	2016
APPAREL, ACCESSORIES AND LUXURY GOODS																						
CPRI	[]	CAPRI HOLDINGS LIMITED	#	MAR	NM - NM	NM - NM	21 - 10	18 - 9	17 - 11	15 - 8	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
CRI	†	CARTER'S, INC.	#	JAN	14 - 8	44 - 33	21 - 13	20 - 13	18 - 13	21 - 16	0	18	24	34	30	23	2.5 - 0.0	3.2 - 0.0	2.4 - 1.7	2.4 - 1.2	1.8 - 1.3	1.6 - 0.9
COLM		COLUMBIA SPORTSWEAR COMPANY		DEC	21 - 16	62 - 35	22 - 17	25 - 19	48 - 35	23 - 17	19	16	20	23	48	25	1.7 - 1.0	1.1 - 0.0	1.8 - 0.0	1.2 - 0.9	1.2 - 0.9	1.4 - 1.1
FOSL	§	FOSSIL GROUP, INC.	#	JAN	48 - 6	NM - NM	NM - NM	NM - NM	NM - NM	63 - 18	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
GIII	§	G-III APPAREL GROUP, LTD.	#	JAN	61 - 9	15 - 6	17 - 9	32 - 15	49 - 23	29 - 16	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
HBI	[]	HANESBRANDS INC.	#	JAN	80 - 33	NM - NM	14 - 7	17 - 13	155 - 107	24 - 19	0	271	NM	36	40	298	4.2 - 2.7	8.4 - 3.4	4.8 - 3.1	5.2 - 2.6	3.2 - 1.9	2.0 - 1.3
KTB		KONTOOR BRANDS, INC.	#	JAN	14 - 4	36 - 22	NA - NA	NA - NA	NA - NA		0	49	81	66	0	0	4.4 - 2.4	16.2 - 0.0	7.9 - 5.3	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0
MOV	§	MOVADO GROUP, INC.	#	JAN	NM - NM	22 - 10	20 - 11	NM - NM	21 - 13	17 - 11	24	0	43	30	NM	34	4.2 - 0.0	9.2 - 0.0	4.3 - 2.0	2.8 - 1.5	2.5 - 1.6	2.7 - 1.4
OXM	§	OXFORD INDUSTRIES, INC.	#	JAN	NM - NM	21 - 16	24 - 16	21 - 13	24 - 16	49 - 28	21	NM	37	35	28	35	2.4 - 1.1	4.7 - 1.5	2.3 - 1.7	2.1 - 1.3	2.1 - 1.4	2.0 - 1.3
PVH	[]	PVH CORP.	#	JAN	NM - NM	24 - 12	17 - 9	22 - 12	17 - 10	17 - 10	0	NM	3	2	2	2	0.2 - 0.0	0.5 - 0.0	0.2 - 0.1	0.2 - 0.1	0.2 - 0.1	0.2 - 0.1
RL	[]	RALPH LAUREN CORPORATION	#	MAR	NM - NM	26 - 13	27 - 18	60 - 33	NM - NM	30 - 18	25	NM	53	44	100	NM	2.6 - 0.0	3.5 - 0.0	3.3 - 1.9	2.6 - 1.4	3.0 - 1.7	2.6 - 1.8
TPR	[]	TAPESTRY, INC.		JUL	16 - 4	NM - NM	24 - 13	39 - 28	23 - 16	26 - 17	0	NM	61	97	64	81	3.8 - 0.0	0.0 - 0.0	12.8 - 0.0	4.8 - 2.5	3.5 - 2.5	3.9 - 2.9
UA	[]	UNDER ARMOUR, INC.		DEC	29 - 19	NM - NM	119 - 75	NM - NM	NM - NM	100 - 52	0	0	0	0	0	1	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0	0.0 - 0.0
VFC	[]	V.F. CORPORATION	#	APR	85 - 50	58 - 27	30 - 21	50 - 31	42 - 31	30 - 21	56	186	110	61	110	111	3.9 - 2.1	3.9 - 2.1	4.2 - 1.8	2.7 - 1.9	3.3 - 2.2	3.5 - 2.3
VRA	§	VERA BRADLEY, INC.	#	JAN	39 - 12	30 - 18	29 - 14	65 - 36	38 - 22	29 - 13	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
FOOTWEAR																						
CROX	§	CROCS, INC.		DEC	16 - 5	14 - 2	24 - 10	NM - NM	NM - NM	NM - NM	0	0	2	42	117	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
DECK	†	DECKERS OUTDOOR CORPORATION	#	MAR	25 - 9	21 - 9	17 - 10	27 - 15	384 - 252	20 - 11	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
NKE	[]	NIKE, INC.	#	MAY	40 - 26	64 - 39	35 - 26	61 - 43	24 - 19	30 - 23	30	29	57	33	64	27	1.0 - 0.6	1.1 - 0.7	1.6 - 0.9	1.3 - 0.9	1.4 - 1.1	1.4 - 1.1
SKX	†	SKECHERS U.S.A., INC.		DEC	11 - 7	69 - 32	20 - 10	22 - 11	34 - 20	22 - 12	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
SHOO	§	STEVEN MADDEN, LTD.		DEC	21 - 14	NM - NM	25 - 16	25 - 18	22 - 16	19 - 13	26	NM	34	37	0	0	2.9 - 1.2	1.7 - 0.0	3.4 - 0.0	2.0 - 1.4	1.9 - 1.4	0.0 - 0.0
WWW	§	WOLVERINE WORLD WIDE, INC.	#	JAN	41 - 16	NM - NM	27 - 19	16 - 10	7878 - 4931	38 - 17	0	49	NM	26	14	7667	1.4 - 0.9	3.1 - 1.2	1.7 - 0.9	1.1 - 0.7	1.1 - 0.8	1.6 - 1.0
TEXTILES																						
UFI	§	UNIFI, INC.		JUN	19 - 7	NM - NM	248 - 127	22 - 17	19 - 14	18 - 11	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

Note: Data as originally reported. CAGR-Compound annual grow th 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 follow ing calendar year.
Souce: S&P Capital IQ.

Ticker		Company		Yr. End	EPS 2021	EPS 2020	EPS 2019	EPS 2018	EPS 2017	EPS 2016	TBV 2021	TBV 2020	TBV 2019	TBV 2018	TBV 2017	TBV 2016	Price 2021	Price 2020	Price 2019	Price 2018	Price 2017	Price 2016
					Earnings per Share($)						Tangible Book Value per Share($)						Share Price (High-Low, $)					
Ticker		Company		Yr. End	2021	2020	2019	2018	2017	2016	2021	2020	2019	2018	2017	2016	2021	2020	2019	2018	2017	2016
APPAREL, ACCESSORIES AND LUXURY GOODS																						
CPRI	[]	CAPRI HOLDINGS LIMITED	#	MAR	5.39	(0.41)	(1.48)	3.58	3.82	3.29	(4.94)	(8.80)	(8.75)	(10.09)	(0.44)	6.78	69.26 - 40.25	44.55 - 5.42	50.00 - 25.25	75.96 - 35.68	64.30 - 32.38	59.49 - 34.83
CRI	†	CARTER'S, INC.	#	JAN	0.00	7.81	2.50	5.85	6.00	6.24	0.00	9.64	8.70	6.26	5.09	4.52	116.92 - 80.50	112.46 - 60.17	111.97 - 77.00	129.00 - 75.66	118.89 - 77.94	112.58 - 83.44
COLM		COLUMBIA SPORTSWEAR COMPANY		DEC	5.33	1.62	4.83	3.81	1.49	2.72	27.91	25.07	24.53	21.67	20.34	19.45	114.98 - 84.19	101.45 - 51.82	109.74 - 80.46	95.74 - 70.36	72.54 - 51.56	63.55 - 43.94
FOSL	§	FOSSIL GROUP, INC.	#	JAN	0.00	0.48	(1.88)	(1.04)	(0.07)	(9.87)	0.00	8.61	8.19	9.43	10.45	9.99	28.60 - 8.43	13.61 - 2.69	19.35 - 6.83	32.17 - 7.16	27.33 - 5.50	51.93 - 23.10
GIII	§	G-III APPAREL GROUP, LTD.	#	JAN	4.05	0.48	2.94	2.75	1.25	1.10	16.13	12.29	11.52	9.15	7.52	5.51	35.80 - 22.70	34.42 - 2.96	43.98 - 18.18	51.20 - 25.43	38.00 - 18.00	55.89 - 24.41
HBI	[]	HANESBRANDS INC.	#	JAN	0.00	0.22	(0.21)	1.64	1.48	0.20	0.00	(4.72)	(4.70)	(4.19)	(5.33)	(5.23)	22.82 - 14.21	17.74 - 6.96	19.38 - 12.11	23.33 - 11.57	25.73 - 18.90	31.36 - 21.40
KTB		KONTOOR BRANDS, INC.	#	JAN	0.00	3.31	1.17	1.69	4.64	2.05	0.00	(2.84)	(3.72)	(3.35)	25.64	0.00	69.16 - 35.48	47.14 - 12.91	42.79 - 25.78	0.00 - 0.00	0.00 - 0.00	0.00 - 0.00
MOV	§	MOVADO GROUP, INC.	#	JAN	3.87	(4.80)	1.83	2.61	(0.66)	1.51	20.06	17.60	15.11	13.57	16.87	20.58	48.66 - 16.39	21.90 - 8.12	40.21 - 18.05	53.73 - 28.15	33.70 - 20.50	31.95 - 19.14
OXM	§	OXFORD INDUSTRIES, INC.	#	JAN	7.78	(5.77)	4.05	3.94	3.89	3.15	19.55	13.27	16.88	13.86	10.97	8.39	114.47 - 62.57	77.41 - 30.37	85.36 - 63.73	97.19 - 63.50	76.48 - 49.50	77.99 - 52.54
PVH	[]	PVH CORP.	#	JAN	13.25	(15.96)	5.60	9.65	6.84	6.79	(12.36)	(24.48)	(18.63)	(18.72)	(26.24)	(28.97)	125.42 - 78.76	108.06 - 28.40	134.24 - 67.41	169.22 - 86.46	139.52 - 84.53	115.40 - 64.16
RL	[]	RALPH LAUREN CORPORATION	#	MAR	8.07	(1.65)	4.98	5.27	1.97	(1.20)	21.81	21.16	22.27	28.23	28.53	26.85	142.06 - 99.33	128.29 - 59.82	133.63 - 82.69	147.79 - 95.63	105.52 - 66.06	115.85 - 82.15
TPR	[]	TAPESTRY, INC.		JUL	2.95	(2.34)	2.21	1.38	2.09	1.65	2.11	(1.46)	0.99	0.10	7.74	6.58	49.67 - 30.24	31.65 - 10.18	39.63 - 18.54	55.50 - 32.03	48.85 - 34.33	43.71 - 30.06
UA	[]	UNDER ARMOUR, INC.		DEC	0.77	(1.21)	0.20	(0.10)	(0.11)	0.45	3.32	2.55	3.46	3.18	3.20	3.20	23.00 - 14.62	19.43 - 6.37	24.55 - 15.06	23.28 - 11.41	27.64 - 10.36	46.20 - 23.51
VFC	[]	V.F. CORPORATION	#	APR	3.53	1.05	1.70	3.14	1.65	1.52	(5.62)	(6.80)	0.37	1.71	(0.93)	(0.74)	90.79 - 65.34	100.25 - 45.07	100.23 - 69.07	97.00 - 67.18	75.25 - 48.05	67.10 - 51.76
VRA	§	VERA BRADLEY, INC.	#	JAN	0.52	0.26	0.47	0.59	0.19	0.53	7.20	6.68	6.07	8.58	8.05	7.84	13.62 - 7.55	11.92 - 3.12	14.51 - 8.27	17.38 - 7.94	12.83 - 6.99	20.69 - 11.29
FOOTWEAR																						
CROX	§	CROCS, INC.		DEC	11.39	4.56	1.66	(1.01)	(0.07)	(0.43)	(0.28)	3.82	1.22	1.41	1.86	1.99	183.88 - 60.67	66.55 - 8.40	42.27 - 17.53	29.80 - 11.65	13.34 - 5.93	12.54 - 6.70
DECK	†	DECKERS OUTDOOR CORPORATION	#	MAR	16.26	13.47	9.62	8.84	3.58	0.18	55.04	49.74	38.51	33.62	28.54	27.36	451.49 - 276.70	307.81 - 78.70	180.76 - 110.87	137.49 - 77.92	80.96 - 44.00	69.94 - 40.74
NKE	[]	NIKE, INC.	#	MAY	3.75	3.56	1.60	2.49	1.17	2.51	9.36	7.77	4.82	5.49	5.85	7.29	179.10 - 125.44	147.95 - 60.00	101.79 - 71.21	86.04 - 62.09	65.19 - 50.35	65.44 - 49.01
SKX	†	SKECHERS U.S.A., INC.		DEC	4.73	0.64	2.25	1.92	1.14	1.57	20.10	15.20	14.62	13.26	11.70	10.35	55.87 - 33.80	44.50 - 17.06	44.49 - 22.21	43.08 - 21.45	38.92 - 22.31	34.27 - 18.81
SHOO	§	STEVEN MADDEN, LTD.		DEC	2.34	(0.23)	1.69	1.50	1.36	1.35	6.60	5.97	5.92	6.00	5.71	5.08	51.56 - 32.31	43.47 - 16.38	44.80 - 28.95	39.30 - 27.77	31.70 - 22.33	27.03 - 18.53
WWW	§	WOLVERINE WORLD WIDE, INC.	#	JAN	0.00	0.81	(1.70)	1.44	2.05	0.00	0.00	(8.77)	(4.09)	(4.37)	(1.25)	(1.68)	44.74 - 26.42	34.70 - 12.19	39.72 - 23.05	39.77 - 27.93	32.05 - 20.94	25.54 - 14.74
TEXTILES																						
UFI	§	UNIFI, INC.		JUN	1.54	(3.10)	0.13	1.70	1.78	1.87	19.17	17.06	21.16	21.08	19.67	18.00	30.94 - 17.41	27.85 - 7.48	27.79 - 15.90	38.65 - 21.27	39.21 - 26.03	34.70 - 20.71

Note: Data as originally reported. CAGR-Compound annual grow th 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 follow ing calendar year.
Souce: S&P Capital IQ.

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