

WESTPEAK RESEARCH ASSOCIATION

Carter's Inc. (NYSE: CRI)

Consumer Discretionary – Baby and Children's Clothing

We're All Cheering for Carter's

March 10, 2022

Carter's Inc. is a baby and children's apparel company headquartered in Atlanta, Georgia. Since 1865, the company has aimed to provide families with quality baby and children's clothing. The company owns over 1000 stores across the United States, Canada, and Mexico, and the company's clothing can be found in over 20,000 locations.

Thesis

While the children's and infants' clothing industry is facing a decline in growth, Carter's evolving corporate strategy and favorable trends in international demand and retail sales provide Carter's Inc. with the opportunity to improve profit margins and drive sales in digital commerce. Furthermore, with a commitment to easing the omni-channel shopping experience for customers, Carter's can catch up – and even be a leader – with their competitors and continue to stay at the top.

Drivers

The COVID-19 pandemic led to an increase of e-commerce transactions in the industry which provides Carter's Inc. with an opportunity to provide shoppers with convenience and allows Carter's to increase their presence within the children and infants' clothing market. To add, as a consumer discretionary company, the company's sales are heavily reliant on per capita disposable income which could potentially peak when the government offers stimulus checks, during holiday seasons, and when the weather changes.

Valuation

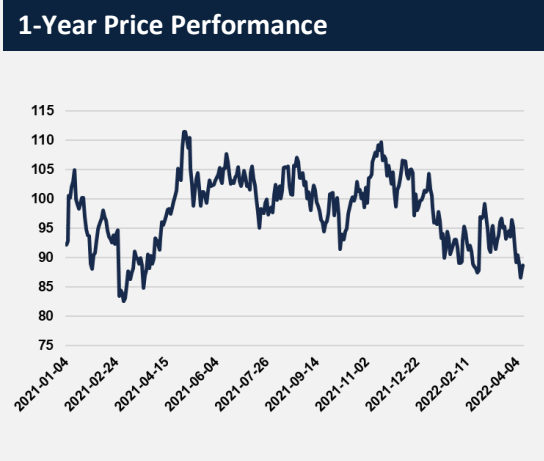
Our analysis showed a price target of \$134.67, a total return of 36.6%. This value was determined by our EV/EBITDA and P/E multiples through comparable company analysis and EV/EBITDA exit multiple and perpetuity growth through a Discounted Cash Flow Analysis. Each factor was factored in by 25%. Therefore, we initiate a **buy** rating on Carter's Inc.

Analyst: Ellen You, BCom. '25
contact@westpeakresearch.com

Equity Research	U.S.
Price Target	USD\$134.67
Rating	Buy
Share Price (Mar. 10 Close)	USD\$ 98.59
Total Return	36.6%

Key Statistics	
52 Week H/L	\$116.92/\$80.5
Market Capitalization	\$4.167B
Average Daily Trading Volume	\$481,865
Net Debt	\$655.87M
Enterprise Value	\$4.94B
Net Debt/EBITDA	0.88x
Diluted Shares Outstanding	42.95M
Free Float	97.38%
Dividend Yield	N/A

WestPeak's Forecast			
	2021E	2022E	2023E
Revenue	\$3.45B	\$3.56B	\$3.67B
EBITDA	\$702M	\$581M	\$566M
Net Income	\$380M	\$348M	\$340M
EPS	\$1.9	\$1.9	\$1.9
P/E	0.5x	0.5x	0.5x
EV/EBITDA	5.4x	6.5x	6.7x

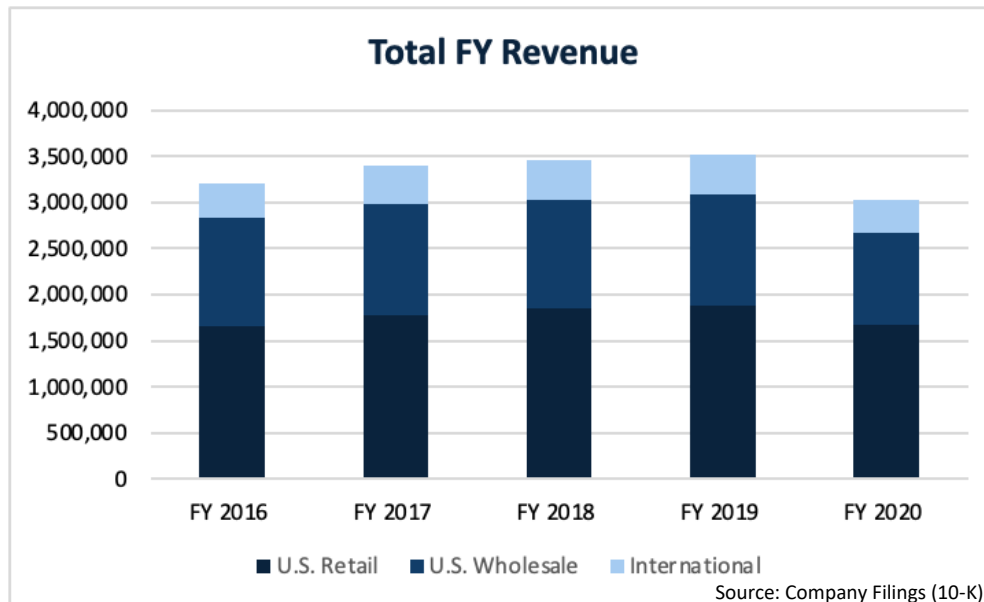


Business Overview/Fundamentals

Company Overview

Founded in 1865, Carter's Inc. (NYSE: CRI) is a leading baby and children's clothing company with headquarters located in Atlanta, Georgia. It encompasses Carter's, subsidiary OshKosh B'gosh, Skip Hop and labels exclusive to retailers like Amazon, Target Corporation, and Walmart Inc. They offer their products through company-operated stores, licensed sellers, and e-commerce. Carter's Inc. continues to develop their omni-channel operations, as they see continued demand and are aiming to optimize their inventory. Their revenues are generated by U.S. Wholesale and Retail, along with international sales. The company owns over 1000 stores across the United States, Canada, and Mexico. Their merchandise can be found in over 20,000 locations, and Carter's Inc. continues to have a high presence in e-commerce.

Segments



Segment 1: U.S. Retail

The company's revenue from the U.S. Retail segment comes from the sale of Carter's Inc. products through digital commerce sales and the company's retail stores. The company has an integrated omni-channel strategy in which customers are given the option to purchase items of clothing or Carter's merchandise online and pick it up in store. Omni-channel strategies integrate the various methods of shopping provided to consumers to provide them with a "painless experience." With the coronavirus pandemic, contactless, curbside delivery has been a new method of pick up available for consumers.

U.S. Retail stores are often situated in high-traffic shopping centres in major cities to encourage accessibility of product. The company believes that brand strength, paired with various product assortments have made Carter's Inc. store locations an attractive place to purchase children's and infants' merchandise. Each of the company stores carries Carter's clothing with subsidiaries, OshKosh and/or Skip Hop products. On average, stores are 5000 square feet and can range from 4300

square feet to 7400 if the location is a connection of Carter's and OshKosh. The company frequently makes assessments on retail store openings and closures based on data that states demographics, competition, and population density.

Segment 2: U.S. Wholesale

The company's revenue from the U.S. Wholesale segment comes from the sales of Carter's Inc. products to their wholesale partners. The Carter's brand wholesale customers include several major retailers across the United States, which include, but are not limited to: Amazon, Costco, JCPenney, Macy's, Target, and Walmart. Carter's sells exclusive lines for customers shopping for children's and infants' apparel on Amazon, Target, and Walmart, offering Simple Joys, Just One You, and Child of Mine respectively. Senior management members are often in discussion about wholesale relationships and ways to strategically grow the company's wholesale sales.

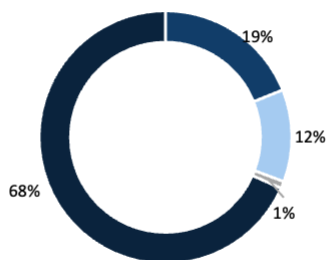
Segment 3: International

International revenue that Carter's Inc. generates comes from the sale of Carter's products outside of the United States, predominantly through international retail stores and e-commerce websites, mainly in Canada and Mexico. International revenue is also generated from international wholesale customers and licensees. At the end of FY 2020, the company operated 193 Carter's and OshKosh retail stores in Canada and 44 retail stores in Mexico. Both countries also had an e-Commerce site available, at www.cartersoshkosh.ca and www.carter.com.mx. respectively.

Industry Analysis

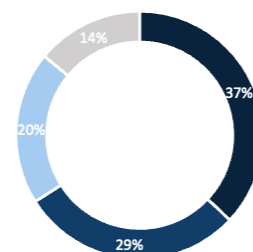
Carter's Inc. predominantly operates under Retail Trade, specifically Children's and Infants' Clothing Stores (NAICS 44813) in the United States. The company is a major player in the industry, yielding 19% of the industry's market share (IBISWorld). According to IBISWorld, the industry is to see an annual growth of -2.8% over the next five years and expected to see a long-term decline in the near-by future. This is a result of increased rivalry from various competing industries, most notably department stores, family clothing, and e-commerce. Growing e-commerce sales poses a particular threat to the industry as prices are often more competitive, and consumers can search the web for the best prices.

Major Players in the Industry (Market Share)



■ Carter's Inc ■ The Children's Place ■ Janie & Jack ■ Other

Product & Services Segmentation



■ Girl's Clothing ■ Other ■ Boy's Clothing ■ Infants' and Toddler's Clothing

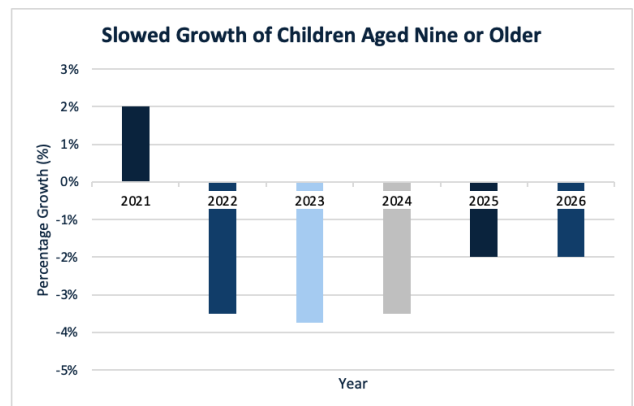
Industry Performance

1. Growth of E-Commerce — Increased Competition

Online shopping in the industry continues to grow and is a notable competitor to companies. Online sales have become much more common and preferable for consumers, leading to a projection of the average industry profit margin to subtly decrease within the next five years. Further, the COVID-19 pandemic resulted in companies and operators relying less on sale of goods at physical stores, favouring e-commerce and retail giants that supply well-recognized brands. E-commerce sales in 2020 was estimated to increase by 32.4% (U.S. Department of Commerce Census). Prior to the pandemic, brick-and-mortar shopping met full-capacity, but with increased restrictions, online shopping is expected to remain a prevalent contender in industry. Furthermore, online shopping allows customers to dig for websites that offer clothing for the lowest price, decreasing the visitation of retail and wholesale locations in-person.

2. Slowed Growth in Number of Children Aged Nine and Younger

In the United States, it is expected that the number of children aged nine and younger will encompass 12.2% of the total population. The proportion children aged nine and younger take in the United States continues to decrease, as in 1990, they held 14.8% of the national population. Further, birthrates decreased a total of 5.1% since 1990. As life expectancy increases and as many women currently prioritize building a professional career over having kids, there is an elevated gap between growing generations. With the developing birthrate trends, the slowed growth in the number of children aged nine and under, a group considered low volatility, will influence the demand for baby and children's clothing.

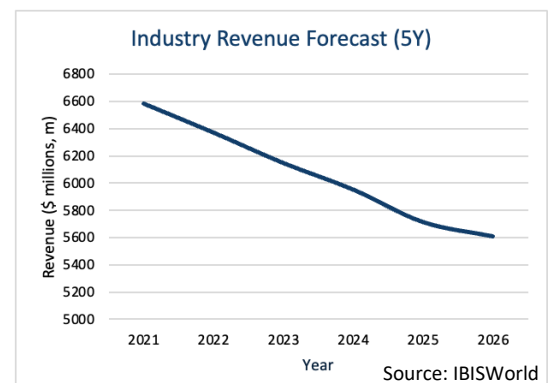


3. Per Capita Disposable Income — Looming Decline

Amid the coronavirus pandemic, per capita disposable income was seen to decline in 2020 due to economic crisis. However, with the addition of stimulus checks and tax reductions, there has been a 5.7% increase in disposable income in the United States (IBISWorld). Despite the steady recovery made, per capita disposable income is expected to decline in 2022 by 2.3%, due to increased inflationary pressure, planned raises in interest rates, and higher unemployment. This decline is expected to slow the increase of the industry, decreasing the industry's potential.

Industry Outlook

The industry will experience an expected decline over the next five years through 2026. There is a growing prevalence of online vendors offering cheap alternatives which will continue to compete with the industry and impact future revenues. IBISWorld states that the industry will face competition from Family Clothing Stores and Department Stores; the aim for convenience rises for shoppers, and now they look for the chance to shop for various items at one central location. As well, e-commerce provides convenience and competitive



prices compared to classic brick-and-mortar shopping sales, especially with the coronavirus pandemic and increased distancing restrictions. However, as the businesses begin their journey to open, a gush of in-person shopping is expected to occur in return to the businesses consumers once supported pre-pandemic. Nevertheless, the concern of competition remains prevalent, thus, companies in the industries will likely invest in their marketing tactics and stay on the watch for competition-based pricing, to maximize sales.

Improving Economic Conditions

Stimulus checks, a payment directly given from the government to the citizen, received during the COVID-19 pandemic are expected to increase per capita disposable income, leaving potential room for the industry to grow. Consumers are expected to spend more on higher-priced and luxurious goods. Name-brands and higher-profile designers will be on the look out for capitalizing off premium children's and infants' clothing by selling high-end apparel. Moreover, as time passes by and the market begins to encompass more millennial parents, high-end merchandise is expected to grow in demand. To add, the industry is expected to be impacted by social conditions and societal context; currently, women with established careers refrain from having children early on, hoping to have children when they have established their career and a higher income. Therefore, it can be expected for the industry to have increasing demand for premium children's and infants' merchandise.

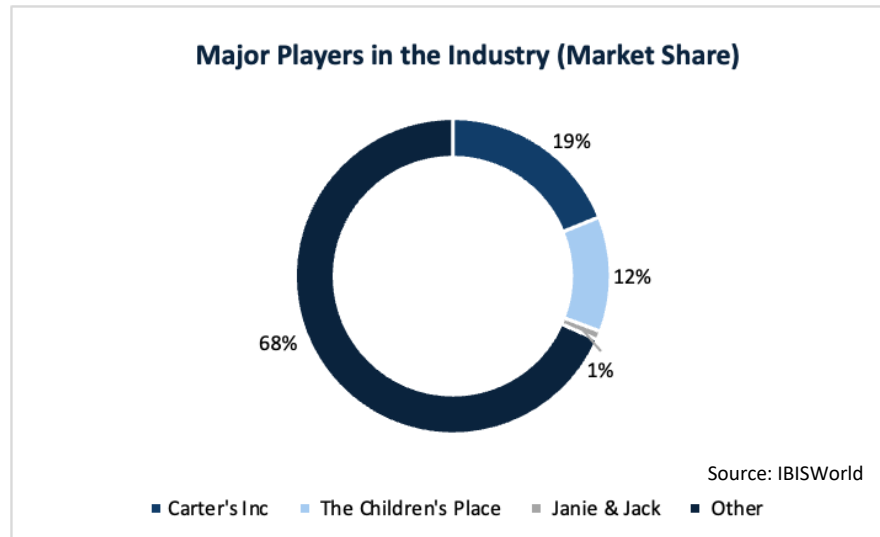
Industry Life Cycle Decline

According to IBISWorld, the Children's and Infants' Clothing industry is reaching the decline stage of its full cycle. While the fashion industry is always changing with new trends and styles emerging on the daily, the types of clothing that operators produce have remained stagnant. Shoppers are expected to begin shifting through the internet more to purchase clothing, spending less on purchases in physical locations.

Predicted Increase in Levels of Merger and Acquisition Activity

Over the next five years, there is an expectation of increased levels of merger and acquisition (M&A) activity, as the number of industry companies are projected to decrease at an annual rate of 3.5%. Despite these projections, it is considered unlikely that major competitors of the industry will leave but expected that unprofitable contenders will leave the industry. Fewer companies are forecasted to join the industry, as there is increased behaviour surrounding major companies expanding through M&A activities. To add, unprofitable stores for companies are seen to begin shutting down, as they are likely located in less populated shopping areas.

Carter's Market Performance



Carter's Inc. is one of the leading brands in the making of baby and children's apparel. It accounts for 18.9% of the market share in the industry. The company is working to increase their online presence in e-commerce by launching exclusive lines with Amazon, Target Corporation, and Walmart. There are projections stating that the company's revenue will decline at a yearly rate of 2.3%, reaching an estimated \$1.2 billion. Due to Carter's shift in e-commerce transactions, net sales are decreasing over the past five years. Carter's Inc. closed 100 retail stores located in unprofitable locations and continues to close stores in less-trafficked areas as sales from e-commerce is starting to make a large portion of the company's revenue. The company also holds 23% of the market share for infants' apparel (ages 0 to 2), 12% for toddlers' merchandise (ages 3 to 4), and 12% for children (aged 0-10).

Corporate Strategy

Customer and Marketing

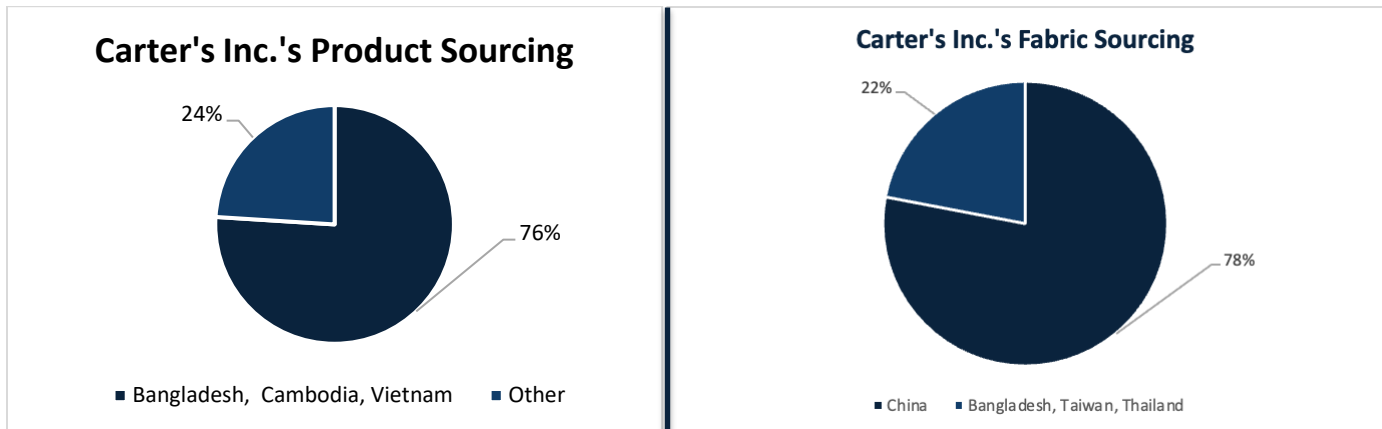
The company's marketing is heavily aimed on increasing Carter's Inc. brand preferences and engaging with millennial customers. They aim to increase engagement by focusing on digital programs, delivering an omni-channel approach for customers to have a smooth shopping experience with the company. Customers, since fiscal year 2020, can now order merchandise online and request in-person pickup at a Carter's store, order clothes online at a store, or use their existing buy online options. To add, since the emergence of the coronavirus pandemic, the company offers curbside pickup and contactless delivery.

In hopes of driving customer engagement, the company offers a rewards system in which customers are can accumulate points, access card-holder exclusive events and discounts, and earn free shipping on e-commerce orders. With the increase of digital dependence, the company strives to foster a relationship with digitally savvy consumers.

Competition

As the children's and infants' clothing industry is thoroughly competitive, the company believes that their longevity in the marketplace, wide offering of products, and expertise in operations places them well compared to their competitors. The company's competition is a mix of private label manufacturers and branded labels, including the Gap Inc, The Children's Place, Disney, and Under Armour. While the industry has large competitors, it is also fragmented as well. Thus, Carter's also competes with many small retailers and manufacturers, many of which are local and vary within area.

Global Sourcing Network



Carter's Inc. does not own any manufacturing facilities: the company sources their garments from third-party supplies, which are mostly located in Asia and Central America. (Company Filings, 10-K) Prior to proceeding with the manufacturing of Carter's products, all raw material samples and prototypes are sent for approval. The company does regular inspections of the products to ensure quality control, compliance of regulations, product specifications, and their corporate social responsibility commitments. The company does not have long-term contracts with any manufacturers, as they believe alternate manufacturers are easily accessible and because their current relationship with contractors is sufficient for their production requirements.

Environmental, Social, and Governance

Corporate Social Responsibility

Carter's launched their first Corporate Social Responsibility report (CSR) in 2020. One of the topics discussed in the company's report was the concern of forced labor of the Uyghur Muslims in China's Xinjiang Uyghur Autonomous Region (XUAR), and the company implemented a traceability initiative to increase consumer visibility of their supply chain and where their fabrics are sources. Moreover, Carter's also set quantitative goals for the environment and aim to reduce their environmental impact; they proposed to reduce greenhouse gas emissions by a minimum of 25% and source sustainable fabrics by 2030.

Furthermore, Carter's emphasizes a positive workplace environment for all employees and commits to enhance the workplace and community within their chains. They aim for diverse representation and seek to improve the well-being of over 10 million families and 1 million workers by 2030 as well. The company plans to implement the addition of sustainable packaging to reduce their environmental footprint regarding landfill waste. They also hope to promote efficiency in their

consumption of water when manufacturing their products, in hopes of following their Corporate Social Responsibility commitment of "People, Product, and Planet."

Carter's Inc. participates in corporate giving and provides apparel donations and financial support to charitable partners. They encourage employee giving by providing Carter's employees with the paid volunteering opportunities and encourage donations by offering gift-matching. They hope that by 2030, their employees and families commit to a total of 200,000 hours of community service.

Catalysts

Technology Advancement

Carter's Inc. saw their net sales dramatically increase in the second quarter of FY 2021 to their performance pre-pandemic. Technological advancements, specifically within their e-Commerce outlets show promising results for the company. During the first three quarters of Fiscal 2021, the company saw a 38% increase in net sales for U.S. e-Commerce and showed a rapid, yet steady, improvement in profitability. As Carter's offers more digital order options for customers through their omni-channel approach, digital purchases continue to come in and are heavily contributing to the company's sales and could potentially drive their revenues in the long run.

Future Promotions and Collaborations

Along with the partnerships Carter's Inc. has with online retailers and family-friendly stores, the introduction of new children's and infants' clothing tailored to Carter's diversity goals will attract a new group of customers interested in purchasing clothing for their children and families. To add, Carter's relationships with members of affiliate programs and collaborations promotes their clothing to younger parents and families. As the company strives to build a stronger connection with digitally savvy customers and hopes to drive traffic to their e-commerce websites, the introduction of new clothing lines will amplify their presence in the market and increase their presence for the growing population of younger families looking for children's clothing.

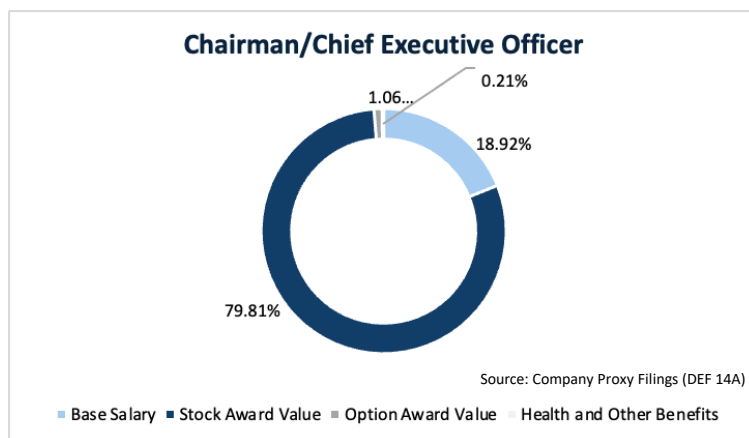
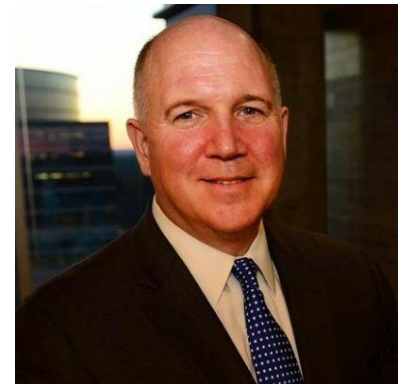
Price Management

As the children's and infants' clothing industry is highly competitive, developing marketing strategies and staying cognizant of competitor prices will allow Carter's to remain as one of the well-recognized and perceived companies. While the process of accumulating data is predominantly manual, Carter's is committed to building a better understanding of their consumer's preferences and catering designs and clothing to them. Understanding the prevalence of child tax credits and bonus government stimulus during the time of the pandemic, the company assesses the opportunity of increased sales by working on product assortments, price management through benchmark pricing and discovering pricing analytics, and developing new marketing tactics to attract the younger generation of parents.

Management Team

Michael D. Casey – Chairman of the Board of Directors and Chief Executive Officer

Mr. Michael D. Casey has led Carter's Inc. as Chief Executive Officer since August 1, 2008, and was the company's President from December 2009 to December 2012. He joined the company in 1993 as the Vice President of Finance and has served as the Chief Financial Officer from 1998 until the start of his position as Chief Executive Officer. Since August 2008 and 2009, he has been the Chairman and Director, respectively. With a Bachelor of Science from Bryant University in Business Administration, Mr. Casey currently holds board memberships with Carter's Inc, The William Carter Company, and previously held board membership with The Fresh Market, Inc. Prior to joining the company, he worked from 1982 to 1983 at a predecessor firm to PricewaterhouseCoopers, Price Waterhouse LLP.

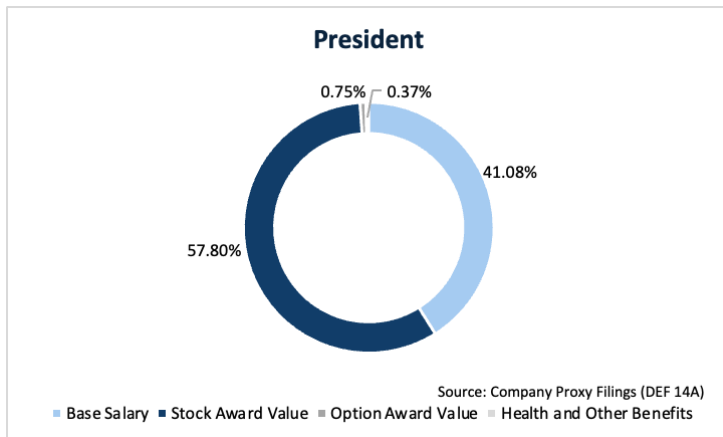


Mr. Michael D. Casey's total compensation for FY 2020 was \$16,645,230, of which \$3,150,000 was base salary, \$13,284,377 in stock award value, \$176,468 in option award value, and \$34,385 in health and other benefits.

Brian J. Lynch – President

Since December 2012, Mr. Brian J. Lynch was named the President of Carter's Inc. Prior to his role as President, he was named the Executive Vice President and Brand leader for Carter's in 2009. Prior to joining the company, Mr. Lynch worked for Champion Products, holding positions in finance, sales management, and marketing positions. He then joined The Walt Disney Company and worked roles in merchandising, brand management, and strategy roles in the Disney Parks & Resorts Division from 1995 to 2005. Mr. Lynch joined Carter's Inc. in 2005 as the Vice President of Merchandising.

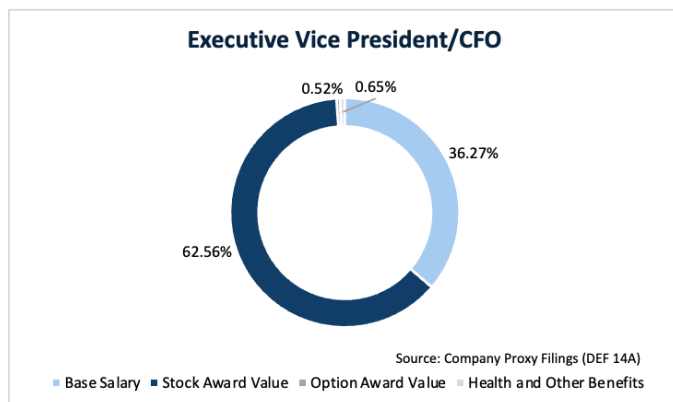




In FY 2020, Mr. Brian J. Lynch's total compensation was \$4,746,461, of which \$1,950,000 was base salary, \$2,743,552 in stock award value, \$35,600 in option award value, and \$17,309 in health and other benefits.

Richard F. Westenberger – Executive Vice President and Chief Financial Officer

Since 2009, Mr. Richard F. Westenberger has served as the Executive Vice President and Chief Financial Officer for Carter's Inc. He is responsible for managing the company's finance and information technology. He graduated from the University of Notre Dame and holds a master's degree from the University of Chicago's Graduate School of Business. Mr. Westenberger is a Certified Public Accountant and started his career off at Price Waterhouse LLP. Prior to his roles at Carter's Inc, he held senior financial management positions at Sears Holding Corporation; from 1996 to 2006, he was the Senior Vice President and Chief Financial Officer of Lands' End Inc, Vice President of Corporate Planning and Analysis, and Vice President of Investor Relations.



Mr. Richard F. Westenberger's total compensation for FY 2020 was \$3,501,536, of which \$1,270,000 was base salary, \$2,190,702 in stock award value, \$17,903 in option award value, and \$22,932 in health and other benefits.

Shareholder Base, Liquidity, Market Depth

Shareholder Base

Type	Ownership Summary		
	Common Stock Equivalent Held	(%)	Market Value (USD)
Institutions	45,766,111	108.28%	4512.1
Individuals/Insiders	952,040	2.25%	93.9
State Owned Shares	15,508	0.04%	1.5
Public and Other Shares	-	-	-
Total	46,733,659	110.57%	4607.5

Source: S&P Capital IQ

Currently, Carter's Inc. has 42,265,791 shares outstanding. The company has a concentrated shareholder base, with the top 10 shareholders holding 57.47% of shares outstanding. The company's top 10 shareholders are listed in the table, which account for 24,291,908 shares. Institutions own the most of these shares, and a small minority of these shares are held by individuals/insiders, state owned shares, and other shares.

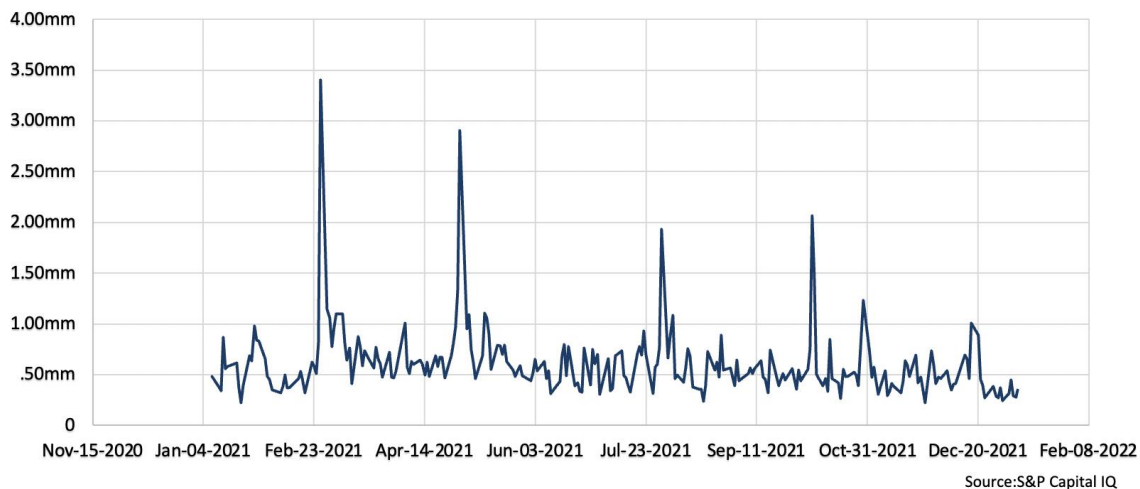
Shareholder (Name)	Common Stock Equivalent Held	% of CSO (%)	Position Date (Date)
Wellington Management Group LLP	4,745,062	11.23%	Sept-30-2021
The Vanguard Group, Inc.	3,881,463	9.18%	Sept-30-2021
BlackRock, Inc.	3,585,778	8.48%	Sept-30-2021
J.P. Morgan Asset Management, Inc.	3,460,788	8.19%	Sept-30-2021
Mackenzie Financial Corporation	2,170,506	5.14%	Sept-30-2021
AllianceBernstein L.P.	1,450,823	3.43%	Sept-30-2021
Shapiro Capital Management LLC	1,425,461	3.37%	Sept-30-2021
Boston Partners Global Investors, Inc.	1,288,428	3.05%	Sept-30-2021
Victory Capital Management Inc.	1,174,746	2.78%	Sept-30-2021
State Street Global Advisors, Inc.	1,108,853	2.62%	Sept-30-2021
Top 10 Shareholders	24,291,908	57.47%	

Source: S&P Capital IQ

Liquidity

Carter's Inc. has an average daily trading volume of 605,359 shares. Significant spikes in liquidity occur around the time financial statements are released. For example, February 2021 follows the release of FY 2020 filing results that recorded increases in US e-commerce sales and sales of exclusive brands that the company has with retailers like Amazon, The Target Corporation and Walmart. April 2021 aligns with the release of First Quarter Fiscal 2021 Results, which displayed a growth of 20% in net sales and strong online demand in e-commerce. Results recoded an increase in net sales of 59%. Thus, the spike in liquidity can be accredited to increased purchases and sales shown in their quarterly earnings reports.

1 Year Trading Volume (NYSE: CRI)



Valuation

Discounted Cash Flow Assumptions

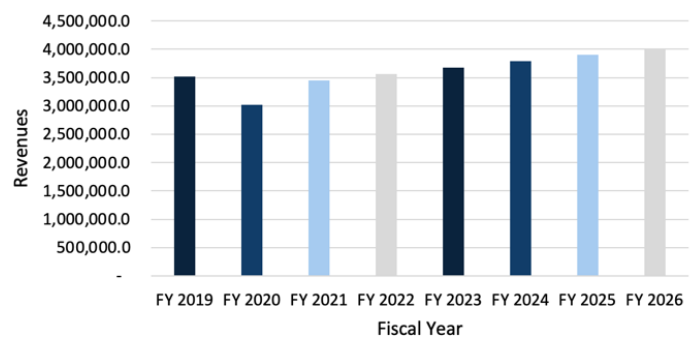
Revenue

The company's revenue projections were dependent on the three revenue segments—U.S. Retail, U.S. Wholesale and International. Given the company's greatest portion of revenue has historically been U.S. Retail, the revenue was projected with the company's growing digital commerce presence and growth in sales taken into consideration. We expect Carters' revenue to grow by FY 2021. Carter's Inc. aims to increase their presence in e-Commerce and looks to improve net sales in all business segments.

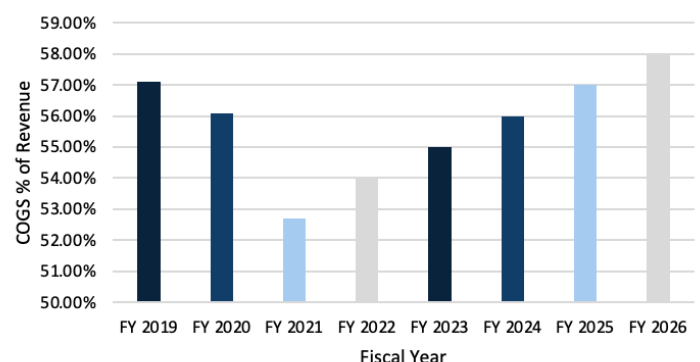
Costs

Costs are projected to be 54% in FY 2022, following a 1% annual increase in costs after 2022. Historically, the company's costs have ranged from 54% to 58% in the previous fiscal years. We anticipate the COGS to increase annually as the company continues to deal with higher transportation costs from lingering supply chain issues. The company aims to improve demand for

Historical and Projected Revenues



Historical and Projected COGS % of Revenue



the Carter's Inc. brands, for the upcoming years, but transportation costs and absence of inventory reserves poses a problem of increased costs and lowered profit margins. However, as one of the company's segments include wholesale, wholesale customer shipments and positive international demand trends have been improving costs as well.

Capital Expenditures (CapEx)

As the company aims to work towards improving their marketing and omni-channel capabilities, we have set CapEx to range within 12% to 14% in the next five years.

Weighted Average Cost of Capital (WACC)

We calculated a WACC value of 8.5% for Carter's Inc. using inputs from Bloomberg. Firstly, we set the risk-free rate as 1.65%, expected market return at 10.35%, and beta at 1.07, arriving at a cost of equity at 11.0%. Our pre-tax cost of debt was set equal to 1.56% and effective tax rate at 21.57% with the debt adjustment factor as 1.52, leading to a cost of debt at 1.9%. With these values considered, Carters' WACC was calculated to 8.5%.

Terminal EV/EBITDA Multiple

We used a 2022E EV/EBITDA exit multiple of 7.7x, which was the determined industry mean. This is greater than the company's 2022E EV/EBITDA exit multiple of 6.5x.

Comparable Company Analysis

The Children's Place (NASDAQ: PLCE)

The Children's Place is a children's speciality apparel retailer founded in Hartford, Connecticut in 1969. Initially, the retailer sold a mix of merchandise: children's apparel, accessories, and toys. By the 1980s, it rebranded as a speciality retailer for children and infant's clothing, as it provided the most potential for growth. Headquartered in Secaucus, New Jersey, the company sells their products at retail and wholesale, and operates under "Baby Place", "Gymboree", "Sugar & Jade", and "The Children's Place." As of October 2021, the company has a total of 703 stores across Canada, the United States, and Puerto Rico.

The Gap Inc. (NYSE: GPS)

The Gap Inc. is a lifestyle retail apparel company founded in San Francisco, California, in 1969. With their global headquarters located in San Francisco, the company operates under "Athleta", "Banana Republic", "Gap", and "Old Navy." Products from the company are offered through company-operated websites, third-party arrangements, and franchise stores. The company has international franchise agreements; third parties sell The Gap Inc. apparel in Africa, Asia, Europe, Latin America, and the Middle East. The company had 3100 company-operated stores and 615 franchise stores as of March 4, 2021. (S&P Capital IQ)

Levi Strauss & Co. (NYSE: LEVI)

Levi Strauss & Co. was founded in 1853 in San Francisco, California. It is an apparel company that sells products under "Beyond Yoga", "Denizen", "Dockers", "Levi's", and "Signature by Levi Strauss & Co." The company's products are available worldwide through a combination of department stores, e-commerce sites, shop-in-shops, and third-party retailers. The company is a well-recognized global leader in jeans wear, but markets tops, shorts, pants, footwear, and accessories for consumers across the Americas, Asia, and Europe. The company's products are available in over 110 countries, and there are approximately 3000 brand-dedicated stores and shop-in-shops.

Gildan Activewear Inc. (TSX: GIL)

Gildan Activewear Inc. is one of the largest manufacturers of apparel. It was founded in 1894 and its headquarters is in Montreal, Quebec. It sells activewear products, socks, and garments. The company's products are available through "Gildan" and "Gildan Performance", and "Gildan Hammer." Gildan has a vertically integrated supply chain, meaning they have complete control and transparency across the full value chains that they operate in, sticking true to ethical labor and environmental practices. There are approximately 25 company-owned manufacturing factories across the world.

Ralph Lauren Corporation (NYSE: RL)

Ralph Lauren Corporation is a leading American apparel and fashion company with headquarters in New York, New York. Founded in 1967, the company has continuously expanded their products, brands, and prevalence in the international markets. The company is well-recognized for their clothing; however, they also offer a range of footwear, accessories, fragrances, home décor, furnishing, and bedding. They rely on retail, wholesale, and licensing for their revenues. Their products are available through department stores, specialty stores, retail stores, digital commerce, and pro shops. The company has 650 shop-within-shops, 139 Ralph Lauren specific stores, and operates in 548 retail stores (S&P Capital IQ).

Columbia Sportswear Company (NASDAQ: COLM)

Columbia Sportswear Company was founded in 1938 and is a global recognized leader in active lifestyle apparel. The company is headquartered in Portland, Oregon. The company's four primary brands are "Columbia", "Mountain Hardwear", "prAna", and "SOREL." The company's products are available in branded and outlet retail stores, digital commerce sites, and concession-based shops-within-shops with third-party retail locations. Columbia Sportswear also works with sporting goods stores, department store chains, and global distributors to offer their products on an international scale. The company had approximately 450 retail stores as of December 2020.

Under Armour Inc. (NYSE: UAA)

Under Armour was founded in 1996 in Washington, D.C, and markets sports apparel, athletic clothing, shoes, and accessories. Its headquarters is in Baltimore, Maryland. The company primarily offers its products under "COLDGEAR", "HEATGEAR", and "RUSH or RECOVER" which are all sold under the label of Under Armour. The company sells its products through local and global sporting good chains, wholesale streams, department stores, speciality retailers and digital commerce sites. Under Armour has a total of 439 brand and factory house stores.

Recommendation

Room for Growth – Buy

Although Carter's Inc. is currently undervalued by the market, we believe that the company has potential for long-term success. As the company continues to emphasize the importance of digital commerce in their retail and wholesale sales, their focus on building an omni-channel strategy has the potential to drive them forward in a fading industry. As Carter's Inc. is already a major player in the Children's and Infants' Clothing industry, the company stands strong to its competitors.

We determined a target price of \$134.67 USD by using the following information with specific weightings:

- 25% weighting on the Perpetuity Growth Implied Price of \$151.65
- 25% weighting on the Exit Multiple Implied Price of \$135.16
- 25% weighting on the EV/EBITDA Implied Price of \$117.21
- 25% weighting on the P/E Implied Price of \$1977.78

Using the following information and their weightings, we have determined a target share price of \$134.67 USD which reflects a total return of 36.6%. Therefore, we initiate a **buy** rating.

Risks

Macroeconomic Factors

Sensitivity of Business Due to Consumer Spending

Purchasing apparel for children and infants is reliant on the general level of consumer spending. Several macroeconomic factors influence the distribution of spending for consumers: employment levels, oil and gas costs, utility and appliance costs, tax rates, and foreign exchange rates are just some components of the bigger picture. The business is impacted by these macroeconomic factors and decreases in discretionary income. To add, emerging patterns of a decrease in birth rate in the United States contributes to the reduction of the market size for children's merchandise.

Effects of the COVID-19 Pandemic

Ever since the declaration of the coronavirus pandemic, there have been increased restrictions and disruptions in global supply chains. The pandemic has had a significant—and negative—impact on the business and the financial conditions as a whole and can continue to have a large impact on the business. The company's Fiscal 2020 results reported a decline of 14% in net sales (Company Filings, 10-K) and a decrease in operating income of 17.8%. Emerging political instability, increased supply chain issues and restrictions could potentially influence the company's operational results. To add, as the nature of the pandemic is unpredictable and difficult to fully project, the company considers the ongoing COVID-19 pandemic to be a risk for their results of operations.

Brand Reputation and Product Value

Impact of Consumer Preferences

Carter's Inc. believes that the success of the company is reliant on the production of products that provide a *compelling value* for the customers (Company Filings, 10-K). Failing to adapt to new changes in consumer preferences or assuring that the demand does not decline are two risks for the company. If the company's demand for products decline, then promotional pricing or clearance pricing might be necessary to sell apparel that is out-of-season, leading to company's probability being affected.

Limited Control and the Potential of Negative Publicity

As the company does not own manufacturing facilities and maintains agreements with vendors and independent manufacturers, they do not have control over their actions. Violations of labor laws, health and safety expectations, and policies from these manufacturers or company employees could potentially subject the company to full liability. Therefore, negative publicity will be attracted towards Carter's Inc. and their products. While they aim to protect the company reputation and ensure that it is maintained through agreements, there is no full guarantee that their image will not be negatively impacted in case violations occur.

Nature of Operating a Global Business

Financial Difficulties

A fair majority of the company's business is completed through wholesale and interactions with wholesale customers. Over 30% of the company's consolidated net sales in the United States were from their wholesale segment. The company enters long-term contracts after carefully considering the benefit of the long-lasting relationship for their company reputation and future. Therefore, they face the risk of financial difficulties if a wholesaler decides to terminate their relationship with the company. Carter's Inc.'s financials, operations, and ultimately, their reputation are at risk with this loss. The potential termination of a relationship with a wholesaler could negatively attract publicity and affect customer perception of the company and have an impact on their results of operations.

Nature of the Highly Competitive Market

Carter's Inc. operates in a very competitive industry that includes branded and private manufactures. The company competes with various companies that could have more resources, faster adaptability to emerging fashion trends, and better company-consumer loyalty. Competitors at an advantage are more likely to swiftly react to a switch in consumer preferences, commit to extensive marketing and consumer engagement initiatives, and open new opportunities at an earlier stage compared to the company, implement more efficient pricing strategies, and develop a stronger e-commerce base.

Appendix 1: Model Summary

Summary Page															
	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25	Dec-26
(Figures in mm USD)	FY2016	FY2017	FY2018	FY2019	FY2020	Q1-2021	Q2-2021	Q3-2021	Q4-2021	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Income Statement															
Revenue	3,199.2	3,400.4	3,462.3	3,519.3	3,024.3	787.4	746.4	890.6	1,031.3	3,455.7	3,566.3	3,676.5	3,790.0	3,903.4	4,020.1
EBITDA	498.1	501.4	477.4	464.1	280.2	150.7	152.2	189.3	210.4	702.6	585.1	566.2	545.8	503.5	478.4
Net Income	258.1	302.8	282.1	263.8	109.7	86.2	71.6	85.0	137.8	380.5	348.1	340.6	334.6	309.0	293.9
Earnings Per Share	\$ 50.81	\$ 48.52	\$ 47.01	\$ 45.09	\$ 43.89	\$ 43.98	\$ 44.20	\$ 44.03	\$ 71.38	\$ 204.59	\$ 180.35	\$ 176.49	\$ 173.35	\$ 160.08	\$ 152.28
Cash Flow Statement															
Capital Expenditures	(88.6)	(69.5)	(63.8)	(61.4)	(32.9)	(11.7)	(8.8)	(8.2)	(7.8)	(36.4)	(26.6)	(20.4)	(15.6)	(11.8)	(8.8)
Acquisitions	0.2	0.0	0.4	0.7	-	-	-	5.0	-	5.0	-	-	-	-	-
Divestitures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend Payment	(66.4)	(70.9)	(83.7)	(89.6)	(26.3)	-	(17.6)	(17.5)	(0.8)	(35.9)	(3.9)	(3.9)	(3.5)	(3.5)	(3.1)
Dividend Per Share	\$ 1.32	\$ 1.48	\$ 1.80	\$ 2.00	\$ 2.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 1.60	\$ 2.00	\$ 2.00	\$ 1.80	\$ 1.80	\$ 1.60
Dividend Payout to Earnings	25.7%	23.4%	29.7%	34.0%	23.9%	-	24.6%	20.6%	0.6%	9.4%	1.1%	1.1%	1.0%	1.1%	1.1%
Dividend Payout to Core FCF	15.2%	17.0%	17.9%	19.3%	8.8%	-	15.7%	14.3%	0.5%	6.7%	0.9%	0.9%	0.9%	1.0%	0.9%
Dividend Yield	➤DIV/0!	➤DIV/0!	➤DIV/0!	➤DIV/0!	➤DIV/0!	➤DIV/0!	➤DIV/0!	➤DIV/0!	0.4%	1.6%	2.0%	2.0%	1.8%	1.8%	1.6%
Balance Sheet															
Current Assets	1,057.1	1,017.7	1,043.0	1,107.8	1,946.0	1,917.9	1,971.0	1,982.8	2,285.0	2,285.0	2,699.5	3,046.0	3,451.7	3,820.0	4,165.6
Non-Current Assets	889.5	1,050.3	1,015.9	1,645.4	1,446.6	1,392.6	1,344.9	1,311.5	1,299.7	1,299.7	1,256.0	1,218.1	1,188.8	1,166.3	1,148.8
Assets	1,946.6	2,068.0	2,058.9	2,753.1	3,392.6	3,310.5	3,315.9	3,294.3	3,584.7	3,584.7	3,955.5	4,264.0	4,640.5	4,986.3	5,314.5
Current Liabilities	277.6	328.6	327.4	475.5	792.5	656.9	628.3	674.5	828.0	828.0	854.5	826.3	871.7	912.0	949.4
Non-Current Liabilities	880.9	882.3	862.0	1,397.5	1,662.0	1,624.0	1,590.1	1,564.9	1,564.9	1,564.9	1,564.9	1,564.9	1,564.9	1,564.9	1,564.9
Liabilities	1,158.5	1,210.9	1,189.4	1,873.0	2,454.5	2,280.9	2,218.4	2,239.4	2,392.9	2,392.9	2,419.4	2,391.2	2,436.6	2,476.9	2,514.3
Shareholders' Equity	788.1	857.1	869.4	880.1	938.0	1,029.6	1,097.5	1,054.9	1,191.9	1,191.9	1,536.1	1,872.8	2,203.9	2,509.4	2,800.2
Cash	299.4	178.5	170.1	214.3	1,102.3	1,053.7	1,120.9	943.0	1,471.5	1,471.5	1,882.9	2,194.3	2,561.7	2,886.9	3,191.6
Debt	(299.4)	(178.5)	(170.1)	(214.3)	(1,102.3)	(1,053.7)	(1,120.9)	(943.0)	(1,471.5)	(1,471.5)	(1,882.9)	(2,194.3)	(2,561.7)	(2,886.9)	(3,191.6)
Net Debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Minority Interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt/EBITDA	n/a	n/a	n/a	n/a	n/a					n/a	n/a	n/a	n/a	n/a	n/a
Operating Metrics															
Return on Equity (ROE)															
Return on Assets (ROA)															
Return on Invested Capital (ROIC)															
Valuation Metrics															
Stock Price (High)									\$ 98.59	➤ 98.59	➤ 98.59	\$ 98.59	\$ 98.59	\$ 98.59	\$ 98.59
Stock Price (Low)									\$ 98.59	➤ 98.59	➤ 98.59	\$ 98.59	\$ 98.59	\$ 98.59	\$ 98.59
Stock Price (Average)	➤DIV/0!	➤DIV/0!	➤DIV/0!	➤DIV/0!	➤DIV/0!	➤DIV/0!	➤DIV/0!	➤DIV/0!	\$ 98.59	\$ 98.59	\$ 98.59	\$ 98.59	\$ 98.59	\$ 98.59	\$ 98.59
Diluted Shares Outstanding (Average)	5.1	6.2	6.0	5.9	2.5	2.0	1.6	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
Market Capitalization (Average)	➤DIV/0!	➤DIV/0!	➤DIV/0!	➤DIV/0!	➤DIV/0!	➤DIV/0!	➤DIV/0!	➤DIV/0!	190.3	183.4	190.3	190.3	190.3	190.3	190.3
Enterprise Value (Average)	➤DIV/0!	➤DIV/0!	➤DIV/0!	➤DIV/0!	➤DIV/0!	➤DIV/0!	➤DIV/0!	➤DIV/0!	(1,281.2)	(1,288.1)	(1,692.6)	(2,004.0)	(2,371.4)	(2,696.6)	(3,001.4)
P/E	➤DIV/0!	➤DIV/0!	➤DIV/0!	➤DIV/0!	➤DIV/0!					0.5 x	0.5 x	0.6 x	0.6 x	0.6 x	0.6 x
EV/EBITDA	➤DIV/0!	➤DIV/0!	➤DIV/0!	➤DIV/0!	➤DIV/0!					n/a	n/a	n/a	n/a	n/a	n/a
FCF Yield to Market Capitalization	➤DIV/0!	➤DIV/0!	➤DIV/0!	➤DIV/0!	➤DIV/0!					323.0%	247.5%	196.0%	225.6%	203.8%	193.7%
FCF Yield to Enterprise Value	➤DIV/0!	➤DIV/0!	➤DIV/0!	➤DIV/0!	➤DIV/0!					-46.0%	-27.8%	-18.6%	-18.1%	-14.4%	-12.3%
Free Cash Flow															
EBIT	426.6	419.6	391.4	371.9	189.9	127.5	107.6	124.0	190.9	550.0	514.8	507.8	501.0	469.2	452.1
Tax Expense	(138.0)	(88.3)	(73.9)	(64.2)	(25.3)	(27.1)	(21.6)	(23.4)	(41.2)	(118.6)	(111.0)	(109.5)	(108.1)	(101.2)	(97.5)
D&A	71.5	81.8	85.9	92.2	90.3	23.2	44.6	65.3	19.5	152.6	70.3	58.3	44.8	34.3	26.3
Capital Expenditures	(88.6)	(69.5)	(63.8)	(61.4)	(32.9)	(11.7)	(8.8)	(8.2)	(7.8)	(36.4)	(26.6)	(20.4)	(15.6)	(11.8)	(8.8)
Changes in NWC	21.7	(19.1)	(48.0)	(15.5)	325.9	(164.0)	(13.9)	(157.1)	379.7	44.8	23.5	(63.3)	7.0	(2.8)	(3.5)
Unlevered Free Cash Flow	293.2	324.5	291.7	323.0	547.9	(52.1)	107.9	0.7	541.2	592.3	471.0	373.0	429.2	387.7	368.6
Valuation Summary															
Current Price	\$ 98.59														
Target Price	\$ 134.67														
Total Return	36.6%														
Recommendation	BUY														
DCF Valuation															
Perpetuity Growth Implied Price	\$ 151.65														
Exit Multiple Implied Price	\$ 135.16														
Comps Valuation															
Comps - EV/EBITDA Implied Price	\$ 117.21														
Comps - P/E Implied Price	\$ 1977.78														

Appendix 2: Discounted Cash Flow Analysis

Discounted Cash Flow Analysis																											
(Figures in mm USD)																											
	Dec-16	Dec-17	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Dec-22	Dec-23	Dec-24	Dec-25	Dec-26
	FY2016	FY2017	FY2018	Q1-2019	Q2-2019	Q3-2019	Q4-2019	FY2019	Q1-2020	Q2-2020	Q3-2020	Q4-2020	FY2020	Q1-2021	Q2-2021	Q3-2021	Q4-2021	FY2021	Q1-2022	Q2-2022	Q3-2022	Q4-2022	FY2022	FY2023	FY2024	FY2025	FY2026
WACC Calculations																											
Cost of Equity																											
Risk-free rate	1.7%																										
Expected market return	10.4%																										
Market Risk Premium	8.7%																										
Beta	1.07																										
Cost of Equity	11.6%																										
Cost of Debt																											
Pre-tax cost of debt	1.6%																										
Debt Adjustment Factor	1.52																										
Effective tax rate	21.6%																										
Cost of Debt	1.9%																										
WACC																											
Market value of equity	3,916.7																										
Market value of debt	1,455.6																										
Total Capitalization	5,372.2																										
Cost of equity	11.0%																										
Cost of debt	1.9%																										
WACC	8.5%																										
Free Cash Flow																											
EBIT	426.6	419.6	391.4	60.8	64.5	83.9	162.8	371.9	(78.5)	21.0	113.5	132.4	189.9	127.5	107.6	124.0	190.9	550.0	115.7	109.0	133.7	156.4	514.8	507.8	501.0	469.2	452.1
Less: Tax expense	(136.0)	(88.3)	(73.9)	(9.3)	(11.8)	(13.4)	(29.7)	(64.2)	13.0	2.7	(19.0)	(21.9)	(25.3)	(27.1)	(21.6)	(23.4)	(41.2)	(118.6)	(25.0)	(23.5)	(28.8)	(33.7)	(111.0)	(109.5)	(108.1)	(101.2)	(97.5)
Add: Depreciation and amortization	71.5	81.8	85.9	22.6	45.0	68.0	(43.4)	92.2	22.4	43.8	67.0	(42.9)	90.3	23.2	44.6	65.3	19.5	152.6	19.2	18.1	17.0	16.0	70.3	58.3	44.8	34.3	26.3
Less: Capital expenditures	(88.6)	(89.5)	(63.8)	(9.4)	(15.6)	(21.1)	(15.3)	(81.4)	(8.1)	(8.6)	(8.5)	(7.7)	(32.9)	(11.7)	(8.8)	(8.2)	(7.8)	(26.4)	(7.2)	(8.8)	(8.4)	(6.1)	(26.6)	(20.4)	(15.6)	(11.8)	(8.8)
Less: Change in net working capital	21.7	(19.1)	(48.0)	(34.7)	(8.1)	(15.4)	160.7	(15.5)	(32.2)	219.8	(26.0)	164.3	325.9	(164.0)	(13.9)	(157.1)	379.7	44.8	22.9	144.3	(132.2)	(10.7)	23.5	(63.3)	7.0	(2.9)	(3.5)
Unlevered Free Cash Flow	293.2	324.5	291.7	38.6	76.8	(38.0)	255.0	323.8	(83.3)	278.6	127.8	224.2	547.9	(52.1)	197.9	6.7	541.2	592.3	124.7	241.1	(16.8)	121.9	471.0	373.8	428.2	387.7	368.6
Discount factor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.25	0.25	0.50	0.75	1.00	1.25	1.25	2.25	3.25	4.25	5.25
Present Value of Unlevered Free Cash Flow	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	530.3	530.3	119.7	226.8	(15.4)	116.1	441.2	310.5	329.3	274.2	240.2
Discounted Cash Flow Valuations																											
Perpetuity Growth Method														Exit Multiple Method													
Perpetuity Growth Rate	2.0%																										
PV sum of unlevered FCF	2,125.6																										
Terminal value	3,773.5																										
Enterprise Value	5,899.1																										
Add: Cash	1,581.2																										
Less: Debt	1,455.6																										
Less: Other EV adjustments	-																										
Equity Value	6,024.7																										
Shares outstanding	39.7																										
Implied Share Price	\$ 151.65																										
Current Price	\$ 98.59																										
Implied Price	\$ 151.65																										
Total Return	53.8%																										
WACC														WACC													
9.50%	9.00%	8.50%	8.00%	7.50%																							
\$ 124.05	\$ 130.62	\$ 138.07	\$ 146.57	\$ 156.38																							
\$ 128.89	\$ 135.98	\$ 144.32	\$ 153.92	\$ 165.13																							
\$ 133.95	\$ 142.11	\$ 151.52	\$ 162.50	\$ 175.47																							
\$ 139.95	\$ 149.18	\$ 159.93	\$ 172.64	\$ 187.87																							
\$ 146.89	\$ 157.42	\$ 169.87	\$ 184.80	\$ 203.03																							
WACC														WACC													
9.50%	9.00%	8.50%	8.00%	7.50%																							
\$ 115.42	\$ 117.40	\$ 119.44	\$ 121.53	\$ 123.67																							
\$ 122.80	\$ 125.08	\$ 127.28	\$ 129.56	\$ 131.91																							
\$ 130.38	\$ 132.72	\$ 135.13	\$ 137.60	\$ 140.15																							
\$ 137.85	\$ 140.38	\$ 142.99	\$ 145.64	\$ 148.38																							
\$ 145.33	\$ 148.04	\$ 150.82	\$ 153.68	\$ 156.62																							

Appendix 3: Comparable Company Analysis

Comparable Company Analysis																				
(Figures in mm USD)																				
Company	Ticker	Share Price	Diluted Shares Outstanding	Equity Value	Cash	Debt	Other EV Adjustments	Enterprise Value	EV/EBITDA Multiple			P/E Multiple								
									2021A EBITDA	2022E EBITDA	2023E EBITDA	2021A EV/EBITDA	2022E EV/EBITDA	2023E EV/EBITDA	2021A Diluted EPS	2022E Diluted EPS	2023E Diluted EPS	2021A P/E	2022E P/E	2023E P/E
The Children's Place	(NASDAQ: PLCE)	\$ 75.36	14.4	1,085.2	67.1	500.0		1,516.1	208.1	342.9	281.3	7.3 x	4.4 x	5.4 x	10.5	\$ 13.17	\$ 11.08	7.2 x	5.7 x	6.8 x
The Gap Inc.	(NYSE: GPS)	\$ 18.56	373.4	6,930.3	1,076.0	6,393.0		12,247.3	1,331.0	1,380.9	1,601.2	9.2 x	8.9 x	7.6 x	1.3	\$ 1.35	\$ 2.05	14.1 x	13.7 x	9.1 x
Levi Strauss & Co.	(NYSE:LEVI)	\$ 23.75	402.0	9,547.5	1,472.1	2,492.1		10,567.5	729.2	961.0	1,068.2	14.5 x	10.8 x	9.9 x	1.1	\$ 1.53	\$ 1.71	21.4 x	15.5 x	13.9 x
Gildan Activewear Inc. (TSX:GIL)	\$ 41.36	194.1	8,028.0	426.2	735.0		8,336.8	491.0	719.8	756.9	17.0 x	11.8 x	11.0 x	2.5	\$ 2.70	\$ 2.93	16.4 x	15.3 x	14.1 x	
Ralph Lauren Corporate (NYSE:RL)	\$ 120.05	73.6	8,935.7	3,061.0	3,486.9		9,261.6	947.1	1,005.4	1,087.7	9.9 x	9.2 x	8.5 x	5.4	\$ 7.39	\$ 8.14	22.2 x	16.2 x	14.7 x	
Columbia Sportswear (NASDAQ:COLM)	\$ 94.55	65.2	6,164.7	600.6	397.8		5,961.9	432.9	590.7	640.0	13.8 x	10.1 x	9.2 x	4.4	\$ 5.54	\$ 6.53	21.5 x	17.1 x	14.5 x	
Under Armour Inc. (NYSE:UA)	\$ 20.83	476.1	9,917.2	1,253.7	1,533.5		10,197.0	691.8	692.1	787.2	14.7 x	14.7 x	13.0 x	1.0	\$ 0.80	\$ 0.94	21.9 x	26.0 x	22.2 x	
				-				-				-	-	-				-	-	-
				-				-				-	-	-				-	-	-
Carter's Inc.	(NYSE: CRI)	\$ 98.59	39.7	3,916.7	1,581.2	1,455.6	-	3,791.1	702.6	595.1	566.2	5.4 x	6.5 x	6.7 x	204.6	180.4	176.5	0.5 x	0.5 x	0.6 x
Median												9.2 x	8.5 x					14.5 x	11.5 x	
Mean												7.7 x	7.2 x					11.0 x	9.5 x	
High												14.7 x	13.0 x					26.0 x	22.2 x	
Low												-	-					-	-	
						</														

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