



# Fashion & Apparel

*As styles and shopping behavior change,  
so must business models*  
**M&A SECTOR REPORT**

# Fashion Industry in Numbers

Rapidly transforming industry with strong M&A activity

**12-21%**

CONTRIBUTION OF ONLINE SALES TO TOTAL REVENUE



## TECHNOLOGICAL DISRUPTION

- Online retailing (e-tailing) shows rapid growth, threatening retailers falling behind with technological investments - already 12% in Germany, 17% in the US, 13% in China (soon to be 20%) and 21% in the UK.

**2-3%**

PREDICTED 2017 INDUSTRY GROWTH IN LINE WITH GDP



## NEW TRENDS FUEL REVENUE GROWTH

- Segment type: affordable luxury strongest (3.5-4.5%), and luxury weakest (1.5-2.5%).
- Product type: athletic wear strongest (6.5-7.5%), and clothing and footwear were weakest (1.5-2.5%).

**114**

2012 – 2016 AVERAGE ANNUAL GLOBAL TRANSACTIONS



## STRONG M&A ACTIVITY

- Transaction volumes have recovered since 2011.
- Highest volumes in Western Europe.
- H1 2017 slightly higher activity than 2016.

**12.3x**

MEDIAN EV/EBITDA TRANSACTION MULTIPLE



## HIGH VALUATIONS GLOBALLY

- Majority of transactions with publicly available data have multiples above 10x EBITDA, with geographic divergence.
- Main acquirers are incumbent players seeking economies of scale and scope.
- Strong divergence of deal multiples: traditional fashion players at 7x EBITDA, fast growing players at >15x EBITDA.

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# Market Outlook

## Changing fashion industry triggers strong M&A activity

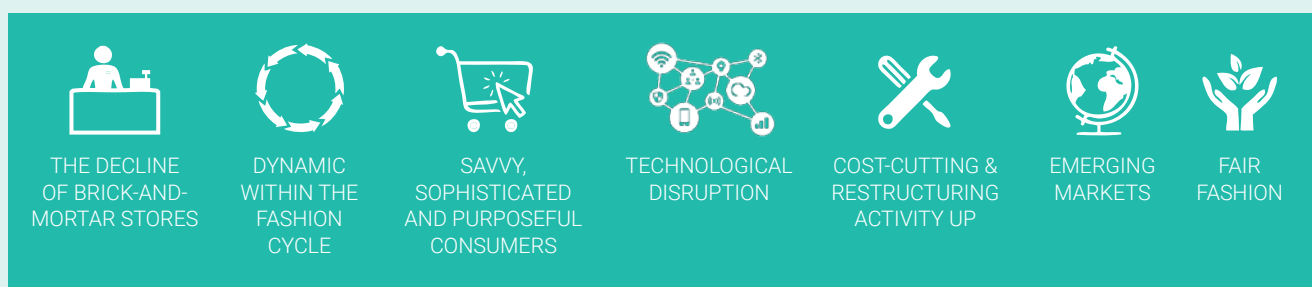
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- Due to technological advances, power has shifted from retailers to customers. This has resulted in accelerated fashion cycles along with falling popularity in brick-and-mortar stores, which in turn is damaging traditional retailers' margins and motivating M&A activity.
- Changing consumer behavior has established the need for retailers to heavily invest in advanced IT systems including strong online and marketing capabilities. Smaller fashion players and retailers therefore face significant challenges.
- The fashion industry has recovered from the financial crisis and since 2012, apparel retailers have become attractive targets – global M&A activity in 2012 was four times higher than the 2011 transaction volume.
- Western Europe was the most active region, with 25 transactions in H1 2017, which was more than the volume of all other regions combined and a 50% increase from H1 2016.
- Customer tribes (connected customers sharing a certain lifestyle and/or other characteristics) cultivate lifestyle fashion, which has the highest 2017 revenue growth expectation, making lifestyle fashion retailers attractive targets.
- Urbanization and this tribal connectedness offer highly profitable opportunities in emerging markets – besides China, markets such as the Middle East, India, Thailand, and Indonesia are becoming increasingly active and highly-valued.

# Fashion Industry Trends

## Seven global trends shaping the industry



### 1. THE DECLINE OF BRICK-AND-MORTAR STORES

- Less foot traffic to stores and online expansion.
- Low inventory turnover in the shops results in low space productivity performance.
- Customer experience is crucial; focus from store quantity to quality - such as creative presentation, brand experiences and advice - cultivates customer brand perception when shopping online.
- Vertical retail concepts, brand stores and discounters (e.g. Primark) are entering the market putting pressure on traditional retailers and department stores.
- Previously outlets were located on city outskirts, whereas now they are also in the cities (e.g. TK Maxx, Saks Off 5th).
- Polarizing shopping – convenience formats vs. flagship stores/brand stores/pop-up-stores.

### 2. DYNAMIC WITHIN THE FASHION CYCLE

- Vertical fast-fashion dominates, led by firms such as Zara, H&M, Mango and Uniqlo, shortening design room to store times – the average number of collections has increased to six per year and could rise to twelve.
- Increased number of discount periods (six in the UK) achieves short-term wins, but triggers a race to the bottom, diminishing margins in the longer term.
- Creativity crisis – higher fluctuation of creative staff at fashion brands.

- Demand for fashionable clothes and decent quality at lower than luxury prices – increasing popularity of affordable luxury and premium brands and retailers, leading to a new modern mid-price segment being defined (e.g. COS and Massimo Dutti).

- Omni-channel shopping is no longer new, it's the norm – Amazon, Alibaba and Zalando etc. In addition to online platforms for retailers, and brands and retail shops.

### 3. SAVVY, SOPHISTICATED AND PURPOSEFUL CONSUMERS

- With technology and globalization, power has shifted from retailers to customers.
- Customer decision journeys follow multiple channels driven by the pervasiveness of smartphones in our daily lives.
- Pursuing lifestyles in fashion (casualization, athleisure, modest wear and sustainable fashion).
- Urbanization trends – cities with unique lifestyles and fashion styles.
- Social media influences brand loyalty with regards to luxury brands but also in 'daily' fashion – being the preferred brand is the key to success.

Source: Credit Suisse, IMAP, McKinsey, press clippings

# Fashion Industry Trends

## Seven global trends shaping the industry

### 4. TECHNOLOGICAL DISRUPTION

- Digitization of the business (e.g. mobile payments leads to deeper customer relationships, Internet of Things and RFID-chips transforming the logistic part and augmented and virtually reality enables new customer experiences).
- Personalization, sharing economy, new service, digital POS and voice are becoming increasingly important.
- Technological investments along the digital value chain: big data, product development, dynamic pricing, inventory planning, connection to manufacturer's warehouse as well as channel partners and professional omni-channels.
- The last-mile-delivery and additional services are crucial to success, e.g. Amazon's prime wardrobe "try-before-you-buy" offer.
- Online access is essential to tackle changing customer habits and remain competitive (UK – 21%; US – 17%, China – 13%, and Germany – 12% of 2016 total sales).

### 5. FAIR FASHION

- Growing niche market of fair fashion with rising consumer awareness for sustainability, fair trade and eco compliance.
- Large players attempt to "greenwash" their current market presence.
- Need credible and trustworthy approach.
- Only limited number of pure fair fashion players today.

### 6. COST-CUTTING & RESTRUCTURING ACTIVITY UP

- Technology, discounts and an accelerated supply chain are costly. In 2017, 9,000 store closures are expected in the US, exceeding the peak of 6,200 in 2008. Closures already manifested in the US and coming to the UK and Western Europe.
- Restructuring – fashion conglomerates re-focus on better performing core brands, disposing of other subsidiaries.
- Developing a clear retail profile and having an overview of the margin contribution of the brands.

### 7. EMERGING MARKETS

- More opportunities in China vs. China's slowdown; the increasing participation of second and third-tier cities in shopping drives the industry.
- Aggressively expanding fast-fashion retailers such as Zara, H&M, Forever 21 and Uniqlo are outperforming local brands.
- Domestic brands struggle to compete – acquisitions may be superior to business model imitation of international competitors.
- Luxury segment from abroad popular in tier 1 cities, but lower tier cities are dominated by large mid-market firms.

Source: Credit Suisse, IMAP, McKinsey

# Implications for Fashion Players

## Harnessing opportunities offered by new trends is vital

- Linking lifestyles/customer tribes to collections and products – a potential strategy for advanced firms who are more flexible and could respond more quickly to these trends e.g. the wellness movement – athleisure, which has proven to be effective for both online and offline platforms.
- Urbanization – focusing on cities might be convenient for unique/private owned mid-market retailers – creating a niche in order to maintain a competitive edge.
- Featuring products on pure and large online shopping platforms is a valuable option besides a retailers own online store.
- Managing online stores alone is challenging, due to fast-changing consumer moods and the social media boom, e.g. joint ventures to launch online stores (such as YOOX/YNAP), online platforms for a selection of brands (24 Sèvres – over 150 luxury womenswear brands), and the installation of a luxury platform on the standard retail site (JD.com with Farfetch).
- Entering/expanding into other emerging markets with high potential and fast developing economies, such as the Middle East, India, and South-East Asia.
- Acquiring other brands as a shortcut to better design and brand recognition, as well as enabling entry into new markets.
- Diminishing margins due to rising operational costs (more collections and online added to brick-and-mortar store maintenance) and more sales periods – without economies of scale and/or scope, mid-market players might not be able to stay afloat.
- Retailers with substantial brick-and-mortar dependence face a growing threat as online sales advance - in the first three months of 2017, 14 retailers filed for bankruptcy in the United States, almost reaching the total 2016 count.
- Adjusted or new business models are required.

## M&A Focus

### Reasons to Sell

- Too costly to follow new trends and compete in the fast-changing operating environment.
- Present in a segment with high valuation levels (e.g. affordable luxury, and athletic wear).
- Brick-and-mortar retailers could sell parts of their assets, developing remaining flagship and online stores.

### Reasons to Buy

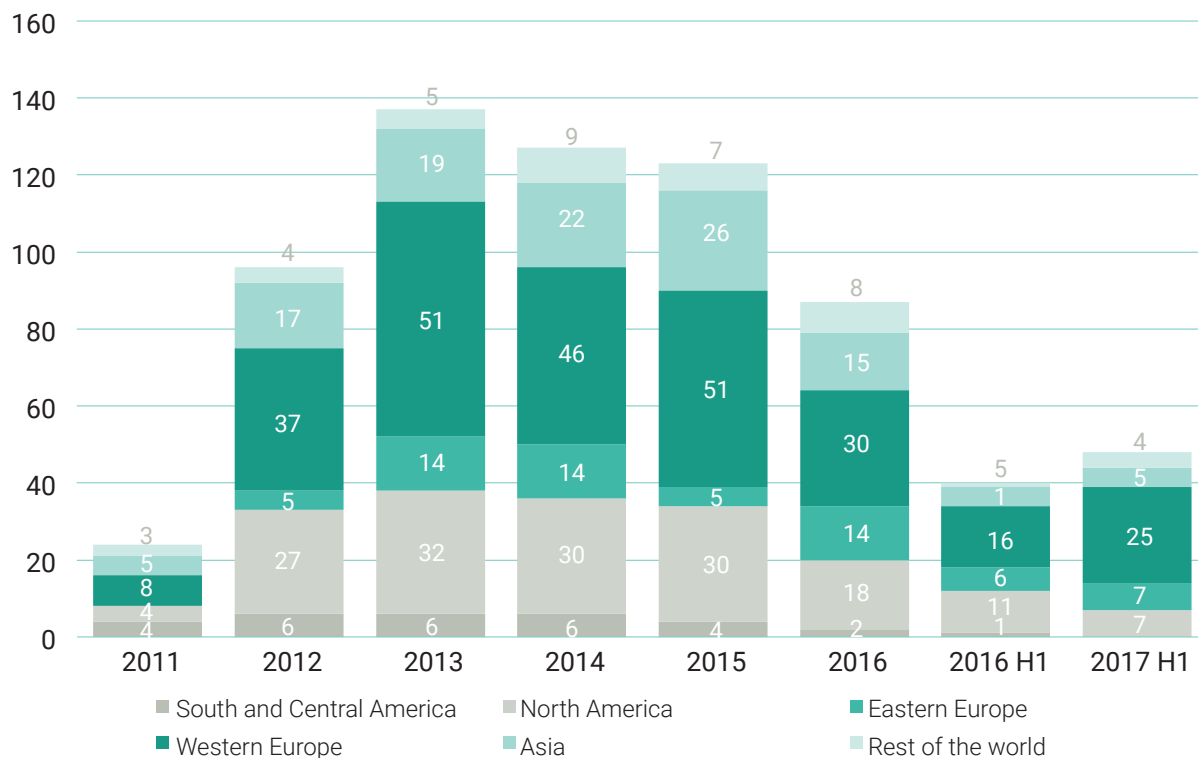
- Supply chain integration (buying manufacturers, wholesalers and garment suppliers).
- Expansion (geographical, new product type, new segment and new brand).
- Buying tech companies (online stores, software developers and social media).
- Leverage the brand equity of traditional fashion manufactures with new investment which the current owner cannot procure.



# Global M&A Transactions by Geography

Global H1 2017 activity: moderate increase

Number of global transactions 2011 – H1 2017 \*



\* Only includes majority transactions, e.g. where acquired stake was above 50%  
Source: IMAP, Zephyr

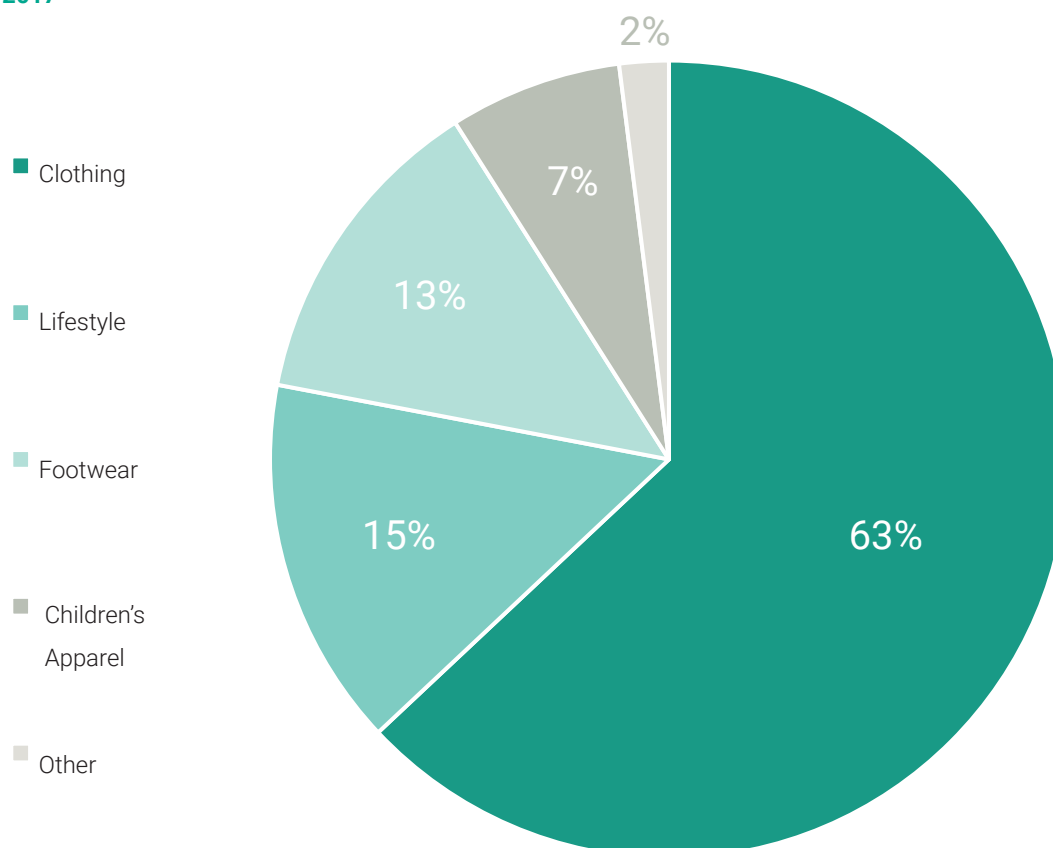
- M&A activity was strong from 2012-2016 with an average of 114 transactions per year, consistently led by Western Europe.
- Transaction volumes between 2012 – 2016 were 4.75 times higher on average than the 2011 volume – showing recovery from the financial crisis.
- In H1 2017 Western Europe shows the highest growth and remains the most active region.
- The main acquirers are retailers and manufacturing & retailing companies from the clothing industry, seeking to achieve economies of scale and economies of scope.
- Private equity funds are bullish on apparel retailers; already reaching more than half the total 2016 transaction volume in H1 2017, making consistently less exits than buy-ins over the last five years.
- 19% of 2016 – H1 2017 transactions were cross-border transactions (non-domestic acquirer).



# Global M&A Transactions by Product Type

Lifestyle focused businesses are the second most popular targets

Global transactions by product type in the fashion & apparel industry  
2016 – H1 2017\*









\*Only includes majority transactions, e.g. where acquired stake was above 50%. Deals include retailers and manufacturers that have retail activity.  
Source: IMAP, McKinsey, Zephyr

- The most popular targets are generalist clothing retailers, representing 63% of all transactions over the 2016 – H1 2017 period.
- The relatively high proportion of lifestyle fashion retailer targets, such as athleisure and modest clothing, correlates with the increasing consumer involvement in consumer tribes (lifestyle movements).
- Between 2016 – H1 2017, over 75% of lifestyle retailer targets were athleisure firms, which are expected to achieve the highest 2017 revenue growth (6.5 – 7.5 %).
- Amongst the featured transactions, 62% of retailer targets have (or had, at the time of the acquisition) an online store whilst 26% were online only.
- Almost 24% of featured retailers were acquired by financial investors or decided on IPO.

# Highlighted Deals of 2016 – H1 2017

**Inorganic growth still drives the expansion of large businesses, but strong PE activity remains**

STRATEGIC	ADD-ON	GEOGRAPHIC EXPANSION
		
<p>11/2016</p>	<p>03/2017</p>	<p>07/2016</p>
		
<p>JD Sports, a British athleisure and footwear retailer owned by the Pentland Group, acquired Go Outdoors, a British outdoor clothing and equipment retailer from the 3i Group and YFM Equity Partners (private equities).</p>	<p>The Carlyle Group, a US private equity firm, acquired Golden Goose Deluxe Brand, an Italian luxury fashion retailer, from a group of investors headed by Ergon Capital Partners (private equity). This was Carlyle's 4th deal in the European apparel industry, following previous investments in ski jacket maker Moncler, TwinSet by Simona Barbieri, and Hunkemoller.</p>	<p>HanesBrands, a leading global marketer of underwear, intimate apparel and activewear, acquired Pacific Brands Limited, the leading underwear and intimate apparel company in Australia. This was their 6th acquisition since 2013.</p>
<p>"Go Outdoors complements the work we have done on the high street with Blacks and Millets and further strengthens our offering in the Outdoor sector." (Peter Cowgill, Executive Chairman, JD Sports).</p>	<p>"We believe in Golden Goose's strong growth potential and we think that Giorgio [appointed CEO] will build on the momentum already underway towards Golden Goose Deluxe Brand's future." (Marco De Benedetti, MD, Carlyle Europe Partners).</p>	<p>"Pacific Brands is a great addition to our strong market-leading portfolio spanning the Americas, Europe and Asia-Pacific that is supported by a world-class company-owned global supply chain." (Gerald W. Evans Jr, CEO, HanesBrands).</p>
<p><b>Deal value:</b> EUR 151 million  <b>EV/SALES:</b> 0.6x  <b>EV/EBITDA:</b> 10.3x  <b>Deal type:</b> 100% Acquisition</p>	<p><b>Deal value:</b> EUR 400 million  <b>EV/SALES:</b> 5.0x  <b>EV/EBITDA:</b> 22.1x  <b>Deal type:</b> Institutional buy-out 100%</p>	<p><b>Deal value:</b> EUR 755 million  <b>EV/SALES:</b> 1.2x  <b>EV/EBITDA:</b> approx. 10.0x  <b>Deal type:</b> 100% Acquisition</p>

# Large Online Players' Activity

Following trends, expanding operations and technological expertise



YOOX  
NET-A-PORTER  
GROUP



Walmart is shifting its focus to e-commerce and fashion to tackle its competitors in the market, specifically Amazon, who still dominates the US market. Acquired e-tailers remain operational under separate brands.

YOOX is expanding its core business, leveraging technological expertise, deepening relationships with prominent brands of the luxury fashion industry, and tapping emerging markets such as the Middle East.

Besides investing in logistics, Zalando actively acquires e-commerce technology companies. The acquired firms remain operational separately. "We will invest heavily in technology and know-how... There will be more Acqui-hires..." (Zalando).

## Walmart's activity since 2011:

- Acquired social media company Kosmix, to accelerate social and mobile commerce.
- Acquired online retailer Jet.com, taking over its proprietary technology and customer database, and placing Jet.com founder/CEO Marc Lore in charge of all e-commerce.
- Acquired online apparel retailers Bonobos (men), ModCloth (women), ShoeBuy (footwear) and Moosejaw (lifestyle, outdoor), to take on more upscale fashion e-tailers.

## YOOX's activity over the past five years:

- Launched a joint venture with holding company PPR (now Kering, owner of Gucci, Puma, and Saint Laurent Paris) to create tailor-made online stores for the conglomerate's brands, turning potential competition into sources of revenue.
- Acquired Net-A-Porter, online women's luxury fashion retailer, to expand its business.
- Entered into a joint venture with Symphony Investments, to tap into the growing fashion market in the Middle East.

## Zalando's activity over the past five years:

- Acquired Metrigo, sales-oriented advertising software company.
- Acquired nugg.ad, data-driven target group marketing firm.
- Acquired Tradebyte, e-commerce market software developer.
- Acquired Amaze, mobile fashion & shopping app.
- Acquired the retail business of Kickz AG, online sportswear store – athleisure and lifestyle trend.
- Joint venture with Bestseller, to take over FashionTrade.com, digitising fashion wholesale.

04/2011 Kosmix: EUR 265 million  
08/2016 Jet.com: EUR 2,957 million  
12/2016 ShoeBuy: EUR 67 million  
02/2017 Moosejaw: EUR 48 million  
03/2017 ModCloth: EUR 70 million  
06/2017 Bonobos: EUR 278 million

08/2012 PPR (JV): Launched six online stores  
03/2015 Net-A-Porter: EUR 1,841 million  
11/2016 Symphony Investments (JV): EUR 130 million

03/2015 Metrigo GmbH: Undisclosed  
01/2016 nugg.ad: Undisclosed  
05/2016 Tradebyte: Undisclosed  
05/2016 The Amaze App: Undisclosed  
03/2017 Kickz AG: Undisclosed  
06/2017 FashionTrade.com (JV): 50%

# Case Study – Panço

## UAE private equity acquired Turkish Panço, a children's wear retailer

### OUTCOME AND IMPACT

- Panço, a Turkish children's wear retailer was acquired by Levant Capital, a United Arab Emirates based private equity firm. IMAP's partner firm in Turkey advised Panço on the sale.
- Majority acquisition through capital increase and cash distributed to shareholders.
- Since the acquisition, Panço has doubled its number of brick-and-mortar stores.

### CLIENT BACKGROUND AND OBJECTIVE

- Panço, the sole Turkish retailer specialised only in children's apparel (0-12yrs) has 107 stores, 97 in Turkey and 10 in the Middle East, North Africa and the Balkans, supplemented by 250 sales points (corners). It also operates an extensive online store since 2009, currently delivering only in Turkey.
- The firm employs 400 people, and has 2,000 workers in its ecosystem.
- Products are in the mid-range, and the firm is targeting quality pursuers.
- The vision of the company is to be amongst the top 10 children's wear retailers in the world by 2023.

### DEAL RATIONALE

- Levant Capital, interested mainly in the Middle East, was seeking investment opportunities in the Turkish retail industry which in 2014 was showing high growth potential.
- This was the private equity firm's first majority investment in both Turkey and the retail apparel industry.

### IMAP CONTRIBUTION

- IMAP Turkey was the financial and strategic advisor to Panço. During the transaction process, selling to a strategic investor was also a viable option.

RETAIL



**LEVANT CAPITAL**

Levant Capital  
Private Equity  
U.A.E

Acquired Majority Control of Business  
Operations



Panço  
Manufacturer of Children's Wear  
TURKEY

**IMAP**

ADVISED ON SALE OF COMPANY

# Case Study – Quiz Plc IPO

## Successful IPO on the AIM Market of the London Stock Exchange

### OUTCOME AND IMPACT

- Advised by IMAP UK (Panmure Gordon), Quiz Plc, a previously 100% family owned Scottish womenswear retailer, completed its IPO on the AIM Market of the London Stock Exchange in July 2017, with a market capitalization on IPO of GBP 200 million.
- GBP 92.1 million of equity sold by shareholders on IPO and GBP 10.6 million of new equity raised to accelerate online and international growth.
- Share price performance since IPO: +24.2% and market capitalization of GBP 250 million.
- The Quiz IPO was supported by leading blue chip institutional investors.

### CLIENT BACKGROUND AND OBJECTIVE

- QUIZ is an omni-channel fast fashion womenswear brand, which specializes in occasion wear, eveningwear and dressy casualwear at fantastic value, for women aged between 16 and 35 years old.
- The Group's omni-channel approach aims to provide customers with a high quality shopping experience online through QUIZ's website and apps or in-store through QUIZ's 73 standalone stores and 167 concessions in the United Kingdom and the Republic of Ireland. The QUIZ brand is present in 19 countries through 65 international franchise stores, concessions and wholesale partners.
- The Group was founded in 1993, is headquartered in Glasgow, Scotland and employs over 1,350 people (UK only).

### DEAL RATIONALE

- Quiz said there were "clear and exciting growth prospects" looking ahead, which had been reflected "by the strong levels of investor interest".
- Achieved a premium valuation compared to multichannel retailers (Joules, TD Sports and Super Group): 14.7x forward EV/EBITDA.

### IMAP CONTRIBUTION

- IMAP UK acted as Financial Adviser, Nominated Adviser and Sole Broker in relation to the IPO.

**July 2017**

**QUIZ**

Quiz Plc

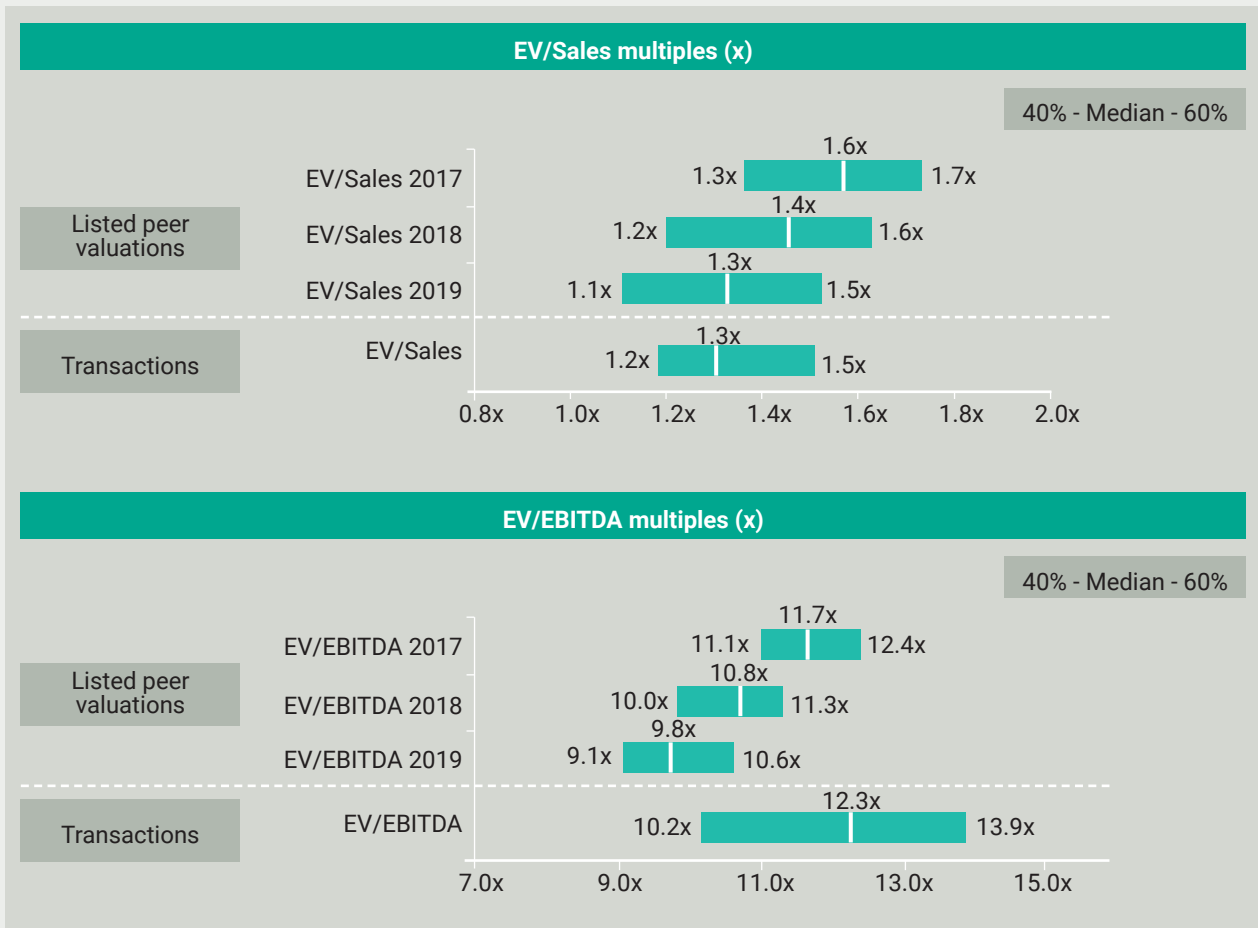
Initial Public Offering  
raising £102.7 million

Financial Adviser, Nominated  
Adviser and Broker

**£200 million**

# Valuation Summary

Valuations of listed companies reflect average expected growth rate of c.10%



Source: mergermarket, Capital IQ  
See individual transactions and listed peer valuations in following pages.

Our analysis of 51 transactions\* between 2012 – 2017 reveals:

- The highest valuations on average were from Western Europe (over 60% of transactions), followed by Asia, Eastern Europe and the United States.
- Segmenting the deals by strategy: pure online deals were priced at top multiples while vertically integrated targets (from production to own retail with own brand) were valued with the lowest multiples, nevertheless with almost 10x EBITDA on average.
- Both average EV/EBITDA and EV/Sales peaked in 2014. By 2017, the EV/Sales multiple had returned to the same level it had in 2012, while the EV/EBITDA shows an increase compared to 2012.
- US transaction valuations are less variable and slightly below the median (majority still above 10x EBITDA).

Valuation of listed peers reflect an expected average EBITDA growth of c. 10%. Given that transaction multiples are higher than those observed in the stock market on average, M&A is expected to create synergies in the fashion & apparel market, which in turn confirms the intention of buyers to adapt to current market trends and challenges.

\*See individual transaction and listed peer groups details in the appendix section

# Transactions\* 1/3

Date	Target name	Target Country	Target business description	Acquiror name	Acquiror Country	Acquired stake (%)	EV (EUR m)	EBITDA margin (%)	EV / Sales	EV / EBITDA
<b>Fashion manufacturers with limited own retail</b>										
2017	Forte Forte Srl	IT	Fabrics and knitwear women clothes manufacturer and retailer	Style Capital Sgr SpA	IT	100%	16	13%	1.22x	9.04x
2016	Alberto Aspesi & C. SpA	IT	Luxury clothing retailer	Armonia Italy Fund	IT	80%	73	12%	1.81x	15.30x
2016	Swims AS	NO	Waterproof footwear manufacturer and retailer	Differential Brands Group Inc.	US	100%	13	7%	1.32x	20.07x
2016	Toebox Korea Co. Ltd	KR	Kids' shoes wholesaler and retailer	Daewoo SBI Special Purpose Acquisition 1 Co. Ltd	KR	100%	25	18%	1.27x	7.12x
2016	Joules Group Plc	GB	Women's clothing retailer	Undisclosed		55%	245	12%	1.76x	14.19x
2015	POC Sweden AB	SE	Sports apparel manufacturer and retailer	Dainese SpA	IT	100%	60	9%	2.86x	32.54x
2014	Brunello Cucinelli SpA	IT	Luxury clothing wholesaler and retailer	Fedone Srl	IT	62%	1122	20%	4.23x	21.28x
2014	Beaconsfield Footwear Ltd	GB	Footwear manufacturer and retailer	Electra Partners LLP	GB	64%	163	15%	1.81x	12.36x
2013	Loro Piana SpA	IT	Cashmere and wool and clothing manufacturer, retailer	LVMH Moet Hennessy Louis Vuitton SA	FR	80%	2611	20%	5.33x	26.98x
2013	True Religion Apparel Inc.	US	Luxury clothing wholesaler and retailer	Towerbrook Capital Partners LP	US	100%	489	20%	1.39x	6.91x
2013	Suhyang Networks Co., Ltd	KR	Children's apparel manufacturer and retailer	AEA Investors LP Fung Retailing Ltd	US HK	70%	207	9%	1.89x	20.29x
2013	Maidenform Brands Inc.	US	Underwear retailer	Hanesbrands Inc.	US	100%	418	10%	0.95x	9.28x
2012	Lacrosse Footwear Inc.	US	Online outdoors footwear retailer	ABC-Mart Inc.	JP	100%	126	7%	1.17x	16.73x
2012	POC Sweden AB	SE	Cycling apparel manufacturer and retailer	Black Diamond Inc.	US	100%	35	11%	2.35x	21.16x
2012	Kenneth Cole Productions Inc.	US	Online clothing manufacturer and retailer	KCP Holdco Inc.	US	54%	68	4%	0.14x	3.21x
<b>Pure online</b>										
2016	Privalia Venta Directa Sa	ES	Online fashion clothing retailer	Vente-privee.com SA	FR	100%	526	9%	3.25x	37.21x
2015	Eobuwie.pl SA	PL	Online footwear retailer	CCC SA	PL	75%	42	17%	1.25x	7.20x
2014	Mandm Direct Ltd	GB	Online clothing retailer	Bestseller A/S	DK	100%	203	9%	1.37x	15.55x

Date	Target name	Target Country	Target business description	Acquiror name	Acquiror Country	Acquired stake (%)	EV (EUR m)	EBITDA margin (%)	EV / Sales	EV / EBITDA
<b>Retailers with mostly online business</b>										
2017	Nama d.d.	SI	Online and physical clothing store operator	Kompas Shop d.o.o.	SI	100%	18	9%	1.13x	12.16x
2017	Weird Fish Ltd	GB	Ethical clothing retailer	MBO Team	GB	100%	33	7%	1.95x	28.31x
2016	Go Outdoors Topco Ltd	GB	Outdoors apparel and equipment retailer	JD Sports Fashion Plc	GB	100%	147	6%	0.62x	10.27x
2016	Intersport ISI d.o.o.	SI	Sportswear retailer	Polish Enterprise Fund VII LP	KY	100%	35	5%	0.63x	12.95x
2015	As Adventure NV	BE	Outdoor clothing retailer	Pai Partners SAS	US/FR	100%	500	12%	3.10x	26.57x
2015	Nama d.d.	SI	Clothing store operator	Undisclosed		99%	15	8%	1.19x	14.71x
2015	Shoe Zone Plc	GB	Footwear retailer	Slawston Investments Plc	GB	55%	154	9%	0.66x	7.54x
2015	Sports Direct International Plc	GB	Sports apparel retailer	Mash Beta Ltd	GB	51%	5990	12%	1.70x	14.52x
2015	Phase Eight (Fashion & Designs) Ltd	GB	Women's clothing retailer	Foschini Group Ltd	ZA	100%	185	17%	1.07x	6.42x
2014	Jos A Bank Clothiers Inc.	US	Online and physical clothing retailer	Mens Wearhouse Inc.	US	100%	1007	13%	1.32x	10.37x
2014	Hallhuber GmbH	DE	Online women's clothing retailer	Gerry Weber International AG	DE	100%	110	7%	0.79x	10.72x
2014	mytheresa.com GmbH	DE	Online retailer of clothing, shoes, bags and accessories	Neiman Marcus Group Ltd.	US	100%	150	5%	1.60x	35.00x
2013	Hot Topic Inc.	US	Teenagers' clothing retailer	Sycamore Partners Management LLC	US	100%	407	9%	0.73x	8.41x
2013	Neiman Marcus Group Ltd Inc.	US	Online luxury clothing retailer	Canada Pension Plan Investment Ares Management LLC	CA US	100%	6204	14%	1.84x	13.03x
2013	Zalando SE	DE	Online retailer of apparel and shoes	Investment AB Kinnevik	SE	4%	2857	-7%	2.50x	n/a
2012	Odel Plc	LK	Fashion retailer	Undisclosed		50%	42	11%	1.79x	15.72x
2012	Groupe Go Sport SA	FR	Sportswear retailer	Rallye SA	FR	67%	98	16%	1.35x	8.71x
2012	Zalando SE	DE	Online retailer of apparel and shoes	Investment AB Kinnevik	SE	10%	2768	-11%	5.40x	n/a



3/3

Date	Target name	Target Country	Target business description	Acquiror name	Acquiror Country	Acquired stake (%)	EV (EUR m)	EBITDA margin (%)	EV / Sales	EV / EBITDA
<b>Vertical from production to own retail with own brand</b>										
2017	Agent Provocateur Ltd	GB	Luxury female lingerie retailer	Four Holdings Ltd	GB	100%	38	9%	1.88x	21.25x
2017	YEAH! AG (McTrek)	DE	Outdoor clothing	A.S. Adventure	BE	100%	34	9%	0.70x	7.20x
2015	J Jill Group Inc.	US	Women's clothing retailer	Towerbrook Capital Partners LP	US	100%	318	6%	0.78x	13.82x
2015	Detlev Louis Motorradvertrieb GmbH	DE	Motorbike accessories and clothing retailer	Berkshire Hathaway	US	100%	400	20%	1.50x	7.90x
2015	Hugo Boss AG	DE	Manufacturer of sportswear, apparel and cosmetic products	Zignago Holding S.p.A.	IT	7%	7342	22%	2.90x	12.80x
2015	Douglas Holding AG	DE	Retailer of perfume, body care, jewelry, fashion and sports products	CVC Capital Partners Ltd.	UK	85%	2800	10%	1.10x	10.90x
2013	Esotiq & Henderson SA	PL	Underwear retailer	Dictador Global Ltd		50%	13	7%	0.55x	8.41x
2013	Rue21 Inc.	US	Clothing retailer	Apax Partners LLP	GB	70%	1115	11%	1.67x	14.85x
2013	Runners Point Warenhandels-gesellschaft mbH	DE	Sports shoes, sports apparel, and other fitness accessories	Foot Locker Inc.	US	100%	72	3%	0.40x	9.50x
2013	Adler Modemärkte AG	DE	Retail apparel store chain operator	Klaus Steilmann GmbH & Co. KG u. Equinox Investments ScpA	DE IT	50%	84	7%	0.20x	2.40x
2012	Charming Shoppes Inc.	US	Women's clothing retailer	Ascena Retail Group Inc.	US	100%	689	4%	0.44x	10.04x
2012	Hang Ten Group Holdings Ltd	BM	Clothing retailer	Perfect Lead Investments Ltd	VG	100%	214	13%	0.92x	7.06x
2012	Douglas Holding AG	DE	Retailer of perfume, body care, jewelry, fashion and sports products	Advent International Corporation	US	80%	1641	6%	0.50x	8.20x
2012	BONITA GmbH & Co. KG	DE	Fashion retailer	Tom Tailor Holding AG	DE	100%	222	0%	0.60x	
2012	Hanesbrands Europe GmbH	DE	Manufacturer and seller of basic apparel such as T-shirts	Smartwares Home Essentials	NL	100%	15	15%	0.30x	2.00x

\* Includes transactions with known multiples

Source: Mergermarket

## Selected Listed Peer Valuations

Company	Country	EV / EBITDA			EV / EBIT			EV / SALES			P/E		
		2017	2018	2019	2017	2018	2019	2017	2018	2019	2017	2018	P/E
Abercrombie & Fitch Co.	US	4.1x	4.3x	4.1x	39.2x	37.3x	21.2x	0.3x	0.3x	0.3x	nm	nm	nm
Adidas AG	DE	16.0x	13.7x	11.7x	19.6x	16.7x	14.3x	1.8x	1.6x	1.5x	28.2x	23.9x	20.3x
BRUNELLO CUCINELLI S.p.A.	IT	22.1x	20.0x	18.0x	30.2x	27.5x	24.3x	3.8x	3.5x	3.2x	40.8x	36.2x	32.7x
Burberry Group plc	UK	12.1x	11.4x	10.6x	15.3x	14.8x	13.6x	2.5x	2.6x	2.5x	23.3x	21.6x	20.0x
Calida Holding AG	CH	8.8x	7.7x	6.8x	13.3x	11.1x	9.3x	0.8x	0.7x	0.7x	18.3x	16.1x	13.9x
Columbia Sportswear Company	US	12.5x	11.4x	10.9x	15.4x	14.3x	12.9x	1.7x	1.6x	1.5x	22.9x	20.7x	18.3x
Delta Galil Industries Ltd.	IS	8.6x	7.3x	6.5x	11.3x	9.2x	8.1x	0.7x	0.7x	0.6x	na	11.9x	10.1x
Geox S.p.A.	IT	12.4x	9.5x	8.4x	25.8x	15.1x	12.6x	1.0x	1.0x	0.9x	44.2x	22.5x	17.2x
H & M Hennes & Mauritz AB	SE	11.1x	10.1x	9.3x	15.2x	13.8x	12.7x	1.7x	1.6x	1.5x	20.0x	18.0x	16.7x
Hanesbrands Inc.	US	11.3x	10.9x	10.7x	12.7x	12.2x	11.5x	1.9x	1.8x	1.8x	11.4x	10.9x	10.5x
Hugo Boss AG	DE	11.1x	10.6x	9.9x	16.4x	15.5x	14.3x	2.0x	2.0x	1.9x	21.7x	20.2x	18.2x
Industria de Diseño Textil, S.A.	SP	16.7x	15.1x	13.4x	21.1x	18.9x	16.8x	3.6x	3.3x	3.0x	28.8x	25.5x	22.6x
Joules Group Plc	UK	13.1x	11.3x	9.8x	20.3x	17.2x	14.7x	1.4x	1.2x	1.1x	28.4x	22.4x	19.0x
Moncler S.p.A.	IT	15.2x	13.9x	12.6x	17.4x	15.9x	14.6x	5.2x	4.7x	4.3x	25.8x	23.5x	21.6x
Ralph Lauren Corporation	US	7.7x	7.6x	7.1x	11.3x	10.9x	10.3x	1.1x	1.1x	1.1x	17.1x	16.3x	15.0x
Skechers U.S.A., Inc.	US	10.0x	8.2x	7.4x	12.3x	9.7x	8.5x	1.1x	1.0x	0.9x	19.5x	15.8x	14.0x
The Gap, Inc.	US	5.3x	5.3x	5.6x	7.4x	7.4x	7.9x	0.7x	0.7x	0.7x	23.1x	20.7x	18.3x
Under Armour, Inc.	US	16.8x	14.5x	13.1x	27.4x	24.0x	20.9x	1.5x	1.3x	1.2x	25.0x	20.4x	27.3x
	Average	11.9x	10.7x	9.8x	18.4x	16.2x	13.8x	1.8x	1.7x	1.6x	24.9x	20.4x	18.6x
	Median	11.7x	10.8x	9.8x	15.9x	15.0x	13.x	1.6x	1.4x	1.3x	23.2x	20.7x	18.3x

Source: Capital IQ



## About IMAP

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FASHION & APPAREL REPORT AUTHORS:

**IMAP**

Phone: +34 936 026 710  
E-mail: [info@imap.com](mailto:info@imap.com)  
[www.imap.com](http://www.imap.com)

**Dr. Carsten Lehmann**

IMAP Germany  
[carsten.lehmann@imap.de](mailto:carsten.lehmann@imap.de)

**Jürgen Wollenschläger**

IMAP Germany  
[juergen.wollenschlaeger@imap.de](mailto:juergen.wollenschlaeger@imap.de)

**Karri Vuori**

IMAP UK  
[karri.vuori@imap.com](mailto:karri.vuori@imap.com)

**Gabriella Hajdu-Tar**

IMAP Hungary  
[gabriella.hajdu.tar@imap.com](mailto:gabriella.hajdu.tar@imap.com)