

# POCKETS OF RESILIENT CONSUMER SPENDING FUEL RESURGENCE IN APPAREL & FOOTWEAR M&A

APPAREL, FOOTWEAR, & ACCESSORIES SECTOR UPDATE | JULY 2024



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# Apparel, Footwear, & Accessories

## Pockets of Resilient Consumer Spending Fuel Resurgence in Apparel & Footwear M&A

### KEY SECTOR TAKEAWAYS

Capstone Partners' [Consumer Investment Banking Group](#) is pleased to share its Apparel, Footwear, & Accessories report. Sector participants have expressed caution amid macroeconomic headwinds, but resilient brands have exhibited stable growth. Firms with differentiated products and high customer loyalty have garnered significant buyer attention in the market year-to-date (YTD). Moreover, acquisitive players have looked to bolster omnichannel capabilities and diversify channel mixes through merger and acquisition (M&A) opportunities. Several key report takeaways are included below.

1. Apparel & Footwear M&A activity has accelerated through YTD 2024, with targets offering unique brands, customer loyalty, omnichannel synergies, and strong geographic footholds garnering robust buyer interest.
2. Spending in the sector has continued to grow year-over-year (YOY) despite prolonged inflation, though spending patterns have shown signs of the inflationary environment pressuring consumers.
3. Jewelry spending has propelled sector-wide sales as consumers turn to branded jewelry providers for small self-indulgences. Healthy spending has fueled Jewelry segment M&A activity YTD, tripling deal volume from the prior year period.
4. While strategic buyers comprised 78.8% of transaction volume in the sector to-date, financial sponsors have shown growing interest in platform deals.
5. Transaction valuations have remained robust, with sector participants willing to pay premiums for companies exhibiting sustainable growth and insulation from fashion risk.
6. Strategics continue to drive the M&A market forward, but we are starting to see signs of a resurgence in investment from private equity – a key indicator of a healthy M&A market and a bellwether for continued deal-making in the sector.

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To learn more about Capstone's wide range of advisory services and Apparel, Footwear, & Accessories sector knowledge, please [contact us](#).

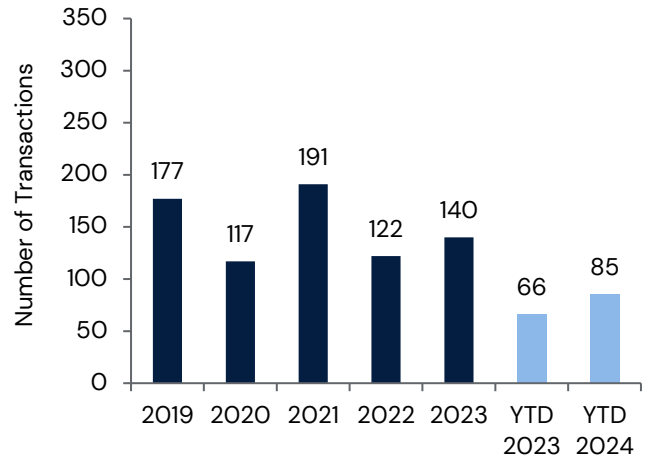
## M&A MARKET SHOWS STRENGTH, PLATFORM DEALS RETURN

M&A activity in the Apparel, Footwear, & Accessories sector has accelerated past prior year figures through YTD, with 85 transactions announced or completed. This marks a YOY rise of 28.8%. While private strategics have comprised the majority of buyers in the space, notable YOY increases in public strategic and private equity platform dealmaking to-date have marked a return in buyer appetite to the space. Marquee sector participants have stayed conservative despite an active M&A market, targeting companies with limited exposure to fashion risk and cyclical growth. Moreover, the initial public offering (IPO) market has shown life recently. In June, Shein, a fast-fashion apparel maker, filed for an IPO on the London Stock Exchange, just over a year after raising a \$2 billion Series G funding round at a \$66 billion post-money valuation (May 2023). Permira-backed shoe designer Golden Goose postponed its June IPO on the Italian Stock Exchange due to volatility in European markets amid French elections. Overall, recent public offering activity, coupled with abundant M&A activity, has exemplified robust investor and acquirer appetite.

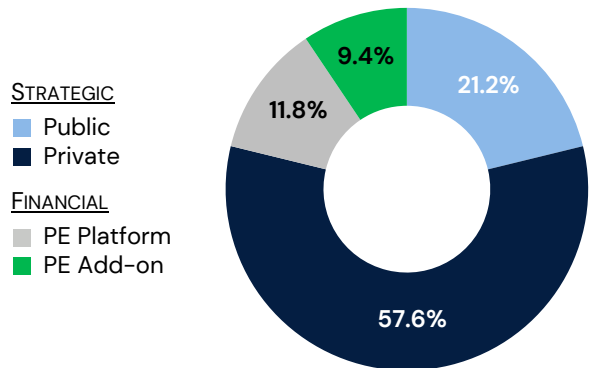
Strategic buyers have led deal activity, comprising 78.8% of total transactions through YTD 2024. Public strategics have increasingly pursued inorganic growth, accounting for 18 deals announced or closed to-date, a pace set to exceed peak public M&A levels seen in 2017. In the largest disclosed deal to-date, JD Sports Fashion (LSE:JD) announced the acquisition of Hibbet (Nasdaq:HIBB) for \$1.4 billion, equivalent to 5.0x EV/EBITDA (April). Sponsor activity in the sector has seen a notable influx to-date. Private equity platform deals have doubled YOY, with 10 transactions announced or closed to-date. With lending conditions expected to improve through year-end and into 2025, Capstone anticipates continued capital deployment from sponsors as they seek to unload accumulated dry powder and manage limited partner (LP) demand for returns.

M&A sector valuations have remained healthy, with an average EBITDA multiple of 11.3x from 2021 through YTD. Transaction pricing has outpaced the Consumer industry average, at 10.3x over the same period. High-growth, highly profitable brands have continued to garner robust purchase multiples as buyers look to expand geographical footprints, capitalize on strong brand traction, scale target operations, and bolster omnichannel capabilities.

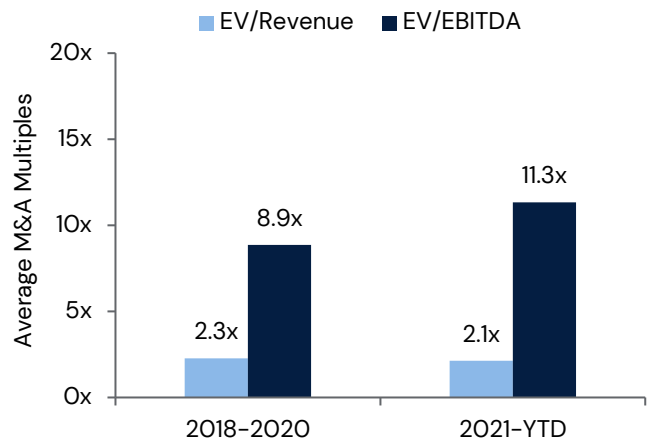
**Apparel, Footwear, & Accessories M&A Volume Rises Year-To-Date**



**Private Strategics Lead Sector M&A To-Date**



**Sector Participants Draw Heightened EBITDA Purchase Multiples**



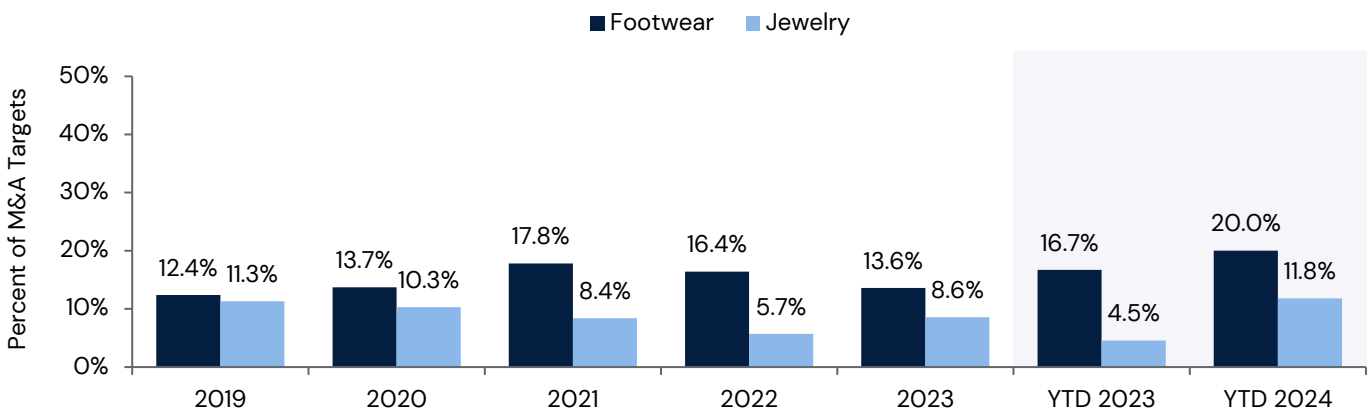
Year-to-date (YTD) ended June 12  
Source: Capital IQ, FactSet, PitchBook, and Capstone Partners

## FOOTWEAR AND JEWELRY M&A PACES 2021 LEVELS

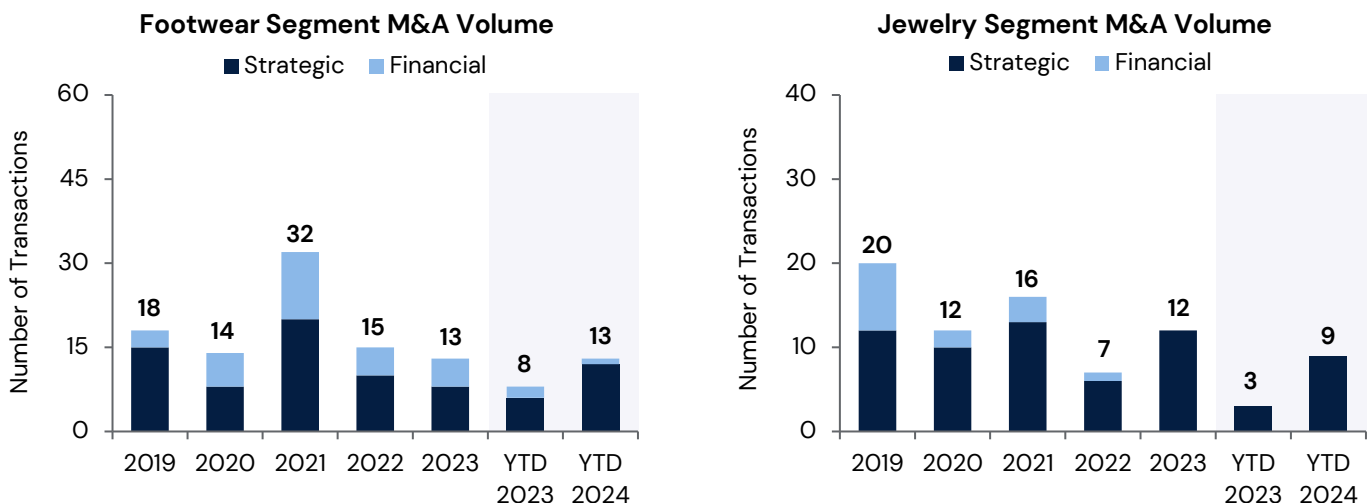
Driven by shifting consumer preferences, M&A activity in the Jewelry and Footwear segments has accelerated in YTD 2024. While sector-wide deal volume to-date has posted strong growth YOY (28.8%), Jewelry segment M&A has tripled compared to the prior year period. With the segment averaging ~13 deals annually from 2018 to 2023, Jewelry M&A is on pace to exceed annual averages, recording nine transactions YTD. Footwear M&A has seen similar levels of heightened activity, posting 62.5% YOY growth with 13 deals announced or closed to-date. Footwear M&A has averaged 19.2 transactions per year since 2018, primarily buoyed by an exceptional year for dealmaking in 2021. Beyond pure-play Footwear and Jewelry players, sector participants with these product offerings have comprised a growing proposition of targets YTD.

Strategics have dominated the buyer universe in the Footwear and Jewelry segments in recent periods. Despite the absence of private equity activity in these segments, activity over the 2019–2021 period indicates that sponsors will likely be looking for exits as portfolio companies reach the end of targeted investment horizons. Exit activity in the Footwear and Jewelry segments, coupled with a softening in credit markets, is expected to serve as an additional tailwind for segment dealmaking in the near- to mid-term.

### Footwear and Jewelry Providers Comprise Growing Proportion of Sector Targets



### Strategics Drive Appetite for Footwear and Jewelry Segments



Year-to-date (YTD) ended June 12; Source: Capital IQ, FactSet, Pitchbook, and Capstone Partners

## JEWELRY SEGMENT STRENGTH BUOYS SECTOR SALES

Business owners across the Apparel, Footwear, & Accessories sector have felt persistent challenges arising from prolonged inflation, high interest rates, and shifting consumer preferences. Despite economic headwinds, U.S. spending in the sector reached approximately \$156 billion in Q1 2024, marking a 2% increase YOY, according to the Bureau of Economic Analysis (BEA).<sup>1</sup> Notably, Jewelry segment sales grew 3.5% YOY in Q1, with healthy levels of disposable income and the growth in self-gifting driving demand for jewelry and watches. Pandora (CPSE:PNDORA), a global jewelry maker, saw its proportion of customers making self-purchases increase 16.7% YOY in Q1 2024 to account for 35% of all consumers, according to its Q1 2024 and Q1 2023 investor presentations.<sup>2,3</sup> Although growth in disposable income has tapered, consumers still observed a 3.7% YOY increase in May 2024, according to the BEA.<sup>4</sup> Additionally, sector payers have leveraged distinct designs and prominent branding to drive revenue growth as consumers increasingly tie purchases to their individual identity and self-expression. Tapestry (NYSE:TPR), a diversified apparel company, recently addressed this trend with its spring Find Your Courage campaign. “We again blended purpose and product with our spring Find Your Courage campaign, inspiring consumers to embrace confident self-expression,” said Joanne Crevolserat, CEO of Tapestry, in its fiscal year (FY) Q3 2024 earnings call.<sup>5</sup> As branded jewelry market share grows alongside self-expression trends, unbranded jewelers with fortified supply chains will likely make attractive targets for players looking to maintain a foothold in the Jewelry segment.



Consumer appetite for branded jewelry is expected to drive consolidation in the space and create a target-rich environment for middle market players. Large conglomerates are expected to use acquisitions to bolster portfolios and diversify product offerings. Conversely, smaller unbranded jewelry producers will likely grapple with diminishing market share and turn to acquisitions for revenue growth and geographic expansion. Notably, in the Branded subsegment, LVMH (ENXTPA:MC), whose brand portfolio includes names such as Louis Vuitton and Christian Dior, acquired pop culture jewelry maker Chrome Hearts (March, undisclosed). In the Unbranded space, accessories manufacturer and wholesaler Aura Accessories acquired Arden Jewelry Manufacturing (February, undisclosed). The acquisition is expected to provide robust sourcing and manufacturing synergies, enabling Arden to expand operations and remain competitive.

### Jewelry Spending Rebounds as Consumers Self-Gift

*Jewelry spending increased 3.5% YOY through Q1 2024, growing by \$836.5 million.*



Source: Bureau of Economic Analysis and Capstone Partners

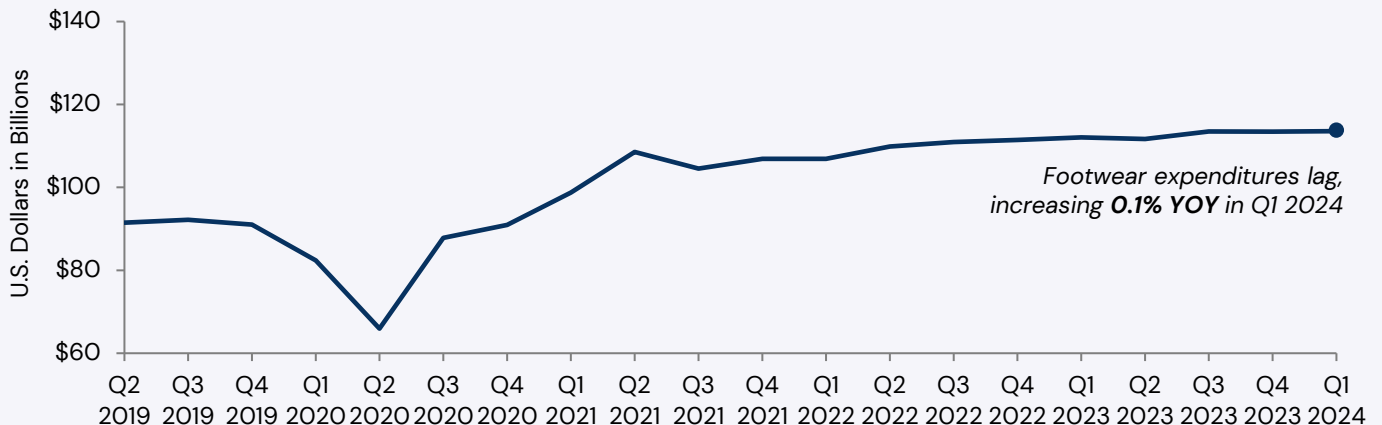
## FOOTWEAR SPENDING SOFTENS, FIRMS SHIFT FOCUS TO GROWTH

Footwear companies enjoyed a brief COVID-related boost in consumer activity from late 2020 through mid-2021, but personal consumption expenditures (PCE) have stagnated, forcing management teams to refocus on growth drivers. Since Q2 2021, PCE in the segment has averaged 0.4% growth quarter-over-quarter (QoQ), according to the BEA. With consumer spending softening, segment participants have focused on three key growth drivers: product innovations, value propositions, and direct-to-consumer (DTC) channels.

In times of economic uncertainty and financial strain, consumers have often traded-down in their purchasing habits, opting for cheaper alternatives to save money. However, footwear brands with excellent value propositions, such as a premium-priced product that delivers superior comfort or technology enhancements, have performed well. “We have actually seen consumers choose to trade up. And that trade up is largely focused on acquiring product that has more of our comfort features embedded in it,” noted John Vandemore, CFO of Skechers (NYSE:SKX), at the recent Evercore International Strategy & Investment (ISI) Consumer & Retail Conference.<sup>6</sup> Market-wide consumer spending headwinds have not hampered preferences for high-quality, innovate footwear; and new product launches will likely help firms maintain sales volume and avoid average sale price (ASP) deterioration through year-end.

Omnichannel capabilities have fueled strong financial performance and buyer appetite in the Footwear segment. Firms have increasingly relied on DTC operations to buoy margin expansion and drive profitability amid the challenged consumer spending environment. Deckers Outdoor (NYSE:DECK), a global footwear, apparel, and accessories company, saw DTC revenue increase 23% YOY to comprise 55% of its FY Q3 2024 revenue, a record proportion for the firm, according to its earnings call.<sup>7</sup> Additionally, a more favorable channel mix led to YOY gross margin improvement at Caleres (NYSE:CAL), a global footwear company, with its DTC business seeing faster growth than its Wholesale business, according to its Q1 2024 earnings call.<sup>8</sup> Firms such as Caleres and Skechers have also coupled digital DTC with brick-and-mortar store openings to boost brand equity, particularly in expansion regions. Caleres opened two Sam Edelman (a portfolio brand) stores internationally in Q1 2024, including a flagship store in Singapore, and has planned more as part of its future growth initiatives, according to the earnings call. Skechers’ recent guidance earmarked 155 to 270 store openings for the remainder of 2024. “That’s brand accretive at the consumer level because reaching consumers is substantially benefitted by having a store presence...where they can experience the brand in a way that is very tightly controlled to convey our value proposition to the consumer,” said Sketchers CFO, John Vandemore, at the Evercore ISI conference. Footwear segment participants are expected to continue investing in innovation, releasing new products and enhancing customer experiences through strong DTC and branded store channels for the remainder of 2024.

**Footwear Spending Growth Slows as Consumers Grapple with Prolonged Inflation**



Source: Bureau of Economic Analysis and Capstone Partners



## NOTABLE TRANSACTIONS



RUBINO

Designer Brands, parent company of Designer Shoe Warehouse (DSW), acquired Rubino Shoes for \$18.2 million (June), incorporating the branded footwear producer into its Canada Retail segment. Rubino operates 28 branded banner stores and a DTC e-commerce platform, according to Designer Brands' Q1 2024 earnings press release.<sup>9</sup> DBI expects Rubino to contribute to its operating income at the same rate as its entire Canadian Retail segment, which delivered 7.1% of net sales in Q1 2024, and provide an immediately accretive impact to the business, according to its earnings call.<sup>10</sup>

20 | VENTURES

feat®

Private equity firm 2.0 Ventures acquired Feat Clothing, a DTC apparel company, for an undisclosed sum (May). Feat focuses on athleisure and operates a branded website and pop-up shop in Santa Monica, California. The company has received four rounds of venture funding, with the latest round in 2022 valuing the company at \$75 million. The acquisition marks 2.0 Venture's first ownership of an apparel brand, entering the space with a platform deal that underscores the strength of the Apparel, Footwear, & Accessories sector and the continued popularity of athleisure products.



ROBERTO COIN

The Watches of Switzerland Group, a leading luxury watch and jewelry retailer, acquired Roberto Coin for an enterprise value of \$130 million, equivalent to 0.9x EV/Revenue (May). Roberto Coin is an Italian designer and manufacturer of jewelry and the sixth largest jewelry brand in the U.S. by sales at retail value, according to a press release.<sup>11</sup> WOSG noted that the acquisition will be earnings per share (EPS) accretive and margin enhancing immediately. Roberto Coin's luxury branded jewelry operation represents a segment key to WOSG's growth strategy, as the firm cited branded jewelry long-term growth trends as the deal rationale, according to the press release.

OXFORD

JACK ROGERS 

Oxford Industries, a leading branded apparel company and parent company of Tommy Bahama, acquired Jack Rogers for an undisclosed amount (April). Jack Rogers, a footwear company with a flagship women's sandal, is expected to help Oxford Industries expand into the Footwear category despite its anticipated dilutive impact on EPS, accord to its FY Q4 2023 earnings call.<sup>12</sup> Of note, the firm also purchased six former Southern Tide signature apparel stores during the year. Oxford Industries' willingness to purchase Jack Rogers without an immediate accretive impact in the near-term exemplifies the strong buyer appetite in the Footwear space to-date.

SHOE CARNIVAL



Shoe Carnival (Nasdaq:SCVL) acquired Rogan Shoes, a Wisconsin-based family footwear company, for \$50 million (February). Rogan Shoes fits into Shoe Carnival's goal to become the nation's top family footwear retailer. The acquisition bolsters Shoe Carnival's footprint by 28 brick-and-mortar operations across Wisconsin, Minnesota, and Illinois, according to its Q1 2024 10Q filing.<sup>13</sup> The firm has gained 59 stores through its two acquisitions, purchasing Shoe Station in 2021 for \$67.0 million, highlighting its continued use of M&A to achieve long-term growth targets.

GUESS  
&  
WHP GLOBAL

rag & bone  
NEW YORK

Guess? (NYSE:GES) and WHP Global announced a joint acquisition of rag & bone, a leader in the U.S. fashion apparel space, in which Guess? will contribute \$69.3 million including a \$12.8 million earnout (February); WHP Global's contribution was not disclosed. Guess? will acquire all rag & bone operating assets while both parties will jointly own rag & bone's intellectual property. Management expects the transaction to deliver EPS accretion in the first year and will use its global infrastructure and wholesale network to drive operating efficiencies, according to a press release.<sup>14</sup>



## SELECT TRANSACTIONS

Date	Target	Acquirer	Target Business Description	Enterprise Value (mm)	EV/LTM Revenue	EBITDA
06/06/24	'47 Brand	New Era Cap	Provides apparel, accessories, and luxury goods.	-	-	-
06/04/24	Rubino Shoes	Designer Brands (NYSE:DBI)	Retails footwear, handbags, and accessories.	\$18.2	-	-
06/03/24	Outdoor Voices	Consortium Brand Partners	Designs, manufactures, and sells athletic apparel for men and women.	-	-	-
05/21/24	Shannon Plant	BlueDelta Capital Partners	Operates a jeans production facility.	\$1.5	-	-
05/09/24	Roberto Coin	Watches of Switzerland Group (LSE:WOSG)	Produces and markets jewelry.	\$130.0	0.9x	-
05/09/24	2 Peaches Group	Savers Value Village (NYSE:SVV)	Operates a thrift store chain.	-	-	-
04/23/24	Hibbet (Nasdaq:HIBB)	JD Sports (LSE:JD)	Retails athletic-inspired fashion products.	\$1,436.5	0.8x	5.0x
04/16/24	China Pearl	Unique Designs	Manufactures jewelry and sources pearls.	-	-	-
04/09/24	HELM Boots	Ignite Companies	Designs, manufactures, and sells boots for men.	-	-	-
04/01/24	Jack Rogers	Oxford Industries (NYSE:OXM)	Produces and sells footwear for women and girls.	-	-	-
04/01/24	Nina Footwear	Kidpik (Nasdaq:PIK)	Retails women's shoes, handbags, and other accessories.	-	-	-
03/31/24	Chrome Hearts	LVMH (ENXTPA:MC)	Manufactures handmade jewelry.	-	-	-
03/28/24	Dawson Cashmere	Folklore Ventures	Distributes branded and private label knitwear.	-	-	-
02/16/24	Rag & Bone	Guess? (NYSE:GES); WHP Global	Designs and manufactures apparel, shoes, and accessories.	-	-	-
02/13/24	Rogan Shoes	Shoe Carnival (Nasdaq:SCVL)	Retails footwear, clothing, and accessories.	\$50.0	-	-
02/02/24	Enda	NVH Studios	Manufactures performance running shoes.	-	-	-
02/01/24	Arden Jewelry	Aura Accessories	Designs and manufactures jewelry.	-	-	-
01/31/24	Mystery Ranch	YETI Holdings (NYSE:YETI)	Produces apparel, accessories, and luxury goods.	-	-	-
01/12/24	Bandier	BC Brands	Operates activewear boutiques.	-	-	-
01/11/24	Sperry	ABG Intermediate Holdings	Manufactures and sells footwear and activewear.	\$70.0	0.3x	-
01/05/24	Ratio Clothing	BlackLapel Custom Clothiers	Produces custom dress shirts for men.	-	-	-
10/23/23	Almost Famous	Steven Madden (Nasdaq:SHOO)	Distributes women's apparel to merchants, department stores, and retailers.	\$52.0	0.3x	-
09/28/23	Chico's FAS (NYSE:CHS)	Sycamore Partners	Operates omnichannel specialty women's apparel.	\$1,389.8	0.7x	6.7x

Source: Capital IQ, PitchBook, FactSet, and Capstone Partners

# BIRKENSTOCK OUTPERFORMS POST-IPO, GARNERS INVESTOR ATTENTION



**Ticker:** NYSE:BIRK  
**Headquarters:** London, U.K.  
**Markets:** Footwear  
**LTM Revenue:** \$1.7 Billion  
**Market Capitalization:** \$11.5 Billion

## Company Description

Birkenstock (NYSE:BIRK) is a manufacturer and seller of sandals and closed-toe footwear reaching Retail and Wholesale end markets through its DTC and business-to-business (B2B) operations. In April 2021, L Catterton, a consumer-focused private equity firm, acquired Birkenstock at a transaction size of \$4,839.7 million. The private equity firm achieved a successful exit in October 2023 via an IPO. The offering was met with caution and fell 9.5% in the two days following the initial offering. Since then, shares have increased 68.1% to-date, highlighting investors’ growing interest and excitement around the sector. Revenue has grown 23% YOY and the firm’s DTC channel have posted a 32% sales increase in Q2 2024, which is expected to bolster its gross margin and profitability figures over the near-term, according to its Q2 2024 earnings call.<sup>15</sup>

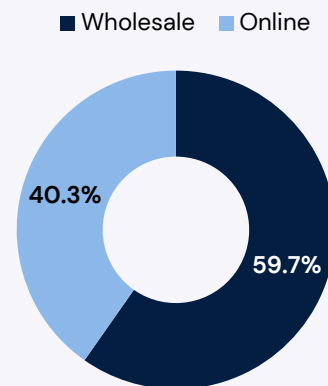
“Our second quarter revenue was driven equally by an increase in ASP and units. ASP benefited from the continued shift to premium products, a favorable channel mix towards DTC and the targeted sale price increase,” said Oliver Reichert, CEO of Birkenstock, on the earnings call.

Birkenstock has experienced robust EBITDA multiple expansion to-date, trading 43.4% higher than in January at 29.7x. Management has raised its full-year revenue guidance to 20% YOY growth (global, in Euros), according to its Q2 2024 earnings presentation.<sup>16</sup> The firm successfully raised its recommended retail price (RRP) by 20%, a tactic some firms have shied away from. The price increase was met without consumer backlash, underscoring Birkenstock’s brand strength and value proposition. Segment participants with the brand equity to pass inflationary input costs to consumers are expected to continue to outperform through year-end.

**Share Price Appreciates with Strong Financial Performance**



**Birkenstock’s Wholesale Business Drives Majority of Q2 Revenue**



Source: Capital IQ, SEC Filings, and Capstone Partners as of June 20, 2024



## PUBLIC COMPANY DATA

### ACTIVEWEAR

Company	Price 06/18/24	% 52 Wk High	Market Cap	Enterprise Value	LTM			EV / LTM	
					Revenue	EBITDA	Margin	Revenue	EBITDA
adidas AG	\$234.93	92.7%	\$41,947.4	\$47,214.4	\$23,315.4	\$1,614.3	6.9%	2.0x	29.2x
ASICS Corporation	\$58.18	95.8%	\$10,520.6	\$10,841.1	\$3,915.7	\$550.1	14.0%	2.8x	19.7x
Foot Locker, Inc.	\$24.32	68.3%	\$2,303.5	\$4,947.5	\$8,116.0	\$1,294.3	15.9%	0.6x	3.8x
Lululemon Athletica Inc.	\$312.91	60.6%	\$39,114.5	\$38,615.9	\$9,827.4	\$3,098.9	31.5%	3.9x	12.5x
NIKE, Inc.	\$95.00	77.0%	\$143,389.1	\$144,921.1	\$51,581.0	\$7,871.8	15.3%	2.8x	18.4x
PUMA SE	\$48.27	68.2%	\$7,233.5	\$9,170.0	\$9,187.9	\$1,025.5	11.2%	1.0x	8.9x
Under Armour, Inc.	\$6.94	73.1%	\$2,990.9	\$3,575.0	\$5,701.9	\$611.9	10.7%	0.6x	5.8x
Mean							15.1%	2.0x	14.1x
Median							14.0%	2.0x	12.5x
Harmonic Mean							12.5%	1.2x	9.2x

EV = enterprise value; LTM = last twelve months  
\$ in millions, except per share data  
NM = Not Meaningful

### DIVERSIFIED APPAREL

Company	Price 06/18/24	% 52 Wk High	Market Cap	Enterprise Value	LTM			EV / LTM	
					Revenue	EBITDA	Margin	Revenue	EBITDA
Capri Holdings Limited	\$32.00	58.7%	\$3,732.8	\$7,109.8	\$5,170.0	\$1,174.0	22.7%	1.4x	6.1x
Delta Galil Industries Ltd.	\$42.48	85.1%	\$1,100.9	\$1,520.1	\$1,866.0	\$295.5	15.8%	0.8x	5.1x
Fox-Wizel Ltd.	\$71.53	76.0%	\$985.3	\$1,819.3	\$1,483.3	\$281.0	18.9%	1.2x	6.5x
Gildan Activewear Inc.	\$37.82	96.8%	\$6,373.2	\$7,465.1	\$3,188.8	\$672.8	21.1%	2.3x	11.1x
Hanesbrands Inc.	\$5.03	85.8%	\$1,768.4	\$5,308.3	\$5,403.3	\$730.6	13.5%	1.0x	7.3x
Oxford Industries, Inc.	\$101.83	89.4%	\$1,596.3	\$1,968.7	\$1,549.6	\$355.2	22.9%	1.3x	5.5x
PVH Corp.	\$114.39	81.0%	\$6,389.6	\$9,585.4	\$9,011.7	\$1,845.2	20.5%	1.1x	5.2x
Tapestry, Inc.	\$41.92	85.9%	\$9,632.1	\$11,483.9	\$6,699.6	\$1,985.8	29.6%	1.7x	5.8x
V.F. Corporation	\$13.81	65.2%	\$5,372.5	\$12,128.8	\$10,454.7	\$1,527.5	14.6%	1.2x	7.9x
Mean							20.0%	1.3x	6.7x
Median							20.5%	1.2x	6.1x
Harmonic Mean							18.9%	1.2x	6.2x

EV = enterprise value; LTM = last twelve months  
\$ in millions, except per share data  
NM = Not Meaningful



## PUBLIC COMPANY DATA (CONTINUED)

### FOOTWEAR

Company	Price	% 52 Wk	Market	Enterprise	LTM			EV / LTM	
	06/18/24	High	Cap	Value	Revenue	EBITDA	Margin	Revenue	EBITDA
Caleres, Inc.	\$33.96	81.0%	\$1,193.0	\$1,963.1	\$2,813.8	\$452.2	16.1%	0.7x	4.3x
Crocs, Inc.	\$159.68	99.2%	\$9,693.0	\$11,591.4	\$4,016.8	\$1,261.7	31.4%	2.9x	9.2x
Deckers Outdoor Corporation	\$1,017.49	91.9%	\$25,887.5	\$24,652.3	\$4,287.8	\$1,105.8	25.8%	NM	22.3x
Rocky Brands, Inc.	\$37.92	94.5%	\$281.5	\$439.2	\$464.3	\$54.1	11.7%	0.9x	8.1x
Skechers U.S.A., Inc.	\$72.84	97.0%	\$1,109.3	\$12,154.1	\$8,250.0	\$1,053.0	12.8%	1.5x	11.5x
Steven Madden, Ltd.	\$43.68	95.1%	\$3,205.2	\$3,223.1	\$2,070.1	\$249.0	12.0%	1.6x	12.9x
Wolverine World Wide, Inc.	\$12.75	84.5%	\$1,019.1	\$1,877.0	\$2,038.4	\$38.4	1.9%	0.9x	NM
Mean							15.9%	1.4x	11.4x
Median							12.8%	1.2x	10.4x
Harmonic Mean							7.7%	1.1x	7.8x

EV = enterprise value; LTM = last twelve months  
\$ in millions, except per share data  
NM = Not Meaningful

### LUXURY BRANDS

Company	Price	% 52 Wk	Market	Enterprise	LTM			EV / LTM	
	06/18/24	High	Cap	Value	Revenue	EBITDA	Margin	Revenue	EBITDA
Burberry Group plc	\$12.51	43.3%	\$4,461.5	\$5,897.9	\$3,748.5	\$954.8	25.5%	1.6x	6.2x
Richemont SA	\$159.35	92.3%	\$94,073.7	\$90,783.3	\$22,241.9	\$6,777.4	30.5%	4.1x	13.4x
Ermenegildo Zegna N.V.	\$11.77	71.9%	\$2,946.2	\$3,688.4	\$2,105.2	\$458.2	21.8%	1.8x	8.0x
Hermès	\$2,278.58	87.2%	\$238,640.1	\$229,458.2	\$14,841.4	\$6,044.0	40.7%	NM	NM
Hugo Boss AG	\$47.15	58.0%	\$3,254.0	\$4,434.5	\$4,578.1	\$730.1	15.9%	1.0x	6.1x
Kering SA	\$326.67	55.7%	\$40,042.9	\$55,802.1	\$21,627.1	\$7,284.2	33.7%	2.6x	7.7x
LVMH Moët Hennessy - Louis Vuitton	\$769.25	80.4%	\$382,782.5	\$414,299.8	\$95,228.3	\$31,306.5	32.9%	4.4x	13.2x
Pandora A/S	\$150.84	89.0%	\$12,212.6	\$14,029.8	\$4,211.7	\$1,364.3	32.4%	3.3x	10.3x
The Swatch Group AG	\$207.12	63.4%	\$10,706.6	\$8,565.8	\$9,367.5	\$1,542.0	16.5%	0.9x	5.6x
Mean							27.8%	2.4x	8.8x
Median							30.5%	2.2x	7.9x
Harmonic Mean							25.2%	1.8x	7.9x

EV = enterprise value; LTM = last twelve months  
\$ in millions, except per share data  
NM = Not Meaningful

## APPAREL, FOOTWEAR, & ACCESSORIES REPORT CONTRIBUTORS



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Jesse is a Senior Director with Capstone’s Boston investment banking team. He works as part of the banking team performing financial analysis, assisting with identification of strategic and financial buyers as well as many other deal related tasks. Prior to joining Capstone, Jesse gained seven years of M&A, Corporate Finance and Entrepreneurship experience including several years at J.P. Morgan in New York City. While with J.P. Morgan, Jesse worked with clients across various sectors, including Technology and Diversified Industries, in North America, South America and Europe. Jesse is a Series 79 Registered Investment Banking Representative and holds an MBA from London Business School and a BS in Finance and International Business from Georgetown University.



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Andrew serves as a Market Intelligence Associate at Capstone Partners covering the Consumer industry. Prior to joining the Market Intelligence Team at Capstone, Andrew was a Senior Research Associate at Corporate Insight, where he provided digital banking competitive intelligence, user experience research, and consulting services to leading financial institutions. Andrew graduated with a Bachelor of Arts degree in Economics from Union College.







## FIRM AWARDS & ACCOLADES

Capstone Partners is consistently recognized as an elite middle market firm by multiple leading industry organizations. This has afforded our clients with immediate market credibility in the acquirer and investor communities. From 2016 to 2023, Capstone has received 21 “investment banking firm of the year” awards from organizations such as The M&A Atlas Awards, The M&A Advisor, M&A Today, and ACQ5. A sampling of Capstone’s recent awards is shown below.



## FIRM TRACK RECORD

Capstone's Consumer Investment Banking Group maintains an active presence in the Apparel, Footwear, & Accessories sector with in-depth knowledge of the buyer universe and business characteristics that drive premium valuations in an M&A process. Our frequent conversations with industry participants provide us with increased transparency into market trends and buyer preferences. A sampling of Capstone's closed and active deals is outlined below.

<p><b>CONFIDENTIAL</b></p> <p>CORPORATE SALE</p> <p>DESIGNER &amp; RETAILER OF PREMIUM MEN'S AND WOMEN'S CLOTHING</p>	<p>  <b>COMVEST</b>                  PARTNERS</p> <p>HAS BEEN ACQUIRED BY</p> <p><b>MAINST</b>                  CAPITAL CORPORATION</p>	<p><i>Catbird</i></p> <p>HAS RECAPITALIZED WITH</p> <p>AN UNDISCLOSED FINANCIAL PARTNER</p>	<p><i>Natures Craft</i></p> <p>HAS BEEN ACQUIRED BY</p> <p>AN UNDISCLOSED STRATEGIC BUYER</p>
<p><b>coop</b></p> <p>HAS RECAPITALIZED WITH</p> <p><i>tOpSpin</i>                  CONSUMER PARTNERS</p>	<p>  <b>WISE OWL</b>                  OUTFITTERS</p> <p>HAS BEEN ACQUIRED BY</p> <p><b>THRASIO</b></p>	<p><i>Ruffle Butts</i></p> <p>HAS RECAPITALIZED WITH</p> <p>                  SUMMIT PARK</p>	<p><b>DC THOMSON</b></p> <p>HAS DIVESTED</p> <p><b>wild + wolf.</b></p>
<p><b>purple</b></p> <p>HAS BEEN ACQUIRED BY</p> <p> GLOBAL PARTNER ACQUISITION CORP</p>	<p><b>bobble</b></p> <p>HAS BEEN ACQUIRED BY</p> <p><b>O2COOL</b>                  cool by design</p>	<p><b>CRYSTAL</b>                  BODY DEODORANT</p> <p>HAS BEEN ACQUIRED BY</p> <p><b>JUGGERNAUT</b>                  CAPITAL PARTNERS</p>	<p>                  the safer way to sleep®</p> <p>HAS MERGED WITH</p> <p>aden + anais®                  a portfolio company of  </p>



# CAPSTONE’S PROPRIETARY RESEARCH REVEALS TOP SERVICES IN DEMAND

The current stage and initiatives of a business often dictates which financial services are in demand. As the majority of CEOs polled in Capstone’s 2023 Middle Market Business Owners Survey indicated growth strategies are a priority for 2024, the lion’s share (31.5%) of owners anticipate a need for growth strategy support services. Similarly, 28.5% of owners require accounting and audit support to shore-up cash flows and establish financial stability. In addition, more than one-fourth of CEOs demonstrated an interest in accessing relevant industry research to keep up with emerging industry trends, complete competitor analyses, and track capital markets activity in their space.

Capstone has developed a full suite of [corporate finance solutions](#) to help privately owned businesses and private equity firms through each stage of the company’s lifecycle, ranging from growth to an ultimate exit transaction. In addition, we developed a specialty consulting practice to provide financial advisory services to companies experiencing distress or performance challenges. All of these capabilities are supported by 16 industry groups, an active sponsor coverage group, and a dedicated market intelligence team.

## Top Financial Services Required by Business Owners in 2024



Question: Have you ever had, or do you anticipate having, a need for any of the following services?  
Source: Capstone Partners’ Middle Market Business Owner Survey, Total Sample Size (N): 435



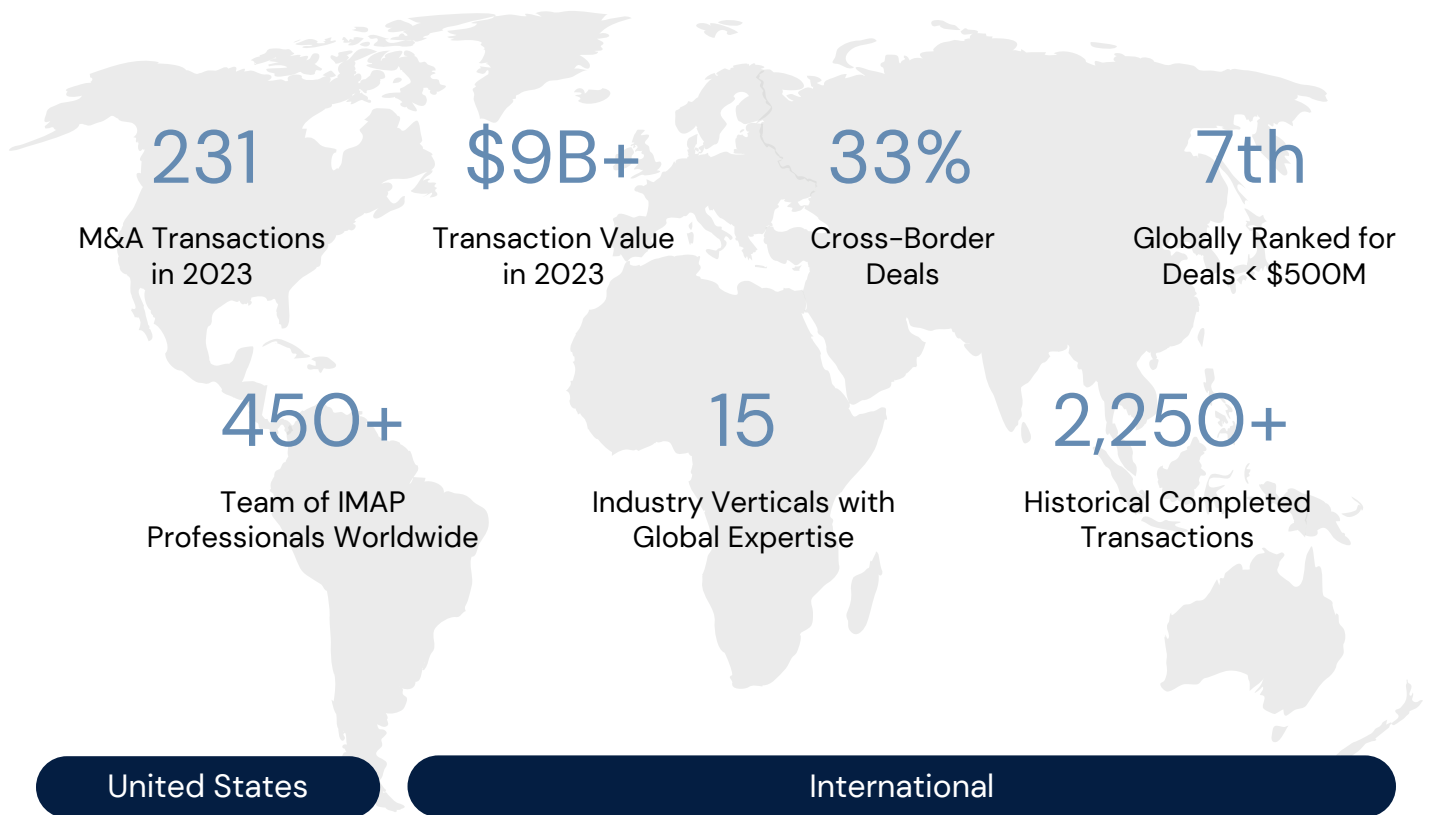




# CAPSTONE PARTNERS

## Market Presence

With a long-established U.S. footprint, together with an international partner platform, we provide clients with broad expertise and access to key market relationships on a global basis. Our presence is backed by ~200 professionals in the U.S. with 450+ professionals across 41 countries.



### United States

~200 professionals  
8 offices

Boston • Denver • Chicago • Dallas  
Detroit • Irvine • New York • Tampa

### International

450+ professionals  
60+ offices in 41 countries

Asia: China • India • Japan • Thailand  
Africa: Congo • Egypt • Ghana • Mauritius • Morocco • Senegal • South Africa  
Americas: Toronto • Vancouver • Argentina • Brazil • Chile • Colombia • Mexico • Paraguay • Peru  
Europe: Belgium • Bosnia & Herzegovina • Croatia • Czech Republic • Finland • France • Germany  
Hungary • Ireland • Italy • Netherlands • Poland • Portugal • Romania • Serbia • Slovakia • Slovenia  
Spain • Sweden • United Kingdom