

# WESTPEAK RESEARCH ASSOCIATION

## Boot Barn (NYSE: BOOT)

Consumer Discretionary – Speciality Retail

### The Boot You Can't Refute

March 27<sup>th</sup>, 2019

*Boot Barn ("the Company") is the leading retail chain dedicated to western and work-related footwear, apparel, and accessories in the U.S., with over 232 stores in 31 states. In addition to their brick and mortar stores, the Company operates three main e-commerce stores and websites dedicated to each of their exclusive brand initiatives.*

#### Thesis I – Effective Targeting of Segments and Strategic Positioning in a Fragmented Market

In contrast to many retailers which fall under the pressure of changing fashion trends, Boot Barn is able to mitigate this risk through a differentiated targeting strategy, the less discretionary nature of their product offerings, and a strong brand which effectively represents the American lifestyle. Boot Barn targets various markets through its diverse product mix as well as its assortment of third-party brands and exclusive brands. Their exclusive brands not only offer better merchandise margins, but also address market segments that private brands are not able to satisfy.

#### Thesis II - Omni-channel Leadership Amidst the Shifting Retail Landscape

With plans to double their store count, implementing technology that integrates all platforms has been key to Boot Barn's success. Providing digital accessibility through a seamless pick up and return system as well implementing tablets to heighten the in-store shopping experience, we believe that Boot Barn is well positioned in the growing e-commerce industry. Furthermore, we expect reduced operational costs as the Company increases their online brand penetration.

#### Valuation

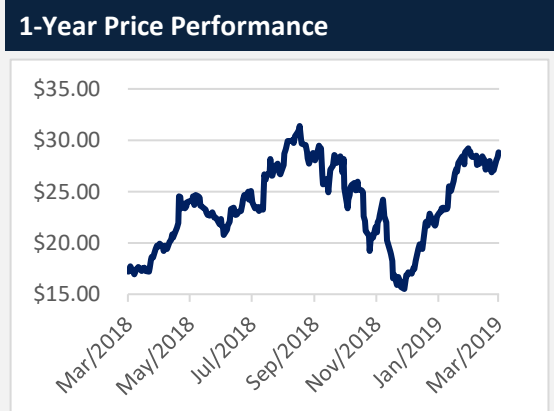
The target share price of \$34.00 is based on the use of a discounted cash flow analysis and a comparable company analysis weighted at 80% and 20% each. With a current upside of 26.8%, we recommend a **Buy** for Boot Barn.

Analyst: Felicity Wang, BCom. '21  
contact@westpeakresearch.com

Equity Research	U.S.
Price Target	USD\$ 36.00
Rating	Buy
Share Price (Mar. 27 Close)	USD\$ 28.39
Total Return	26.8%

Key Statistics	
52 Week H/L	\$31.62/\$15.01
Market Capitalization	\$804M
Average Daily Trading Volume	890K
Net Debt	\$207M
Enterprise Value	\$1073M
Net Debt/EBITDA	3.32x
Diluted Shares Outstanding	29M
Free Float	99.5%
Dividend Yield	N/A

WestPeak's Forecast			
	2019E	2020E	2021E
Revenue	\$774M	\$877M	\$967M
EBITDA	\$82M	\$95M	\$112M
Net Income	\$38M	\$46M	\$58M
EPS	\$1.31	\$1.59	\$2.00
P/E	53.5x	27.0x	21.8x
EV/EBITDA	18.3x	15.6x	12.4x



## Business Overview/Fundamentals

Boot Barn is the fastest growing lifestyle western and work retailer in the U.S., operating 232 stores in 31 states while their store footprint continues to expand in both new and existing markets. The Company offers an assortment of footwear, apparel, and accessories catered towards three customer segments - Western, Work, and Wonderwest (a developing segment that takes a modernized and stylish approach to western apparel). This allows the Company to target a broad demographic ranging from workers seeking quality work wear to western enthusiasts and fashion-conscious millennials.

### Product Mix

With western and work products making up around 70% and 30% of sales respectively, Boot Barn aims to provide a ["one-stop shopping experience"](#) that fulfills all their customers' lifestyle needs. For this reason, their inventory consists of a range of boots, apparel, and accessories from diverse and sought-after brands.

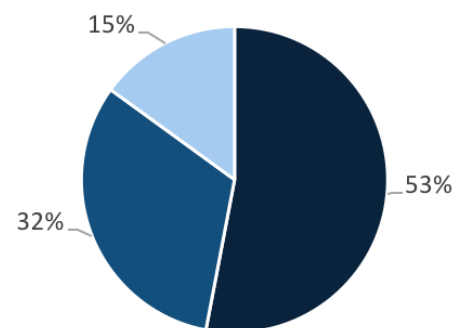
Targeting several market segments with different offerings increases brand equity and creates barriers to entry that protect the Company from new competitors. This strategy also allows them to compete effectively in niche markets where competitors do not have an appropriate offering.

### Brand Diversification

Boot Barn carries third-party brands such as Levi's, Wrangler, and Timberland. This offers customers a diverse selection of items and spreads brand awareness as the Company capitalizes on the popularity of their third-party brands.

However, the primary revenue driver is their exclusive label products, which has historically had a higher gross margin than the third-party branded merchandise. The in-house brands allow the Company to keep the merchandising mix relevant to changing trends, which draws in new customers. Through offering exclusivity and competitively-priced products, customer loyalty is likely to increase as shoppers become more reliant on the brand. Some of Boot Barn's exclusive brands are shown to the right:

**Exhibit A: Boot Barn's Product Mix, FY2018**



■ Apparel ■ Footwear ■ Hats, Accessories & Other

[Source: Boot Barn Investor Presentation 2018](#)

**Exhibit B: Exclusive Brands at Boot Barn**



[Source: Boot Barn Investor Presentation 2018](#)

## Company Strategy

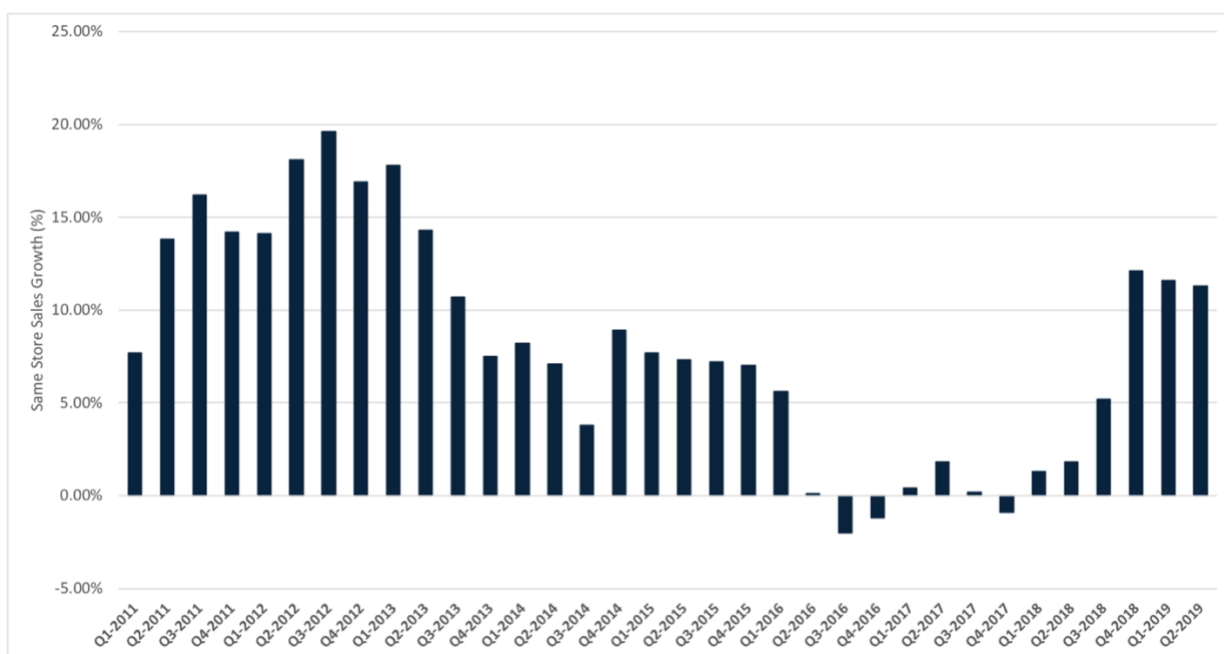
Boot Barn focuses on four strategic initiatives: (1) driving same store sales growth, (2) strengthening omni-channel leadership, (3) building out an exclusive brand portfolio, and (4) expanding their store base. These growth strategies help the Company attract a wider variety of consumers as they spearhead novel segments such as Wonderwest and optimize their in-store experience to drive conversion rates.

### Driving Same Stores Sales Growth

Effective segmentation is a key factor to driving same stores sales, which increased 9.2% in Q3 FY2019 with double-digit growth in e-commerce and high single digit growth in brick and mortar stores. As the retail industry is extremely volatile in respect to changing fashion and market trends, the Company must continuously adapt to the unpredictability of consumer preferences. By using a differentiated targeting strategy, Boot Barn is able to be flexible and optimize their brand mix to appeal to various target markets.

Boot Barn's creative content focuses on mainly direct mail, email, and broadcast marketing, with tailored communication strategies for each of Western, Work, and Wonderwest. The segmentation is also prevalent in-store, where there are multiple fixtures and displays devoted to each segment. Through upgrading visual merchandising and ensuring uniformity of signage, the Company has streamlined their branding across the chain, allowing customers to easily find what they are looking for. As a result, same store sales growth has been positive for six consecutive quarters, primarily due to an increase in transactions with a slight increase in ticket size.

**Exhibit C: Same Store Sales Growth from Q1-2011 to Q2-2019**

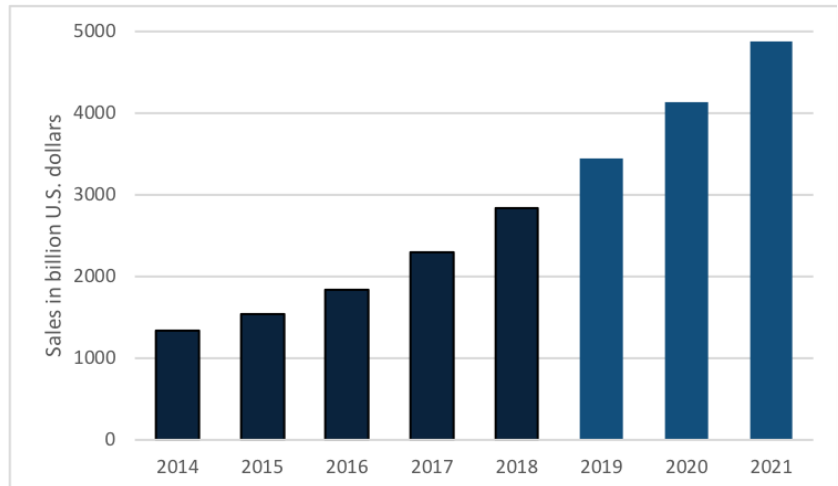


[Source: Boot Barn Investor Presentation 2018](#)

## Strengthening Omni-Channel Leadership

With e-commerce revenue growth being 24.0% and 17.5% in Q1 and Q2 of FY2019 respectively, Boot Barn continues to drive traffic their e-commerce websites, allowing them to reach customers outside their geographic footprint. The three main e-commerce websites each have a unique brand positioning and enable the Company to pursue a differentiated targeting strategy. While Bootbarn.com focuses on everyday low pricing, Sheplers.com offers more products at discounted prices, and Countryoutfitter.com targets the fashion-conscious. The Company has also launched sites for their exclusive brands, such as Idllywind and Shyanne. Although these micro sites have less customer traffic than the main websites, they provide a great platform for experimentation and learning. Boot Barn has been testing customer acquisition and retention strategies such as web push notifications, conversion rate optimization, and cart abandonment tools which, if successful, are to be implemented on the core sites.

**Exhibit D: Retail E-commerce Sales Worldwide**



*[Source: Statista](#)*

As the e-commerce share of total retail sales continues to increase in the U.S., successful businesses will need to effectively integrate digital into the customer experience to avoid falling behind the omnichannel revolution. According to a [survey by Deloitte](#), consumers using digital have a 20% higher conversion rate and those using social media are four times more likely than non-users to spend more on purchases. Furthermore, in 2015, digital influenced over 64% of in-store retail sales, and this number is expected to continue to increase. Boot Barn's agile operating model leverages the potential of digital technology to address their consumers' wants and needs. For example, they implemented an online outpost for customers to buy online and pick up in store, which not only provides free shipping but also creates an additional store visit and potential selling opportunities. Furthermore, the Company's "We Have It Promise" initiative uses in-store tablets to allow customers to order and ship merchandise that is not in stock at their current location to their homes. This increases in-store conversion while enhancing the in-store experience.

## Increasing Penetration of Exclusive Brands

In an effort to get new customers into the store, Boot Barn launched their first exclusive brand in 2014, Moonshine Spirit, with country artist Brad Paisley. Following the campaign's success, the Company has consistently released exclusive brands to build their exclusive brand penetration. Most recently, the Company launched Idyllwind with country singer Miranda Lambert, which offers a combination of modern, vintage, and western fashion looks to a younger female demographic. In December 2018, Boot Barn launched Cody James Work and Hawx Work Gear to target brand loyal customers in the Work segment.

During the first 15 days of Q3 FY2019, the Company saw an acceleration in private brand penetration of 3.5% based on their three newest brands. The combination of a full-price selling model with significant increases in exclusive brand penetration of around 2.5% annually has yielded a 9-10% improvement in merchandise margin. Therefore, we expect Boot Barn to continue to take advantage of this strategy to increase profits and pursue a wider range of target segments.

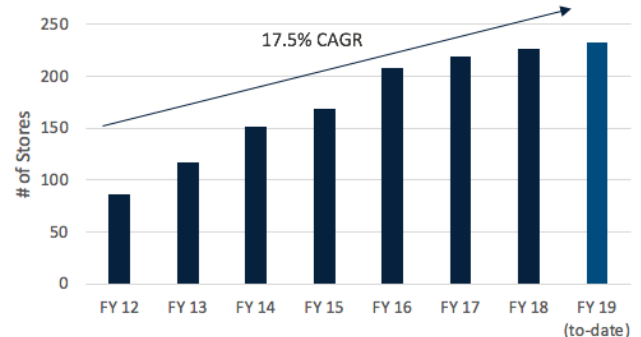
## Expanding Store Base

The last initiative is expanding the Company's store base both organically and inorganically. The Company plans on using a combination of new store openings and acquisitions to drive sales and grow new units by at least 10% annually.

The Company continues to accelerate inorganic growth with tuck-in acquisitions, which tend to have twice as much volume as opening a new store. In FY2018, the company opened five stores and acquired four stores (Wood's Boots). The most recent acquisition was on July 3, 2018, when the Company acquired Drysdale's, which comprised of two large volume stores in Tulsa, Oklahoma. The strategy of acquiring companies has allowed Boot Barn to become the sole leader in the western and work industry, with little to no direct competitors. Boot Barn has approximately 2.5x as many stores as their closest competitor Cavender's, which has 81 stores. Other close competitors include Leo's which has 9 stores, and Saba's with 4 stores.

In addition, Boot Barn's ability to continue to expand organically is one of their biggest competitive advantages. With an estimated number of 240 stores by FY2019, the Company is confident that they can still double their store count. Boot Barn has strong e-commerce presence in most states, however four of their top e-commerce states (New York, Pennsylvania, Ohio and Illinois) have no retail locations other than one exception outside of Chicago. This serves as a tremendous opportunity for the Company to expand their store footprint.

**Exhibit E: Store Base Growth**



[Source: Company Reports](#)

**Exhibit F: Boot Barn's Recent Acquisitions**

Date	Target	Value (US \$ MM)
July 3 <sup>rd</sup> , 2018	Drysdale's	\$3.8
April 24 <sup>th</sup> , 2018	Lone Star	\$4.4
September 11 <sup>th</sup> , 2017	Wood's Boots	\$2.7
February 16 <sup>th</sup> , 2017	Country Outfitter	\$1.3
June 29 <sup>th</sup> , 2015	Sheplers	\$147.0

[Source: Company Reports](#)

## Industry Analysis

### Market Structure

#### Western Wear Market

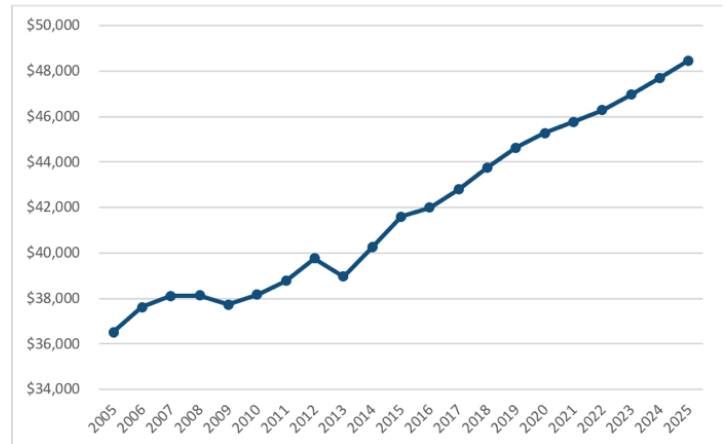
In 2018, the global western wear market had a market value of around 78.1 billion U.S. dollars. This number is expected to catapult to 99.4 billion U.S. dollars by the end of 2023, amounting to a CAGR of 4.8% from FY2012 to FY2023. Owing to widespread globalization and an increase in consumer disposable income, the demand for western wear is growing at a steady rate.

Consumer disposable income levels have been increasing due to upward pressure on wages and is expected to continue to increase as economic growth occurs. However, macroeconomic risks such as unexpected increases in interest rates could result in fluctuating disposable income levels, which may make it hard for Boot Barn to anticipate customer demand.

We predict that the market performance will be dependent on the sustained popularity of the western lifestyle and the Company's susceptibility to changing consumer preferences. Nevertheless, we believe that Boot Barn is able to maintain customer loyalty due to their marketing strategies geared towards influencing country and western enthusiasts. Boot Barn has launched several exclusive brands in collaboration with celebrities prominent in the country music industry, such as Miranda Lambert and Brad Paisley. These country musicians are influential in driving the global western wear market through social media, as their fans look up to them as trend setters, thus helping mitigate any fluctuating trends.

Finally, the U.S. agricultural sector may influence sales as agricultural workers such as farmers and ranchers often need top-quality gear to meet their industrial, safety, and protection needs. Although the strong U.S. dollar and the threat of a trade war with China may suppress growth in U.S. agricultural exports, we believe that the sector will remain strong due to steadily rising agricultural prices and increased demand for speciality products as consumers become more health conscious. As the industry experiences technological change (eg. improvements in chemicals and animal/crop genetics), a growing demand for labor intensive crops will likely increase employment in agriculture. Shown below in Exhibit E, even as total farm inputs have declined, total farm output has more than doubled between 1948 and 2015. We believe that this trend will continue and lead to a greater demand for agricultural workers.

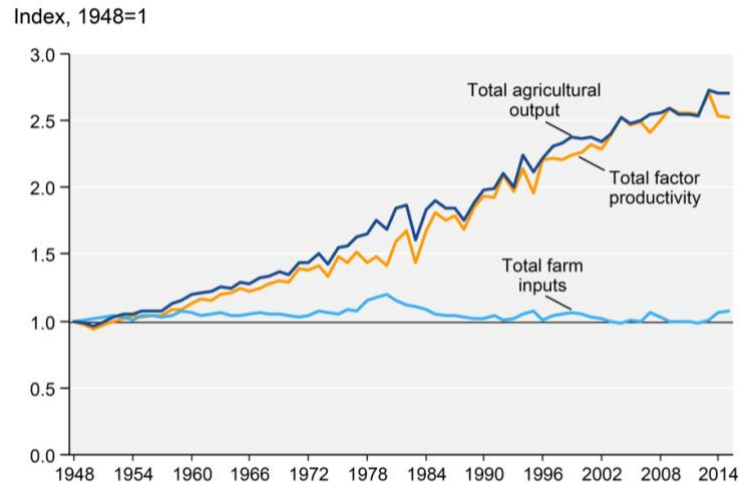
**Exhibit G: U.S. Per Capita Disposable Income**



[Source: IBISWorld](#)



**Exhibit H: U.S. Agricultural Output, Inputs, and Total Factor Productivity**



*[Source: USDA, Economic Research Service, Agricultural Productivity in the U.S. data series, as of October 2017](#)*

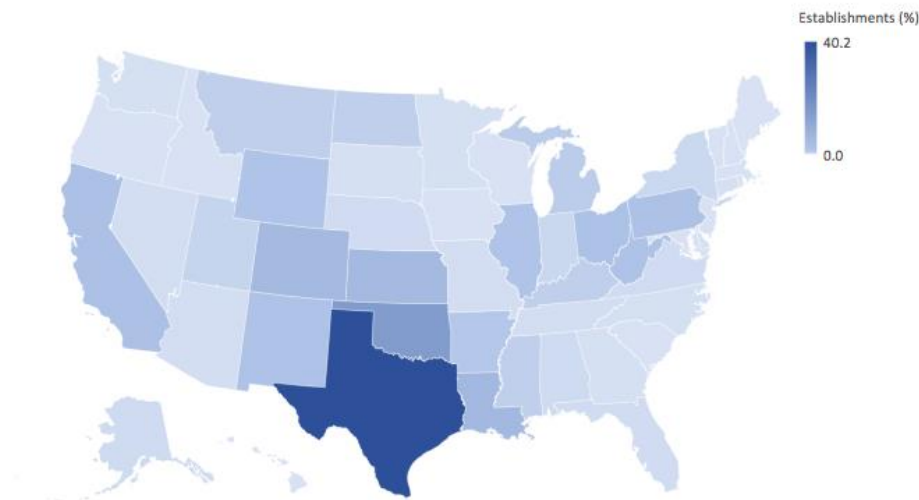
**Work Wear Market**

Work wear purchases, such as safety-toe boots and flame-resistant and high-visibility clothing, are often non-discretionary, as these items are considered as daily necessities by industrial workers. The work wear market is driven by several factors including blue collar employment, output in the oil and gas industries, and stricter government regulations for workplace safety.

Blue-collar job positions in the U.S. are increasing at its fastest rate since December 1984, with jobs in goods-producing industries rising 3.3% in the year before July 2018. This can be attributed to rising demand due to a growing economy, as well as increased activity in the manufacturing and construction sectors. However, the applicant pool has not kept up. Due to continued demand for blue-collar workers and a shortfall in applicants, we expect employers to raise wages and improve benefits. The combination of increased wages and more blue-collar workers will allow Boot Barn to increase revenues and appeal to more customers with their Work segment.

U.S. average oil prices rose from approximately \$29 in early 2016 to a high of \$77 in October 2018 before dropping back down to \$57 recently. If oil prices continue to fall, the growth in jobs surrounding oil exploration could decline, resulting in lower revenues for Boot Barn. However, the oil drilling and gas extraction industry is expected to grow due to global economic growth increasing crude oil prices and emerging economies continuing to demand oil and gas. Many oil companies have been prompted to increase their hiring to support activities such as exploration, prospecting, and drilling. The Southwest accounts for 57.9% of industry locations in 2018, with Texas comprising 40.2% of the total number of producers, as shown in Exhibit F. Boot Barn currently has most of their brick and mortar locations open in Texas, and these stores have performed better than the company average since FY2017. Therefore, the growing oil and gas industry will continue to be beneficial to the Company's sales in the years to come, as workers search for flame resistant clothes and related products to wear.

**Exhibit I: Geographic Spread of the Oil Drilling and Gas Extraction Industry**



[Source: IBISWorld](#)

Lastly, stricter regulation on workplace health and safety can drive work wear sales for Boot Barn. For example, the U.S. Occupational Safety and Health Administration (OSHA) recently implemented a new standard for exposure to beryllium which aims to prevent chronic disease and cancer in workers. Workers in the mining industry often work with this metal, and the standard includes revisions regarding personal protective clothing and equipment, which would fuel work wear sales.

## Competition

Boot Barn operates in the highly fragmented western and work wear apparel and footwear industry, which is less fashion driven than the traditional apparel industry. The Company does not have any direct national competitors and has one regional competitor, Cavender's, but Boot Barn has approximately 2.5x as many stores as them. If Boot Barn can continue to compete on the premise of their broad product line, high quality, exclusive brands, and excellent customer service, as well as capitalize on their economies of scale, they will be likely to retain their competitive advantage.

Although Boot Barn is currently operating in a niche market that is relatively unsaturated, they may face increasing competition from online retailers and traditional retailers who are expanding into e-commerce. E-commerce giants such as Amazon have shown strong performance in its clothing business, gaining market share while smaller retailers struggle to stay afloat. However, many vendors currently send more of their product to Boot Barn than to big name retailers. In order to stay competitive, we believe that Boot Barn should continue to diversify their distribution methods and enhance their in-store shopping experience, as their customer segments want the expertise of a lifestyle western and workwear brand. We also believe that Boot Barn's high-ticket products often require in-store visits to meet fit and style demands, thus serving as a barrier to entry for online merchants.



Lastly, the Company is susceptible to potential market share loss from farm supply stores and mass merchants which depend on western and work wear sales for a small portion of total sales. For example, Tractor Supply Company is the largest rural lifestyle retailer in the U.S., with 1,940 stores that cater towards farmers and ranchers and plans to open up 500 more stores over the next decade. Their loyalty program has over 11 million members which account for half of sales, and they have a buy online, pickup in store service that comprises 70% of their e-commerce orders. Boot Barn needs to continue strengthening their store operations to prevent such competitors from stealing market share.

## Catalysts

### Successful Expansion to New Markets

With 232 stores as of Q2 2019, Boot Barn has stated that they have the ability to double their store count in the U.S. over the next few years. Although they have been expanding both organically and inorganically across 31 states, there are still many untapped regions. The Company plans to target store openings in new markets and in “adjacent and underserved markets” that will be receptive to the Boot Barn brand. Entering into new markets may be beneficial in taking market share from competitors in niches such as workwear, as Boot Barn’s exclusive brands in the work category continue to thrive. Boot Barn’s mix of western and work styles will attract consumers who may not be completely interested in western looks but seek products that are different from the mainstream.

Boot Barn is developing a road map for the next 10 years for where to open stores using data such as e-commerce figures, blue collar employment statistics, country radio listenership, rodeo viewership, and pickup truck purchases. Furthermore, the Company has stated their goal of better placement, specifically, reinvesting rent expense and occupancy costs to locate stores close to highway access and near high visibility neighborhood shopping centres. Internationally, the biggest country in terms of e-commerce is Australia, thus there may even be the potential of expanding brick and mortar stores overseas in the next several years.

### Potential Tuck-in Acquisitions

Boot Barn has completed three successful tuck-in acquisitions over the past 18 months, with their average unit volumes being higher than their new store targets. These acquisitions have also allowed Boot Barn to enter new markets quicker and improve their margin profile. With low competition from thousands of private speciality stores in the U.S., we believe that tuck-in acquisitions would be a good approach for Boot Barn to double their store count.

### Improving E-Commerce Segment

Boot Barn is the biggest retailer not only in stores but also for most of their suppliers from an online standpoint. This is why Boot Barn aims to make e-commerce more profitable with a goal of being indifferent between a sale online versus a sale in store. One of the functions they are working on is a boot selector for their brick and mortar stores, which they hope to release to all stores by the end of the fiscal year. This consists of a touch screen tablet at each store which allows customers to easily make purchases that are delivered to their house, as well as help provide information and advice on what style of

boot is best fit for the customer's needs. By increasing the amount invested into e-commerce infrastructure, it will not only help further integrate digital and brick and mortar, but also help with heavy traffic during holiday seasons.

## Reducing Markdowns and Promotions

Around 85% of Boot Barn's sales are currently conducted at full price and around 7% is clearance, which is needed to clear goods from inventory. Economies of scale will allow the Company to decrease their promotions and markdowns for the approximate remaining 7% of sales. Furthermore, there is little markdown exposure and seasonality due to the low fashion quotient and nondiscretionary nature of many products. As customers purchase from the Company for utility and brand, Boot Barn will be able to price their products higher and increase margins. Looking into the future, the Company is aiming to make the only time they need to heavily sell during a boot sale in August, along with some shotgun promotions to get rid of certain merchandise.

## Management Team

### James G. Conroy – President, Chief Executive Officer and Director

Conroy began his tenure as CEO and Director in November 2012. He was COO and Interim Co-CEO at Claire's Stores from 2007 to 2012, where he directed a majority of global business functions, including merchandising, sourcing, marketing, stores, design, e-commerce, and international development. Despite Conroy owning a small percentage of the shares outstanding (0.68%), around half of his compensation in 2018 was based on a non-equity incentive plan, which rewards incentives based on the achievement of a variation of an Adjusted EBIT target.

### Peter Starrett – Chairman of the Board

Starrett has served as Chairman of the Board since 2012 and as a member of the board since 2011. He was also briefly the Company's interim CEO from May to November of 2012. He brings over 30 years of experience in the retail industry to Boot Barn, from founding his own retail advisory firm Peter Starrett Associates, to serving as the President of Warner Bros. Studio Stores Worldwide and being the Chairman and CEO of The Children's Place. Starrett owns 0.48% of Boot Barn's shares outstanding.

## Management Conclusion

With Conroy's expertise in the strategic and operational areas of the retail industry, as well as Starrett's experience as a director of many retail companies, we believe that management is qualified to help Boot Barn meet its initiatives and long-term goals. In addition to compensation being based on a non-equity incentive plan, given the separation of the roles of Chairman and CEO to eliminate agency problems, management seems to have interests that are aligned with those of shareholders.

## Shareholder Base, Liquidity, Market Depth

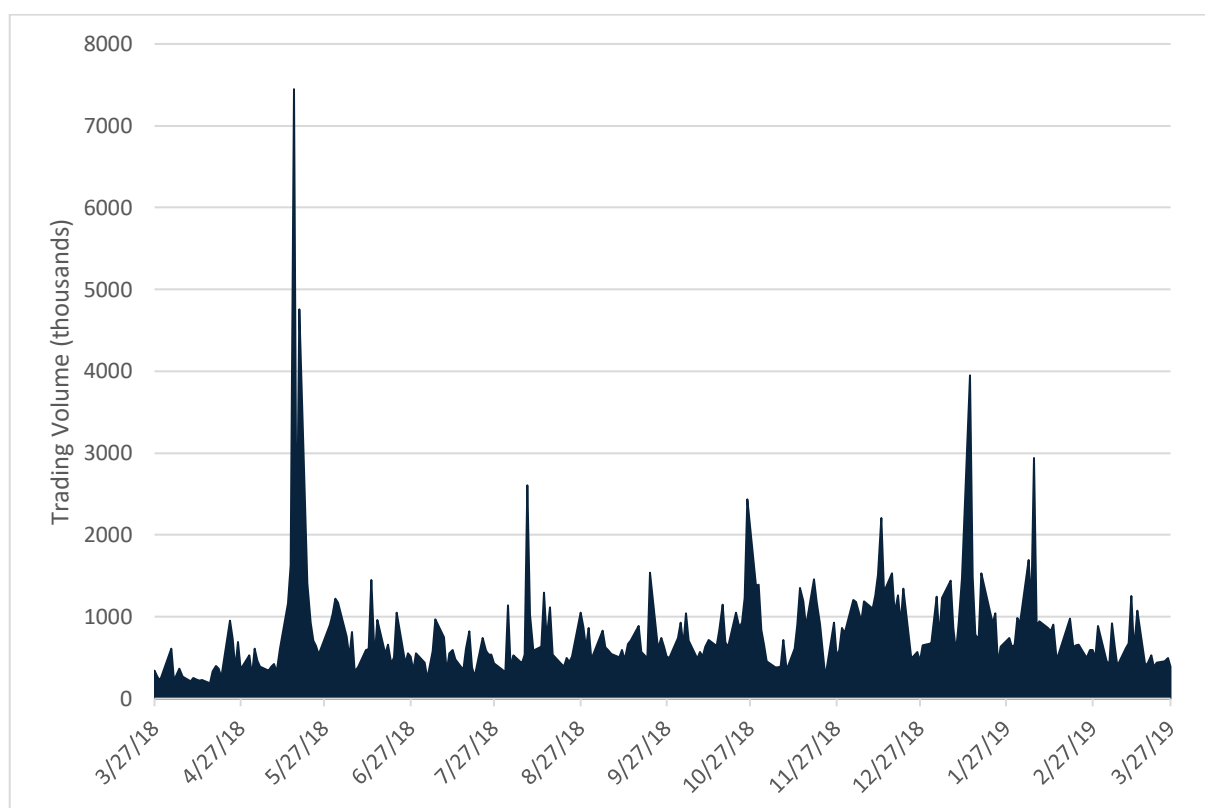
### Shareholder Base

As of March 1st, 2019, Boot Barn had around 28.3M shares outstanding. 112.58% of ownership is from institutional investors, indicating a non-concentrated shareholder base and relatively high short interest. Its top three institutional shareholders are Vanguard Group Inc., Dimensional Fund Advisors LP, and Blackrock Inc., consisting of 7.39%, 6.62% and 6.09% of the shares respectively. A small percentage of the shares are held by insiders, comprising of 0.54% of the total float.

### Liquidity

The 90-day average daily trading volume for Boot Barn is 890K shares. We believe that there is a low liquidity risk for investors. The short interest is 5.17M, which is 18.30% of the float, which suggests that investor sentiment in the company is optimistic.

**Exhibit J: Year-To-Date Daily Trading Volume**



[Source: Yahoo Finance](#)

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## Valuation

### Discounted Cash Flow Analysis Assumptions

The discounted cash flow was analyzed using a terminal EV/EBITDA exit multiple of 10.0x; concluding at a share price of \$38.61.

**Revenue:** Revenue has been driven by an average revenue per store figure, and growth is expected to be 14% in the next few quarters, tapering off to 13% in the long-term. The Company's business is moderately seasonal and thus fluctuations in revenue from quarter to quarter were considered. Boot Barn has historically produced higher sales in the third and fourth quarters of the fiscal year, which also contains the Christmas shopping season, thus estimates for the latter half of the year have been adjusted accordingly. Going forward, we believe that increasing same store sales along with new stores and acquisitions will contribute to an increase in the growth of revenue.

**Gross Profit Margin:** Gross profit has been projected to grow at a rate of around 9%. Management believes that gross margins will continue to improve due to increased private brand penetration. Furthermore, the Company did not bring back a two-week boot sale that occurred last year in October, thus gross margin is estimated to improve.

**SG&A:** SG&A expenses increased 6.3% from FY2017 to FY2018. This is due to several factors, one being that the company had several systematic and operational issues at their warehouses which drove SG&A expenses up last year. The Company has since improved several aspects of their operations, including implementing automated voice responses to improve efficiency at the call center, so they believe that they can now better handle e-commerce issues. However, as new stores are expected to open in the future, we expect SG&A expenses to increase by 10% annually. This is also in guidance with management's opinion that SG&A expenses will increase due to compliance-related expenses related with being a public company.

**Capex:** Boot Barn plans to expand their store base, renovate their existing stores, and continue to upgrade their e-commerce operations, thus capital expenditures will increase in the upcoming years. According to management, capital expenditures in 2019 will be between \$23 million to \$25 million, which is fairly similar to fiscal 2018's capital expenditure of \$24.4 million. Thus, capital expenditure has been projected to grow at a conservative rate of 2.5%.

**Effective Tax Rate:** We have used the federal corporate income tax rate of 22% to project tax expenses. Boot Barn has fairly inconsistent tax rates, due to tax benefits related to stock options and vesting of restricted stock.

**Dividends:** The Company has not declared and does not plan to declare cash dividends in the near future, as they plan to use all their available cash for their operations and to expand their business.

**Weighted Average Cost of Capital (WACC):** Our weighted average cost of capital is 8.9%. The calculation was based on a cost of debt of 10.4% and a cost of equity of 2.4%.

**EV/EBITDA Exit Multiple:** We used an EV/EBITDA exit multiple of 10.0x. This multiple is closely based on the mean trading multiple of Boot Barn's comparable companies.

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## Comparable Company Analysis

As Boot Barn operates in a niche industry, they do not have many direct public competitors. The companies used in our comparable company analysis were chosen based on industry, products, customer segments, geography, and market capitalization. The analysis indicated a share price of \$22.66 with the mean EV/EBITDA at 9.6x. The following companies were used for the comparable company analysis.

**Caleres:** Caleres, also previously known as Brown Shoe Company prior to 2015, is an American footwear retailer and wholesaler that offers a diverse range of global footwear brands. Their net sales are composed of four major categories: women's footwear, men's footwear, children's footwear and accessories. Its brands include Sam Edelman, Naturalizer, and Famous Footwear.

**DSW:** DSW is a leading American footwear retailer, with over 500 stores in the U.S. While they carry many name brand shoes, boots, handbags and accessories, they also sell their own exclusive footwear brands for men, women, and children.

**Duluth Holdings:** Duluth Holdings is an American lifestyle brand that sells workwear, casual wear, and accessories for men and women. Their growth efforts have been focused on expanding into the western part of the country.

**Genesco:** Genesco is an American, Nashville-based, speciality retailer that sells footwear, headwear, sports apparel and accessories for men, women, and children. They are known for the brands such as Journeys, Lids, and Little Burgundy.

**Shoe Carnival:** Shoe Carnival is a retailer of "family footwear", selling primarily men's, women's, children's, athletic footwear in its stores. They offer an assortment of both brand name and private label merchandise.

**The Buckle:** The Buckle is an American fashion retailer that sells casual clothing, footwear, and accessories for men, women, and children. They have a selection of both brand name and private label casual apparel.

**Wolverine World Wide:** Wolverine World Wide is an American footwear brand known for its own brand but also subsidiaries such as Hush Puppies and Merrell. They manufacture footwear for the military as well as companies such as Caterpillar and Harley-Davidson.

**Zumiez:** Zumiez is a speciality retailer of apparel, footwear, accessories, and hardgoods for both men and women. They offer many lifestyle brands that are designed for action sports such as snowboarding, skateboarding, and bicycle motocross.

## Recommendation

Boot Barn currently stands in a strong position in the niche western and work wear industry, having plenty of success with its tuck-in acquisitions as well as entering adjacent and new markets to build new revenue. The Company's commitment to doubling its store count while growing brand awareness appears to be achievable as they have not yet expanded brick-and-mortar into their top e-commerce states. In addition, we expect Boot Barn to continue with its tuck-in acquisitions, which not only provide fast entry into new markets, but also allow for the Company to leverage higher average unit volumes.

Boot Barn's competitive advantages are what offers major long-term investment appeal. With exclusive brand penetration increasing to 16% in Q3 of FY2019, the growth in their exclusive brand segment offers lucrative margin improvements for the Company. Many of their competitors focus on third-party offerings, thus by offering a diverse mix of brands, Boot Barn is able to appeal to greater market segments, optimize their merchandise mix in times of changing preferences, and increase their perceived brand value to customers.

The Company's other main advantage lies in their focus on innovation and their ability to maintain omni-channel leadership during the shift to a digital culture, as they have efficient online operations as well as technology to support customers in every step of the purchasing process. Boot Barn's implementation of in-store tablets which offer endless aisle capacity, boot selectors that easily filter store inventory, aim to improve engagement and the customer experience. In addition, the development of features that aim to grow omnichannel presence, such as their buy online and pick up in store program, drives traffic and promotes cross-selling opportunities. Looking forward, more investments for growth would likely increase conversion rates and help Boot Barn sustain their competitive advantage.

We believe that the current share price undervalues the Company and that Boot Barn company will grow significantly in the future. The target share price of \$34.00 is based on the use of a discounted cash flow analysis and a comparable company analysis weighted at 80% and 20% each. The valuation was weighed more heavily on the discounted cash flow analysis due to Boot Barn's competitive advantages, as mentioned before, which provide major differentiation versus rivals. Our target share price of \$36.00 represents a total upside of 26.8% from the current share price of \$28.39, thus we are recommending a Buy rating on Boot Barn.

## Risks

### Changing Consumer Preferences

Despite the Company's efforts to hedge themselves against fashion risk through using a multi-brand strategy, western products may still experience decreased demand if the popularity of the western and country lifestyle declines. This includes the prevalence of aspects such as country music, concerts, rodeos, ranching, and horse ownership.

### Poor Economic Conditions

In states such as Texas and California where Boot Barn operates a significant number of stores, decreases in consumer spending due to declines in consumer confidence or poor economic conditions would greatly impact Boot Barn's financial performance. With weak first quarter economic growth and U.S. consumer confidence declining for the fourth time in five months in March 2019, this could foreshadow weak operating conditions in the near future. In addition, many of Boot Barn's customers are employed in the agricultural or oil and gas industries, thus the Company is susceptible to changing employment and output trends in areas where the economy depends on commodity and resource extraction.

### Increasing Competition in the Industry

The Company's main competitors are thousands of independent retailers that exist in the U.S, which do not currently pose a substantial risk to their business. However, as Boot Barn further integrates into the e-commerce industry, they will



potentially face bigger competition such as the mass merchants and retailers that sell western and work wear products. Despite many of Boot Barn's vendors sending most of their products to the Company at the moment, e-commerce giants such as Amazon may be able to capitalize on their large amount of financial and marketing resources, as well as lower overhead costs.

Furthermore, if Boot Barn's competitors are to improve or duplicate on their offerings and provide a differentiated shopping experience, the Company's competitive advantage may cease to exist. Their suppliers do not sell to Boot Barn on an exclusive basis, and thus their financial performance would decline.

### Supply Chain Risk

Most of Boot Barn's products are either sourced or manufactured in foreign countries, such as Mexico and China. Uncertainty over tariffs, quotas, and restrictions may negatively affect earnings as new regulations could increase costs, reduce the supply of merchandise available, or result in the inability to receive products on time. If the U.S. implements the 25% tariff on products from China, this would pose an adverse effect on the Company. However, it is worth noting that only 7-8% of Boot Barn's business is directly sourced by them from China, with the rest of their private brand products sourced elsewhere overseas. For their third-party brands, it is not up to Boot Barn but rather their manufacturers to deal with tariffs.

### Fluctuating Material Prices

Two materials that Boot Barn's products highly depend on are cotton and leather. Increases in the prices of such raw materials - as well as the cost of labor and transportation - would increase the cost of their merchandise, forcing the company to either increase their prices or experience declining margins. This could also impact the ability of the Company to meet demand and on time.

## Appendix 1: Model Summary

Summary Page

	Mar-14	Mar-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
(Figures in mm USD)	FY2014	FY2015	FY2016	Q1-2017	Q2-2017	Q3-2017	Q4-2017	FY2017	Q1-2018	Q2-2018	Q3-2018	Q4-2018	FY2018	Q1-2019	Q2-2019	Q3-2019	Q4-2019	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Income Statement																							
Revenue	345.9	402.7	569.0	133.4	134.0	199.4	163.0	629.8	139.4	143.1	224.7	170.8	677.9	162.0	168.1	254.0	190.1	774.2	883.1	994.6	1,116.5	1,241.1	1,376.6
EBITDA	31.2	48.3	46.8	8.8	8.7	25.4	12.8	55.7	9.3	10.1	29.0	16.2	64.6	14.3	13.9	34.3	19.0	81.5	95.9	119.4	134.0	148.9	165.1
Net Income	5.7	13.7	9.9	0.6	0.5	10.5	2.6	14.2	0.8	1.1	20.1	6.9	28.9	6.8	4.5	19.0	7.5	37.8	46.5	63.9	75.3	87.0	99.6
Earnings Per Share	\$ 0.28	\$ 0.60	\$ 0.37	\$ 0.02	\$ 0.02	\$ 0.39	\$ 0.10	\$ 0.53	\$ 0.03	\$ 0.04	\$ 0.73	\$ 0.24	\$ 1.05	\$ 0.24	\$ 0.16	\$ 0.66	\$ 0.26	\$ 1.31	\$ 1.61	\$ 2.21	\$ 2.61	\$ 3.01	\$ 3.45
Cash Flow Statement																							
Capital Expenditures	(11.4)	(14.1)	(36.1)	(4.7)	(5.8)	(7.2)	(4.6)	(22.3)	(5.3)	(6.0)	(7.4)	(5.7)	(24.4)	(7.1)	(7.9)	(6.8)	(4.9)	(26.7)	(19.4)	(19.4)	(19.4)	(19.4)	(19.4)
Acquisitions	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Divestitures	(0.2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend Payment	9.7	(12.4)	32.6	11.4	(3.2)	(34.0)	10.3	(15.5)	29.5	(5.7)	(57.1)	21.0	(12.3)	9.7	(4.6)	(26.1)	-	(21.0)	-	-	-	-	-
Dividend Per Share	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dividend Payout to Earnings	-171.6%	90.5%	-330.5%	-1822.9%	669.5%	323.2%	-396.4%	109.5%	-3802.4%	519.0%	283.5%	-306.4%	42.5%	-143.9%	101.8%	137.3%	-	55.6%	-	-	-	-	-
Dividend Payout to Core FCF	-32.7%	28.6%	-52.3%	-109.7%	27.6%	130.1%	-60.5%	23.9%	-254.9%	51.1%	165.2%	-99.6%	15.6%	-49.2%	23.7%	80.8%	-	23.7%	-	-	-	-	-
Dividend Yield	#DIV/0!	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance Sheet																							
Current Assets	114.7	145.3	203.2	204.5	223.0	234.5	224.3	224.3	218.2	241.6	245.3	241.1	241.1	234.7	264.0	298.2	257.9	257.9	320.2	407.9	504.8	613.8	737.2
Non-Current Assets	177.2	180.8	336.1	334.9	338.9	339.6	341.3	341.3	342.6	343.7	345.9	346.8	346.8	353.5	355.2	357.4	357.4	357.4	357.4	357.4	357.4	357.4	357.4
Assets	291.9	326.1	539.3	539.4	561.9	574.1	565.6	565.6	560.8	585.3	591.2	587.9	587.9	588.2	619.2	655.6	615.3	615.3	677.7	765.3	862.2	971.2	1,094.6
Current Liabilities	86.4	86.5	152.3	151.4	169.1	162.3	147.8	147.8	159.5	182.6	168.0	151.0	151.0	147.9	169.1	184.2	136.4	136.4	152.3	176.0	197.6	219.7	243.5
Non-Current Liabilities	120.9	97.2	225.5	224.9	228.0	235.4	237.9	237.9	220.2	219.4	218.9	222.3	222.3	213.5	215.1	216.7	216.7	216.7	216.7	216.7	216.7	216.7	216.7
Liabilities	207.3	183.7	377.8	376.3	397.1	397.7	385.7	385.7	379.6	401.9	386.9	373.3	373.3	361.5	384.2	400.9	353.1	353.1	369.0	392.7	414.3	436.3	460.2
Shareholders' Equity	80.5	142.4	161.5	163.1	164.8	176.5	179.9	179.9	181.2	183.3	204.3	214.6	214.6	226.7	235.0	254.8	262.2	262.2	308.7	372.6	447.9	534.9	634.4
Cash	1.1	1.4	7.2	5.8	11.1	31.2	8.0	8.0	7.3	9.4	19.1	9.0	9.0	7.4	9.4	50.6	(15.8)	(15.8)	10.1	56.8	110.6	175.7	251.6
Debt	129.5	98.2	249.7	266.7	257.1	222.7	232.6	232.6	252.9	247.4	190.4	211.5	211.5	211.4	206.9	189.9	189.9	189.9	189.9	189.9	189.9	189.9	189.9
Net Debt	128.4	96.8	242.5	254.8	246.0	191.5	224.6	224.6	245.6	237.9	171.3	202.5	202.5	204.0	197.5	139.3	196.7	196.7	179.8	124.1	70.2	5.2	(70.7)
Minority Interests	4.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt/EBITDA	4.1 x	1.8 x	5.2 x	-	-	-	-	4.0 x	-	-	-	-	-	-	-	-	-	2.4 x	1.8 x	1.0 x	0.5 x	0.0 x	n/a
Operating Metrics																							
Return on Equity (ROE)	7.0%	9.6%	6.1%	0.4%	0.3%	6.0%	1.4%	7.9%	0.4%	0.6%	9.9%	3.2%	13.9%	3.0%	1.9%	7.5%	2.8%	14.4%	16.1%	17.1%	16.8%	16.3%	15.7%
Return on Assets (ROA)	1.9%	4.2%	1.8%	0.1%	0.1%	1.8%	0.5%	2.5%	0.1%	0.2%	3.4%	1.2%	4.9%	1.1%	0.7%	2.3%	1.2%	6.1%	6.9%	8.3%	8.7%	9.8%	9.1%
Return on Invested Capital (ROIC)	26.6%	25.1%	14.4%	-	10.0%	17.5%	12.3%	15.4%	2.2%	2.5%	16.3%	6.1%	25.2%	6.7%	4.8%	13.7%	4.5%	21.9%	23.4%	28.6%	30.4%	32.0%	33.5%
Valuation Metrics																							
Stock Price (High)	\$ 25.50	\$ 34.43	\$ 10.10	\$ 13.11	\$ 17.26	\$ 13.91	\$ 17.26	\$ 17.26	\$ 11.17	\$ 9.74	\$ 17.68	\$ 20.31	\$ 20.31	\$ 16.71	\$ 20.27	\$ 15.01	\$ 28.86	\$ 31.62	\$ 28.86	\$ 28.86	\$ 28.86	\$ 28.86	\$ 28.86
Stock Price (Low)	\$ 16.88	\$ 5.20	\$ 5.59	\$ 7.84	\$ 10.59	\$ 8.81	\$ 10.59	\$ 10.59	\$ 5.90	\$ 6.10	\$ 7.37	\$ 16.32	\$ 16.32	\$ 26.25	\$ 31.62	\$ 29.93	\$ 28.86	\$ 15.01	\$ 28.86	\$ 28.86	\$ 28.86	\$ 28.86	\$ 28.86
Stock Price (Average)	#DIV/0!	\$ 21.19	\$ 19.82	\$ 7.85	\$ 10.48	\$ 13.93	\$ 11.36	\$ 13.93	\$ 8.54	\$ 7.92	\$ 12.53	\$ 18.32	\$ 18.32	\$ 21.48	\$ 25.95	\$ 22.47	\$ 28.86	\$ 23.32	\$ 28.86	\$ 28.86	\$ 28.86	\$ 28.86	\$ 28.86
Diluted Shares Outstanding (Average)	19.2	22.9	27.0	26.6	26.9	27.2	27.1	26.9	27.0	27.0	27.6	28.2	27.5	28.5	28.9	28.9	28.9	28.8	28.9	28.9	28.9	28.9	28.9
Market Capitalization (Average)	#DIV/0!	485.0	534.1	208.8	281.7	378.3	307.5	375.1	230.2	219.4	345.6	517.3	504.2	613.1	749.2	649.1	833.6	671.4	833.6	833.6	833.6	833.6	833.6
Enterprise Value (Average)	#DIV/0!	571.8	776.6	463.6	527.8	569.8	532.1	599.7	475.8	451.4	516.9	719.8	706.7	817.1	946.6	779.3	1,030.3	868.1	1,004.5	957.7	903.9	838.9	763.0
P/E	#DIV/0!	36.3 x	54.1 x	-	-	-	-	26.4 x	-	-	-	-	17.9 x	-	-	-	-	17.8 x	17.9 x	13.0 x	11.1 x	9.6 x	8.4 x
EV/EBITDA	#DIV/0!	11.8 x	16.7 x	-	-	-	-	10.8 x	-	-	-	-	10.9 x	-	-	-	-	10.7 x	10.5 x	8.9 x	6.7 x	5.8 x	4.8 x
FCF Yield to Market Capitalization	#DIV/0!	1.6%	1.8%	-	-	-	-	6.1%	-	-	-	-	5.6%	-	-	-	-	1.5%	4.8%	7.4%	8.3%	9.6%	11.0%
FCF Yield to Enterprise Value	#DIV/0!	1.4%	1.2%	-	-	-	-	3.8%	-	-	-	-	4.0%	-	-	-	-	1.1%	4.0%	6.4%	7.6%	9.6%	12.0%
Free Cash Flow																							
EBIT	20.5	35.4	30.2	-	20.5	35.4	30.2	37.8	4.9	5.6	24.4	11.3	46.3	9.8	8.7	29.3	14.1	62.0	76.4	99.9	114.5	129.5	145.6
Tax Expense	(3.3)	(8.5)	(7.4)	-	(3.3)	(8.5)	(7.4)	(8.9)	(0.5)	(0.8)	(0.4)	(0.6)	(2.3)	1.0	(0.0)	(6.3)	(3.0)	(13.0)	(16.0)	(21.0)	(24.1)	(27.2)	(30.6)
D&A	10.6	12.9	16.3	-	10.6	12.9	16.3	17.9	4.4	4.4	4.6	4.9	18.3	4.4	5.2	5.0	4.9	19.5	19.4	19.4	19.4	19.4	19.4
Capital Expenditures	(11.4)	(14.1)	(36.1)	-	(11.4)	(14.1)	(36.1)	(22.3)	(5.3)	(6.0)	(7.4)	(5.7)	(24.4)	(7.1)	(7.9)	(6.8)	(4.9)	(26.7)	(19.4)	(19.4)	(19.4)	(19.4)	(19.4)
Changes in NWC	(5.6)	(17.9)	6.6	-	(5.6)	(17.9)	6.6	(11.9)	(20.6)	(8.5)	46.2	(43.8)	(9.8)	(7.2)	0.2	48.8	(73.9)	(32.0)	(20.6)	(17.2)	(21.9)	(21.9)	(21.9)
Unlevered Free Cash Flow	10.9	7.9	9.6	-	10.9	7.9	9.6	22.9	(17.1)	11.8	67.3	(44.0)	28.1	1.0	6.2	70.9	(62.7)	9.8	39.7	61.8	69.0	80.4	93.4
Valuation Summary																							
Current Price	\$ 28.86																						
Target Price	\$ 35.00																						
Total Return	21.3%																						
Recommendation	BUY																						
DCF Valuation																							
Perpetuity Growth Implied Price	\$ 31.86																						
Exit Multiple Implied Price	\$ 36.42																						
Comps Valuation																							
Comps - EV/EBITDA Implied Price	\$ 16.57																						
Comps - P/E Implied Price	\$ 20.31																						

## Appendix 2: DCF Analysis

### Discounted Cash Flow Analysis

	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
(Figures in mm USD)	FY2014	FY2015	FY2016	FY2017	FY2018	Q1-2019	Q2-2019	Q3-2019	Q4-2019	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
<b>WACC Calculations</b>															
<b>Cost of Equity</b>															
Risk-free rate	2.5%														
Expected market return	10.4%														
<b>Market Risk Premium</b>	<b>7.9%</b>														
Beta	1.00														
<b>Cost of Equity</b>	<b>10.4%</b>														
<b>Cost of Debt</b>															
Pre-tax cost of debt (check, 4.2 on damd: Site)	3.0%														
Effective tax rate	21.0%														
<b>Cost of Debt</b>	<b>2.4%</b>														
<b>WACC</b>															
Market value of equity	833.6														
Market value of debt	180.9														
<b>Total Capitalization</b>	<b>1,014.5</b>														
Cost of equity	10.4%														
Cost of debt	2.4%														
<b>WACC</b>	<b>8.9%</b>														
<b>Free Cash Flow</b>															
EBIT	20.5	35.4	30.2	37.8	46.3	9.8	8.7	29.3	14.1	62.0	76.4	99.9	114.5	129.5	145.6
Less: Tax expense	(3.3)	(8.5)	(7.4)	(8.9)	(2.3)	1.0	(0.0)	(6.3)	(3.0)	(13.0)	(16.0)	(21.0)	(24.1)	(27.2)	(30.6)
Add: Depreciation and amortization	10.6	12.9	16.3	17.9	18.3	4.4	5.2	5.0	4.9	19.5	19.4	19.4	19.4	19.4	19.4
Less: Capital expenditures	(11.4)	(14.1)	(36.1)	(22.3)	(24.4)	(7.1)	(7.9)	(6.8)	(4.9)	(26.7)	(19.4)	(19.4)	(19.4)	(19.4)	(19.4)
Less: Change in net working capital	(5.6)	(17.9)	6.6	(1.6)	(9.8)	(7.2)	0.2	48.8	(73.9)	(32.0)	(20.6)	(17.2)	(21.5)	(21.9)	(23.7)
<b>Unlevered Free Cash Flow</b>	<b>10.9</b>	<b>7.9</b>	<b>9.6</b>	<b>22.9</b>	<b>28.1</b>	<b>1.0</b>	<b>6.2</b>	<b>70.0</b>	<b>(62.7)</b>	<b>9.8</b>	<b>39.7</b>	<b>61.8</b>	<b>69.0</b>	<b>80.4</b>	<b>91.4</b>
Discount factor						-	-	-	0.25	0.25	1.25	2.25	3.25	4.25	5.25
<b>Present Value of Unlevered Free Cash Flow</b>						-	-	-	<b>(61.4)</b>	<b>(61.4)</b>	<b>35.7</b>	<b>50.9</b>	<b>52.3</b>	<b>55.9</b>	<b>58.3</b>
<b>Discounted Cash Flow Valuations</b>															
<b>Perpetuity Growth Method</b>															
<b>Perpetuity Growth Rate</b>	<b>2.0%</b>														
PV sum of unlevered FCF	191.8														
Terminal value	858.8														
<b>Enterprise Value</b>	<b>1,050.6</b>														
Add: Cash	50.6														
Less: Debt	180.9														
Less: Other EV adjustments	-														
<b>Equity Value</b>	<b>920.3</b>														
Shares outstanding	28.9														
<b>Implied Share Price</b>	<b>\$ 31.86</b>														
Current Price	\$ 28.86														
<b>Implied Price</b>	<b>\$ 31.86</b>														
<b>Total Return</b>	<b>10.4%</b>														
<b>Exit Multiple Method</b>															
<b>Terminal EV/EBITDA Multiple</b>	<b>10.0 x</b>														
PV sum of unlevered FCF	191.8														
Terminal value	1,053.7														
<b>Enterprise Value</b>	<b>1,245.5</b>														
Add: Cash	50.6														
Less: Debt	180.9														
Less: Other EV adjustments	-														
<b>Equity Value</b>	<b>1,115.2</b>														
Shares outstanding	28.9														
<b>Implied Share Price</b>	<b>\$ 38.61</b>														
Current Price	\$ 28.86														
<b>Implied Price</b>	<b>\$ 38.61</b>														
<b>Total Return</b>	<b>33.8%</b>														
<b>WACC</b>															
Perpetuity Growth Rate		9.90%	9.40%	8.90%	8.40%	7.90%									
	1.00%	\$ 23.74	\$ 25.73	\$ 27.98	\$ 30.54	\$ 33.48									
	1.50%	\$ 25.15	\$ 27.36	\$ 29.87	\$ 32.74	\$ 36.07									
	2.00%	\$ 26.75	\$ 29.21	\$ 32.02	\$ 35.28	\$ 39.10									
	2.50%	\$ 28.56	\$ 31.32	\$ 34.52	\$ 38.26	\$ 42.70									
	3.00%	\$ 30.64	\$ 33.77	\$ 37.43	\$ 41.78	\$ 47.02									
Terminal EV/EBITDA Multiple		9.90%	9.40%	8.90%	8.40%	7.90%									
	7.6 x	\$ 28.33	\$ 29.10	\$ 29.90	\$ 30.71	\$ 31.55									
	8.6 x	\$ 31.81	\$ 32.67	\$ 33.55	\$ 34.46	\$ 35.39									
	9.6 x	\$ 35.29	\$ 36.23	\$ 37.20	\$ 38.20	\$ 39.22									
	10.6 x	\$ 38.77	\$ 39.80	\$ 40.85	\$ 41.94	\$ 43.06									
	11.6 x	\$ 42.26	\$ 43.37	\$ 44.51	\$ 45.68	\$ 46.89									

Appendix 3: Comparable Company Analysis

Comparable Company Analysis									
(Figures in mm USD)									
Company	Ticker	Equity Value	Enterprise Value	EV/EBITDA Multiple			P/E Multiple		
				2017A EV/EBITDA	2018A EV/EBITDA	2019E EV/EBITDA	2017A P/E	2018A P/E	2019E P/E
Caleres, Inc.	CAL: NYSE	1,047.2	1,505.8	8.3 x	7.4 x	7.6 x	16.1 x	12.1 x	10.7 x
DSW Inc.	DSW: NYSE	1,839.3	1,616.9	6.2 x	6.2 x	6.0 x	15.0 x	27.5 x	12.8 x
Duluth Holdings Inc.	DLTH: NASDAQ	751.8	864.2	21.8 x	19.5 x	15.4 x	34.9 x	32.0 x	27.8 x
Shoe Carnival, Inc.	SCVL: NASDAQ	571.3	531.6	8.0 x	8.4 x	7.5 x	28.8 x	32.1 x	15.3 x
Wolverine World Wide,	WWW: NYSE	3,299.6	3,732.6	17.6 x	13.4 x	11.6 x	-	17.2 x	15.2 x
Boot Barn Holdings	BOOT: NYSE	833.6	963.9	17.3 x	14.8 x	11.8 x	54.5 x	27.5 x	22.2 x
Median				8.4 x		7.6 x	27.5 x		15.2 x
Mean				11.0 x		9.6 x	24.2 x		16.4 x
High				19.5 x		15.4 x	32.1 x		27.8 x
Low				6.2 x		6.0 x	12.1 x		10.7 x
Median				\$ 14.48		\$ 17.04	\$ 28.87		\$ 19.77
Mean				\$ 20.30		\$ 22.66	\$ 25.38		\$ 21.27
High				\$ 39.49		\$ 39.09	\$ 33.65		\$ 36.12
Low				\$ 9.45		\$ 12.34	\$ 12.69		\$ 13.92

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