

August 2018 Industry snapshot

CLOTHING RETAIL

www.clairfield.com



INSIDE

- Market highlights
- Key players
- Clairfield track record
- About Clairfield





THE RETAIL SECTOR MAINTAINS ITS DYNAMISM IN THE GLOBAL ECONOMY, AS THE DRIVERS OF GROWTH SHIFT OUTSIDE OF EUROPE AND NORTH AMERICA



PABLO COBALLASI

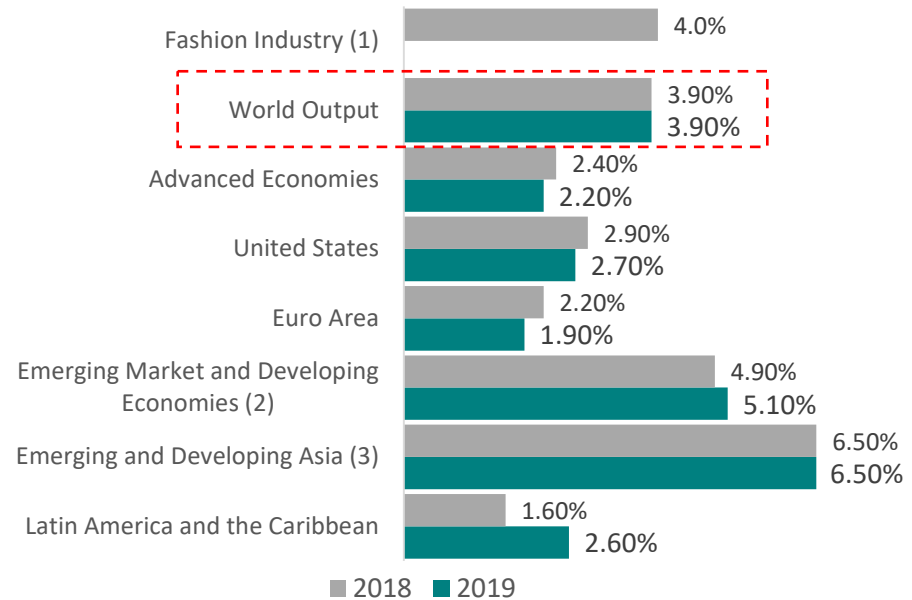
GLOBAL HEAD OF CLAIRFIELD'S CLOTHING RETAIL PRACTICE

The global economy is expected to continue growing at a moderate pace. According to the International Monetary Fund's World Economic Output from July 2018, world output is expected to grow 3.9% in both 2018 and 2019. While the rate of growth in advanced economies may have peaked and could be reaching a plateau, emerging economies continue to grow at an accelerated pace, particularly those in emerging and developing Asia, which will reach 6.5% growth in 2019.

This disparity can also be seen in the fashion industry, where growth is beginning to be driven by emerging-market countries across Asia-Pacific, Latin America and other regions and not from Europe and North America. In 2018, fashion retail in Asia-Pacific emerging markets is expected to grow at 7.0% in contrast to the 2.5% forecasted in mature Europe economies, while the global industry is expected to grow 4.0%. Besides the regional shift, the fashion industry is also facing many changes in its business model. Consumers have begun to interact with the industry through digital, their expectations of experiences have increased, and they have given more and more importance to convenience, price, quality, newness, and a personal touch.

The global fashion industry continues to shift through a phase of digital adoption of consumers, resulting in rapid growth of online sales of apparel and footwear. As more users become digital, the environment will favor companies that prioritize digital-first models and e-commerce.

ANNUAL GDP GROWTH



Source: International Monetary Fund World Economic Outlook July 2018

(1) Annual Industry Growth as projected on McKinsey Global Fashion Index 2017

(2) Includes Russia and other commonwealth of independent states, emerging and developing Europe and Asia, Latin America and the Caribbean, the Middle East, North Africa, Afghanistan, and Pakistan, and Sub-Saharan Africa.

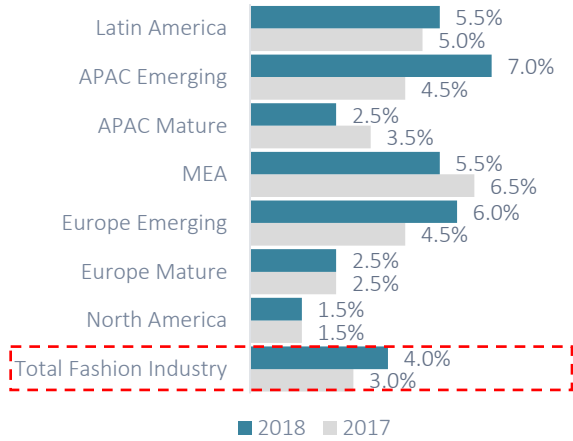
(3) Includes China, India, Indonesia, Malaysia, Philippines, Thailand, and Vietnam.

In the first 7 months of the year, there have been 28 M&A deals in the Apparel Retail Industry, combined worth more than USD 3.1 billion. There were 10 transactions in Asia/Pacific, 10 in Europe, 7 in the United States and Canada, and 1 in Africa/Middle East.

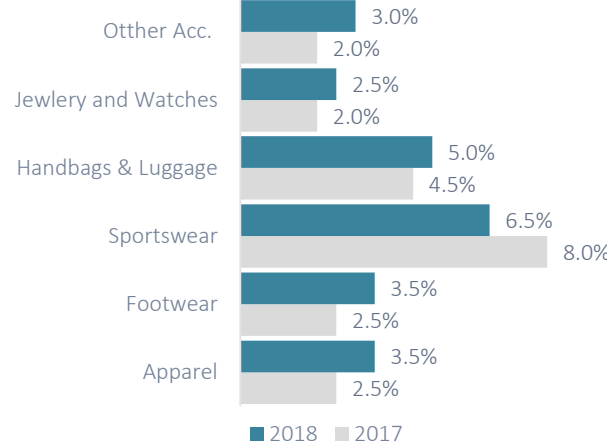


MARKET HIGHLIGHTS

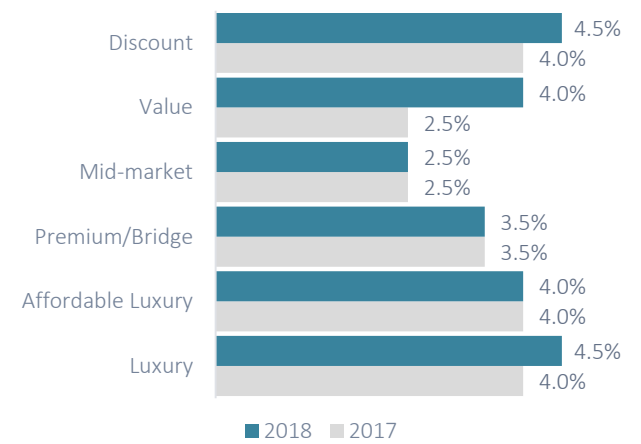
FASHION INDUSTRY SALES GROWTH



FASHION INDUSTRY SALES GROWTH BY CATEGORY



FASHION INDUSTRY SALES GROWTH BY SEGMENT



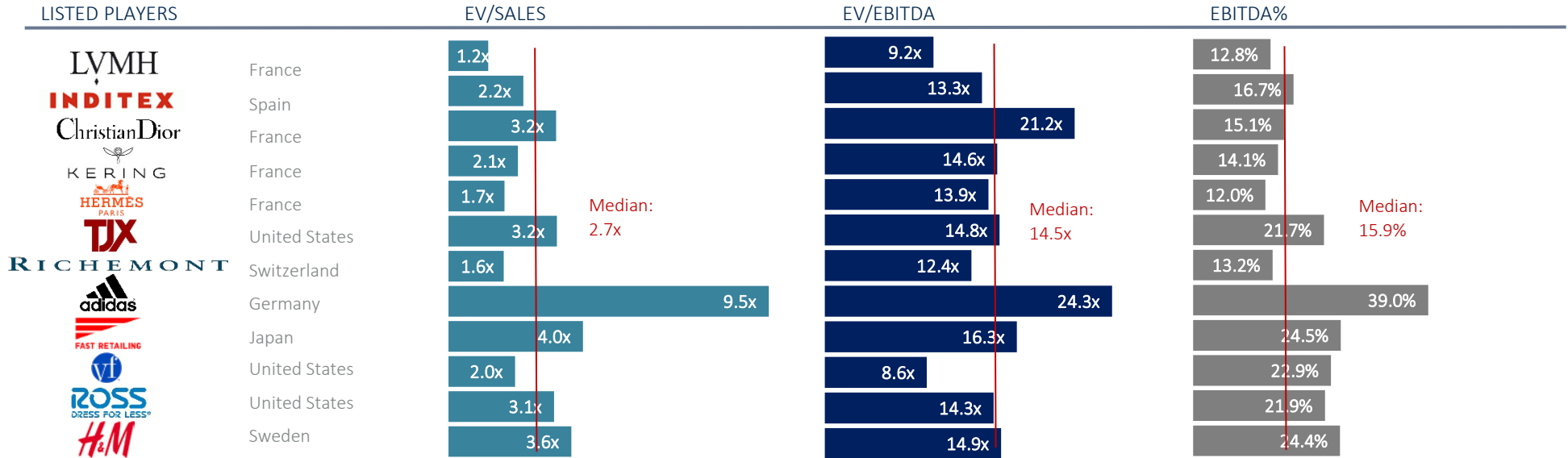
KEY GLOBAL PLAYERS



Source: Capital Iq, McKinsey Global Fashion Index 2017



KEY PLAYERS



MOST ACTIVE COMPANIES IN M&A

- USD 52 billion in total revenue
 - Founded in 1923, it now employs almost 130,000 people and operates around 4,400 stores worldwide
 - Throughout its history, it has been involved in 98 transactions, 37 since 2008
- USD 19.6 billion in total revenue
 - It employs almost 45,000 people
 - Involved in 57 deals, 16 since 2008.
- USD 43.5 billion in revenue
 - Headquartered in Switzerland, it employs almost 30,000 people
 - Involved in 38 deals, 17 since 2008.
- USD 4.4 billion in revenue
 - It employs 17,371 people, holds a network of approximately 230 offices and distribution centers, and approximately 15,000 suppliers.
 - Involved in 35 deals, 15 since 2008.

SELECTED TRANSACTIONS (USD MILLION)

DATE	TARGET	COUNTRY	BUYER	COUNTRY	EV	EV/SALES	EV/EBITDA
05/18					809	4.7x	32.0x
08/17					820	0.9x	11.0x
03/18					464	0.3x	5.8x
04/18					308	1.8x	Na
12/17					266	0.4x	7.12

Source: Capital IQ, McKinsey Global Fashion Index 2017



CLAIRFIELD IS A LEADING ADVISOR FOR MIDMARKET RETAIL TRANSACTIONS

APRIL 2018 EMEA ESTIMATED FEES SECTOR FOCUS: RETAIL

Financial advisor	2018 Rank
Rothschild & Co	1
Lazard	2
BNP Paribas SA	3
Natixis	4
Clairfield International	5
Oaklins	6
Credit Agricole CIB	6
IMAP	8
Mediobanca	9
KPMG	10

DEAL SPOTLIGHT

Finland



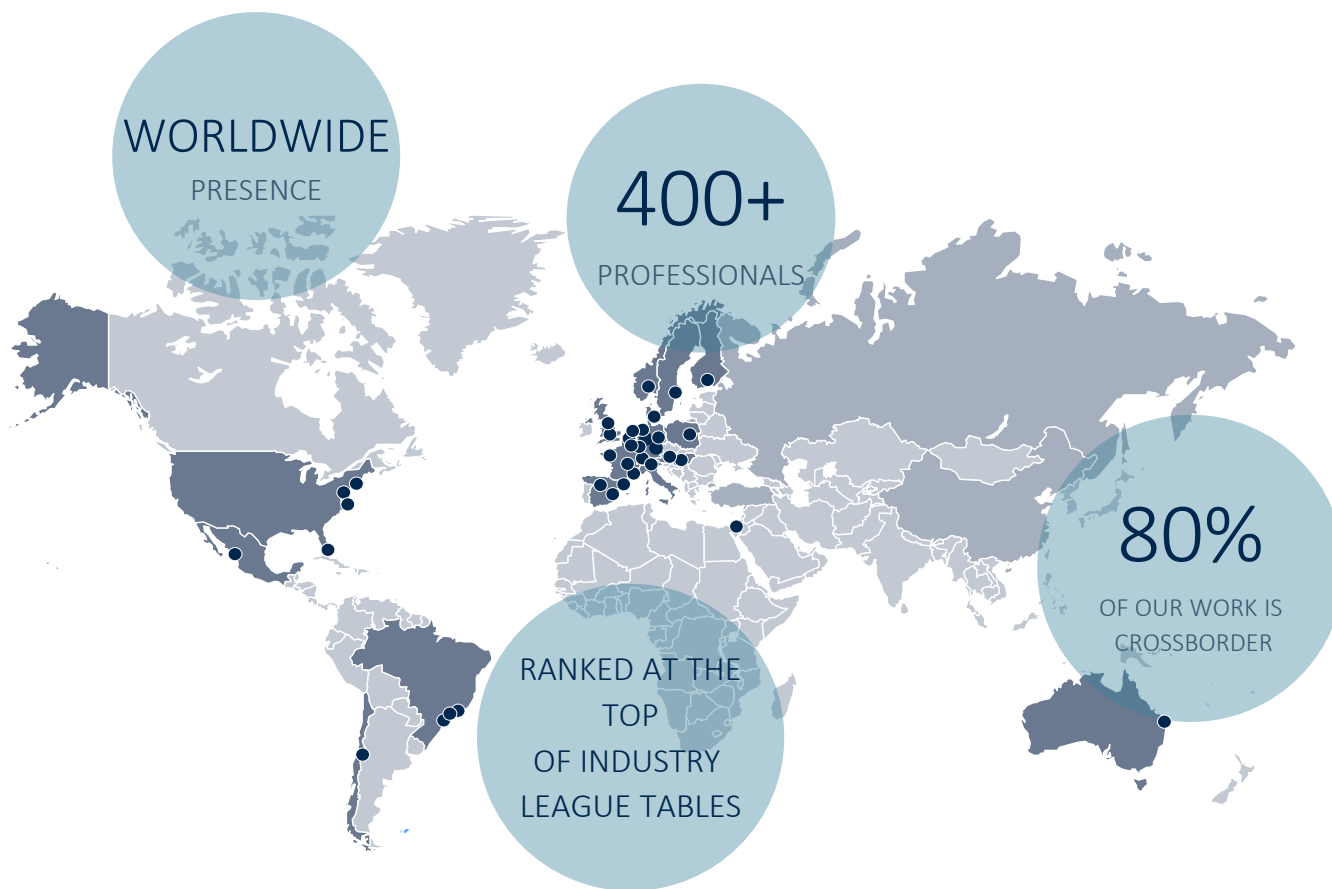
Clairfield Finland advised Clothing+ and its shareholders in a highly strategic sell-side transaction whereby 100% of the company was sold to the US rooted S&P 500 company Jabil Circuit. Jabil is the third largest electronics manufacturing service supplier in the world with over 180,000 employees in 24 countries and revenues of USD 16 billion in 2014.

SELECTED TRANSACTIONS

<p>France</p>  <p>Galia bpifrance</p> <p>acquired a majority stake in</p> 	<p>The Netherlands</p>  <p>was acquired by</p>  <p>a portfolio company of</p> 	<p>Mexico</p>  <p>was sold to</p> 	<p>Denmark</p>  <p>was sold to</p> 	<p>Finland</p>  <p>was sold to</p> 	<p>The Netherlands</p>  <p>was sold to</p>  <p>a portfolio Company of</p> 
---	---	--	--	--	---

Source: Thomson Reuters

CLAIRFIELD – A GLOBAL PARTNERSHIP OF M&A SPECIALISTS



Contact



Global head of clothing retail

practice:

Pablo Coballasi

Partner

Clairfield International Mexico

pcoballasi@clairfield.com

T: +52 55 5251 8279



Global head of consumer & retail

group:

Albert Schander

Partner

Clairfield International Germany

aschander@clairfield.com

T: +49 69 70 79 69 20

www.clairfield.com

Clairfield International provides advisory services on middle-market transactions for large companies, private investors and private equity, public sector clients, and family businesses. Headquartered in Europe with locations in every major region worldwide, Clairfield offers clients access to local corporate businesses, investors, and key decision makers, combined with a deep understanding of local regulations and cultures. Clairfield ranks as one of the top independent M&A advisors in the annual worldwide, European, US, Latin American, and Asian Pacific league tables by Thomson Reuters.

DISCLAIMER: No part of this report may be reproduced without the written permission of Clairfield International. The information herein has been obtained from sources that we believe to be reliable, but we do not guarantee its accuracy or completeness. Much of the information contained in this report is subject to variation due to changes in market conditions, legislation or regulatory matters and Clairfield International does not undertake to notify any recipient of the report of changes to the information contained herein. This report is not to be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction. Additional supporting information is available upon request. Please contact: Press office, Clairfield International, Tel: +41 22 518 0242 , press@clairfield.com