



Reported Selling, General and Administrative (SG&A) Performance Benchmark:
Industry Division: Retail Trade
High Level Industry Benchmark: 5651 – Retail Family Clothing Stores



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Summary of Findings: 5651 – Retail Family Clothing Stores

Demographics: Total Revenue and Employee Size

- Revenue: The median revenue for the selected Industry peer group is **\$3,993 Millions**.
- Number of Employees: The median number of employees for the selected Industry peer group is **43,500**.

Cumulative Average Growth Rate (Last 3 years):

- Revenue 3 Year CAGR: The median revenue CAGR for the selected Industry peer group is **4.3%**.
- Cost of Goods Sold (COGS) 3 Year CAGR: The median COGS CAGR for the selected Industry peer group is **4.6%**.

Gross Margin, EBIT and Revenue per Employee:

- Gross Margin: The median Gross Margin for the selected Industry peer group is **36.1%**.
- EBIT Margin: The median EBIT margin for the selected Industry peer group is **7.0%**.
- Revenue per Employee: The median Revenue per Employee for the selected Industry peer group is **\$123,993**.

Selling, General and Administrative (SG&A) Expenses as a percent of revenue:

- As per reported 10-K, selected Industry Peers are spending **25.1%** on their SG&A spend, whereas top quartile performers are spending **3%** lesser their median performers.

Retail Revenue per Store and Retail Revenue per square feet:

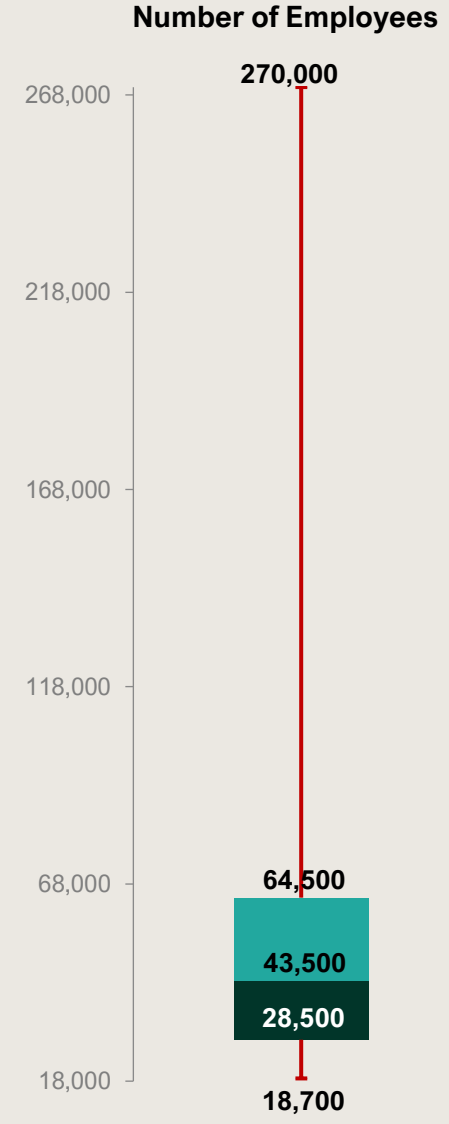
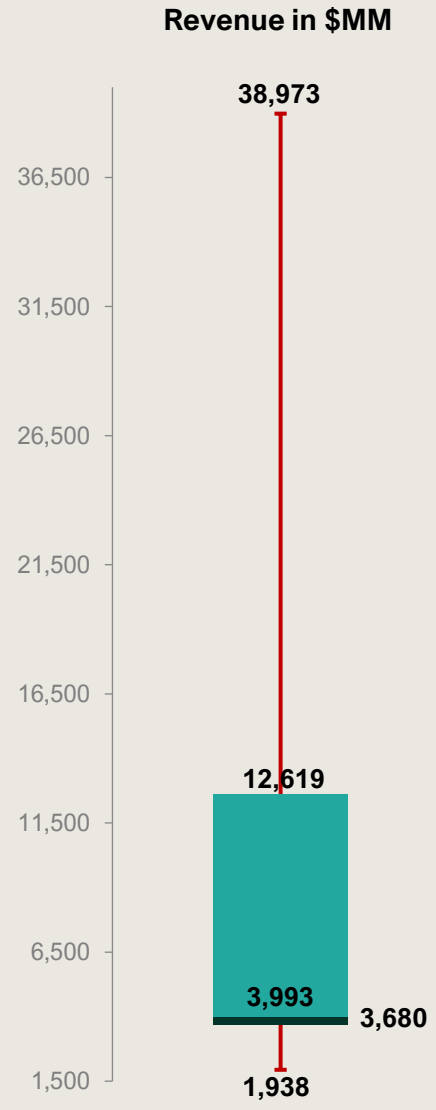
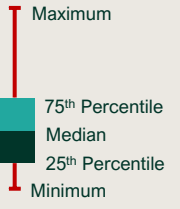
- Revenue per Store: The median Revenue per Store for the selected Industry peer group is **\$5.3MM**.
- Revenue per Square Feet: The median Revenue per square feet for the selected Industry peer group is **\$528**.

Competitors Overview

To run the benchmarking comparisons, following competitors were included:

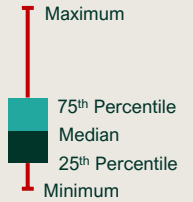
Competitor Name	Business Region	SIC4D	SIC 4 Digit Description
Competitor 1	North AM	5651	RETAIL-FAMILY CLOTHING STORES
Competitor 2	North AM	5651	RETAIL-FAMILY CLOTHING STORES
Competitor 3	North AM	5651	RETAIL-FAMILY CLOTHING STORES
Competitor 4	North AM	5651	RETAIL-FAMILY CLOTHING STORES
Competitor 5	North AM	5651	RETAIL-FAMILY CLOTHING STORES
Competitor 6	North AM	5651	RETAIL-FAMILY CLOTHING STORES

Competitors Demographics¹

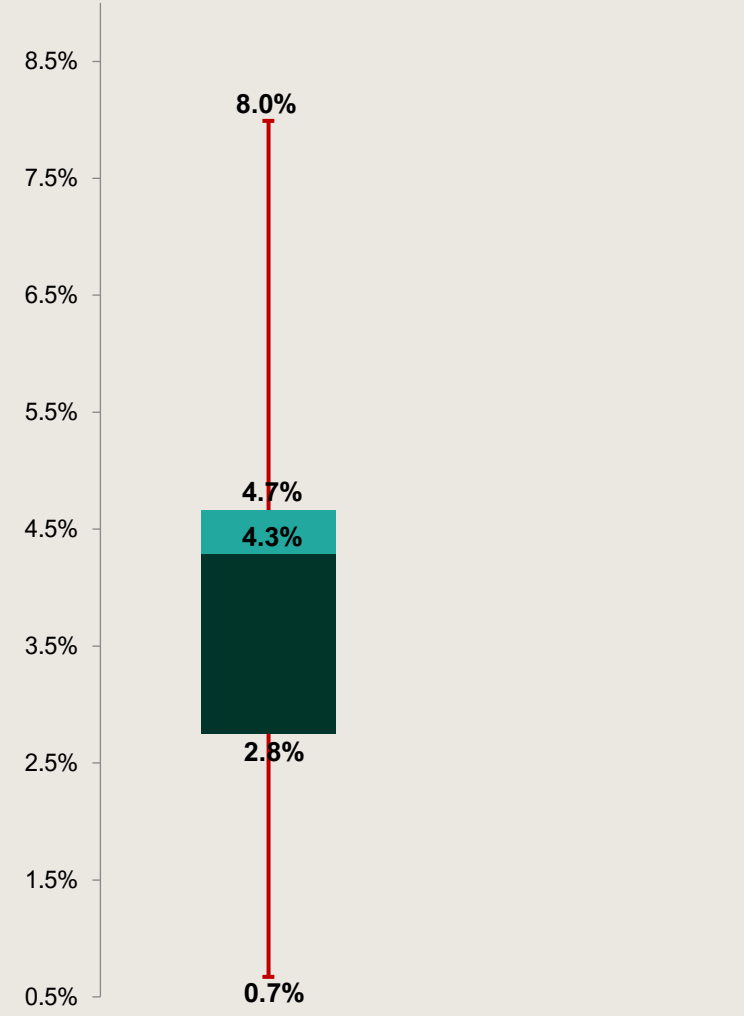


1 - Quartile breakpoints are based on the selected peer group, listed on slide 4.

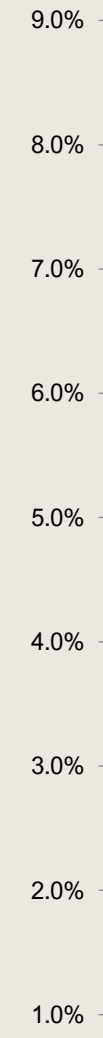
Cumulative Average Growth Rate (CAGR): Revenue and Cost of Goods Sold (COGS)¹



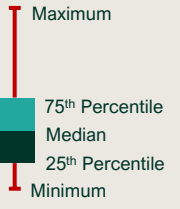
Revenue 3 Years CAGR



COGS 3 Years CAGR

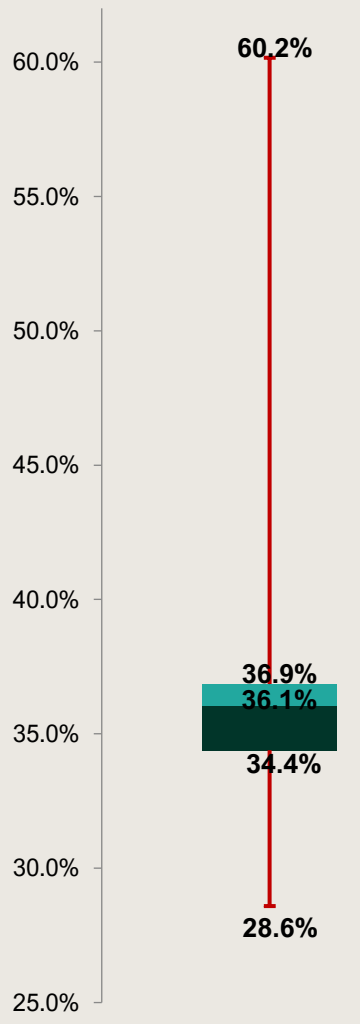


1 - Quartile breakpoints are based on the selected peer group, listed on slide 4.

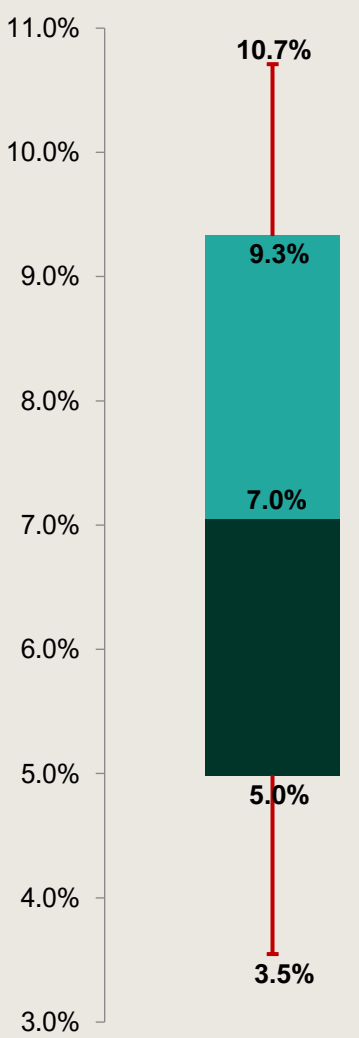


Gross Margin, EBIT Margin and Revenue per Employee¹

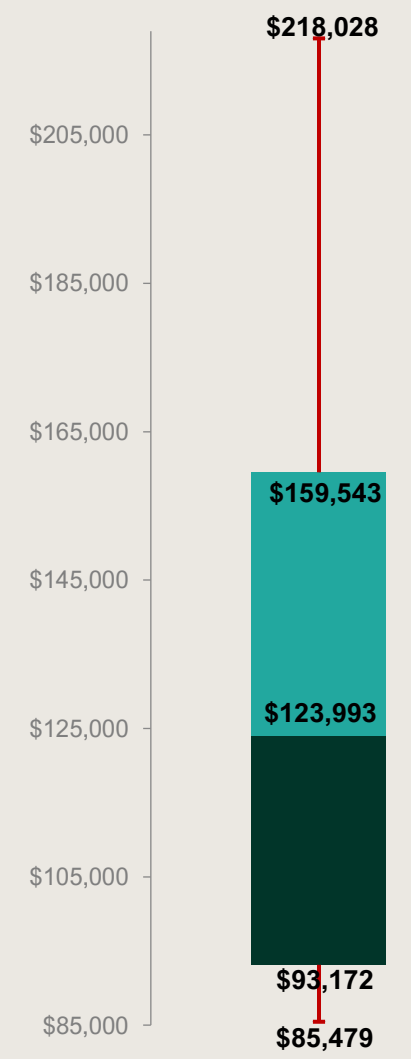
Gross Margin %



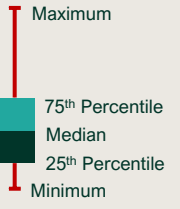
EBIT Margin %



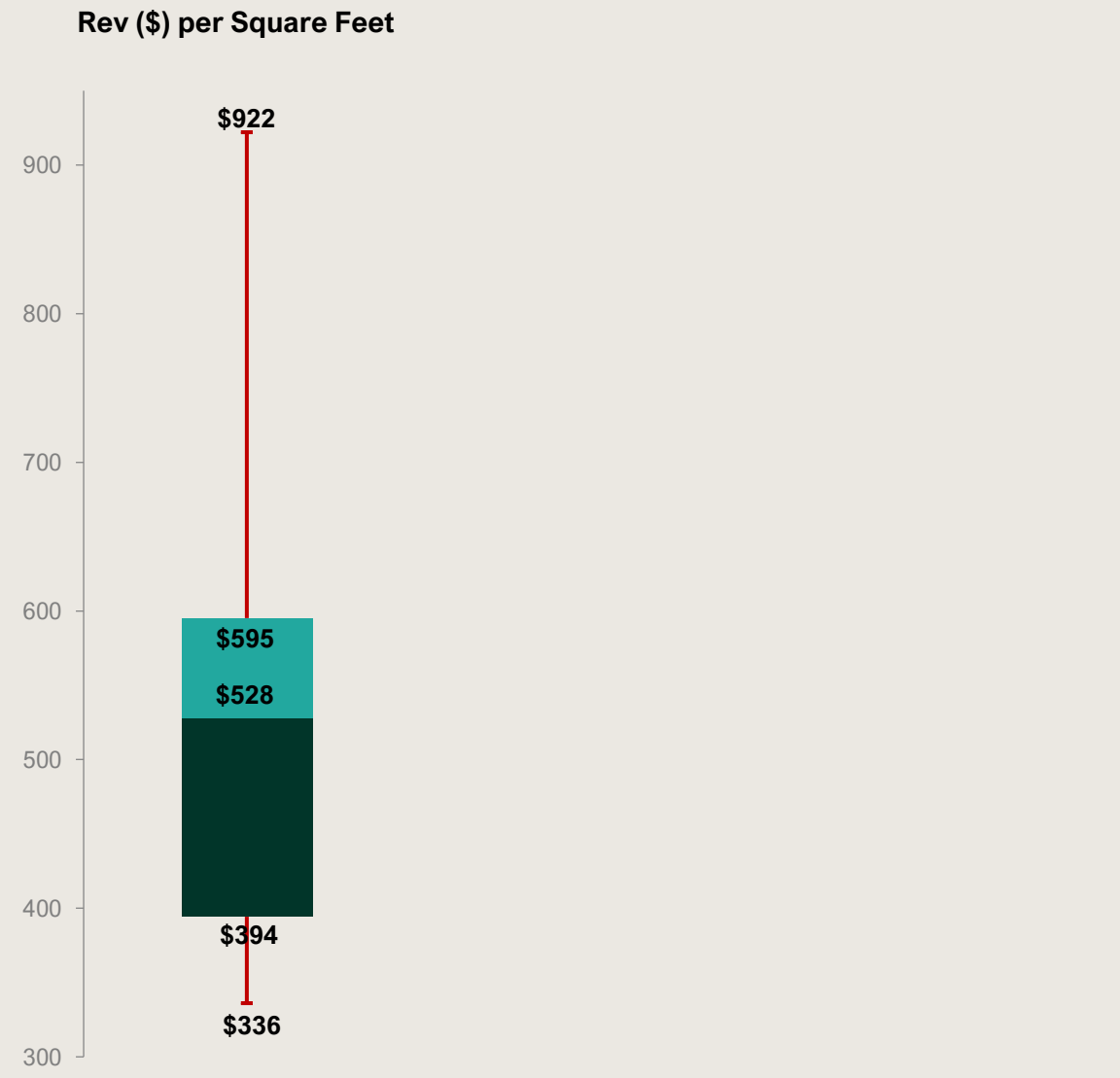
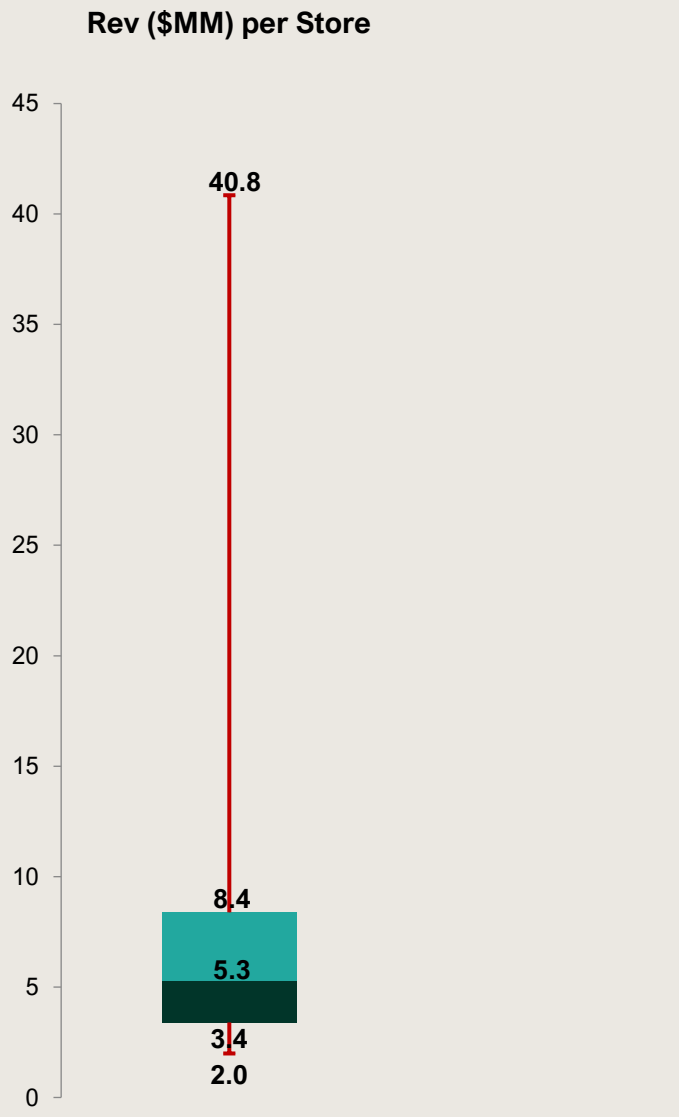
Revenue Per Employee



¹ - Quartile breakpoints are based on the selected peer group, listed on slide 4.



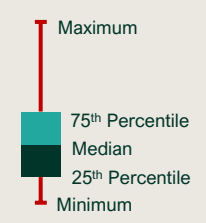
Retail Specific Metric: Revenue per Store, Revenue per Square Feet¹



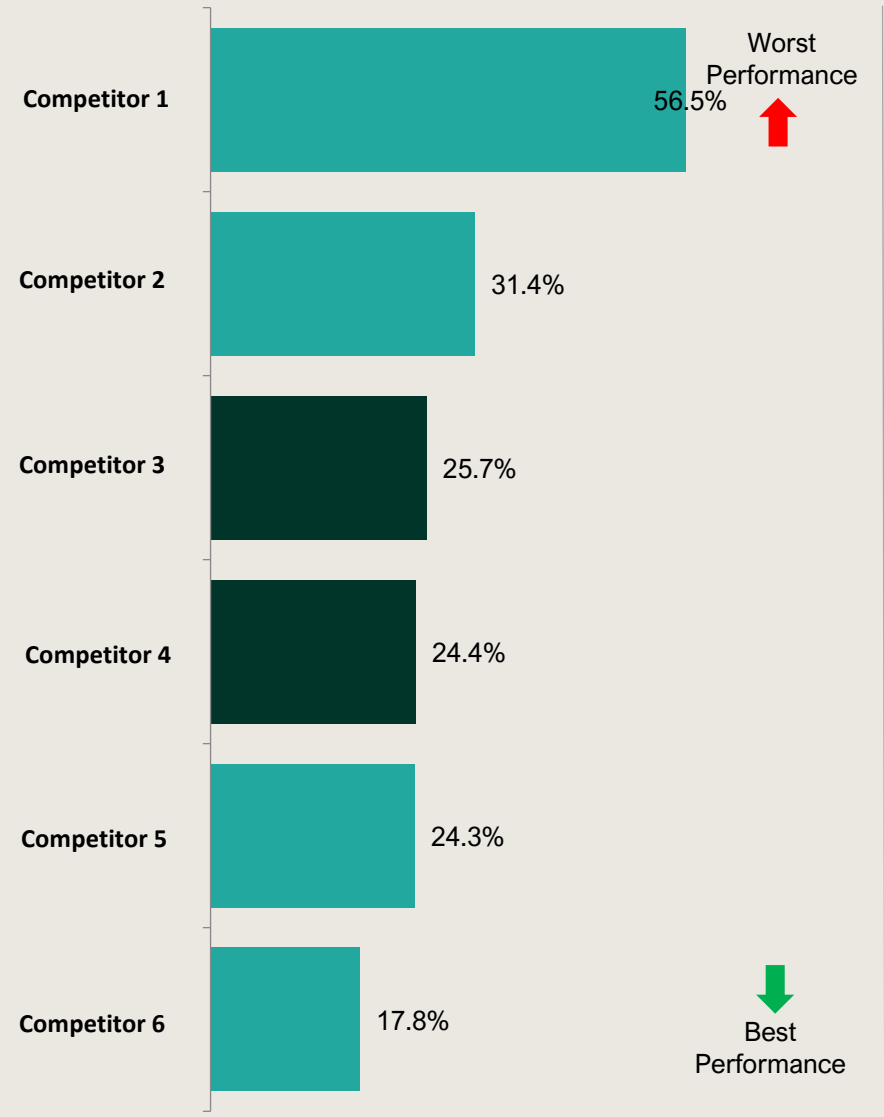
1 - Quartile breakpoints are based on the selected peer group, listed on slide 4.

Selling, General & Administrative Expense As a percent of Revenue

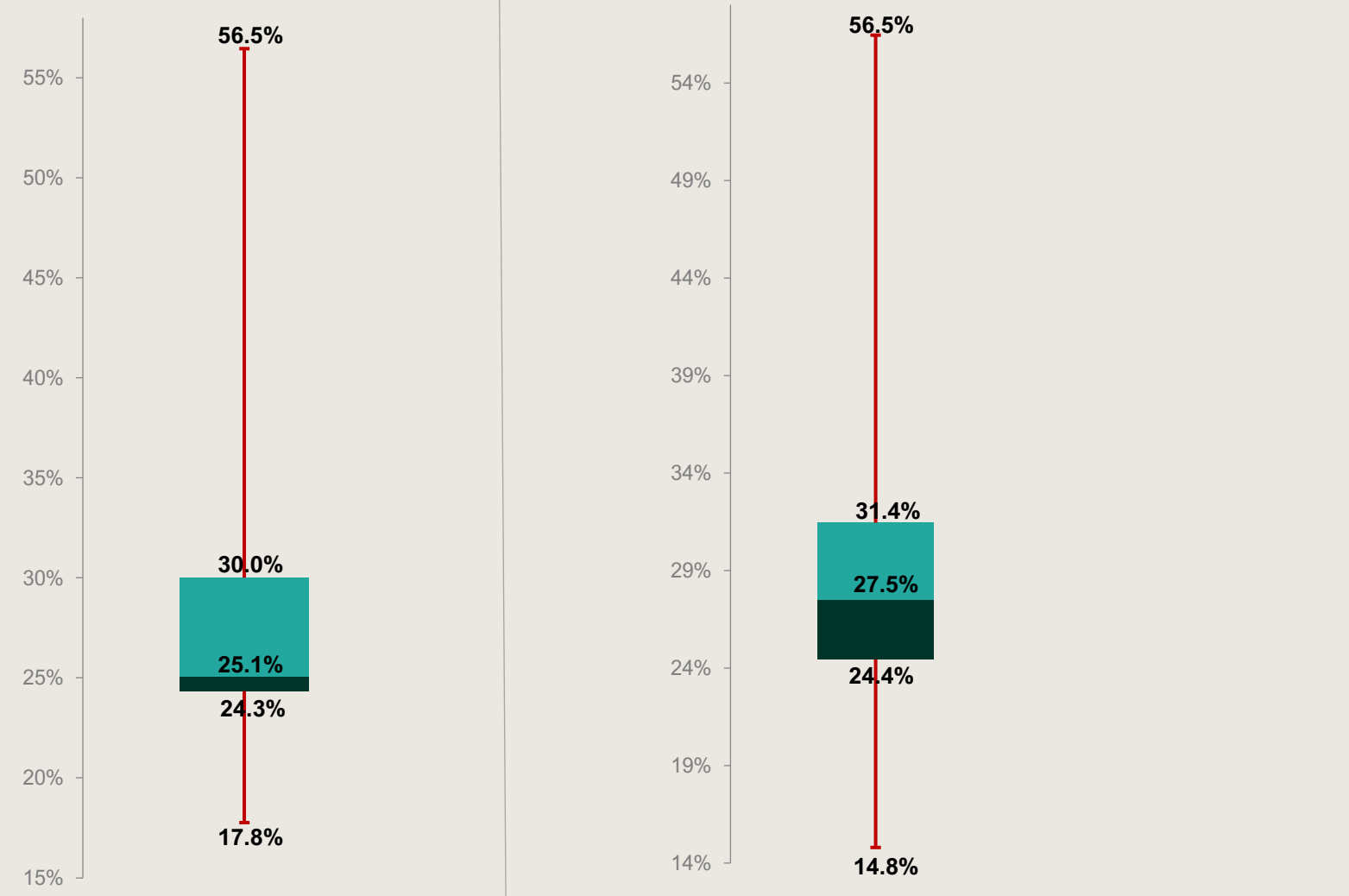
As per reported 10-K, selected Industry Peers are spending 25.1% on their SG&A spend, whereas top quartile performers are spending 3% lesser than their median performers.



Selected Peers: SG&A Cost as a % of Revenue



SIC Code 5651: SG&A Cost as a % of Revenue



Assumptions and Glossary

- For the purposes of consistency, all monetary figures have been presented in USD.
- For the selected competitors, all the data was sourced from www.sec.org from their respective 10-K/20-F forms.
- FY2019 financial data have been used for comparative analysis.
- **Quartile breakpoint:** A quartile is a statistical term describing a division of observations into four defined intervals based upon the values of the data and how they compare to the entire set of observations. A quartile divides data into three points – a lower quartile, median, and upper quartile – to form four groups of the data set. The lower quartile or first quartile is denoted as Q1 (percentile 25) and is the middle number that falls between the smallest value of the data set and the median. The second quartile, Q2 (percentile 50), is also the median. The upper or third quartile, denoted as Q3 (percentile 75), is the central point that lies between the median and the highest number of the distribution.
- **Box and Whisker Plot :** A special type of diagram showing Quartiles 1, 2 and 3 (where the data can be split into quarters) in a box, with lines extending to the lowest and highest values
- **Total Annual Revenue :** Revenue is the income generated from normal business operations and includes discounts and deductions for returned merchandise. It is the top line or gross income figure from which costs are subtracted to determine net income.
- **Number of Employees :** Refers to the total number of persons who work for the enterprise, it includes all persons who are on the payroll of the enterprise, whether they are full-time or part-time. However, the number of employees excludes manpower supplied by to the enterprise by other enterprises.
- **Revenue 3-year CAGR :** means the 3-year compound annual growth rate in the Company's revenue during the Performance Period.
- **Cost of Goods Sold :** Cost of goods sold (COGS) refers to the direct costs of producing the goods sold by a company. This amount includes the cost of the materials and labor directly used to create the good. It excludes indirect expenses, such as distribution costs and sales force costs.
- **Cost of Goods Sold 3-year CAGR :** means the 3-year compound annual growth rate in the Company's cost of goods sold (COGS) during the Performance Period.
- **Gross Margin :** Gross margin is a company's net sales revenue minus its cost of goods sold (COGS).
- **EBIT Margin :** Earnings before interest and taxes is an indicator of a company's profitability. One can calculate it as revenue minus expenses, excluding tax and interest. EBIT is also referred to as operating earnings, operating profit, and profit before interest and taxes. It is calculated by dividing EBIT (earnings before interest and taxes) by sales or net income.
- **Revenue per Employee :** Revenue per employee—calculated as a company's total revenue divided by its current number of employees—is an important ratio that roughly measures how much money each employee generates for the firm.
- **Selling, General and Administrative Expenses (SG&A) :** Selling, general and administrative expense (SG&A) is reported on the income statement as the sum of all direct and indirect selling expenses and all general and administrative expenses (G&A) of a company. SG&A, also known as SGA, includes all the costs not directly tied to making a product or performing a service. That is, SG&A includes the costs to sell and deliver products and services and the costs to manage the company.
- **Revenue per Store :** Net sales divided by number of active retail stores distributing the product.
- **Revenue per Square Feet :** The average revenue earned for every square foot of sales space.