Investment Banking | **Industry Spotlight**

Consumer & Retail | Q1 2017

Consumer & Retail Investment Banking

Consumer & Retail Investment Banking

Fifth Third Securities' Consumer & Retail Investment Banking Group advises middle market and mid-cap companies on M&A advisory, capital raising, and strategic alternatives in the following sectors:

Consumer

- Apparel, Accessories & Footwear
- Building Products
- Consumer Services
- Household Products
- Interior Furnishings
- Personal Products
- Recreational Products

Food, Beverage & Agribusiness

- Agricultural Inputs
- Beverages
- Dairy Products
- Foodservice Distribution
- Ingredients and Flavors
- Packaged Food/ Snack
- Protein Processing

Restaurants

- Casual Dining
- Coffee & Specialty
- Family Dining
- Fast Casual
- Fine Dining & Polished Casual
- Franchisees
- Quick Service (QSR)

Retail

- Apparel, Accessories & Footwear
- Discount & Off-Price
- Furniture & Furnishings
- Grocery & Pharmacy
- Internet & e-Commerce
- Mass Merchandise
- Specialty

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Representative Transactions

planet fitness
obtained sub-debt financing from
ARROWPOINT PARTNERS
Financial Advisor
FIFTH THIRD SECURITIES

MILLER
has been acquired by
PetroChoice Lubrication Solutions
a portfolio company of
GOLDEN GATE CAPITAL
Sell-Side Advisor
FIFTH THIRD SECURITIES

$425,000,000
Flash Foods
has been acquired by
CST
Sell-Side Advisor
FIFTH THIRD SECURITIES

$250,000,000
First and Second Lien Credit Facilities
TURNING POINT BRANDS
Lead Arranger
FIFTH THIRD BANK

$650,000,000
Senior Unsecured Notes
NORDSTROM
Co-Manager
FIFTH THIRD SECURITIES

$51,000,000
Senior Secured Credit Facilities
BENTLEY
Lead Arranger
FIFTH THIRD BANK

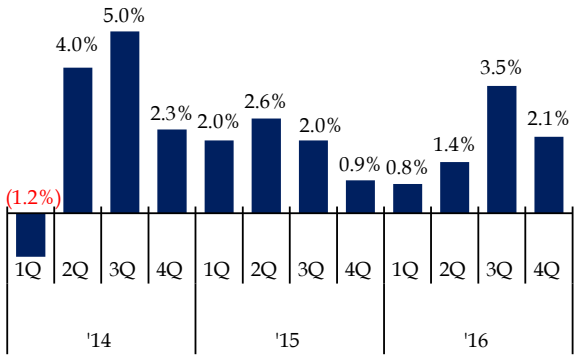
$442,000,000
Senior Secured Credit Facilities
K-MAC
Joint Lead Arranger
FIFTH THIRD BANK

$74,000,000
Senior Secured Credit Facilities
planet fitness
Franchisee
Lead Arranger
FIFTH THIRD BANK

FIFTH THIRD CAPITAL MARKETS

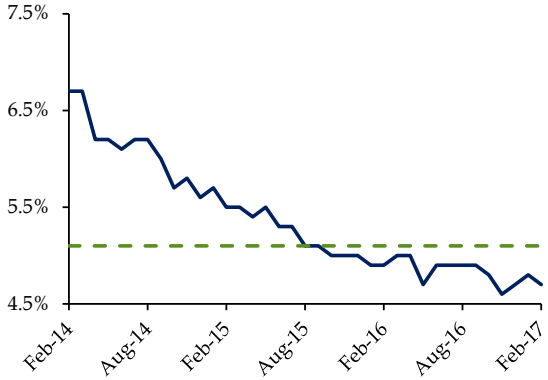
Economic Dashboard

Real GDP Growth



Source: Bureau of Economic Analysis

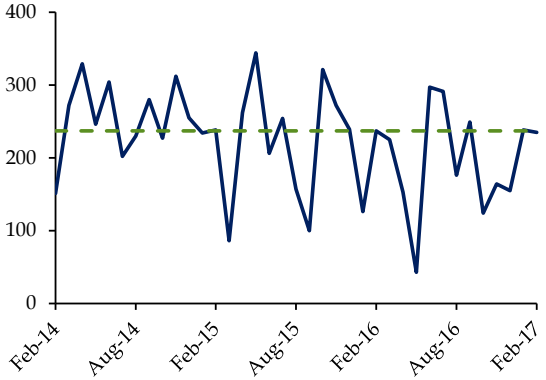
National Unemployment Rate



Source: Bureau of Labor Statistics

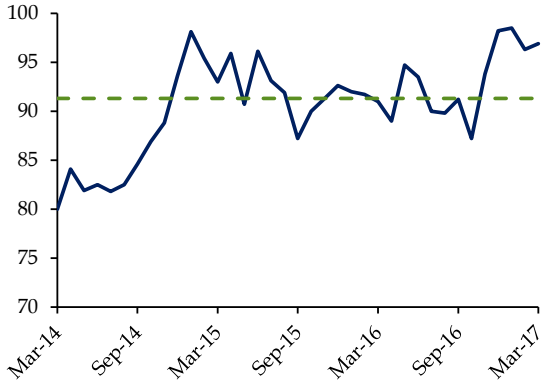
Additions to Non-Farm Payrolls

(in thousands of employees)



Source: Bureau of Labor Statistics

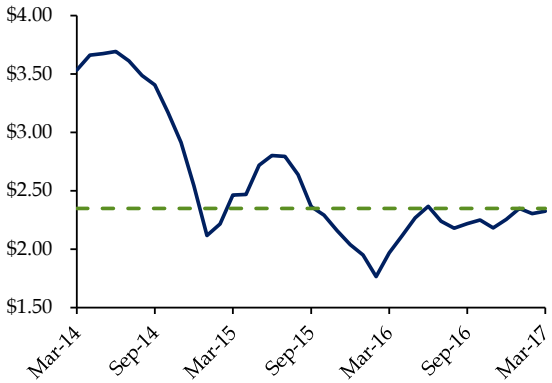
Consumer Sentiment Index



Source: University of Michigan

Retail Gas Prices

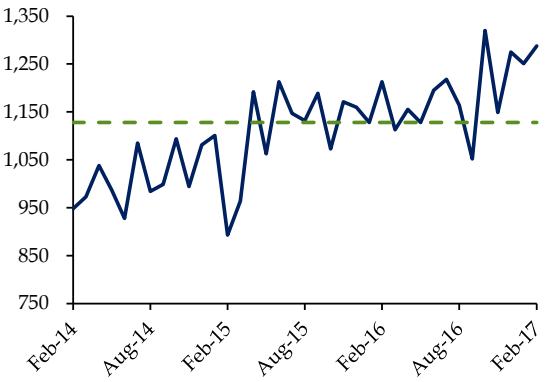
(in $'s per gallon)



Source: Energy Information Administration

Housing Starts

(in thousands of units)



Source: United States Census Bureau

FIFTH THIRD CAPITAL MARKETS

Consumer & Retail Sector Insights

Consumer Confidence Continues its Upward March

- March 2017 Consumer Sentiment Index reading exceeded Wall Street analyst expectations (more than 2 standard deviations higher)
  - Highly correlated to growth of the S&P 500 index

Amazon Explores New Retail Concepts

- AMZN continues to diversify with the exploration of launching physical retail stores to sell furniture and home appliances
  - Stores would serve as a showcase for consumers to view items in person, while fulfilling and shipping orders online
- AMZN postponed launch date of grocery pickup service and grocery stores as a result of unexpected implementation costs

Retail Bankruptcies Continue

- Nine retailers have filed for bankruptcy in the first 3 months of 2017 (nine retailers total went bankrupt in 2016)
  - More than half were previously purchased by private equity groups (increase of an average of 31% over the last five years)
- HHGregg, General Wireless Operations and Eastern Outfitters are among the largest to file – Sears gave investors notice that it may, too
- Retailers continue store closures, causing industry ripple-effects

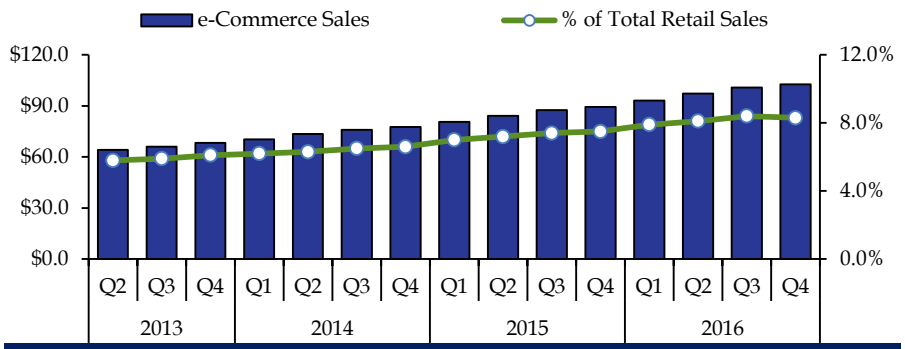
Grocery is No Longer Immune to Traffic & Comp Issues

- Kroger reported negative comp growth in 2016, falling victim to unfavorable food cost deflation (decreased prices for staple items)
- Natural Grocers' share price hit a new low in March 2017, while Sprouts is rumored to be considering a sale
- Industry participants continue to battle deflation, shifting their focus towards long-term growth by descaling immediate growth efforts

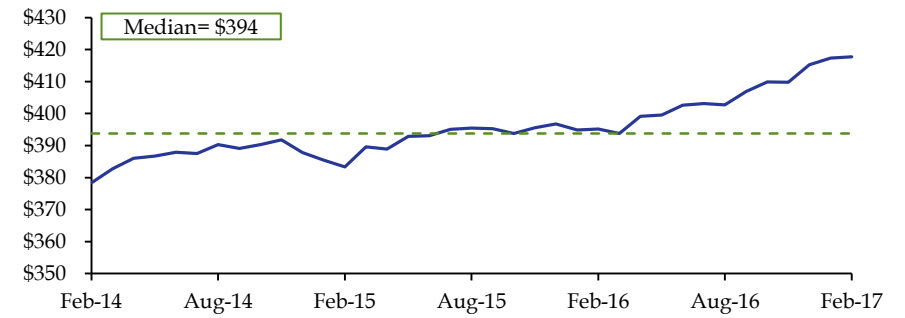
Retailers Continue to Evolve

- H&M announces the launch of a new brand "Arket," in response to consumer desire to have multiple brand offerings under one roof
- Bebe Stores Inc., Vanity Shop, J.C. Penney, BCBG and the Limited have all announced plans to close a significant number of stores (if not all) to transition to an e-Commerce focused business model

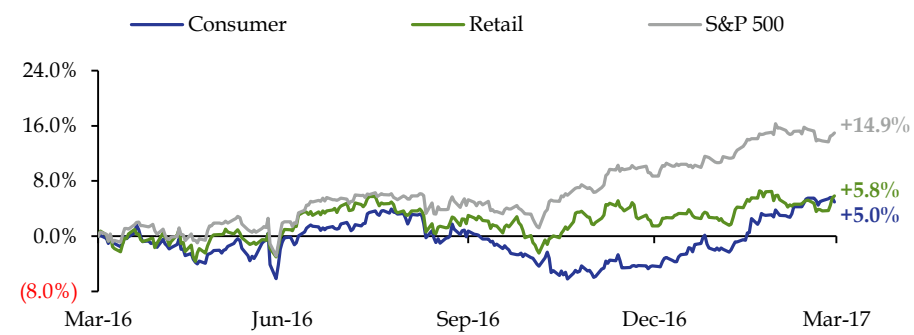
e-Commerce Industry Growth ($ in Billions) [1]



Monthly Retail Sales ($ in billions) [2]



LTM Share Price Performance

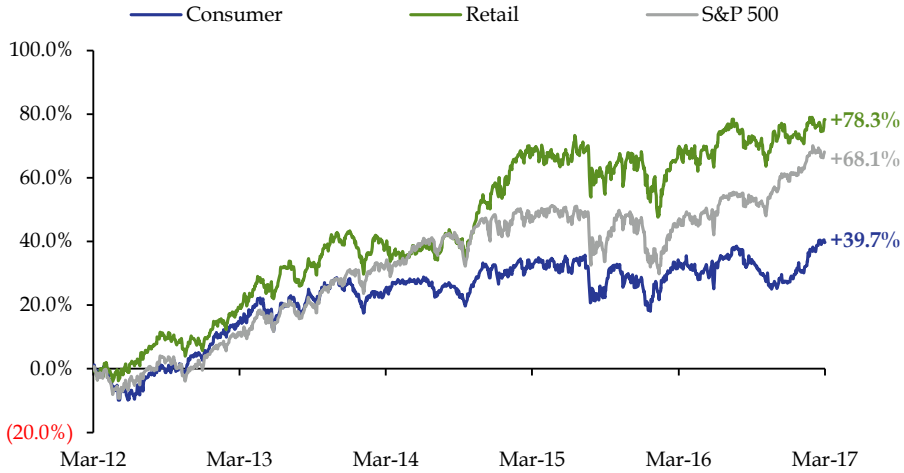


Source: S&P Capital IQ and Company Filings
[1] U.S. Census Bureau
[2] U.S. Federal Reserve. Excludes food services

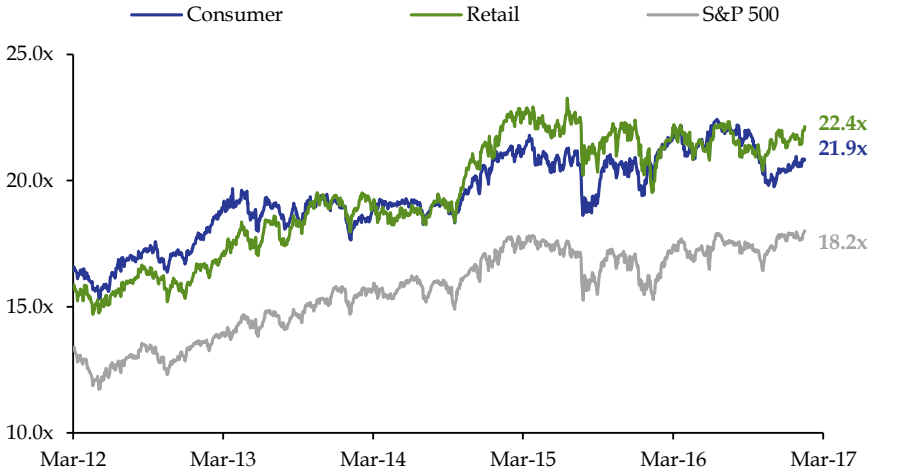
FIFTH THIRD CAPITAL MARKETS

Public Equity Market Valuation Trends

5-Year Share Price Performance



5-Year EV / Forward P / E Performance [1]



Sub-Sector Indices' Share Price Performance [1]

Sector/Sub-Sector	Number of Companies	Median Enterprise Value $ in Millions	Median TEV / Revenue Multiples		Median TEV / EBITDA Multiples		Median TEV / P/E Multiples	
			LTM	Forward	LTM	Forward	LTM	Forward
Consumer	**84**	**$4,243**	**2.1x**	**1.8x**	**12.7x**	**11.3x**	**24.8x**	**20.2x**
Personal Products	13	19,488	3.0x	2.9x	15.3x	14.1x	27.2x	23.4x
Apparel, Accessories & Footwear	34	6,472	2.2x	1.7x	12.7x	11.3x	24.8x	20.2x
Household Products	16	4,243	2.0x	1.9x	13.0x	12.0x	25.8x	20.1x
Consumer Services	8	1,931	2.1x	1.8x	9.9x	8.6x	21.3x	26.0x
Recreational Products	13	782	1.2x	1.1x	12.7x	11.0x	23.3x	18.3x
Retail	**132**	**5,409**	**0.8x**	**0.6x**	**8.6x**	**8.5x**	**17.9x**	**15.4x**
Grocery & Pharmacy	15	28,249	0.4x	0.4x	7.3x	8.2x	17.4x	16.1x
Mass Merchandise Retail	13	15,505	0.5x	0.5x	7.3x	6.5x	18.5x	14.8x
Specialty Retail	54	4,138	0.7x	0.6x	9.2x	8.8x	17.0x	14.5x
Discount & Off-Price Retail	14	5,838	1.0x	0.5x	10.7x	10.0x	21.4x	18.2x
Apparel, Accessories & Footwear	25	4,981	1.3x	0.8x	8.0x	6.6x	16.0x	14.0x
Internet & e-Commerce	11	1,689	2.1x	1.5x	13.5x	10.9x	28.2x	18.2x
S&P 500	**500**	**NM**	**2.4x**	**2.2x**	**12.2x**	**11.0x**	**26.7x**	**18.2x**

Source: S&P Capital IQ as of March 31st, 2017
* Each index is comprised of the companies noted on pages 14
[1] Forward P/E multiples in charts do not match, as 5-year performance chart is market capitalization weighted

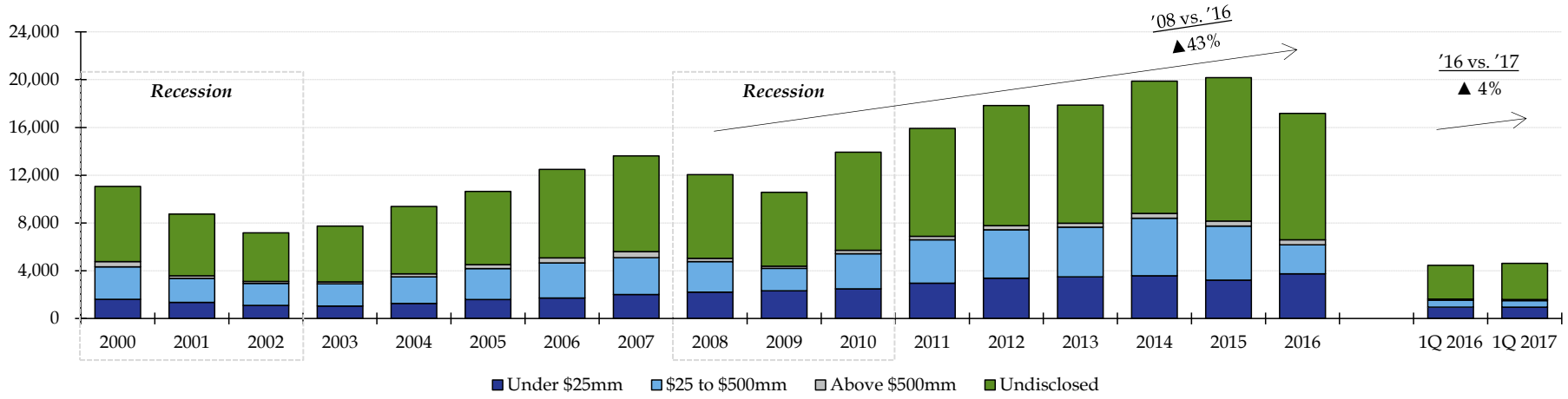
Public Equity Market Valuation Trends (Cont'd)

	EV / Forward EBITDA	P / 2017 EPS	LTM EBITDA Margin	5-Year Est. EPS Growth
	Median: 10.0x	Median: 17.2x	Median: 10.2%	Median: 12.4%
Personal Products	14.1x	21.3x	19.4%	7.6%
Household Products	12.0x	17.9x	17.1%	12.0%
Apparel, Accessories & Footwear (Cons.)	11.3x	18.0x	14.6%	10.7%
Recreational Products	11.0x	15.1x	10.2%	12.5%
Internet & e-Commerce	10.9x	17.5x	8.6%	19.5%
Discount & Off-Price Retail	10.0x	17.2x	10.2%	15.1%
Specialty Retail	8.8x	12.6x	9.6%	14.1%
Consumer Services	8.6x	19.6x	19.3%	17.9%
Grocery & Pharmacy	8.2x	14.2x	5.2%	10.0%
Apparel, Accessories & Footwear (Retail)	6.6x	12.2x	13.5%	12.4%
Mass Merchandise Retail	6.5x	12.9x	7.5%	3.8%

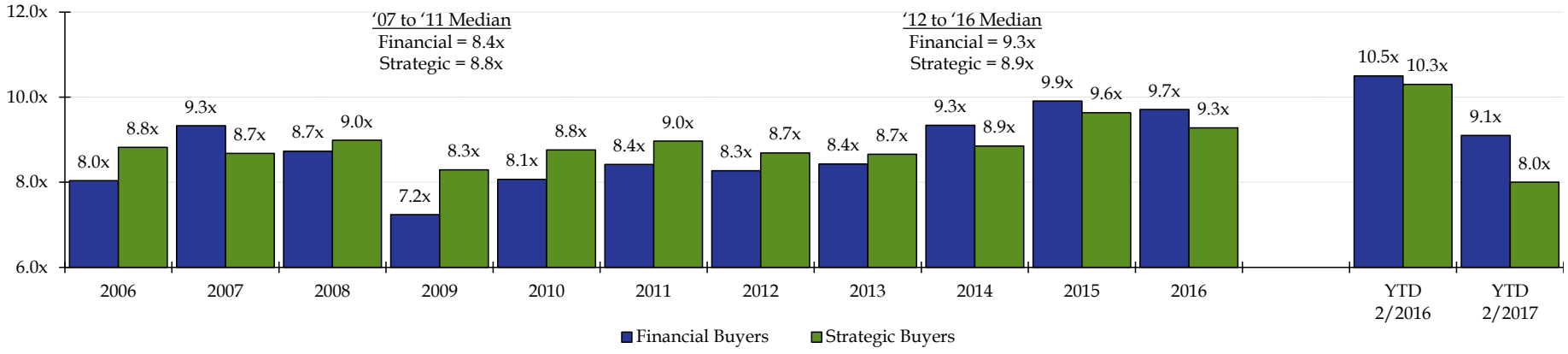
Source: S&P Capital IQ as of March 31st, 2017
* Each index is comprised of the companies noted on pages 14

U.S. M&A Volume and Valuation Trends

Transaction Volume



Median Transaction Multiples (Enterprise Value / LTM EBITDA)



Note: This data represents the entire U.S. market (all industries)
Source: PitchBook, S&P Capital IQ, and S&P Capital IQ LCD

FIFTH THIRD CAPITAL MARKETS

Consumer & Retail Sector M&A Trends

Consumer & Retail M&A activity declined during Q1

- Several major transactions announced in late 2016 are still in-process
- Consumer products transactions were notably less prevalent during Q1

Regulators "hold the keys" on several major transactions

- British American Tobacco's takeover of Reynolds is likely to pass given regulators' approach to the declining tobacco sector
- Bass Pro's acquisition of Cabela's has yet to be approved as external factors (widespread bankruptcies in sporting goods) have caused concentration

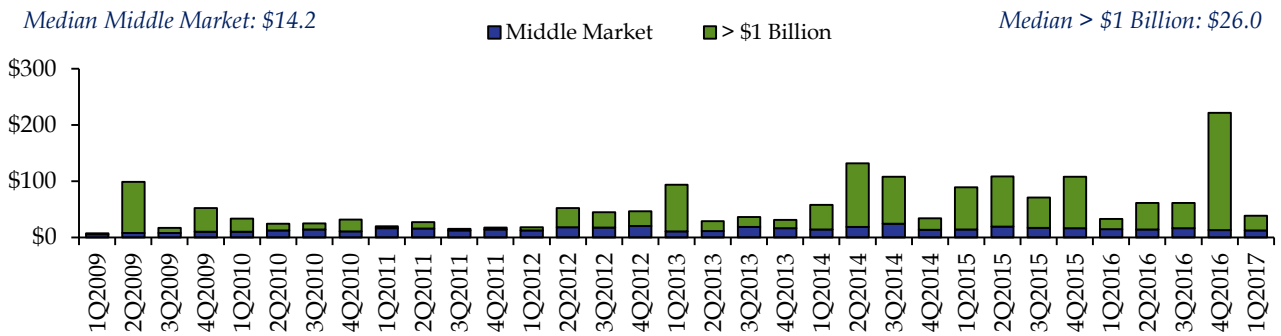
Private equity activity, already modest, was even slower in Q1 than previously

- Multiple disparity between strategic and financial buyers has been more pronounced in Consumer sectors than in other industries
- Continued perception of significant risk in the retail business model has caused private equity to pull back

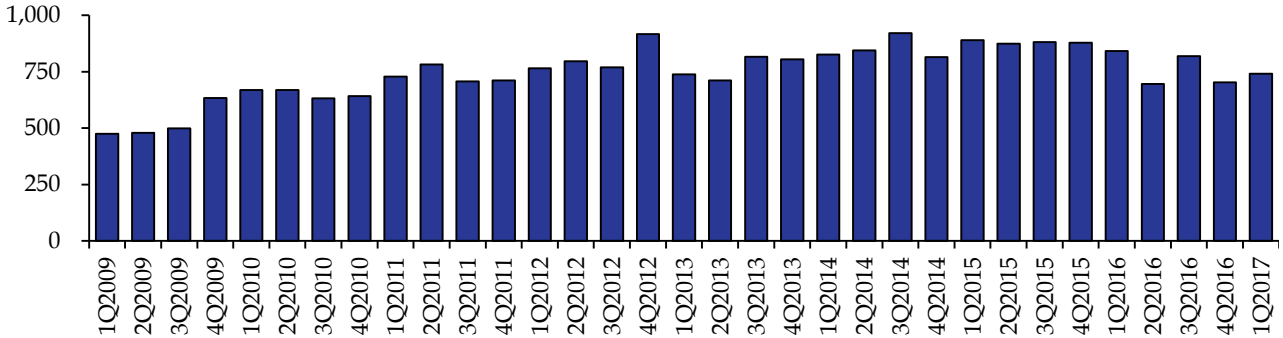
The Planet Fitness franchise system continues to see major consolidation

- Disruptive business model brought to light through 2013 investment by TSG and 2015 initial public offering
- Five private-equity led franchisee acquisitions over the past 18 months

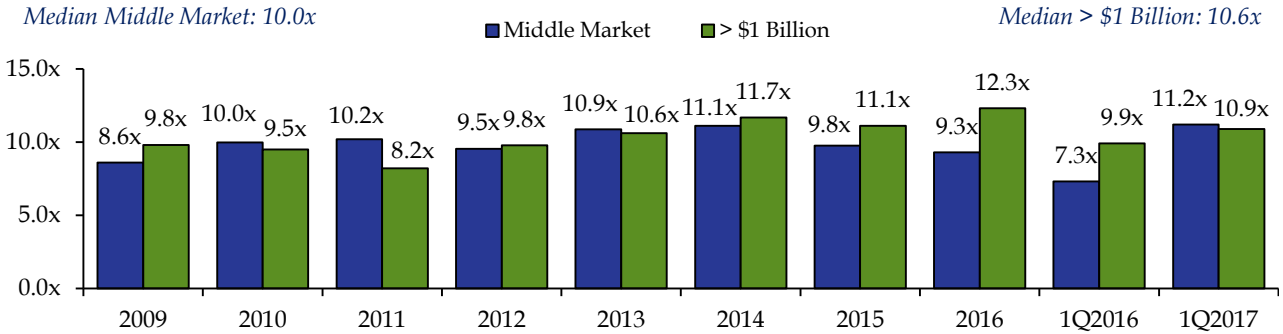
U.S. Consumer & Retail M&A Announced Deal Value ($ in billions) [1,2]



U.S. Consumer & Retail M&A Announced Deal Volume



U.S. Consumer & Retail M&A Closed Deal Average EV / EBITDA Multiple [1,2]



Source: Fifth Third Securities, S&P Capital IQ
[1] Middle Market transactions defined by transactions with an enterprise value below $1 billion
[2] U.S. Consumer & Retail transactions include Consumer Discretionary and Consumer Staples transactions, and exclude outlier multiples

FIFTH THIRD CAPITAL MARKETS

Consumer Precedent M&A Transactions

Consumer Precedent M&A Transactions ($ in millions)

Announced Date	Acquirer	Target	Enterprise Value (EV)	LTM Revenue	LTM EBITDA	EV / LTM Revenue	EV / LTM EBITDA
3/13/17	Mill Road Capital	Lifetime Brands, Inc. (NasdaqGS:LCUT)	$399	$593	$44	0.7x	9.0x
2/16/17	Samson Holding Ltd. (SEHK:531)	Kohler Interiors Group, Ltd.	30	-	-	-	-
2/6/17	AB Electrolux (OM:ELUX B)	Anova Applied Eletronics, Inc.	250	40	-	6.3x *	-
2/1/17	Carter's, Inc. (NYSE: CRI)	Skip Hop, Inc.	150	86	-	1.7x	-
1/25/17	Textron Specialized Vehicles Inc.	Arctic Cat Inc.	324	508	-	0.6x	-
1/11/17	Callaway Golf Company (NYSE:ELY)	OGIO International, Inc.	76	-	-	-	-
1/3/17	Drylock Technologies Ltd.	Presto Absorbent Products, Inc.	71	-	-	-	-
12/13/16	Caleres, Inc. (NYSE:CAL)	Allen Edmonds Corporation	255	-	-	-	-
12/12/16	Newell Brands Inc. (NYSE:NWL)	Smith Mountain Industries Inc.	100	-	-	-	-
11/14/16	The Estée Lauder Companies Inc. (NYSE:EL)	Too Faced Cosmetics, LLC	1,450	-	-	-	-
11/14/16	Gildan Activewear SRL	American Apparel, Inc. (Remaining Stake)	66	-	-	-	-
10/31/16	Fairfax Financial Holdings Limited (TSX:FFH)	Performance Sports Group Ltd.	693	-	-	-	-
10/21/16	British American Tobacco p.l.c. (LSE:BATS)	Reynolds American Inc. (NYSE:RAI) (Remaining Stake)	91,570	12,371	5,612	7.4x	16.3x
10/12/16	Stanley Black & Decker, Inc. (NYSE:SWK)	Newell Brands (Tools business)	1,950	760	150	2.6x	13.0x
10/5/16	Constellation Brands, Inc. (NYSE:STZ)	High West Distillery, LLC	160	-	-	-	-
9/1/16	Vista Outdoor Inc. (NYSE:VSTO)	Camp Chef	74	-	-	-	-
8/2/16	Spin Master Corp. (TSX:TOY)	Swimways Corporation	94	986	-	0.1x	-
8/1/16	Compass Diversified Holdings LLC (NYSE:CODI)	5.11, Inc.	400	293	38	1.4x	10.5x
7/26/16	Gildan Activewear Inc. (TSX:GIL)	Peds Legwear Inc.	55	80	-	0.7x	-
7/25/16	G-III Apparel Group, Ltd.	Donna Karan International Inc.	650	-	-	-	-
7/22/16	L'Oreal SA (ENTXPA:OR)	It Cosmetics, LLC	1,200	182	-	6.6x *	-
7/20/16	Unilever PLC (LSE:ULVR)	Dollar Shave Club, Inc.	1,000	152	-	6.6x *	-
6/24/16	Henkel Consumer Goods Inc.	The Sun Products Corporation	3,600	1,600	-	2.3x	-
6/16/16	Revlon Consumer Products Corp.	Elizabeth Arden, Inc.	864	950	-	0.9x	-
6/15/16	24 Hour Fitness USA, Inc.	Gold's Gym International	-	-	-	-	-
6/2/16	Johnson & Johnson Consumer (NYSE: JNJ)	Vogue International LLC	3,300	-	-	-	-
5/16/16	Clayton, Dubilier & Rice, Inc.	High Ridge Brands Co.	415	-	-	-	-
5/10/16	Sequential Brands Group, Inc. (NasdaqGS:SQBG)	Gaiam Inc.	146	-	-	-	-
5/4/16	Gildan Activewear Inc. (TSX:GIL)	A and G, Inc. (Alstyle Apparel)	109	183	19	0.6x	5.8x
5/3/16	The Clorox Company (NYSE:CLX)	ReNew Life Formulas, Inc.	290	115	-	2.5x	-
4/27/16	Hanesbrands Inc. (NYSE:HBI)	Pacific Brands Limited	1,022	823	82	1.2x	12.5x
4/19/16	GP Investments Acquisition Corp. (NasdaqGS:GPIA)	WKI Holding Company, Inc.	698	672	71	1.0x	9.8x
4/19/16	Oxford of South Caroline	Southern Tide, LLC	85	-	-	-	-
4/13/16	Warburg Pincus LLC	Reiss (Holdings) Ltd	327	207	35	1.6x	9.5x
		Median - Strategic				**1.2x**	**12.8x**
		Median - Financial				**1.2x**	**9.6x**
		Median - All				**1.2x**	**9.8x**

Source: Company Filings, S&P Capital IQ
[1] * Excluded from mean and median
[2] Green shading indicates strategic acquisition

FIFTH THIRD CAPITAL MARKETS

Retail Precedent M&A Transactions

Retail Precedent M&A Transactions ($ in millions)

Announced Date	Acquirer	Target	Enterprise Value (EV)	LTM Revenue	LTM EBITDA	EV / LTM Revenue	EV / LTM EBITDA
2/28/17	Barnes & Noble Education Inc. (NYSE:BNED)	MBS Textbook Exchange, Inc.	$174	$500	$55	0.3x	3.2x
2/15/17	Wal-Mart Stores, Inc. (NYSE:WMT)	New Moosejaw, LLC	51	-	-	-	-
2/10/17	SportsDirect.com Retail Ltd.	Eastern Outfitters, LLC	30	-	-	-	-
1/25/17	Thomas H. Lee Partners, L.P.	Art Van Furniture, Inc.	-	-	-	-	-
1/5/17	Jet.com. Inc.	Shoebuy.com, Inc.	70	-	-	-	-
12/20/16	Orchestra Premaman Société Anonyme (ENXTPA:KAZI)	Destination Maternity Corporation (NasdaqGS:DEST)	136	452	23	0.3x	5.8x
12/7/16	Cerberus Capital Management	Staples, Inc., European Operations	59	-	-	-	-
11/22/16	Bed Bath & Beyond Inc. *NasdaqGS:BBBY)	PersonalizationMall.com, Inc.	190	-	-	-	-
11/7/16	Bain Capital	Blue Nile, Inc. (NasdaqGS:NILE)	456	472	16	1.0x	27.8x *
11/7/16	Dick's Sporting Goods, Inc. (NYSE:DKS)	Golfsmith International Holdings, Inc.	43	-	-	-	-
10/4/16	ThreeSixty Group Limited	FAO Schwarz, Inc.	-	-	-	-	-
10/3/16	Bass Pro Outdoor World, LLC	Cabela's Incorporated (NYSE:CAB)	4,485	3,482	597	1.3x	7.5x
9/29/16	Tractor Supply Company (NasdaqGS:TSCO)	Petsense, Inc.	116	-	-	-	-
8/8/16	Wal-Mart Stores Inc. (NYSE:WMT)	Jet.com, Inc.	3,300	-	-	-	-
8/7/16	Steinhoff International Holdings N.V. (JSE:SNH)	Mattress Firm Holding Corp. (NasdaqGS:MFRM)	3,743	3,142	234	1.2x	16.0x *
4/18/16	Vestis BSI Funding II, LLC	Eastern Mountain Sports and Bob Store's	38	-	-	-	-
3/14/16	Apollo Global Management (NYSE:APO)	The Fresh Market (NasdaqGS:TFM)	1,312	1,857	191	0.7x	6.9x
2/17/16	DSW Shoe Warehouse, Inc.	Ebuys, Inc.	118	-	-	-	-
2/11/16	Sun Capital Partners, Inc.	Furniture Factory Outlet, LLC	-	-	-	-	-
1/7/16	Hudson's Bay Company (TSX:HBC)	Gilt Groupe, Inc.	250	-	-	-	-
1/5/16	KKR & Co. L.P.	Mills e-commerce Enterprises, Inc. (Mills Fleet Farm)	1,200	-	-	-	-
12/3/15	Thomas H. Lee Partners, L.P.	Bargain Hunt Superstores	-	-	-	-	-
11/30/15	Mattress Firm Holding Corp. (NasdaqGS:MFRM)	Sleepy's, LLC	780	1,099	70	0.7x	11.1x
11/11/15	The Kroger Co. (NYSE:KR)	Roundy's (NYSE:RNDY)	803	4,013	115	0.2x	7.0x
10/27/15	Walgreens Boots Alliance, Inc. (NasdaqGS:WBA)	Rite Aid Corporation (NYSE:RAD)	9,507	15,845	726	0.6x	13.1x
8/24/15	Sycamore Partners	Belk	2,867	4,150	414	0.7x	6.9x
7/22/15	The Home Depot, Inc. (NYSE:HD)	Interline Brands Inc.	2,423	1,731	131	1.4x	18.5x *
6/1/15	BootBarn Inc.	Sheplers, Inc.	2,030	2,541	241	0.8x	8.4x
5/18/15	Ascena Retail Group Inc. (NasdaqGS:ASNA)	ANN INC. (NYSE:ANN)	2,923	-	-	-	-
5/15/15	Hudson's Bay Company (TSX:HBC)	GALERIA Holding GmbH	2,545	-	-	-	-
3/19/15	RCG Corporation Limited (ASX:RCG)	ACCENT FOOTWEAR NZ, Ltd.	147	157	15	0.9x	9.9x
2/20/15	Berkshire Hathaway Inc. (NYSE:BRK.A)	Detlev Louis Motorradvertriebs GmbH	152	139	20	1.1x	7.5x
2/4/15	Staples, Inc. (NasdaqGS:SPLS)	Office Depot (NasdaqGS:ODP)	6,879	17,197	533	0.4x	12.9x
2/3/15	Macy's, Inc. (NYSE:M)	Bluemercury	210	-	-	-	-
		Median - Strategic				**0.7x**	**9.8x**
		Median - Financial				**0.9x**	**7.2x**
		Median - All				**0.7x**	**7.5x**

Source: Company Filings, S&P Capital IQ
[1] * Excluded from mean and median
[2] Green shading indicates strategic acquisition

Highlighted M&A Transactions

Consumer M&A Transactions

Mill Road Capital Offers to Buy Lifetime Brands, Inc.

Enterprise Value: $398.9MM
Revenue Multiple: 0.7x
EBITDA Multiple: 9.0x

- Mill Road Capital announced intent to acquire all shares at $20.00 per share
- Represents 37.5% premium to prior close (premium to any price since 2008)
- Mill Road Capital owns in excess of 10% of Lifetime Brands' outstanding shares (first invested – 2011)

Textron Specialized Vehicles Inc. Acquires Arctic Cat Inc.

Enterprise Value: $313.4MM
Revenue Multiple: 0.6x
EBITDA Multiple: N/A

- Textron commenced tender offer to purchase all outstanding shares at $18.50 per share in cash (40.7% premium to prior close)
- The acquisition is in response to a 4.4% fall in quarterly profit and an attempt to become a power sports industry leader

Caleres, Inc. (NYSE:CAL) Acquires Allen Edmonds Corporation

Enterprise Value: $255.0MM
Revenue Multiple: N/A
EBITDA Multiple: N/A

- Acquisition expands Caleres' brand portfolio and firmly positions the company in the men's footwear space
- Solidifies new revenue stream for Caleres, primarily in direct-to-consumer
- Acquisition funded through existing cash and revolving line of credit

The Esteé Lauder Companies Inc. Acquires Too Faced Cosmetics, LLC

Enterprise Value: $1.5Bn
Revenue Multiple: N/A
EBITDA Multiple: N/A

- Acquisition bolsters leadership position in the fast-growing makeup category
- Increases consumer (and millennial) reach in specialty multi-channel
- Esteé Lauder completes acquisition from growth equity firm General Atlantic, which has owned Too Faced from 2015

Retail M&A Transactions

Barnes & Noble, Inc. (NYSE:BKS) Acquires MBS Textbook Exchange, Inc.

Enterprise Value: $174.0MM
Revenue Multiple: 0.3x
EBITDA Multiple: 3.2x

- Combined company will operate over 1,490 physical and virtual bookstores and serve more than 6 million students
- Enables BKS to generate more value from the textbook marketplace
- Transaction is expected to be accretive to EBITDA, NI and FCF beginning in 2018

Wal-Mart Stores, Inc. (NYSE:WMT) Acquires New Moosejaw, LLC

Enterprise Value: $51.0M
Revenue Multiple: N/A
EBITDA Multiple: N/A

- Acquisition further expands WMT's e-Commerce capabilities, especially in a high growth category for e-Commerce
- Moosejaw offers 120,000 SKUs from more than 400 brands, further expanding WMT's product offerings
- Moosejaw operations to remain intact

Jet.com Acquires Shoebuy.com Inc.

Enterprise Value: $70.0MM
Revenue Multiple: N/A
EBITDA Multiple: N/A

- WMT, through Jet.com, expands its online product offerings by greatly expanding its shoe and sneaker selection
- Jet.com expects to enhance Shoebuy's growth through its relationships, size, and pricing power
- 3rd major tuck-in acquisition for Jet.com

Bed Bath & Beyond Inc. Acquires PersonalizationMall.com Inc.

Enterprise Value: $190MM
Revenue Multiple: N/A
EBITDA Multiple: N/A

- Acquisition expands BBBY's existing assortment in growing product personalization category
- Furthers mission to provide differentiated products and services
- Leverages Personalizationmall.com's fully-integrated technology platform

* Estimated enterprise value
Source: S&P Capital IQ

Middle Market Private Equity Activity

Private equity activity declined in Q1 for the fifth successive quarter

- Activity remains fairly heightened by historical standards
- Private equity firms continue to sit on record levels of un-invested capital
- Private equity participants cite a lack of deal flow as the major impediment to transacting

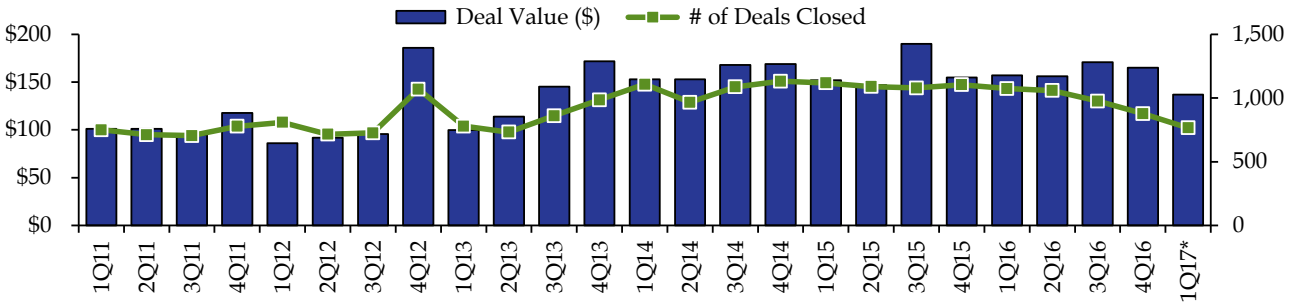
The Election's impact on public equity markets has thus far been more pronounced than on the M&A market

- Strong public market valuations may have accelerated the timing of certain public company-related transactions
- Meanwhile, the backload of IPO activity has grown as markets seem to have strengthened (ex. Snap's marquis IPO went off successfully)
- Both dynamics make it more difficult for private equity to compete on price

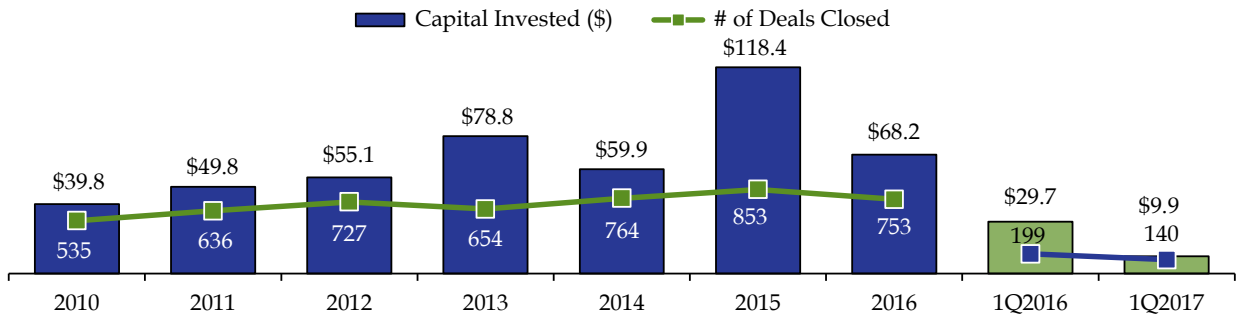
That private equity investments *and* exits were down from last year may imply one of two things:

- The M&A market is weakening and there are both fewer opportunities to monetize investments, as well as fewer attractive targets; or
- The economy is strengthening, and sponsors are focused on harvesting portfolio companies as organic growth opportunities arise

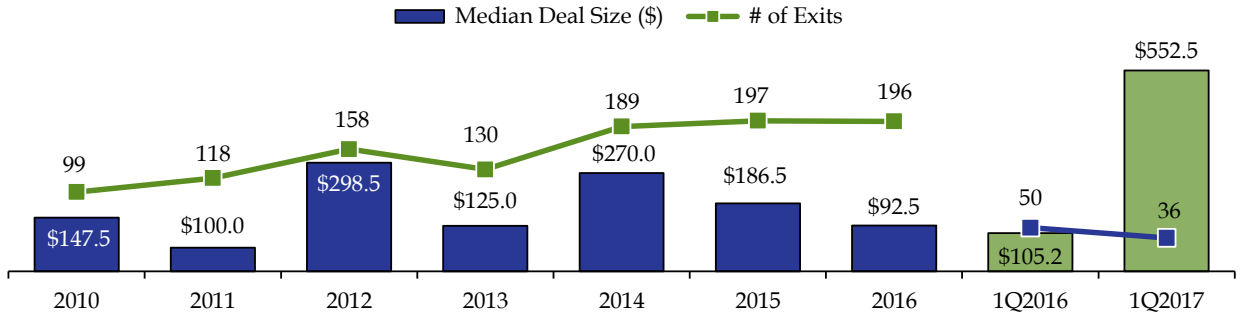
U.S. Private Equity Deal Flow ($ in billions)



U.S. Consumer & Retail Private Equity Deal Flow ($ in billions)



U.S. Consumer & Retail Private Equity Exits ($ in millions)

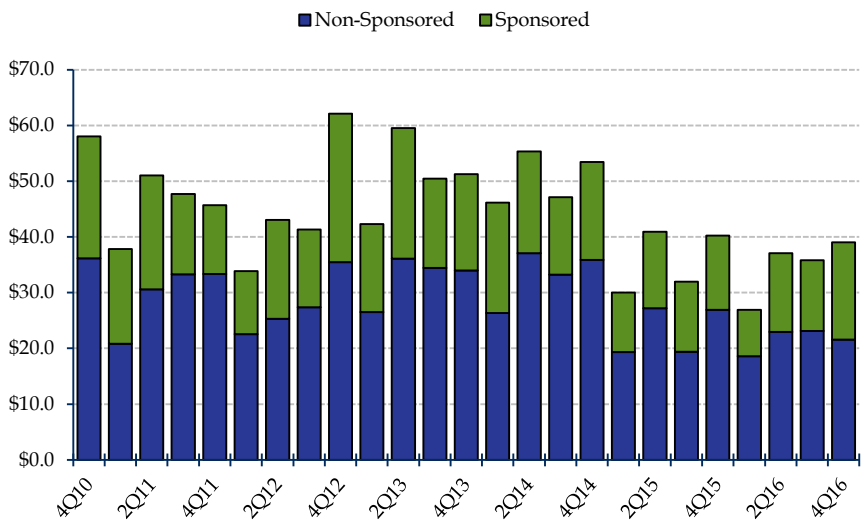


Source: Fifth Third Securities, PitchBook
ND – No Transaction Values Disclosed
*1Q17 preliminary PitchBook data

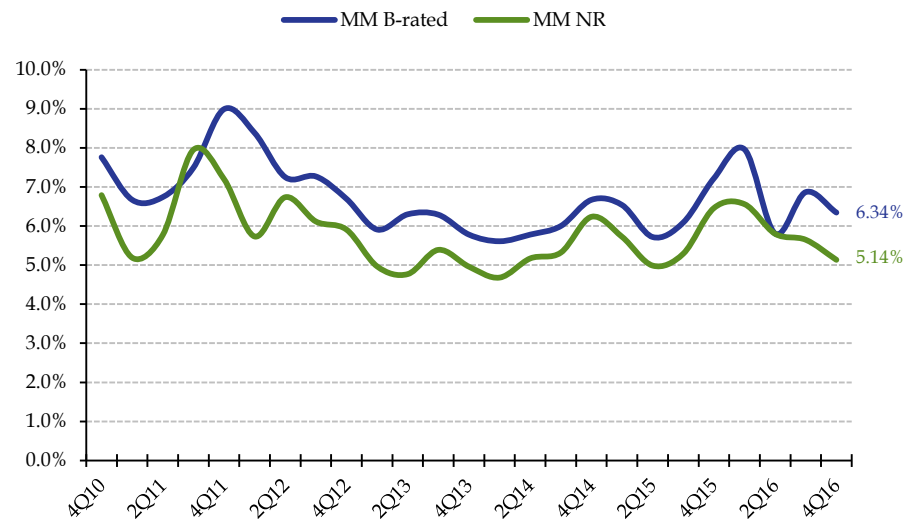
FIFTH THIRD CAPITAL MARKETS

U.S. Middle Market Loan Market Trends

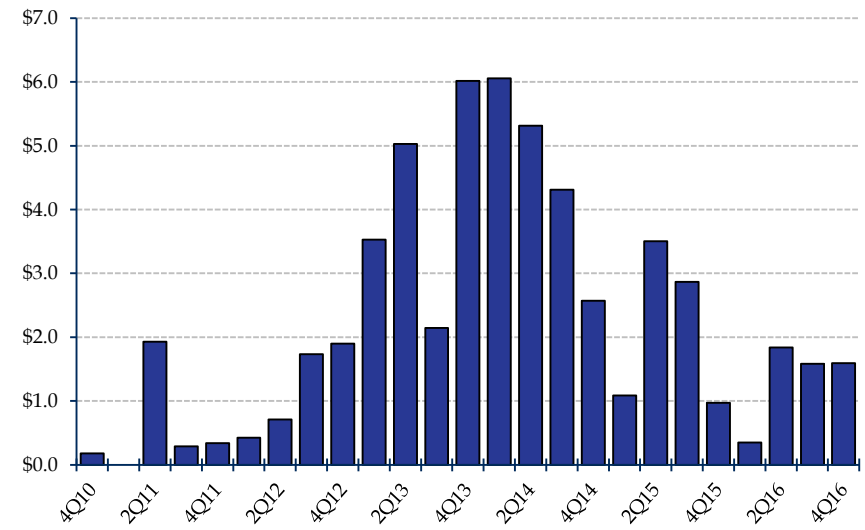
Loan Volume: Low Level of Supply Continues ($ in billions)



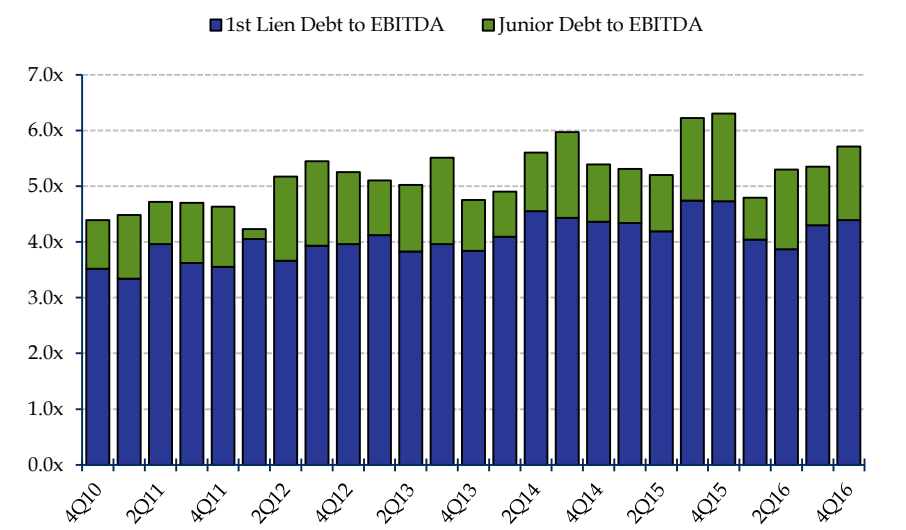
Term Loan Spreads Tighten [1]



Covenant Lite Volume Remains Relatively Low ($ in billions)



LBO Leverage Again Climbs Higher; Lack of Supply Continues



Note: This data represents the entire U.S. middle market (all industries)
Note: The middle market is defined as deal size ≤ $100 million and borrower sales ≤ $500 million
[1] Includes both non-sponsored and sponsored transactions
Source: Bloomberg, S&P Capital IQ LCD, and Thomson Reuters LPC

FIFTH THIRD CAPITAL MARKETS

Appendix: Company Symbol & Trade Name

Consumer & Retail

Personal Products
- AVP – Avon Products Inc.
- CHD – Church & Dwight Co. Inc.
- CL – Colgate-Palmolive Co.
- CLX – The Clorox Company
- COTY – Coty Inc.
- EL – The Estee Lauder Companies Inc.
- ENXTPA:OR – L'Oreal SA
- ENXTPA: IPAR – Inter Parfums Inc.
- KMB – Kimberly-Clark Corporation
- LSE: ULVR – Unilever PLC
- NUS – Nu Skin Enterprises Inc.
- PG – The Proctor & Gamble Company
- REV – Revlon, Inc.

Apparel, Accessories & Footwear
- VFC – V.F. Corporation
- PVH – PVH Corp.
- RL – Ralph Lauren Corporation
- GIII – G-III Apparel Group, Ltd.
- SHOO – Steven Madden, Ltd.
- ICON – Iconix Brand Group, Inc.
- DECK – Deckers Outdoor Corp.
- GCO – Genesco Inc.
- OXM – Oxford Industries Inc.
- CROX – Crocs, Inc.
- PERY – Perry Ellis International Inc.
- VNCE – Vine Holding Corp
- CHKE – Cherokee Inc.
- RCKY – Rocky Brands, Inc.
- HBI – Hanesbrands Inc.
- ENXTPA:MC – Louis Vuitton
- ENXTPA: RMS – Hermès International
- BIT: LUX – Luxottica Group S.p.A.
- SEHK: 1913 – Prada S.p.A.
- LSE: BRBY – Burberry Group plc
- KORS – Michael Kors Holdings Limited
- COH – Coach, Inc.
- SEHK: 1910 – Samsonite International
- BIT: SFER – Salvatore Ferragamo S.p.A.
- FOSL – Fossil Group, Inc.
- BIT: TOD – Tod's S.p.A.
- KATE – Kate Spade & Company
- VRA – Vera Bradley, Inc.
- TSX: GIL – Gildan Activewear, Inc.
- NKE – Nike, Inc.
- UA – Under Armour, Inc.
- LULU – Lululemon Athletica Inc.
- COLM – Columbia Sportswear
- WWW - Wolverine Worldwide Inc.

Household Products
- CENT – Central Garden & Pet
- TSX: DII.B – Dorel Industries Inc.
- ENR – Energizer Holdings Inc.
- HELE – Helen of Troy Limited
- HRG – HRG Group, Inc.
- LCUT – Lifetime Brands, Inc.
- MIDD – Middleby Corp.
- NWL – Newell Rubbermaid Inc.
- PBH – Prestige Brands Holdings, Inc.
- SMG – The Scotts Miracle-Gro Company
- SODA – SodaStream International Ltd.
- SPB – Spectrum Brands Holdings, Inc.
- SWK – Stanley Black & Decker, Inc.
- TUP – Tupperware Brands Corporation
- WDFC – WD-40 Company
- WHR – Whirlpool Corp.

Consumer Services
- CLUB – Town Sports International
- CNK – Cinemark Holdings, Inc.
- MYCC – ClubCorp Holdings, Inc.
- NTRI – Nutrisystem, Inc.
- PLNT – Planet Fitness, Inc.
- RGC – Regal Entertainment Group
- RGS – Regis Corp.
- WTW – Weight Watchers International

Recreational Products
- BC – Brunswick Corporation
- BDE – Black Diamond, Inc.
- ELY – Callaway Golf Co.
- HAS – Hasbro Inc.
- HOG – Harley-Davidson, Inc.
- JAKK – JAKKS Pacific, Inc.
- JOUT – Johnson Outdoors Inc.
- MAT – Mattel, Inc.
- MPX – Marine Products Corp.
- PII – Polaris Industries Inc.
- SKUL – Skullcandy, Inc.
- PSG – Performance Sports Group Ltd.

Grocery & Pharmacy Retail
- IMKT.A – Ingles Markets, Incorporated
- KR – The Kroger Co.
- NGVC – Natural Grocers
- SFM – Sprouts Farmers Market, Inc.
- SVU – SUPERVALU Inc.
- VLGE.A – Village Super Market Inc.
- WFM – Whole Foods Market, Inc.
- WMK – Weis Markets, Inc.
- ENXTAM: AH–Koninklijke Ahold N.V.
- ENXTPA: CA – Carrefour SA
- LSE:TSCO – Tesco PLC
- CVS – CVS Health Corporation
- DPLO – Diplomat Pharmacy, Inc.
- RAD – Rite Aid Corporation
- WBA – Walgreens Boots Alliance, Inc.

Mass Merchandise Retail
- COST – Costco Wholesale Corporation
- KSS – Kohl's Corp.
- PSMT – PriceSmart Inc.
- TCS – The Container Store Group, Inc.
- TGT – Target Corp.
- WMT – Wal-Mart Stores Inc.
- BONT – Bon-Ton Stores Inc.
- DDS – Dillard's Inc.
- JCP – J.C. Penney Company, Inc.
- JWN – Nordstrom Inc.
- M – Macy's, Inc.
- SHLD – Sears Holding Corporation
- SSI – Stage Stores Inc.

Specialty Retail
- AZO – AutoZone, Inc.
- AAP – Advance Auto Parts Inc.
- CPRT – Copart, Inc.
- GPC – Genuine Parts Company
- LKQ – LKQ Corp.
- KAR – KAR Auction Services, Inc.
- ORLY – O'Reilly Automotive Inc.
- AN – AutoNation, Inc.
- GPI – Group 1 Automotive Inc.
- KMX – CarMax Inc.
- PAG – Penske Automotive Group, Inc.
- SAH – Sonic Automotive Inc.
- AAN – Aaron's, Inc.
- BBBY – Bed, Bath & Beyond Inc.
- CONN – Conns Inc.
- ETH – Ethan Allen Interiors Inc.
- HVT – Haverty Furniture Companies
- KIRK – Kirkland's Inc.
- LZB – La-Z-Boy Incorporated
- PIR – Pier One Imports, Inc.
- RCII – Rent-A-Center, Inc.
- RH – Restoration Hardware Holdings
- SCSS – Select Comfort Corporation
- TPX – Tempur Sealy International Inc.
- LNF – Leon's Furniture Ltd.
- WSM – Williams-Sonoma Inc.
- BGFV – Big 5 Sporting Goods Corp.
- CAB – Cabela's Incorporated
- DKS – Dick's Sporting Goods Inc.
- FINL – Finish Line Inc.
- FL – Foot Locker, Inc.
- HIBB – Hibbett Sports, Inc.
- SPWH – Sportsman's Warehouse
- BBW – Build-A-Bear Workshop Inc.
- BBY – Best Buy Co., Inc.
- BKS – Barnes & Noble, Inc.
- GME – GameStop Corp.
- GNC – GNC Holdings Inc.
- MIK – The Michaels Companies, Inc.
- ODP – Office Depot, Inc.
- PRTY – Party City Holdco Inc.
- SBH – Sally Beauty Holdings Inc.
- SIG – Signet Jewelers Limited
- SPLS – Staples Inc.
- ULTA – Ulta Salon
- VSI – Vitamin Shoppe, Inc.
- HD – The Home Depot, Inc.
- LOW – Lowe's Companies, Inc.
- TSCO – Tractor Supply Company
- TTS – Tile Shop Holdings, Inc.
- TILE – Interface Inc.
- LL – Lumber Liquidators Holdings

Discount & Off-Price Retail
- BIG – Big Lots Inc.
- DG – Dollar General Corporation
- DLTR – Dollar Tree, Inc.
- FRED – Fred's, Inc.
- TSX: DOL – Dollarama Inc.
- BURL – Burlington Stores, Inc.
- CATO – The Cato Corporation
- CTRN – Citi Trends, Inc.
- FIVE – Five Below, Inc.
- ROST – Ross Stores Inc.
- SMRT – Stein Mart Inc.
- TUES – Tuesday Morning Corporation
- TJX – The TJX Companies, Inc.

Apparel, Accessories & Footwear
- AEO – American Eagle Outfitters, Inc.
- ANF – Abercrombie & Fitch Co.
- AROP.Q – Aeropostale, Inc.
- ASNA – Ascena Retail Group Inc.
- BEBE – Bebe Stores, Inc.
- BOOT – Boot Barn Holdings, Inc.
- CHS – Chico's FAS Inc.
- CRI – Carter's, Inc.
- DEST – Destination Maternity
- DSW – DSW Inc.
- EXPR – Express Inc.
- FRAN – Francesca's Holdings
- GES – Guess? Inc.
- GPS – The Gap, Inc.
- LB – L Brands, Inc.
- PLCE – The Children's Place, Inc.
- SCVL – Shoe Carnival Inc.
- TYLS – Tilly's, Inc.
- URBN – Urban Outfitters Inc.
- ZMZ – Zumiez, Inc.
- CPSE: PNDORA – Pandora A/S
- MOV – Movado Group, Inc.
- SIG – Signet Jewelers Limited
- TIF – Tiffany & Co.

Internet & e-Commerce
- AMZN – Amazon.com Inc.
- CHGG – Chegg, Inc.
- EBAY – eBay Inc.
- FLWS – 1-800-Flowers.com Inc.
- NFLX – Netflix, Inc.
- NILE – Blue Nile Inc.
- OSTK – Overstock.com Inc.
- PETS – PetMed Express, Inc.
- SFLY – Shuttefly, Inc.
- STMP – Stamps.com Inc.
- W – Wayfair Inc.

Notes & Definitions

S&P 500 Index- A broad index that includes American Companies.

EBITDA- A company's earnings before interest, taxes, depreciation, and amortization, is an accounting measure calculated using a company's net earnings, before interest expenses, taxes, depreciation and amortization are subtracted, as a proxy for a company's current operating profitability.

Dry Powder- Refers to cash reserves kept on hand to cover future obligations or to purchase assets.

GDP- Gross domestic product is the market value of the goods and services produced by labor and property located in the United States

Consumer Sentiment Index- The University of Michigan Consumer Sentiment Index is a consumer confidence index published monthly by the University of Michigan. The index is normalized to have a value of 100 in December 1964

National Unemployment Rate- the percentage of the total labor force that is unemployed but actively seeking employment and willing to work.

Non-Farm Payroll- Nonfarm payroll employment is a compiled name for goods, construction and manufacturing companies in the US. It does not include farm workers, private household employees, non-profit organization employees, or government employees . It is an economic indicator released monthly by the United States Department of Labor as part of a comprehensive report on the state of the labor market.

Housing Starts- are the number of new residential construction projects that have begun during any particular month.

The Economist- offers authoritative insight and opinion on international news, politics, business, finance, science, technology and the connections between them

LBO -- leveraged buyout (LBO) is the acquisition of another company using a significant amount of borrowed money to meet the cost of acquisition. The assets of the company being acquired are often used as collateral for the loans, along with the assets of the acquiring company.

Industrial Production Index (IPI)- is an economic indicator published by the Federal Reserve Board of the United States that measures the real production output of manufacturing, mining, and utilities Capital Goods Orders.

Covenant-lite loans- means that debt is being issued, both personally and commercially, to borrowers with less restrictions on collateral, payment terms, and level of income.

IRR-Internal Rate of Return.

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