



*Lifestyle Brands M&A Report 1H'21*

# Lifestyle Brands and Apparel Companies Benefit from Revenge Shopping as Consumers Ease Back Into Retail Shopping



## Lifestyle Brands and Apparel Companies Benefit from Revenge Shopping as Consumers Ease Back Into Retail Shopping

Over the past several months, the apparel and lifestyle brands landscape has experienced an increase in merger and in-store shopping activity. In the first half of 2021, M&A continued with several notable acquisitions including, Levi Strauss & Co.'s acquisition of Beyond Yoga and Carlyle Group's acquisition of END. As the pandemic's impact on in-person shopping subsides and sector sales slowly return to historic levels, Intrepid expects to see brick-and-mortar retailers gain a larger share of the total capital deployed into lifestyle brands investments.

The ease of lockdown restrictions and rollout of vaccines has increased consumer comfort for re-entering brick-and-mortar stores. Globally, we are seeing retail sales grow faster and more steadily than anyone could have predicted a few months back due to pent-up demand, a phenomenon some call "revenge shopping." The concept stems from consumers' willingness to spend more as they consider shopping in-store as an experience they were deprived of during the pandemic. Despite being excited to leave their homes, consumer's expectations of retailers have changed. In addition to maintaining a sanitized environment and enforcing social distancing, shoppers are eager for a more experiential in-store experience. Accustomed to online shopping, customers are looking for contactless check out options and curated assortments while at the same time expecting a higher level of customer service to convince themselves they are engaging in a social interaction. Retailers who integrate technology and experiences while also controlling an uncharted level of foot traffic under distanced and sanitized circumstances will prevail as leaders in the category.

### *Highlights from the first half of 2021 include:*

- Rebound in M&A volume from 2020 pandemic levels with both strategic acquirers and private equity sponsors continuing to invest in lifestyle brands;
- Increasing brick-and-mortar retail sales spurred from customers return to in-person shopping;
- Heightened investment attention towards the streetwear sector noted by recent deals with Supreme, A Bathing Ape, and Off-White;
- Trends towards sustainability through investment in re-commerce platforms going public, including ThredUp and Poshmark

As we look forward to a post-COVID world, we believe that many of the positive trends in our industry that have surfaced over the past six months are here to stay. This presents massive opportunities for entrepreneurs in this space to thrive and will drive the need for capital and strategic partners. If you are interested in learning more about what is going on in the markets or potential options for your business, please do not hesitate to reach out.



### **Marvin Padilla**

**Managing Director** | Head of Lifestyle Brands | [mpadilla@intrepidib.com](mailto:mpadilla@intrepidib.com)



## Select 1H 2021 M&A Transactions

### Platinum Equity Takes Controlling Stake in Mad Engine (January 2021)

Platinum Equity, a Los Angeles-headquartered investment firm, acquired a controlling stake in Mad Engine, a San Diego-based apparel and accessories company that designs, produces, and distributes licensed, branded, and private-label products. Mad Engine manages a large and diverse portfolio of licenses with major corporations, brands, and entertainment businesses, including Disney, Warner Brothers, Epic Games, and hundreds of others. Platinum Equity seeks to provide strategic, financial, and operational support enabling a new phase of growth and expansion.



### JD Sports Acquired DTLR for \$495 Million (March 2021)

JD Sports has completed its \$495 million acquisition of U.S. athletic footwear and apparel streetwear retailer DTLR Villa. Based in Baltimore, Md. and previously majority-owned by BRS & Co. and Goode Partners, DTLR was founded in 1982 and is a hyperlocal athletic footwear and apparel streetwear retailer, originally named Downtown Locker Room, and later rebranding as DTLR, merging with Sneaker Villa in 2017. The rationale for the transaction includes building out a more prominent presence in the north and the east U.S. and enhancing the premium retail experience.



### The Carlyle Group Acquired END. (April 2021)

The Carlyle Group has acquired a majority stake in luxury, streetwear and sportswear retailer END. The investment will allow The Carlyle Group to leverage its experience in the consumer sector to support END.'s expansion plans within the domestic UK market and internationally. Founded in 2005 and headquartered in Newcastle, UK, END. is a global multi-brand, digitally-led retailer featuring luxury and contemporary fashion, sneakers, and streetwear, partnering with designers and brands and developing a highly engaged and loyal consumer base. Carlyle's recent exits in the consumer space include Golden Goose and Supreme.



### Go Global Retail Acquired Janie and Jack (April 2021)

Go Global Retail, a Los Angeles-based private equity firm, acquired Janie and Jack, a children's fashion brand and former subsidiary of Gap, with more than 115 retail stores in the U.S. and an online offering of apparel, footwear, and accessories. Go Global's plan for the company is to expand its digital capabilities and accelerate online growth internationally to reach new markets in the UK, Europe, and Asia. Go Global will also work with existing management to improve the supply chain and global operations.



### Altamont Capital Partners Acquired Intermix (May 2021)

Altamont Capital Partners, a Palo Alto, Calif.-based private equity firm, acquired Intermix, a leading omni-channel shopping destination in the luxury fashion market-based in New York. Intermix, a former subsidiary of Gap, has a national footprint of 31 boutiques, a rapidly growing eCommerce channel and is known for curating and editing sought-after styles from designers like Isabel Marant, Ulla Johnson, Christopher Esber, Alanuii, AGOLDE, Acne, Nanushka and more. The acquisition will allow Intermix to continue its plan for growth as Altamont brings considerable experience partnering with middle-market omni-channel companies.





## Select 1H 2021 M&A Transactions

### Platinum Equity Acquired a Controlling Stake in Fifth Sun Through its Portfolio Company Mad Engine (May 2021)

Platinum Equity, a Los Angeles-based private equity firm, acquired a controlling stake in Fifth Sun, a manufacturer of Print-On-Demand graphic apparel based in Northern California as an add-on to its existing platform investment, Mad Engine. Fifth Sun is recognized for its proprietary software and networking systems that quickly produce on-trend garments for both its enterprise and individual clientele. Together, the complementary pair will diversify one another's capabilities and product offerings, better meeting the evolving needs of their customers and licensors.



### Etsy Acquired Depop for \$1.6 Billion (June 2021)

Etsy, an online retailer and marketplace for handmade goods, vintage items, and crafts, has acquired Depop for \$1.6 billion. Depop is a UK-headquartered online/mobile app marketed toward Gen Z that focuses on creating a community-led and purpose-driven marketplace for unique fashion. Etsy is looking to up its status within the Gen Z customer base, in the online fashion resale and marketplace space. Etsy's significant opportunities for shared expertise and growth synergies across what will now be a tremendous 'house of brands' portfolio of individually distinct e-commerce brands.



### Yellow Wood Partners Acquired Scholl Footwear (June 2021)

Yellow Wood Partners, a Boston-based private equity firm, announced it acquired the Scholl footcare brand from UK-based consumer goods company Reckitt Benckiser, ultimately reuniting Scholl with Dr. Scholl's brand as one entity after more than 30 years of separate ownership. The combined business generates annual retail sales exceeding \$700 million with leading market shares in the footcare category globally. Yellow Wood acquired Dr. Scholl's brand in the Americas from Bayer AG in 2019 and has since successfully built out an entire standalone Dr. Scholl's organization and worked on building its eCommerce capabilities, accelerating new product development, and optimizing the consumer marketing mix.



### Authentic Brands Group and Simon Property Group Acquired Eddie Bauer (June 2021)

Authentic Brands Group, owner of a portfolio of global media, entertainment and lifestyle brands, and Simon Property Group, an Indianapolis-based commercial real estate trust focused on shopping, dining, and entertainment, have acquired Eddie Bauer from PacSun. Eddie Bauer is a Seattle-based designer of premium-quality clothing, outdoor gear, apparel and accessories for men and women that complement today's modern outdoor lifestyle. Authentic Brands' acquisition of Eddie Bauer will expand its position in active and outdoor apparel and increase their technical and performance product expertise.



### CVC Capital Partners Acquired Bape (June 2021)

CVC Capital Partners, a Luxembourg-based private equity firm, has acquired A Bathing Ape (Bape), a Japanese streetwear brand that manufactures apparel, accessories, and shoes. BAPE's lineup of labels includes A Bathing Ape, AAPE, Baby Milo, BAPE Black and Mr. Bathing Ape, which is sold in stores across Asia, North America, and Europe. CVC plans to support the expansion of the business both online and geographically. BAPE will pursue growth in overseas markets such as China, the US and Europe and evolve its online offering to enhance the customer experience and optimize its sales and marketing operations through increased digitalization.





## Select 1H 2021 M&A Transactions

### Hybrid Apparel (via Altamont Capital Partners) Acquired Air Waves (June 2021)

Hybrid Apparel, a Cypress, Calif.-based manufacturer and distributor of branded, licensed, generic and private label apparel, has acquired Air Waves, a provider of on-demand garment printing and fulfillment services for e-commerce and wholesale customers. Previously, the two companies had a limited fulfillment relationship for select customers. As a result of this acquisition, Air Waves will provide print-on-demand and technology services to all of Hybrid's retail customers and global license and lifestyle brand partners.



### MacNeil Pride Group (via Centre Partners) Acquired Klymit (July 2021)

MacNeil Pride Group, a Brentwood, Tenn.-based designer and manufacturer of outdoor products and sporting goods, has acquired Klymit, a Utah-based manufacturer of outdoor camping products. Klymit produces lightweight outdoor sleeping pads, pillows, blankets, tents and sleeping bags designed and tested in the Wasatch Mountains under the Sleep Outside trademark. The addition of Klymit to MacNeill Pride's portfolio of brands follows its recent acquisitions of other outdoor recreation product providers GCI Outdoor (acquired in May 2021) and ORCA (acquired in January 2020).



### LVMH Moët Hennessy Louis Vuitton Acquired Off White (July 2021)

LVMH, a global producer and distributor of luxury goods, has announced its majority (60%) acquisition of Off-White, a Milan-based luxury streetwear brand founded by Virgil Abloh. LVMH will work with Abloh to launch new brands and energize existing ones across its portfolio, further cementing LVMH as a significant major player in luxury fashion retail.



## The Pandemic Rally

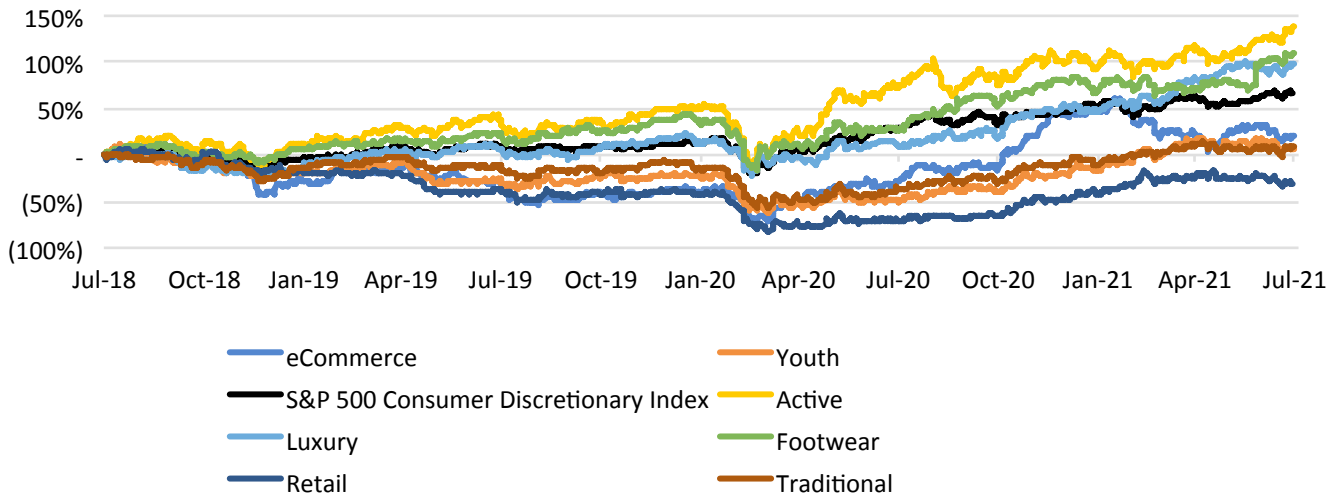
Public retail companies within the apparel and lifestyle brands landscape proved resilient during the pandemic with the average outperforming the Dow Jones Industrial Average and S&P 500 over the past several months.

Type	Average Stock Price (1/1/21)	Average Stock Price (7/30/21)	Percent Change
Retail	\$21.24	\$27.73	31%
S&P 500	\$3,756.07	\$4,392.84	17%
Dow Jones Industrial Average	\$30,606.48	\$34,919.38	14%



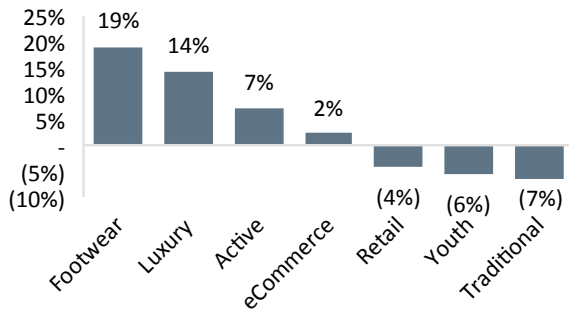
## Publicly Traded Companies (USD Millions)

### Stock Price Performance by Subsector



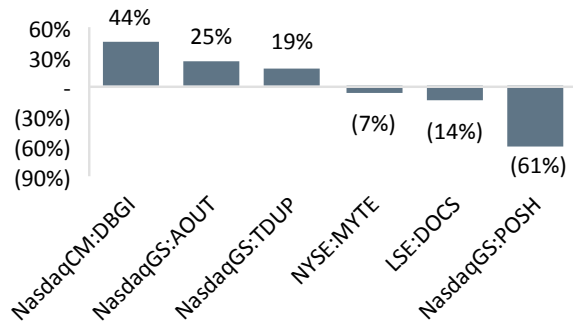
### Stock Price Change by Subsector

Past Three-Month Stock Price Performance

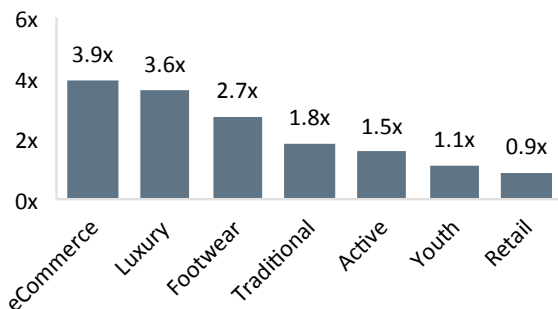


### Recent Initial Public Offerings Performance

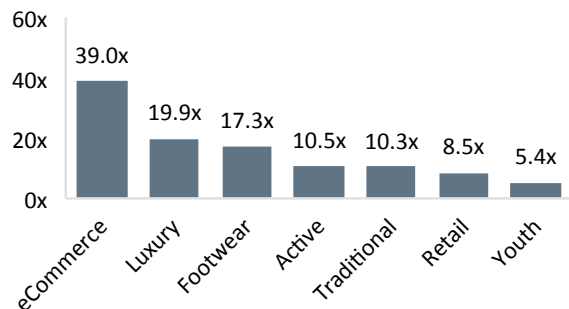
Price Performance Since IPO Date



### Median TEV / Revenue by Subsector



### Median TEV / EBITDA by Subsector





## Publicly Traded Companies (USD Millions)

Company	Enterprise Value	Market Cap	Last Twelve Months				Revenue Growth		Enterprise Value / LTM		
			Revenue	EBITDA	Gross Margin	EBITDA Margin	1-year	3-year	Revenue	EBITDA	
<b>Traditional</b>											
Digital Brands Group, Inc.	\$69	\$54	\$3	(\$14)	(10.1%)	(398.9%)	(24.4%)	(3.0%)	20.3x	NM	
Express, Inc.	1,343	311	1,344	(257)	35.2%	(19.1%)	(24.4%)	(14.7%)	1.0x	18.2x	
G-III Apparel Group, Ltd.	1,763	1,445	2,170	226	37.6%	10.4%	(16.1%)	(10.0%)	0.8x	5.6x	
Gildan Activewear Inc.	7,135	6,663	2,629	418	22.1%	15.9%	26.0%	(1.9%)	2.7x	37.1x	
Hanesbrands Inc.	9,976	6,375	7,178	1,050	40.0%	14.6%	12.8%	2.7%	1.4x	7.7x	
NEXT plc	16,266	13,766	4,822	638	35.1%	13.2%	(0.2%)	(5.2%)	3.4x	19.7x	
Oxford Industries, Inc.	1,663	1,468	854	66	57.2%	7.7%	(14.7%)	(7.7%)	1.9x	10.3x	
PVH Corp.	11,408	7,466	7,868	768	55.2%	9.8%	(11.6%)	(5.2%)	1.4x	8.5x	
Ralph Lauren Corporation	9,187	8,343	5,290	846	66.2%	16.0%	1.4%	(5.3%)	1.7x	9.2x	
V.F. Corporation	36,521	31,467	10,357	1,358	53.9%	13.1%	8.9%	(5.4%)	3.5x	19.5x	
					Mean	39.2%	(31.7%)	(4.2%)	(5.6%)	3.8x	15.1x
					Median	38.8%	11.8%	(5.9%)	(5.3%)	1.8x	10.3x
<b>Luxury</b>											
Burberry Group plc	\$11,521	\$11,380	\$3,198	\$664	70.0%	20.8%	(3.6%)	(4.7%)	3.6x	12.8x	
Capri Holdings Limited	11,571	8,560	4,862	1,024	65.0%	21.1%	4.4%	(0.7%)	2.4x	7.7x	
Kering SA	116,693	110,514	18,478	5,852	73.2%	31.7%	15.8%	9.0%	6.3x	17.1x	
LVMH Moët Hennessy	434,459	397,822	64,358	18,795	67.3%	29.2%	16.9%	7.1%	6.8x	19.9x	
Hermès International	153,761	158,057	9,534	4,159	71.1%	43.6%	33.7%	12.7%	16.1x	34.4x	
Hugo Boss AG	5,357	4,087	2,627	172	61.3%	6.6%	(5.6%)	(6.6%)	2.0x	22.3x	
Moncler S.p.A.	18,912	18,321	1,944	664	77.0%	34.2%	13.6%	9.0%	9.7x	23.3x	
Prada S.p.A.	22,579	19,945	3,499	676	73.6%	19.3%	15.2%	(0.0%)	6.5x	19.0x	
Salvatore Ferragamo S.p.A.	3,821	3,329	1,261	164	65.5%	13.0%	3.9%	(7.3%)	3.0x	21.2x	
Tapestry, Inc.	13,662	11,796	5,746	1,314	70.9%	22.9%	15.8%	(0.8%)	2.4x	9.2x	
TOD'S S.p.A.	2,674	2,053	927	56	52.5%	6.1%	8.4%	(6.8%)	2.9x	36.6x	
					Mean	67.9%	22.6%	10.8%	1.0%	5.6x	20.3x
					Median	70.0%	21.1%	13.6%	(0.7%)	3.6x	19.9x
<b>Youth</b>											
Abercrombie & Fitch Co.	\$2,847	\$2,327	\$3,421	\$391	62.5%	11.4%	1.4%	(1.3%)	0.8x	3.7x	
American Eagle Outfitters, Inc.	6,743	5,781	4,242	506	36.7%	11.9%	6.8%	3.2%	1.6x	7.3x	
Carter's, Inc.	4,798	4,302	3,389	581	46.9%	17.1%	5.5%	(0.4%)	1.4x	5.8x	
Guess?, Inc.	2,305	1,449	2,136	189	39.4%	8.9%	(11.1%)	(4.2%)	1.1x	5.0x	
Vera Bradley, Inc.	461	374	508	60	57.2%	11.7%	7.3%	4.5%	0.9x	5.0x	
Urban Outfitters, Inc.	4,345	3,656	3,789	392	30.8%	10.3%	6.8%	(0.4%)	1.1x	5.8x	
					Mean	45.6%	11.9%	2.8%	0.2%	1.2x	5.4x
					Median	43.1%	11.6%	6.1%	(0.4%)	1.1x	5.4x
<b>Active</b>											
American Outdoor Brands, Inc.	\$346	\$380	\$277	\$43	45.8%	15.7%	49.9%	NA	1.3x	7.5x	
Black Diamond Group Limited	350	186	181	29	35.9%	15.8%	32.2%	12.8%	1.9x	11.8x	
Columbia Sportswear Company	6,184	6,620	2,809	404	50.6%	14.4%	2.3%	2.4%	2.2x	12.5x	
Lululemon Athletica Inc.	51,690	52,084	4,976	1,186	56.9%	23.8%	29.3%	19.4%	10.4x	35.5x	
Johnson Outdoors Inc.	1,046	1,188	750	127	45.3%	16.9%	40.6%	11.2%	1.4x	9.3x	
Mizuno Corporation	541	585	1,507	108	41.2%	7.2%	5.4%	(3.3%)	0.4x	8.8x	
Smith & Wesson Brands, Inc.	1,057	1,126	1,059	350	43.4%	33.1%	59.5%	19.8%	1.0x	3.0x	
Under Armour, Inc.	9,284	8,660	5,446	635	49.4%	11.7%	20.8%	2.0%	1.7x	17.4x	
Vista Outdoor Inc.	2,694	2,317	2,409	435	31.1%	18.0%	35.7%	2.0%	1.1x	5.9x	
YETI Holdings, Inc.	8,385	8,404	1,276	294	59.0%	23.1%	34.5%	20.6%	6.6x	29.8x	
					Mean	45.9%	18.0%	31.0%	9.7%	2.8x	14.1x
					Median	45.5%	16.3%	33.4%	11.2%	1.5x	10.5x



## Publicly Traded Companies (USD Millions)

Company	Enterprise Value	Market Cap	Last Twelve Months				Revenue Growth		Enterprise Value / LTM	
			Revenue	EBITDA	Gross Margin	EBITDA Margin	1-year	3-year	Revenue	EBITDA
<b>Footwear</b>										
adidas AG	\$71,482	\$69,852	\$26,314	\$3,225	50.4%	12.3%	12.4%	1.4%	2.7x	22.9x
Crocs, Inc.	8,869	8,473	1,874	531	57.9%	28.4%	57.7%	21.2%	4.7x	14.2x
Deckers Outdoor Corporation	10,641	11,365	2,767	629	53.9%	22.7%	29.4%	12.5%	3.8x	15.0x
Dr. Martens plc	6,253	5,908	1,055	272	60.9%	25.8%	10.9%	30.4%	5.9x	20.9x
NIKE, Inc.	264,305	264,968	44,538	8,028	44.9%	18.0%	19.1%	7.0%	5.9x	29.5x
Puma SE	19,086	18,141	7,314	728	47.8%	10.0%	22.7%	12.9%	2.6x	20.2x
Skechers U.S.A., Inc.	8,951	8,327	5,730	666	49.2%	11.6%	22.6%	8.6%	1.6x	9.5x
Steven Madden, Ltd.	3,459	3,627	1,459	170	40.1%	11.6%	2.5%	(2.8%)	2.4x	17.3x
Wolverine World Wide, Inc.	3,303	2,778	2,145	206	41.9%	9.6%	8.9%	(1.7%)	1.5x	13.0x
<b>Mean</b>					49.7%	16.7%	20.7%	9.9%	3.5x	18.0x
<b>Median</b>					49.2%	12.3%	19.1%	8.6%	2.7x	17.3x
<b>eCommerce</b>										
ASOS Plc	\$5,496	\$5,172	\$4,970	\$360	46.3%	7.3%	16.0%	16.7%	1.1x	13.9x
boohoo group plc	4,050	4,402	2,381	197	54.2%	8.3%	28.3%	39.3%	1.7x	19.8x
Farfetch Limited	17,498	17,753	1,986	(452)	45.8%	(22.8%)	48.9%	59.9%	8.8x	NM
MYT Netherlands Parent B.V.	2,426	2,474	717	(26)	46.9%	(3.6%)	36.2%	NA	3.4x	NM
Poshmark, Inc.	2,396	2,970	301	(7)	83.8%	(2.4%)	46.6%	NA	8.0x	142.4x
Revolve Group, Inc.	4,843	5,026	699	97	55.2%	13.9%	18.4%	16.1%	6.9x	58.2x
The RealReal, Inc.	1,444	1,499	368	(169)	61.0%	(46.0%)	19.3%	NA	3.9x	NM
ThredUp Inc.	2,112	2,295	206	(48)	71.0%	(23.5%)	25.8%	NA	10.3x	NM
Stitch Fix, Inc.	5,707	5,776	1,974	(70)	44.7%	(3.6%)	16.1%	17.2%	2.9x	NM
<b>Mean</b>					56.5%	(8.0%)	28.4%	29.8%	5.2x	58.6x
<b>Median</b>					54.2%	(3.6%)	25.8%	17.2%	3.9x	39.0x
<b>Retail</b>										
Chico's FAS, Inc.	\$1,469	\$758	\$1,432	(\$124)	23.6%	(8.6%)	(20.5%)	(14.1%)	1.0x	20.1x
The Gap, Inc.	15,939	11,015	15,684	1,074	47.4%	6.8%	6.1%	(1.1%)	1.0x	6.6x
Kohl's Corporation	12,601	7,937	17,414	1,611	37.9%	9.3%	(4.9%)	(4.9%)	0.7x	6.5x
Levi Strauss & Co.	12,102	11,057	5,031	591	56.1%	11.8%	0.2%	(1.9%)	2.4x	13.3x
Macy's, Inc.	11,522	5,302	19,814	668	34.5%	3.4%	(13.1%)	(8.5%)	0.6x	10.5x
Nordstrom, Inc.	10,338	5,260	11,605	225	32.7%	1.9%	(18.3%)	(9.6%)	0.9x	17.4x
Tilly's, Inc.	547	447	617	59	44.1%	9.6%	9.0%	2.1%	0.9x	4.0x
Zumiez Inc.	1,031	1,125	1,132	188	38.2%	16.6%	18.0%	5.9%	0.9x	3.9x
<b>Mean</b>					39.3%	6.3%	(2.9%)	(4.0%)	1.1x	10.3x
<b>Median</b>					38.1%	8.0%	(2.3%)	(3.4%)	0.9x	8.5x





## Select Lifestyle Brands Transaction Experience

**TASTEMAKERS, LLC.**  
SETTING THE TREND.

creator of



has received an investment from



in partnership with management

**Advisor to Disruptive Products**

me & my **BIG** ideas

creator of

THE *happy* PLANNER®

has received a growth equity investment from



in partnership with the Founders / Management

**Advisor to me & my BIG ideas**

Classic Brands™  
The Leader in Wild Bird Feeding

a portfolio company of



and



has been acquired by

**MERIT** CAPITAL PARTNERS and **AIGLON CAPITAL** PARTNERS

**Advisor to Classic Brands, LLC**

**HUF**

has completed a recapitalization with




**ALTAMONT** CAPITAL PARTNERS

**Advisor to HUF**

**WORLDWIDE**™  
PROTECTIVE PRODUCTS


has been acquired by



a portfolio company of




**Advisor to PIP**



**ML KISHIGO**™

has been acquired by



**BUNZL**

**Advisor to M.L. Kishigo**

 **loungefly**

has been acquired by



a portfolio company of




**ACON**

**Advisor to Loungefly**

**LRG**

has been acquired by



**MAD**  
Engine

**Advisor to LRG**

**HYBRID**  
APPAREL

has completed a recapitalization with



**ALTAMONT** CAPITAL PARTNERS

and concurrent investment in



**Fox Head, Inc.**

**Advisor to Hybrid Apparel**

Arlington Global Financial Limited

has acquired

**BIG STRIKE**

from

**THE GORES GROUP**

**Advisor to Arlington Global Financial**

**NYDJ**


has been acquired by



**FALCONHEAD CAPITAL**


**Advisor to NYDJ\***

Kommonwealth, Inc.  
dba



**CREATIVE RECREATION**

has been acquired by



**ROCKY BRANDS**

**Advisor to Creative Recreation**

\*Represents transactions executed by principals of Intrepid while at previous securities firms.



## Lifestyle Brands Team

Accessories | Action Sports | Footwear | Home Décor | Outdoor | Retail | Streetwear | Women's Wear



**Marvin Padilla**  
Managing Director  
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**Andrew Colmar**  
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### About Intrepid's Lifestyle Brands Practice

Intrepid's **Lifestyle Brands** practice combines decades of experience assisting businesses with a passion driven consumer brands across categories including apparel, accessories, footwear, and retail with expert execution in various transaction types, including capital raises, mergers, acquisitions and divestitures. We maintain deep relationships with strategic acquirers, private equity investors and leading executives active in the industry.

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