



SYCAMORE PARTNERS



TUFIC HADDAD PULIDO
INVESTMENT DIRECTOR



SAMIRÉ M. ADAM
PORTFOLIO DIRECTOR



NISARG THAKKAR
FUND FINANCE MANAGER

MANAGEMENT TEAM



We have experts who are professional in their fields, and all of them will put forth great effort to provide the best service for you

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Canva



SYCAMORE PARTNERS



OUR INVESTMENT SCHEME



INVESTMENT PORTFOLIO



WHAT WE'RE LOOKING FOR



FUTURE PLANS



Proposed acquisition: Gap Inc.





- Sycamore Partners’ is a leading investment firm specializing within the consumer and retail sectors across North America, ranging from mid-market to large enterprises.
- We concentrate on companies that are undermanaged /underperforming.

Stages	Acquisitions	Exits	Investments	Number of Funds	Investor Type
Middle Market	25	21	52	2	PE/Buyout Growth/Expansion

COMPANY OVERVIEW



Total Fund Raised
\$17.3B



Legal

Sycamore Partners wins bank auction for The Limited -source Reuters

February 21, 2017 7:24 PM GMT · Updated 7 years ago

By Jessica DiNapoli

(Reuters) - Buyout firm Sycamore Partners has won the auction for the e-commerce intellectual property of bankrupt U.S. women's apparel retailer The Limited, people familiar with the matter said on Tuesday.

Sycamore Partners outbid clothing firm Sundia Brands LLC in the auction, the

EXCLUSIVE BUSINESS

Sycamore and Hudson's Bay Prepare Kohl's Bids

Offers could value the department-store chain above \$9 billion

By Cara Lombardo Follow and Suzanne Kapner Follow

Updated March 16, 2022 at 4:13 pm ET

Share AA Resize

Sycamore Partners Completes Acquisition Of Staples, Inc.

September 12, 2017

Sycamore Partners today announced that it has completed its acquisition of Staples, Inc.

"We are pleased to have completed this transaction and look forward to partnering with the Goodman and the Staples management team as we seek to increase long-term value for our shareholders," said Sycamore Partners Managing Director, Robert Kaluzny, Managing Director of Sycamore Partners. "With the support of its management team, Sycamore is well-positioned to leverage its iconic brand and leading competitive position in the U.S. and Canada."

Sycamore Partners acquires NBG Home

May 1, 2017 · 1:12 pm

ACQUISITIONS FUNDS INTELLIGENCE MANAGERS

REUTERS® World ▾ Business ▾ Markets ▾ Sustainability ▾ Legal ▾ Breakingviews ▾ Technology

Business

Sycamore to buy department store chain Belk for about \$3 bln

Reuters

August 24, 2015 2:11 PM GMT+1 · Updated 9 years ago

Aug 24 (Reuters) - Fashion department store operator Belk Inc said it would be acquired by private equity firm Sycamore Partners in a deal valued at about \$3 billion, including debt.

Sycamore will pay \$68 per share in cash for Charlotte, North Carolina-based Belk, which operates stores throughout the U.S. South.

Chico's FAS, Inc. Enters into Definitive Agreement to Be Acquired by Sycamore Partners for \$1 Billion

Sycamore Completes Purchase of Azamara and Fourth Cruise Ship



Azamara operated three cruise ships with global destinations (Azamara)

PUBLISHED MAR 19, 2021 1:29 PM BY THE MARITIME EXECUTIVE

Royal Caribbean Group has completed the sale of its Azamara cruise brand to Sycamore Partners, a private equity firm specializing in consumer, retail, and distribution investments. They had announced their plan to divest their smallest cruise line to focus on their larger Royal Caribbean International, Celebrity Cruises, and Silversea Cruises brands.

Formed in 2009, the Azamara brand had struggled to find its place in the industry before establishing itself as a niche, destination-focused line. They operated two

Los Angeles Times

BUSINESS

Hot Topic acquired by private equity firm Sycamore for \$600 million



SUBSCRIBERS ARE READING >

CALIFORNIA FOR SUBSCRIBERS

Steve Garvey touts 'family values' in his Sevens bid. Some of his kids tell another story

UCLA SPORTS

Analysis: After years of quiet quitting, Chip Garvey admits he didn't want to be at UCLA

CALIFORNIA

Gascón, Hochman jump out to early leads in hotly contested L.A. County D.A. race

TELEVISION

Rachel Leviss sues 'Vanderpump' co-stars Sandoval, Ariana Madix over alleged revenge porn

ENTERTAINMENT & ARTS

Iris Apfel, beloved style icon whose fame peaked in her 90s, dies at 102

GAP

USA | EST. 1969





- Gap Inc operates as a worldwide retailer of apparel and accessories, providing a wide range of products for men, women, and children under multiple brands including Gap, Banana Republic, Old Navy, Athleta.
- The firm also operates e-commerce sites, outlet stores, and specialty stores under various Gap names. Gap operates approximately 2,600 stores in North America, Europe, and Asia and franchises more than 900 stores in Asia, Europe, Latin America, and other regions.

Employees
95,000

Industry
Apparel Retail

Market Capitalization
\$9.16B



GAP Inc.



Gap Inc. Timeline

Sycamore Partners

1969



1976



1983



1992



2001

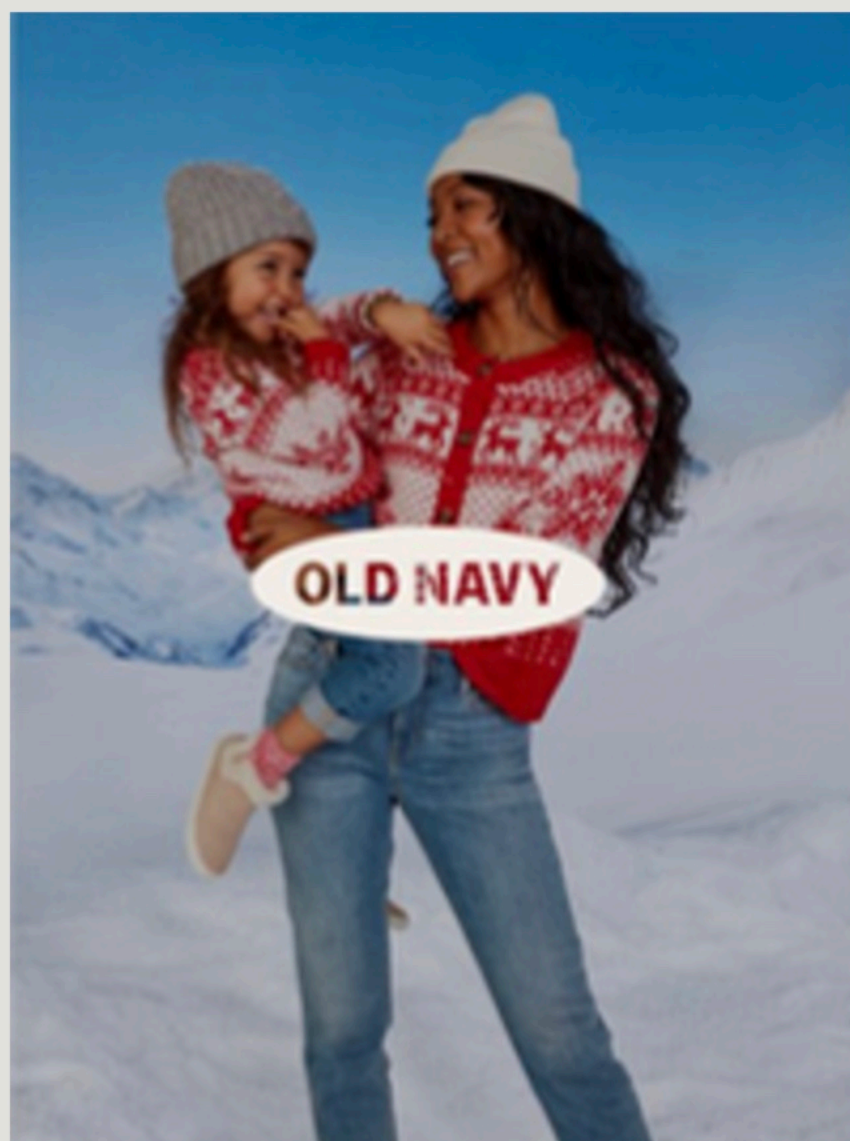


2010

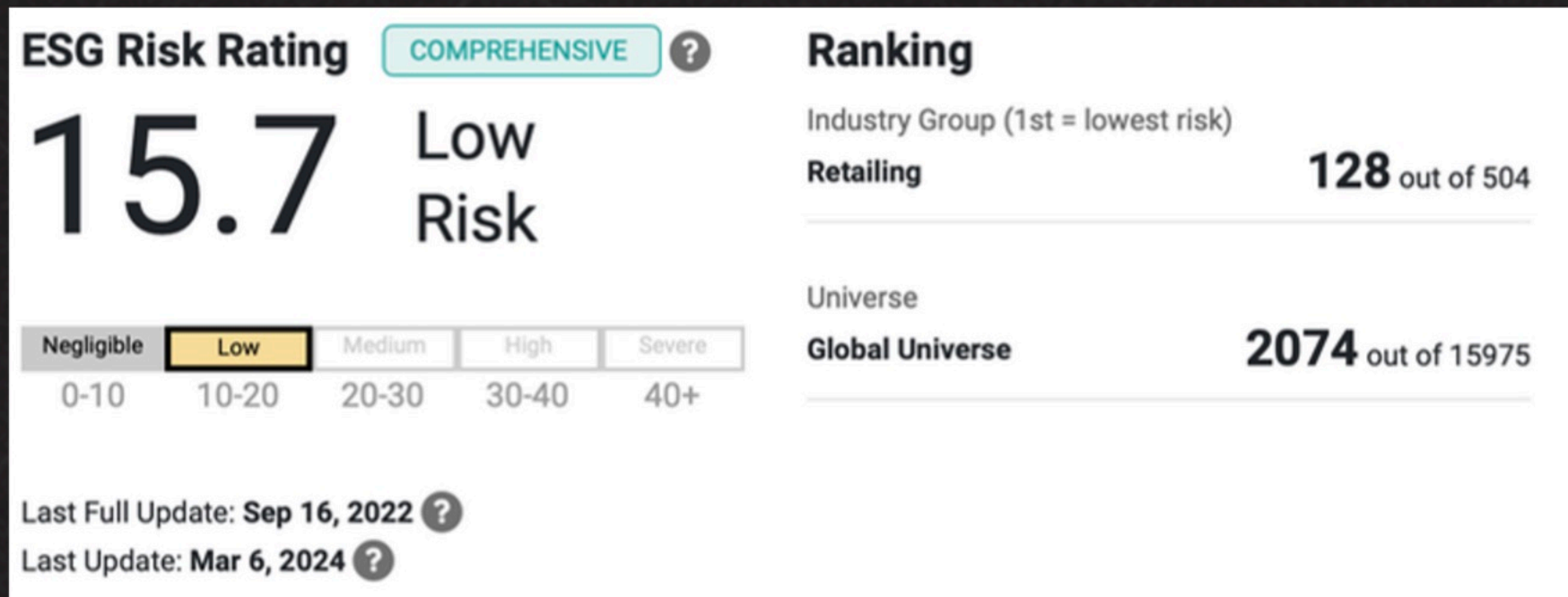


2021





GAP CURRENT STATUS



- GAP INC. IS FACING CHALLENGES IN COMPETING WITH FAST-FASHION BRANDS SUCH AS SHEIN, UNIQLO, AND H&M WITH THEIR DISCOUNT-HEAVY BRANDNG

- GAP LACKS A SOLID CEO
- 3 OF 5 EXECUTIVES HAVE LEFT IN 2021



Risk Analysis of the Clothing Industry



- **CONSUMER PREFERENCES AND TRENDS:** RAPID CHANGES CAN LEAD TO OBSOLETE INVENTORY.
- **COMPETITIVE PRESSURES:** NEW ENTRANTS INCREASE COMPETITION.
- **SUPPLY CHAIN DISRUPTIONS:** GEOPOLITICAL TENSIONS AND NATURAL DISASTERS IMPACT PRODUCTION.

- **ETHICAL AND SUSTAINABILITY CONCERNS:** UNETHICAL PRACTICES HARM BRAND REPUTATION.
- **ECONOMIC DOWNTURNS:** DECREASED CONSUMER SPENDING DURING DOWNTURNS.
- **TECHNOLOGICAL ADVANCEMENTS:** OPPORTUNITY AND THREAT WITH E-COMMERCE GROWTH.



Risk Analysis - GAP



- MARKET FLUCTUATIONS AND COMPETITION CHALLENGE GAP'S DEMAND FORECASTING AND INVENTORY MANAGEMENT. INNOVATION AND STRATEGIC POSITIONING ARE CRUCIAL FOR MARKET SHARE.
- SUPPLY CHAIN DISRUPTIONS, GEOPOLITICAL TENSIONS, AND NATURAL DISASTERS IMPACT GAP'S OPERATIONS AND INCREASE COSTS. STRONG SUPPLY CHAIN MANAGEMENT IS NEEDED.
- ETHICAL AND SUSTAINABILITY CONCERNS AFFECT GAP'S BRAND IMAGE. COMPLIANCE WITH ETHICAL STANDARDS AND SUSTAINABLE PRACTICES IS ESSENTIAL.

- TECHNOLOGICAL ADVANCEMENTS AND E-COMMERCE OFFER OPPORTUNITIES AND THREATS. INVESTMENTS IN DIGITAL INFRASTRUCTURE AND CYBERSECURITY ARE NECESSARY.
- REGULAR RISK ASSESSMENTS AND SCENARIO PLANNING HELP GAP ANTICIPATE THREATS AND CAPITALIZE ON OPPORTUNITIES. MONITORING EMERGING RISKS AND INDUSTRY TRENDS IS CRUCIAL.
- FOSTERING RISK AWARENESS AND AGILITY ENHANCES GAP'S RESILIENCE FOR SUSTAINED GROWTH. PROACTIVE RISK MANAGEMENT AND STRATEGIC DECISION-MAKING ARE KEY.





GAP ... historically



Sycamore Partners



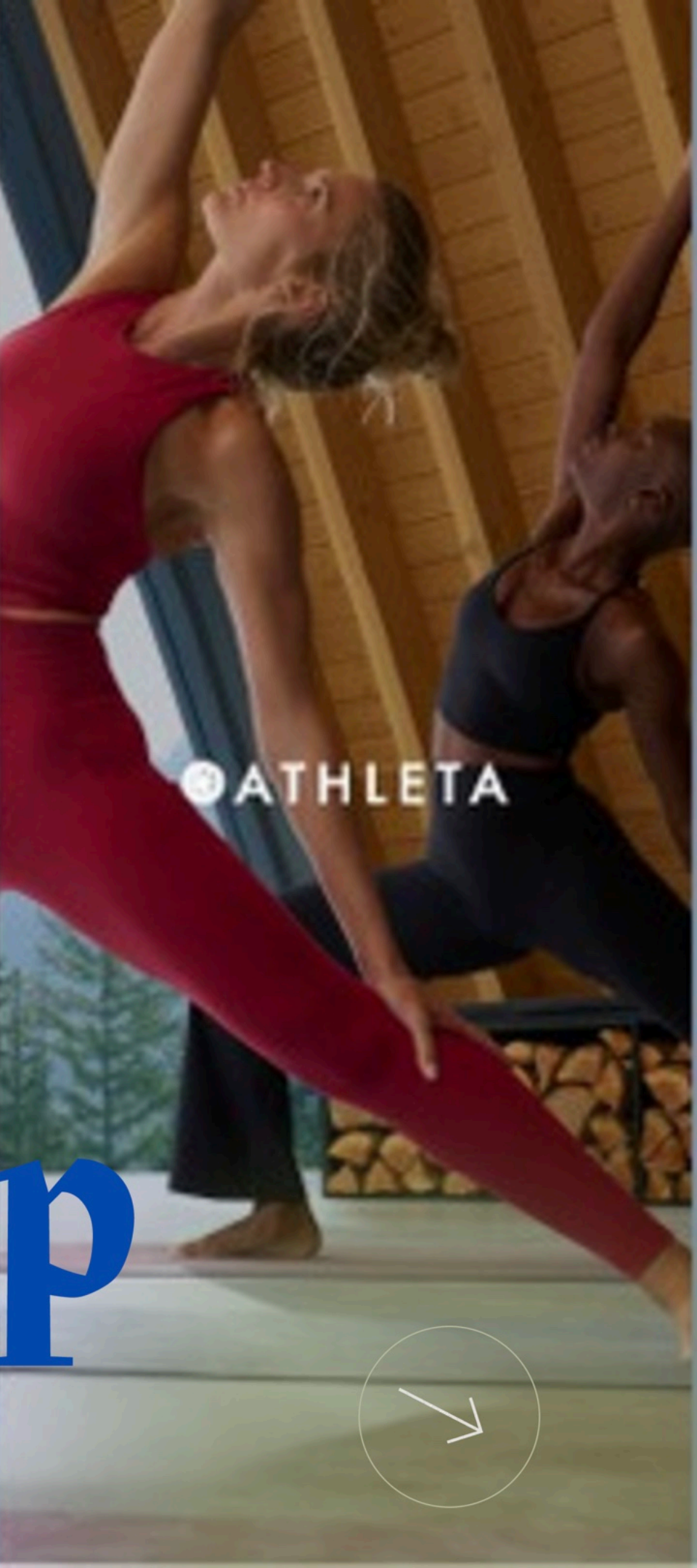
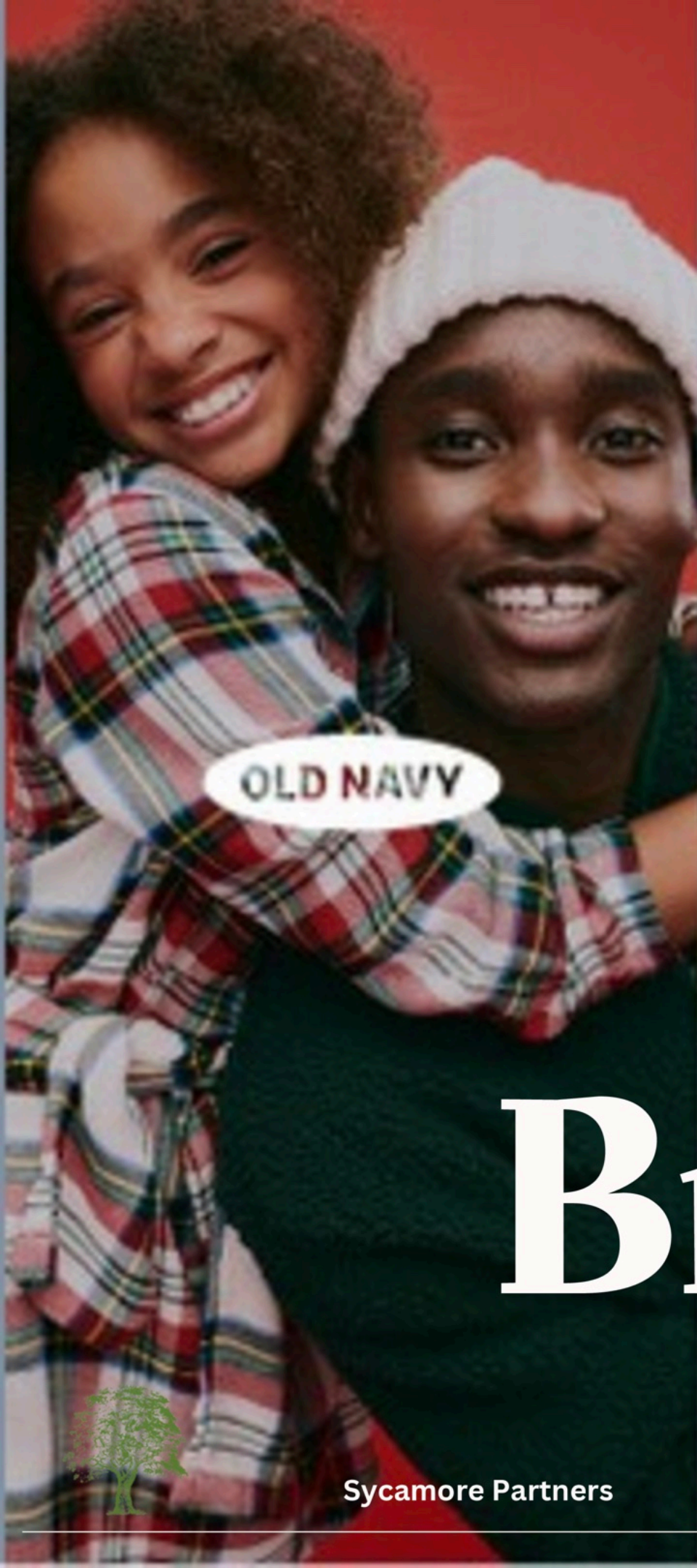


GAP INC				
PROPOSED LBO				
Income Statement				
Amounts in millions	Units	FY2022A	FY2023A	
Revenue	\$m	16,670.00	15,616.00	
Cost of Sales	\$m	10,033.00	10,257.00	
Gross Profit	\$m	6,637.00	5,359.00	
Operating expenses	\$m	5,827.00	5,428.00	
Operating Income	\$m	810.00	-69.00	
Loss on extinguishment of debt	\$m	325.00		
- Interest Expense	\$m	167.00	70.00	
Pretax Income	\$m	318.00	-139.00	
- Tax Provision	\$m	67.00	53.00	
Net Income	\$m	251.00	-192.00	
EBIT	\$m	251.00	-192.00	
Depreciation & Amortization	\$m	500.10		
EBITDA	\$m	751.10	-192.00	

Balance Sheet		
Amounts in millions	FY2022A	FY2023A
Total Cash	899.06	1,295.01
Accounts Receivable	0.00	0.00
Inventory	3,018.00	2,389.00
Other Current Assets	1,270.00	1,013.00
Total Current Assets	5,187.06	4,697.01
Other Non-Current Assets	7,596	6,769
Goodwill		
Total Assets	12,783.06	11,466.01
Accounts Payable	1,951.00	1,320.00
Other Current Liabilities	2,126.00	1,936.00
Total Current Liabilities	4,077.00	3,256.00
Capital Expenditures (PPE)	685.00	685.00
Long Term Lease Liabilities	4,033.00	3,517.00
Long Term Debt	1,484.00	1,486.00
Other Long Term Liabilities	445.00	544.00
Total Long-Term Liabilities	5,984.06	5,977.01
Total Equity	2,722.00	2,233.00
Total Liabilities and Equity	12,783.06	11,466.01
Balance Sheet Parity Check	TRUE	TRUE

GAP INC			
PROPOSED LBO			
Cash Flow Statement			
Amounts in millions	Units	FY2022A	FY2023A
Net Income	\$	251.00	-192.00
Depreciation & Amortization	\$	500.10	540.00
Stock Based Compensation	\$	139.00	37.00
Changes in operating assets and liabilities	\$	-90.00	232.00
Cash Provided by Operating Activities	\$	800.10	617.00
Capital Expenditures	\$	-0.04	-0.04
Purchase of available-for-sale investments	\$	-694.00	-685.00
Other investing activities	\$	248.00	458.00
Cash Flows from Investing Activities	\$	-446.04	-227.04
Debt Issued	\$	-2,546.00	0.00
Debt Repayments	\$	1,500.00	0.00
Common Stock Issued	\$	0.00	0.00
Other	\$	-425.00	6.00
Cash Flows from Financing Activities	\$	-1,471.00	6.00
Change in Cash	\$	-1,116.94	395.96
Cash at Beginning of Period	\$	2,016.00	899.06
Cash at End of Period	\$	899.06	1,295.01





Bridge the Gap



Sycamore Partners





Weighted Average Cost of Capital		
Risk free rate (R_f)		4.30%
Equity Beta		2.220
Equity risk premium ($R_m - R_f$)		4.60%
Cost of Equity (K_e)		14.5%
Cost of debt		6.6%
Tax rate		27.7%
After-tax Cost of Debt (K_{dt})		6.8%
Percentage of Capital		
Debt	5,897	23.8%
Equity	18,903	76.2%
Total capital	24,800	100.0%
Weighted Average Cost of Capital		13.28%
		12.68%

Amounts in millions, except per share amount

	Unit:	FY2024E	FY2025E	FY2026E	FY2027E	FY2028E
EBIT	\$	495	1,239	1,581	2,098	2,182
Taxes @ 27.7%	\$	(137)	(343)	(438)	(581)	(604)
NOPAT	\$	358	896	1,143	1,517	1,578

Unlevered Free Cash Flows	\$	358	896	1,143	1,517	1,578
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Discount rate	%	13.28%	13.28%	13.28%	13.28%	13.28%
Discount period	#	1	2	3	4	5
Discount factor	#					

Present Value of Unlevered Free Cash Flow	\$	316.19	698.20	786.11	921.23	845.76
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DCF Value - Perpetuity Growth

NPV of UFCF 2024 - 2028	3,567
PV of Terminal Value	13,594
Implied Enterprise Value	17,161
Less: Debt	8,000
Add: Cash	9,742
Add: Held-to-Maturity Assets	-
Implied Equity Value	18902.57

Terminal Value - Perpetuity Growth

FY2028E Unlevered Free Cash Flow	1,578
Perpetuity growth rate	1.50%
Terminal Value	13,594



Enterprise Value Multiples

	LTM	FY2026E	FY2027E	FY2028E
Revenue	17,105	17,661	18,368	19,286
EBITDA	2,094	2,628	2,733	3,888
EV / Revenue	1.0x	1.0x	0.9x	0.9x
EV / EBITDA	8.2x	6.5x	6.3x	4.4x

Trading Comparables Company	Market Value	Enterprise Value	Enterprise Value / Revenue		EV / EBITDA	Revenue		EBITDA
			LTM	FY2026E	LTM	LTM	FY2025E	LTM
Abercrombie & Fitch Co	6,350	5,589	1.31x	1.13x	8.1x	4,280.00	4,951	687
American Eagle Outfitters	4,570	5,290	1.01x	0.98x	7.8x	5,261.00	5,419	679
Urban Outfitters	3,980	4,520	0.88x	0.85x	NMF	5,162.00	5,322	556
Levi Strauss & Co	7,240	9,070	1.47x	1.40x	11.2x	6,179.00	6,469	811
Guess Inc	1,350	2,380	0.88x	0.84x	7.7x	2,703.00	2,827	309
Ralph Lauren Co	11,610	12,470	1.89x	1.89x	11.9x	6,604.00	6,604	1,052

Source: Yahoo Finance, and company information

Note: Share prices and foreign exchange rates as at Feb-28-2024

All financials calendarized to December year end.

High	1.9x	1.9x	11.9x
Mean	1.2x	1.2x	9.7x
Median	1.2x	1.1x	8.1x
Low	0.9x	0.8x	7.7x



Enterprise Value Multiples

	LTM	FY2026E	FY2027E	FY2028E
Revenue	17,105	17,661	18,368	19,286
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EV / Revenue	1.0x	1.0x	0.9x	0.9x
EV / EBITDA	8.2x	6.5x	6.3x	4.4x

Transaction Comparables

Acquiror	Target	Date	Acquisition Price	EV / REV LTM	EV/EBITDA LTM	Revenue LTM	EBITDA LTM
L CATTERTON	TODS	2024	1,422.2	2.04x	9.9x	1,000	206
TAPESTRY INC	CAPRI HOLDINGS	2023	8,500.0	1.59x	18.2x	5,620	490.00
SYCAMORE PARTNERS	CHICOS FAS, INC	2023	1,000.0	0.76x	5.8x	1,324	172
KERING	VALENTINO	2023	6,233.0	4.00x	16.0x	1,560	350

Source: Yahoo Finance, and company information

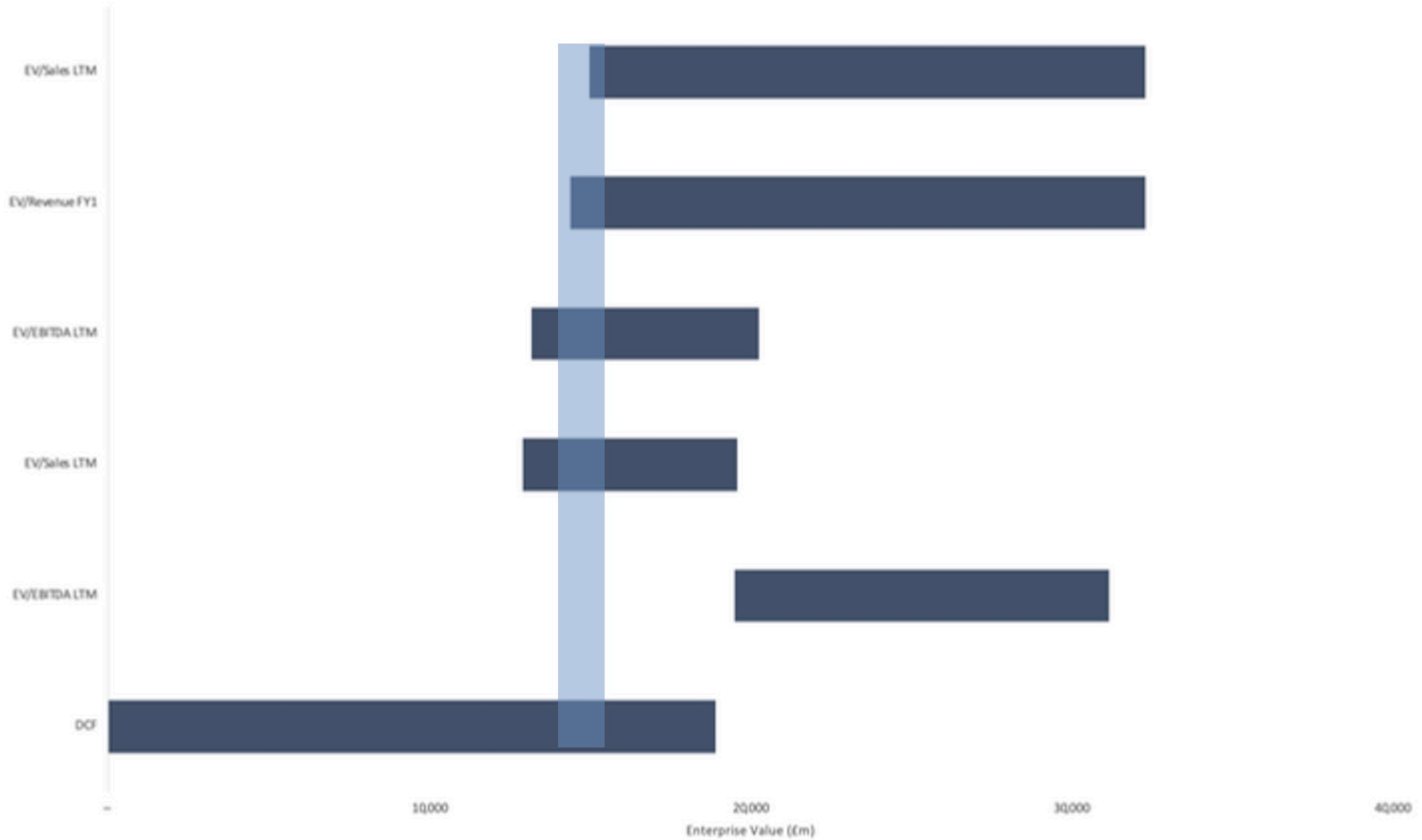
Note: Share prices and foreign exchange rates as at Feb-28-2022

All financials calendarized to December year end.

High	4.0x	18.2x
Mean	2.1x	12.5x
Median	1.8x	13.0x
Low	0.8x	5.8x



Valuation Football Field



Proposed price

\$11.78 B @ \$31.57 per share



GAP

projections

under

Sycamore



Sycamore Partners



PROPOSAL

CHANGE IN MANAGEMENT

SALE OF ATHLETA

COMBINING GAP & BANANA REPUBLIC

EXPANDING OLD NAVY



CHANGE IN MANAGEMENT

**JOHN ETTINGHER, PRINCIPAL AT SYCAMORE PARTNERS,
EXECUTIVE BOARD MEMBER**

**ROB SWEENEY, PRESIDENT AT SYCAMORE PARTNERS,
EXECUTIVE BOARD MEMBER**

**ANGELA ANDHEARTS, EX SENIOR VP (APPLE), EX CEO
(BURBERRY), PRESIDENT OF GAP INC.**





SALE OF ATHLETA



- Highly saturated market, no competitive advantage.
- Only 8% of revenue, while 17% of total costs.
- Valued at \$5.4B - potential buyers Alo Yoga or lululemon athletica.



merging GAP & Banana Republic

- Gap has a total of 3352 stores worldwide. The costs associated with the leasing and up keeping these account for 32% of total costs.
- Most of the properties are rented and are on average 10,000sq ft.
- Via merging 30% of Gap stores with Banana Republic, costs would reduce by 13.4% yoy
- Will help with reducing inventory costs.



expanding old navy

- Old Navy accounts for 42% of total revenue of Gap Inc.
- Its low prices and trendless products make it ideal for expansion.
- Most of production of the Old Navy brand is done in South America, so a franchising facility with Gap's current suppliers, makes for strategic and economical sense.
- Target would be increasing revenue from \$1.8b to \$2.85 in 2026





GAP INC								
SYCAMORE PARTNERS								
Income Statement								
Amounts in millions	Units	FY2024A	FY2025A	FY2026A	FY2027A	FY2028A	FY2029A	FY2030A
Revenue	\$m	16,084.48	16,567.01	17,105.44	17,661.37	18,367.82	19,286.22	20,250.53
Cost of Sales	\$m	9,650.69	9,608.87	9,921.16	9,890.37	10,285.98	9,643.11	10,125.26
Gross Profit	\$m	6,433.79	6,958.15	7,184.29	7,771.00	8,081.84	9,643.11	10,125.26
Operating expenses	\$m	5,629.57	5,301.44	5,131.63	5,121.80	5,326.67	5,593.00	5,872.65
Operating Income	\$m	804.22	1,656.70	2,052.65	2,649.21	2,755.17	4,050.11	4,252.61
Loss on extinguishment of debt	\$m							
- Interest Expense	\$m	241.27	248.51	256.58	264.92	275.52	289.29	303.76
Pretax Income	\$m	562.96	1,408.20	1,796.07	2,384.28	2,479.66	3,760.81	3,948.85
- Tax Provision	\$m	67.55	168.98	215.53	286.11	297.56	451.30	473.86
Net Income	\$m	495.40	1,239.21	1,580.54	2,098.17	2,182.10	3,309.51	3,474.99
EBIT	\$m	495.40	1,239.21	1,580.54	2,098.17	2,182.10	3,309.51	3,474.99
Depreciation & Amortization	\$m	482.53	497.01	513.16	529.84	551.03	578.59	607.52
EBITDA	\$m	977.94	1,736.22	2,093.71	2,628.01	2,733.13	3,888.10	4,082.51



Balance Sheet

Amounts in millions

	FY2024A	FY2025A	FY2026A	FY2027A	FY2028A	FY2029A	FY2030A
Total Cash	2,514.17	4,498.86	6,848.87	9,741.53	12,749.90	16,927.25	21,313.47
Accounts Receivable	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Inventory	2,575.39	2,401.14	2,563.37	2,513.45	2,635.81	2,460.84	2,589.25
Other Current Assets	1,134.39	1,121.56	1,182.20	1,208.13	1,262.95	1,322.69	1,390.62
Total Current Assets	6,223.95	8,021.55	10,594.44	13,463.11	16,648.67	20,710.79	25,293.34
Other Non-Current Assets	7,151	7,273	7,557	7,778	8,102	8,500	8,929
Goodwill							
Total Assets	13,374.59	15,294.74	18,151.49	21,241.25	24,750.68	29,211.21	34,222.30
Accounts Payable	1,559.31	1,394.57	1,521.46	1,476.08	1,556.26	1,449.09	1,526.75
Other Current Liabilities	2,022.70	2,068.64	2,143.48	2,209.22	2,299.63	2,413.54	2,534.78
Total Current Liabilities	3,582.02	3,463.22	3,664.94	3,685.30	3,855.89	3,862.63	4,061.52
Capital Expenditures (PPE)	698.59	723.13	744.78	769.95	800.25	840.52	882.41
Long Term Lease Liabilities	3,756.93	3,800.41	3,959.66	4,069.90	4,242.29	4,449.37	4,674.48
Long Term Debt	2,113.80	2,796.96	3,690.28	4,499.46	5,435.36	6,300.42	7,340.89
Other Long Term Liabilities	494.84	543.41	543.66	570.32	588.46	620.33	650.06
Total Long-Term Liabilities	7,064.17	7,863.91	8,938.39	9,909.62	11,066.36	12,210.64	13,547.84
Total Equity	2,728.40	3,967.61	5,548.16	7,646.33	9,828.43	13,137.94	16,612.93
Total Liabilities and Equity	13,374.59	15,294.74	18,151.49	21,241.25	24,750.68	29,211.21	34,222.30
Balance Sheet Parity Check	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE



Cash Flow Statement

Amounts in millions

	Units	FY2022A	FY2023A	FY2024A	FY2025A	FY2026A	FY2027A	FY2028A	FY2029A	FY2030A
Net Income	\$	251.00	-192.00	495.40	1,239.21	1,580.54	2,098.17	2,182.10	3,309.51	3,474.99
Depreciation & Amortization	\$	500.10	540.00	482.53	497.01	513.16	529.84	551.03	578.59	607.52
Stock Based Compensation	\$	139.00	37.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Changes in operating assets and liabilities + other	\$	-90.00	232.00	241.27	248.51	256.58	264.92	275.52	289.29	303.76
Cash Provided by Operating Activities:	\$	800.10	617.00	1,219.20	1,984.73	2,350.29	2,892.93	3,008.65	4,177.39	4,386.26
Capital Expenditures	\$	-685.00	-685.00	-698.59	-723.13	-744.78	-769.95	-800.25	-840.52	-882.41
Purchase of available-for-sale investments	\$	-694.00	-685.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other investing activities	\$	248.00	458.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cash Flows from Investing Activities:	\$	-1,131.00	-912.00	-698.59	-723.13	-744.78	-769.95	-800.25	-840.52	-882.41
Debt Issued	\$	-2,546.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Debt Repayments	\$	1,500.00	1,200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Common Stock Issued	\$	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	\$	-425.00	6.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cash Flows from Financing Activities:	\$	-1,471.00	1,206.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Change in Cash	\$	-1,801.90	911.00	520.61	1,261.60	1,605.50	2,122.99	2,208.40	3,336.87	3,503.86
Cash at Beginning of Period	\$	2,016.00	214.10	1,125.10	1,645.71	2,907.31	4,512.81	6,635.80	8,844.20	12,181.08
Cash at End of Period	\$	214.10	1,125.10	1,645.71	2,907.31	4,512.81	6,635.80	8,844.20	12,181.08	15,684.93





Financials							
Operating Model		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue		16,084	16,728	17,397	18,093	18,817	19,569
% growth			4.0%	4.0%	4.0%	4.0%	4.0%
EBITDA		978	1,184	1,406	1,643	1,897	2,168
% sales		6.1%	7.1%	8.1%	9.1%	10.1%	11.1%
EBIT		495	682	884	1,100	1,332	1,581
% sales		3.1%	4.1%	5.1%	6.1%	7.1%	8.1%
Interest			587	620	632	626	611
EBT		495	96	264	468	706	971
% sales		3.1%	0.6%	1.5%	2.6%	3.8%	5.0%
Taxes		104	20	55	98	148	204
% tax rate		21.0%	21.0%	21.0%	21.0%	21.0%	21.0%
Net Income		391	76	208	370	558	767
% sales		2.4%	0.5%	1.2%	2.0%	3.0%	3.9%

Cash flow Items		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
D&A		483	502	522	543	564	587
% sales		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Net Working Capital		1,271	1,322	1,375	1,430	1,487	1,546
% sales		7.9%	7.9%	7.9%	7.9%	7.9%	7.9%
Change in Net Working Capital			51	53	55	57	59
CapEx		685	712	741	771	801	833
% sales		4.3%	4.3%	4.3%	4.3%	4.3%	4.3%

Levered Cash Flow		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Net Income			76	208	370	558	767
D&A			502	522	543	564	587
CapEx			712	741	771	801	833
Change in NWC			51	53	55	57	59
Levered Cash Flow			(186)	(64)	87	264	461



Debt Schedule

Sycamore Partners

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Bank Debt						
Beginning Balance		5,868	6,053	6,117	6,030	5,766
Interest		352	363	367	362	346
Paydown		(186)	(64)	87	264	461
Ending Balance	5,868	6,053	6,117	6,030	5,766	5,305
Sr. Notes						
Beginning Balance		1,956	2,142	2,205	2,205	2,205
Interest		235	257	265	265	265
Paydown		(186)	(64)	0	0	0
Ending Balance	1,956	2,142	2,205	2,205	2,205	2,205
Total Debt						
Beginning Balance		7,823	8,195	8,322	8,235	7,972
Interest		587	620	632	626	611
Paydown		(372)	(127)	87	264	461
Ending Balance	7,823	8,195	8,322	8,235	7,972	7,511

IRR

LTM EBITDA at Exit	2,168
Exit Multiple	12.0x
Enterprise Value	26,019
Net Debt	7,511

Sponsor Equity Value	18,509
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Sponsor Equity at Entry	3,962
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MOIC	4.7x
IRR	36.1%



SENSITIVITY ANALYSIS

Entry (\$MM)	
LTM EBITDA	978
EBITDA Multiple	10.0x
Enterprise Value	9,779
Existing Net Debt	1486
Equity Value	8,293
Fees & Expenses	50

Exit (\$MM)	
EBITDA Multiple	10.0x

Financials	
LTM Financials	
Revenue	16084
EBITDA	978
D&A	483
Capex	685
NWC	1441

Operating Assumptions	
Revenue Growth	4.5%
YoY margin expansion	1.0%
Tax Rate	21.0%

Capital Structure	Amount	Cost
Bank Debt	5.0x	6.0%
Senior Notes	2.0x	12.0%

Note	
IRR	39.9%

Entry (\$MM)	
LTM EBITDA	978
EBITDA Multiple	12.0x
Enterprise Value	11,735
Existing Net Debt	1486
Equity Value	10,249
Fees & Expenses	50

Exit (\$MM)	
EBITDA Multiple	12.0x

Financials	
LTM Financials	
Revenue	16084
EBITDA	978
D&A	483
Capex	685
NWC	1441

Operating Assumptions	
Revenue Growth	4.5%
YoY margin expansion	1.0%
Tax Rate	21.0%

Capital Structure	Amount	Cost
Bank Debt	6.0x	6.0%
Senior Notes	2.0x	12.0%

Note	
IRR	36.9%



Assumptions					
Entry (\$MM)			Financials		
LTM EBITDA	978		LTM Financials		
EBITDA Multiple	10.0x		Revenue	16084	
Enterprise Value	9,779		EBITDA	978	
Existing Net Debt	1486		D&A	483	
Equity Value	8,293		Capex	685	
			NWC	1441	
Fees & Expenses	50		Operating Assumptions		
Exit (\$MM)			Revenue Growth	4.5%	
EBITDA Multiple	10.0x		YoY margin expansion	1.0%	
			Tax Rate	21.0%	
Assumptions					
Entry (\$MM)			Financials		
LTM EBITDA	978		LTM Financials		
EBITDA Multiple	12.0x		Revenue	16084	
Enterprise Value	11,735		EBITDA	978	
Existing Net Debt	1486		D&A	483	
Equity Value	10,249		Capex	685	
			NWC	1441	
Fees & Expenses	50		Operating Assumptions		
Exit (\$MM)			Revenue Growth	9.0%	
EBITDA Multiple	12.0x		YoY margin expansion	1.0%	
			Tax Rate	21.0%	
			Capital Structure		
			Amount	Cost	
			Bank Debt	6.0x	3.5%
			Senior Notes	2.0x	12.0%
			Note		
			IRR		50.6%
			Capital Structure		
			Amount	Cost	
			Bank Debt	6.0x	6.0%
			Senior Notes	2.0x	12.0%
			Note		
			IRR		44.9%



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Q&A

WE'LL NOW OPEN THE FLOOR TO ANY QUESTIONS YOU MAY HAVE

Canva



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THANK YOU FOR JOINING US TODAY. WE LOOK FORWARD TO HELPING YOU
TRANSFORM YOUR INVESTMENT WITH



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