WESTPEAK RESEARCH ASSOCIATION

Analyst: Boey Li, BIE '27
contact@westpeakresearch.com

Aritzia Inc. (TSX: ATZ)

Consumer Discretionary – Fashion Retail

Discovering Essentials

January 25, 2024

Aritzia Inc. (TSX: ATZ) is a Canadian women's fashion retailer with its main consumer base in North America. The company was founded by businessman Brian Hill in 1984 in Vancouver, British Columbia. Aritzia is known for its curated collection of "everyday luxury" pieces from exclusive in-house and third-party brands such as Babaton, The Super Puff, TNA, and more.

Industry Overview

Aritzia lies in the affordable luxury market, marked by increasing growth at a 6-7% CAGR, with its market valued at around $200 bn; driven by consumer preference towards accessible pricing and quality, along with ethical consumption in contrast to fast fashion. In terms of regional growth, North America, as one of the largest fashion markets, is projected to grow moderately at a 3-4% CAGR from $420 bn to $485 bn by 2026.

Thesis

Catering to middle-to-high-income consumers, the brand benefits from strong pricing power. Aritzia stands out by blending aspirational fashion with an approachable shopping experience, offering everyday luxury, and filling the market gap. With a highly loyal customer base and strong brand equity, Aritzia drives growth through strategic reinvestments, including plans to open 8-10 new US boutiques annually by FY 2027 and enhance its e-commerce platforms with AI integration, projecting total sales revenue of $3.5 bn by FY 2027, achieving a 14% CAGR from FY 2022. The market underestimates Aritzia's brand moat, premium pricing power, and high sell-through rates, which position the company to outperform its peers with its operational excellence and consumer-centric innovation.

Valuation

We suggest a BUY rating for Aritzia Inc. with a target price of $82.72 arrived at through a 50% weight to DCF Perpetuity Growth method, 30% to DCF Exit Multiple method, and 10% weights each to EV/EBITDA and EV/Sales valuations.

Equity Research	Canada
Price Target	**CAD 82.72**
Rating	Buy
Share Price (Jan 25, Close)	CAD 71.17
Total Return	16.2%

Key Statistics	
52 Week H/L	$71.17/$31.82
Market Capitalization	$8.27B
Average Daily Trading Volume	$0.42M
Net Debt	$0.60B
Enterprise Value	$8.87B
Net Debt/EBITDA (LTM)	2.63x
Diluted Shares Outstanding	117M
Free Float	99%
Dividend Yield	N/A

Analyst Forecast

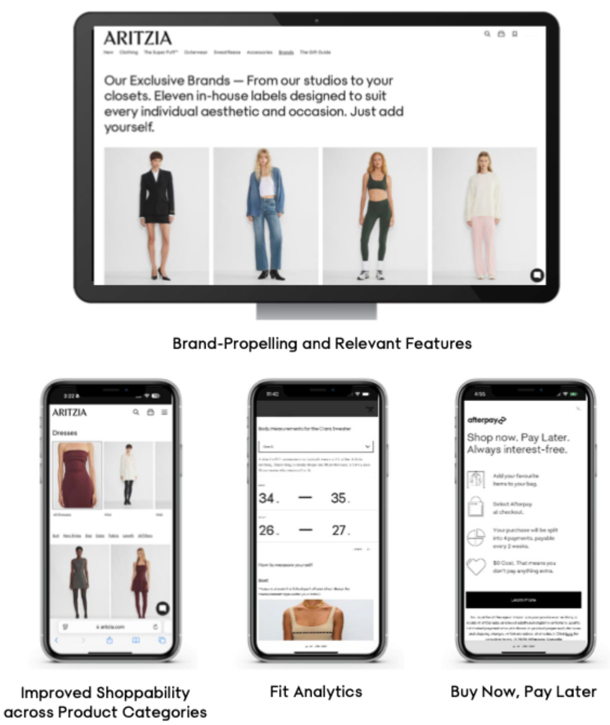
	FY2026	FY2027	FY2028
Revenue	$3.15B	$3.53M	$3.96B
EBITDA	$0.63B	$0.89B	$1.28B
Net Income	$271M	$425M	$657M
EPS	$2.32	$3.64	$5.62
P/E	29.24x	18.66x	12.06x
EV/EBITDA	12.87x	8.68x	5.52x

1-Year Price Performance

Company Overview

The primary market for Canadian women's fashion retailer, Aritzia, is North America. In 1984, businessman Brian Hill established the corporation in Vancouver, British Columbia. Aritzia operates a multi-faceted business that leverages its in-house brands, high-quality retail experience, and omnichannel strategy, fostering a loyal customer base. Following its IPO, Aritzia has shown strong growth in the US (making up 55.4% of sales in the most recent quarter, Q3 2025) and expanded its presence within North America with a revenue surge of 74.3% in FY 2021 and FY 2022. This upward trend continued in FY 2023 with a further 46.9% increase in revenue. Furthermore, the company's evolution in product mix focuses on blended reflections of client demands and fashion direction. Aritzia strives to differentiate itself through its premium personalized styling services through attentive in-store service and e-commerce platforms.

Growth Strategies



eCommerce 2.0 Strategy Highlights

As Aritzia integrates its eCommerce 2.0 strategy, it is set to be a cornerstone of its brand, helping drive repeat business and higher spending per customer through digital selling tools like fit analytics.

A) Tailored Product Discovery

By incorporating business intelligence and behaviour analytics, the new website understands its clients' styling needs and offers personalized discovery suggestions based on individual tastes.

B) *Engaging Experience*

The eCommerce 2.0 strategy offers aspirational site design with captivating content and communication, providing customers with a seamless shopping journey and improved digital experience across all device types.

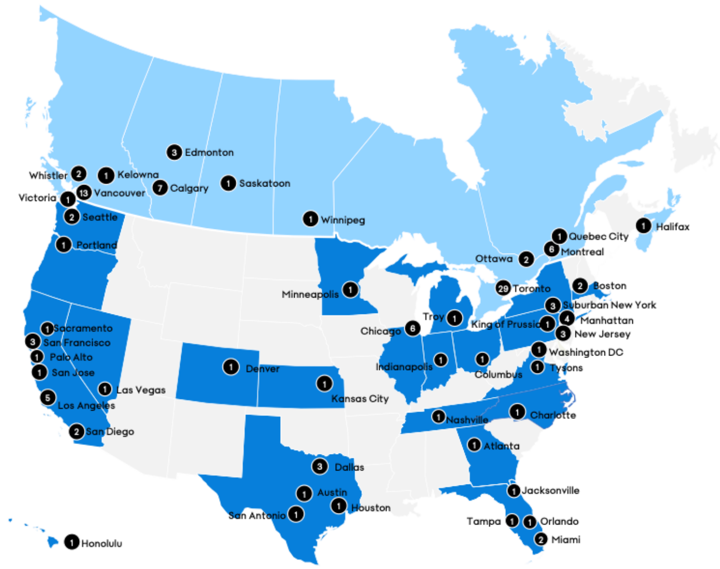
With eCommerce 2.0, new omni-channel possibilities such as "Buy Online, Pick-Up in Store" can be introduced, driving in-store traffic. In addition, the company aims to increase an online exclusive assortment of garments to increase growth.

Furthermore, Aritzia emphasizes higher initial markings and full-price sales through disciplined merchandising strategies, maintaining brand value exclusivity and contributing to margin integrity, therefore reinforcing its positioning as a premium retailer. Through such a pricing strategy, Aritiza sees swift payback from U.S. boutiques within a 12-18 month timeframe. Aritzia's strong brand identity, online and offline integration, and strategic marketing with influencer partnerships, which resonate well with its target demographic, continue to drive its success.

Boey Li| contact@westpeakresearch.com

Revenue Segments

The company's portfolio of boutiques is situated in premier locations within high-performing retail malls and high streets within Canada and the U.S. Currently, the brand operates 130 stores globally with a focus on U.S. expansion, where it is in the process of opening 11-13 new boutiques. Newly opened flagship stores in New York and Chicago currently see sales revenue equivalent to 10x regular stores.



130 Boutique Locations, Q3 2025

The company's exclusive mix of fashion brands and products currently represents approximately 96% of Aritzia's net revenue. Physical boutique sales comprise 66.3% of sales, and e-commerce sales continue to grow, comprising 33.7% of sales in the latest quarter (Q3 2025). Aritzia's in-house brands include Babaton, Super Puff, TNA, Wilfred, and menswear brand Reigning Champ. Aritzia's product mix is complemented by selected premium denim pieces, accessories, and footwear from leading third-party brands.


Babaton


The Super Puff™


Tna

Industry Analysis

The global retail fashion market is a multi trillion-dollar industry valued at around $1.7-$2 trillion. With a market valuation of over $200 bn, the affordable luxury sector is expanding at a 6-7% CAGR. The industry has seen sustained growth driven by changing consumer preferences, where shoppers increasingly seek high-quality, ethically produced fashion without the exorbitant price tags of traditional luxury brands. This shift has accelerated with the rise of digital commerce and the growing importance of omnichannel retail strategies, which have become critical differentiators. Companies like Aritzia, that actively invest in seamless online shopping and efficient supply chain logistics, are seen gaining market share.

However, as geopolitical instability and economic volatility persist, the industry still faces supply chain and consumer demand risks. Possible spikes in importing costs for common raw materials like cotton and wool, increased production costs, and fluctuations in exchange rates pose challenges in pricing. As Aritzia sources its raw materials from developing countries like Vietnam, Cambodia, etc, changes to Canada's General Preferential Tariff (GPT) can add administrative burden and costs. The newly proposed U.S. Tariffs on Canadian imports will also entail retail price increases, reducing competitiveness, which forces Aritzia to absorb the extra fees. However, despite such headwinds and supply chain disruptions, the affordable luxury market remains resilient, supported by strong brand affinity and relatively inelastic demand from higher-income segments.

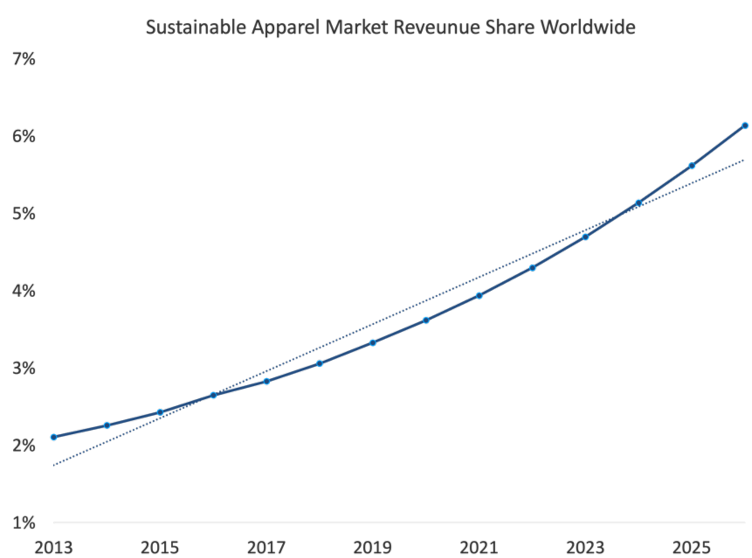
Consumer Trends and Drivers

E-Commerce and AI

Accelerated by the COVID-19 pandemic, the fashion retail industry has seen a major shift toward online shopping, with e-retail sales taking up ~20% of total retail sales globally. Companies, including Aritzia, have been transitioning to using AI for inventory management, trend prediction, and customer personalization, enhancing customer loyalty and sales. Furthermore, brands leverage data to anticipate trends and create real-time adjustments, avoiding overproduction and positioning themselves ahead of the market. Social media platforms have also transformed fashion marketing, playing a pivotal role in brand discovery and sales. Collaborating with AI agents has accelerated content creation and personalized marketing offers based on consumer insights and profiles.

S*ustainability and Ethicality*

With Generation Z, those born from the late 1990s to early 2010s, emphasizing the importance of sustainability, brands like Aritzia have been investing in eco-friendly materials and transparent supply chains to attract conscious consumers. In 2022, Aritzia stated that 50% of its materials used across collections were sustainable, including recycled fabric and sustainable alternatives like organic cotton, wool, and plant-based fibres. Additionally, companies in the industry have been investing in traceable supply chains and circular business models (e.g. resale, recycling, and rental options). Brands like Aritzia have partnered with ethical sourcing organizations to ensure manufacturing processes adhere to strict labour standards while incorporating clean energy in their production processes. As reported in Aritzia's Q2 2025 Investor Presentation, 100% of the energy fueling their boutiques, support offices, and distribution centres comes from renewable sources through purchased Renewable Energy Credits (RECs). As of 2024, the ethical fashion market worldwide sits at a value of $8.16 bn and is set for continued segment growth.



Increasing Revenue Share in the Sustainable Apparel Segment

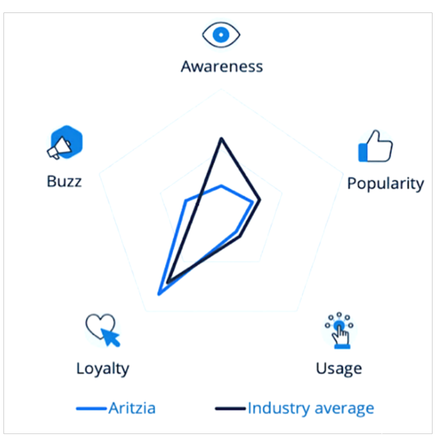
Competitive Differentiation

Fashion retail, on average, holds a net profit margin of around 5-10%. On the other hand, Aritzia's net profit margins sit just under high-end luxury at 10-12%, as part of the affordable luxury sector. Regarding revenue growth rates, the industry average sits at 3-6%, consistent for well-established players in the market; while Aritzia, along with other affordable luxury brands, has seen an average of 8-12% annual growth. As Aritzia stepped into its rigorous expansion into the U.S. in 2023, it saw a 17-20% revenue growth rate significantly outpacing the industry average due to a strong brand following, excellent expansion initiatives, and leading e-commerce sales. Aritzia is seen to make up 3-5% of the North American affordable luxury market; its key competitors consist of Lululemon, Urban Outfitters, Zara, and more.

Investment Theses

Strategic Positioning

Aritzia positions itself as a premium yet accessible fashion retailer by offering high-quality clothing and accessories that reflect luxury style without the luxury price tag. The brand has built a reputation for providing value through quality and design, which resonates with middle-to-high income consumers, representing 60-70% of the households in Canada and the U.S. As 56% of Aritzia's consumer base is in the high-income category, the company faces less operating risk in times of inflation.



Aritzia U.S. Brand Performance Analysis, Source: Statista

From their iconic Super Puff jackets to office wear, to closet basics, Aritzia has created its niche that differentiates itself from its competitors that either have a focus on athleisure like Lululemon or do not have a focused product line like Zara. As there are very few companies that operate at this tier, Aritzia holds strong pricing power through its position as a result of its strategic merchandising and branding, hence facing little peer competition. In recent years, many have switched from shopping luxury to opting for Aritzia's affordable yet classic pieces. This is becoming more prevalent as consumers are increasingly putting savings towards post-pandemic travelling rather than splurging on luxury goods. Thus, the company's inventory turnover rate has increased and sits at the fashion industry average of 4-5x annually, indicating effective inventory management. Aritzia's consistency in style and in-house brand selection, accompanied by a diverse product line, is the source of its consumer loyalty, which in return is the highest-scoring KPI for the company. As consumers emphasize product authenticity and ultimately choose to perform "luxury" purchases, Aritzia's "everyday luxury" offers a perfect mix of price-friendly and authentic products.

Boey Li| contact@westpeakresearch.com

U.S. Expansion

As Artizia has already established a strong brand image and customer loyalty, its next focus is to leverage these factors that bring strong sales to reinvest in company growth. They have been actively reinvesting in new boutique openings in the U.S. and plan to open 10+ more boutiques in the U.S. by the end of FY 2025. Through such expansion, they continue to build brand awareness and significantly propel client acquisition through both physical and e-commerce channels, with a forecasted 13% revenue growth in FY 2025. As the company continues to expand into the U.S. markets, it is set for substantial growth through loyalty and media buzz beyond industry averages that the company has earned after two years of operating in the U.S. Furthermore, the brand has positioned boutiques in many high streets, including its SoHo flagship store in New York, creating brand awareness through exposure to international consumers in high visitor volume locations.

Growth and Innovation

As Artizia becomes more accessible, other aspects of brand performance (e.g. awareness and popularity) can be more easily fulfilled. In an attempt to build popularity, the brand has also opened cafés and photo booths at various locations, increasing customer flow and in-store shopping durations. Aritzia has also been reinvesting in distribution centres, opening new ones and expanding existing facilities in Canada and the US, expediting logistical operations. To continue, Aritzia has reinvested heavily into upgrading its eCommerce platform, improving product discovery and intuitive shopping experiences to engage online customers, accelerating Aritzia's omnichannel sales. Furthermore, Aritzia continues to focus on brand awareness expansion through boutique network, influencer strategy, and VIP programs. Through these reinvestments, Aritzia is actively promoting brand relevancy and setting itself in good positioning for global expansions.

Valuation

Discounted Cash Flow Analysis

Revenue

Revenue is projected to decrease in the quarter of FY2026 as a result of weakened consumer demand due to volatile economic conditions, contributing to sluggish growth within the fashion industry in 2025. In addition, as Aritzia gains ~60% of its revenue from winter and holiday sales, the first two quarters have been historically slow.

Costs of Goods Sold (COGS) as % of Revenue

Following historical patterns, COGS is set to be at a stable ~53% of revenue as Aritzia continues to invest in expansion. Decreases starting FY 2028 will be due to costs spread over increased units of production and implied improved operational efficiency.

Capital Expenditures (CAPEX)

Capital Expenditure is expected to stay at an annual average of 38% from FY2025 to FY2027, slightly higher than previous years due to capital spending through active expansion.

Weighted Average Cost of Capital (WACC)

The weighted average cost of capital (WACC) is estimated at 10.8%. This is given by a risk-free rate of 3.5%, an expected market return of 8% (based on the S&P/TSX Composite Index), and a beta of 1.84. The cost of equity is 11.8% and the cost of debt is calculated to be 0.6% based on a pre-tax cost of debt to be 1.6% and an effective tax rate of 36.3%.

Perpetuity Growth

A 2.5% perpetuity growth rate is applied for Aritzia. This assumption is slightly above long-term GDP growth, justified by Aritzia’s strong brand equity, store expansion opportunities, and digital channel momentum.

Terminal EV/EBITDA Multiple

An EV/EBITDA exit multiple of 12.9x is applied, an industry mean of the EV/EBITDA multiple for the past year presented in the comparable companies analysis.

Comparable Companies Analysis

Companies including Abercrombie & Fitch, American Eagle, Lululemon, Ralph Lauren, Urban Outfitters, and Victoria’s Secret, with similar geography, consumer demographics, and share price ranges were selected. Although Lululemon and Victoria’s Secret hold a different product focus, an exception was made to include them as these companies have similar merchandising and pricing strategies to Aritzia.

Catalysts

Demand for Affordable Luxury

As more consumers seek ways to indulge in luxury without overspending, brands like Aritzia cater to this market by offering upscale fashion and exclusive designs at more accessible price points. This trend is particularly noticeable among young adults and teenagers, who prioritize value, sustainability, and craftsmanship but are less inclined to splurge on high-end designer labels. Aritzia's ability to deliver a balance between exclusivity and value positions it well to tap into this growing demand.

Unique In-House Brands

Aritzia's strong in-house brand portfolio is a key driver of its business strategy and growth. The company has successfully developed a collection of private-label brands, including its flagship Aritzia brand and other labels like Wilfred, Babaton, and TNA. This diverse portfolio allows Aritzia to maintain control over design, production, and pricing, leading to higher margins compared to relying on third-party brands. Additionally, the ability to quickly respond to trends and consumer demand helps Aritzia create exclusive, sought-after products, enhancing customer loyalty and brand strength. This focus on in-house brands supports greater operational efficiency and brand differentiation in the competitive fashion retail landscape.

Risks

Changing Consumer Preferences

Aritzia's business model heavily relies on strong customer loyalty and staying attuned to evolving consumer preferences. While Aritzia's strong customer loyalty is a critical advantage, it also presents a significant risk. If consumer preferences shift or if competitors offer more appealing alternatives, Aritzia could face challenges in maintaining its customer base. This makes the company particularly vulnerable to fluctuations in consumer sentiment, leading to risks of reduced sales and inventory imbalances.

Economic Downturns

Macroeconomic downturns present a significant risk to Aritzia, as they can lead to reduced consumer spending due to lower disposable income, especially on discretionary items like premium fashion, directly impacting Aritzia's sales revenue. Aritzia's reliance on a premium pricing strategy makes it particularly vulnerable in these conditions, as consumers may turn to more affordable alternatives. As more than 30% of Aritzia's supplier facilities sit in developing economies outside of Canada and the U.S., production risks are another significant concern. As the company relies on a global supply chain to source materials and manufacture its products, it is exposed to risks from geopolitical tensions, trade barriers, and fluctuating tariffs. Disruptions in the flow of goods, such as delays in raw material delivery or labour shortages, can impact the company's ability to meet demand and maintain healthy inventory levels.

Recommendation - *BUY*

Aritzia Inc. (TSX: ATZ) is currently an undervalued company and is rated as a **BUY.**

The target share price of $82.72 is supported by Discounted Cash Flow and Comparable Companies analyses. The following weights have been placed into valuation:

- 50% weight on Perpetuity Growth Implied Price of $68.40 based on DCF Valuation
- 30% weight on Exit Multiple Implied Price of $139.08 based on DCF Valuation
- 10% weight on both EV/EBITDA and EV/Sales Implied Price of $31.65 and $36.36 respectively, based on Comparable Companies Valuation

As Aritzia maintains a high level of differentiation through its product line, brand identity, and pricing power, there are very few comparable peers in the industry. Peer companies such as Urban Outfitters lack an in-house brand line, Reformation operates privately, and Lululemon operates and derives a significant portion of its revenue from Asia sales. This depresses the accuracy of a comparable analysis, thus resulting in less weight taken from the Comparable Companies Valuation. With Aritzia's unique positioning backed by strategic merchandising and brand image, it can set influential standards within the affordable luxury sector. By continuing to reinvest in business strategy and technology to achieve operational efficiency and stability, the company will have the potential to obtain significant market share. Accompanied by stable increases in cash flow and returns on investment, Aritzia is in a good position for modest expansion.

Appendix 1: Income Statement

Operating Model	Feb-23	Mar-24	Dec-24	Apr-25	Apr-25	Jul-25	Oct-25	Jan-26	Apr-26	Apr-26	Apr-27	Apr-28	Apr-29	Apr-30
(Figures in mm CAD)	**FY-2023**	**FY-2024**	**Q3-2025**	**Q4-2025**	**FY-2025**	**Q1-2026**	**Q2-2026**	**Q3-2026**	**Q4-2026**	**FY-2026**	**FY-2027**	**FY-2028**	**FY-2029**	**FY-2030**
Income Statement														
Revenue	**2196**	**2332**	**729**	**844**	**2687**	**659**	**729**	**818**	**948**	**3155**	**3532**	**3960**	**4427**	**4763**
COGS	1282	1433	395	464	1505	363	383	429	498	1656	1766	1881	1948	1881
Gross Profit	**914**	**899**	**333**	**380**	**1182**	**297**	**346**	**389**	**450**	**1499**	**1766**	**2079**	**2479**	**2882**
SG&A	602	709	216	242	834	175	186	217	251	829	830	752	819	810
Stock Based Compensation	24	32	10	10	39	10	10	10	10	39	44	49	55	60
EBITDA (Income from Operations)	**287**	**158**	**108**	**128**	**310**	**112**	**151**	**162**	**190**	**631**	**892**	**1277**	**1605**	**2012**
D&A	53	65	20	27	86	35	30	43	51	158	208	216	224	233
EBIT	**234**	**94**	**87**	**101**	**224**	**78**	**121**	**119**	**139**	**473**	**684**	**1061**	**1380**	**1779**
Interest (Finance) Expense	31	49	13	13	51	14	14	14	14	58	50	50	50	50
Other Expenses (Income)	(8)	(5)	(10)	(10)	(25)									
EBT	**211**	**50**	**84**	**99**	**199**	**63**	**107**	**105**	**124**	**415**	**634**	**1011**	**1330**	**1729**
Income Tax	76	36	31	36	83	23	38	38	45	144	209	354	466	605
Net income	**135**	**14**	**54**	**63**	**116**	**41**	**68**	**67**	**80**	**271**	**425**	**657**	**865**	**1124**
Shares Outstanding, Basic	110	111	113	113	113	113	113	113	113	113	113	113	113	113
Shares Outstanding, Diluted	115	114	117	117	116	117	117	117	117	117	117	117	117	117
Earnings Per Share, Basic	**1.22**	**0.13**	**0.48**	**0.56**	**1.03**	**0.36**	**0.61**	**0.60**	**0.71**	**2.40**	**3.77**	**5.83**	**7.67**	**9.97**
Earnings Per Share, Diluted	**1.17**	**0.12**	**0.46**	**0.54**	**1.00**	**0.35**	**0.59**	**0.58**	**0.68**	**2.32**	**3.64**	**5.62**	**7.40**	**9.62**
Dividend Per Share, $/Share	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Appendix 2: Balance Sheet

Operating Model

(Figures in mm CAD)	FY-2023	FY-2024	Q3-2025	Q4-2025	FY-2025	Q1-2026	Q2-2026	Q3-2026	Q4-2026	FY-2026	FY-2027	FY-2028	FY-2029	FY-2030
	Feb-23	Mar-24	Dec-24	Apr-25	Apr-25	Jul-25	Oct-25	Jan-26	Apr-26	Apr-26	Apr-27	Apr-28	Apr-29	Apr-30
Balance Sheet														
Current Assets														
Cash and Cash Equivalents	87	163	207	285	284	242	287	380	511	513	888	1581	2463	3598
Accounts Receivable	18	18	21	41	41	23	27	31	37	37	18	10	11	12
Inventories	468	340	462	433	433	435	447	447	440	440	402	367	349	329
Prepaid Expenses	33	37	52	83	83	73	54	43	32	32	26	28	10	9
Income Taxes Recoverable	6	7	7	7	7	7	7	7	7	7	7	7	7	7
Total Current Assets	**612**	**566**	**750**	**848**	**848**	**780**	**822**	**907**	**1028**	**1029**	**1342**	**1993**	**2840**	**3956**
Non-Current Assets														
Property and Equipment	309	431	617	621	621	649	684	710	727	727	756	786	816	848
Intangible Assets	86	85	89	89	89	89	89	89	89	89	89	89	89	89
Goodwill	199	199	199	199	199	199	199	199	199	199	199	199	199	199
Other	4	5	6	6	6	6	6	6	6	6	6	6	6	6
Deferred Tax Assets	13	27	16	16	16	16	16	16	16	16	16	16	16	16
Right-of-Use Assets	614	632	707	707	707	707	707	707	707	707	707	707	707	707
Total Non-Current Assets	**1225**	**1380**	**1635**	**1639**	**1639**	**1667**	**1702**	**1728**	**1745**	**1745**	**1774**	**1803**	**1834**	**1866**
Total Assets	**1837**	**1946**	**2385**	**2488**	**2487**	**2447**	**2524**	**2635**	**2773**	**2774**	**3115**	**3796**	**4674**	**5822**
Current Liabilities														
Accounts Payable & Accrued Liabilities	222	213	354	409	409	326	337	378	438	438	353	376	390	415
Deferred Revenue	72	82	137	137	137	137	137	137	137	137	137	137	137	137
Income Taxes Payable	0	2	2	2	2	2	2	2	2	2	2	2	2	2
Current Portion of Contingent Consideration	7	0	0	0	0	0	0	0	0	0	0	0	0	0
Current Portion of Lease	117	107	89	89	89	89	89	89	89	89	89	89	89	89
Total Current Liabilities	**417**	**403**	**582**	**636**	**636**	**554**	**565**	**606**	**666**	**666**	**581**	**604**	**617**	**643**
Non-Current Liabilities														
Long-Term Debt	0	0	0											
Other	21	13	17	17	17	17	17	17	17	17	17	17	17	17
Deferred Tax Liabilities	22	23	23	23	23	23	23	23	23	23	23	23	23	23
Lease Liabilities	655	699	806	806	806	806	806	806	806	806	806	806	806	806
Non-controlling Interest in Exchangeable Shares Liability	36	0	0	0	0	0	0	0	0	0	0	0	0	0
Contingent Consideration	0	0	0	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	**733**	**735**	**846**	**846**	**846**	**846**	**846**	**846**	**846**	**846**	**846**	**846**	**846**	**846**
Total Liabilities	**1151**	**1139**	**1428**	**1482**	**1482**	**1400**	**1411**	**1452**	**1512**	**1512**	**1427**	**1450**	**1464**	**1489**
Shareholders' Equity														
Additional Paid-in Capital	266	308	346	346	346	346	346	346	346	346	346	346	346	346
Retained Earnings (Accumulated Deficit)	355	407	510	558	558	600	668	736	815	815	1240	1897	2762	3886
Contributed Surplus	69	96	104	104	104	104	104	104	104	104	104	104	104	104
Accumulated Other Comprehensive Income (Loss)	(3.684)	(4)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Total Shareholders' Equity	**686**	**807**	**957**	**1005**	**1005**	**1047**	**1115**	**1182**	**1262**	**1262**	**1687**	**2344**	**3209**	**4333**
Minority Interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	**686**	**807**	**957**	**1005**	**1005**	**1047**	**1115**	**1182**	**1262**	**1262**	**1687**	**2344**	**3209**	**4333**
Total liabilities and shareholders' equity	**1837**	**1946**	**2385**	**2488**	**2488**	**2447**	**2526**	**2634**	**2774**	**2774**	**3114**	**3794**	**4673**	**5822**

Appendix 3: Cash Flow Statement

Operating Model

	Feb-23	Mar-24	Dec-24	Apr-25	Apr-25	Jul-25	Oct-25	Jan-26	Apr-26	Apr-26	Apr-27	Apr-28	Apr-29	Apr-30
(Figures in mm CAD)	**FY-2023**	**FY-2024**	**Q3-2025**	**Q4-2025**	**FY-2025**	**Q1-2026**	**Q2-2026**	**Q3-2026**	**Q4-2026**	**FY-2026**	**FY-2027**	**FY-2028**	**FY-2029**	**FY-2030**
Cash Flow Statement														
Operating Activities														
Net Income	188	79	74	90	202	75	98	110	130	429	633	873	1089	1357
Depreciation and Amortization	53	65	20	27	86	35	30	43	51	158	208	216	224	233
Depreciation on Right-of-Use Assets	81	104	26		80									
Fair Value Adjustments	0	(15)	0											
Financing Expense	31	49	13		38									
Stock-Based Compensation	24	32	10		31									
Lease Amortization	(1)	0	0											
FX Loss (Gain)	6	5	(0)		(6)									
Income Tax (Recovery) Expense	76	36	31		47									
Other	0	4	(0)		1									
Cash Flow Before Working Capital	**458**	**358**	**174**	**117**	**478**	**110**	**127**	**153**	**181**	**586**	**840**	**1089**	**1314**	**1590**
Accounts Receivable	(4)	(2)	0	(19)	(19)	17	(4)	(4)	(7)	(7)	(20)	(27)	(7)	2
Inventories	(252)	127	27	(29)	(29)	2	12	(1)	(6)	(6)	(39)	(35)	(18)	(19)
Prepaid Expenses	(7)	(12)	(5)	31	31	(11)	(19)	(11)	(11)	(11)	(5)	2	(18)	(0)
Other Assets	0	(2)	(1)		(1)									
Accounts Payable	20	(24)	(2)	54	54	(82)	11	41	60	60	(85)	23	13	25
Deferred Revenue	14	10	50							(64)				
Net Change in non-cash working capital	**(229)**	**97**	**69**	**37**	**37**	**(74)**	**0**	**26**	**36**	**(28)**	**(148)**	**(38)**	**(30)**	**8**
Cash Gen Before Interest and Income Taxes	**229**	**455**	**152**	**154**	**515**	**36**	**128**	**179**	**217**	**558**	**692**	**1051**	**1284**	**1598**
Interest Expense	(4)	(6)	(1)	(1)	(3)	(1)	(1)	(1)	(1)	(3)	(3)	(3)	(3)	(3)
Income Taxes Paid	(123)	(48)	(14)	(3)	(38)	(1)	(4)	(3)	(4)	(12)	(25)	(59)	(91)	(143)
Interest on Lease	(27)	(43)	(13)	(13)	(50)	(13)	(13)	(13)	(13)	(52)	(52)	(52)	(52)	(52)
Net CFO	**75**	**359**	**124**	**137**	**424**	**20**	**110**	**161**	**199**	**491**	**612**	**938**	**1138**	**1400**
Investing Activities														
Acquisitions	0	(6)	0											
Diverstitures	0	0	0											
PP&E (CAPEX)	(123)	(173)	(84)	(59)	(250)	(62)	(65)	(68)	(67)	(263)	(236)	(246)	(255)	(265)
Purchase of Intabgible Assets	(3)	(3)	(2)		(6)									
NET CFI	**(126)**	**(182)**	**(86)**	**(59)**	**(256)**	**(62)**	**(65)**	**(68)**	**(67)**	**(263)**	**(236)**	**(246)**	**(255)**	**(265)**
Financing Activities														
Payment of Financing Fees	0	(1)	0											
Repayment of Principal on Lease Liabilities	(86)	(110)	(30)		(83)									
Proceeds from Lease Incentives	14	21	4		10									
Proceeds from Options Exercised	11	21	5		22									
Proceeds from Revolving Credit Facility	0	0	0											
Repayment of Revolving Credit Facility	0	0	0											
Shares Repurchased for Cancellation	(61)	(30)	(6)		(6)									
Repayment of Long-Term Debt	0	0	0											
Net CFF	**(123)**	**(99)**	**(28)**		**(51)**									
FX Effect	0	(0)	2		3									
Net Change in Cash Balance	**(179)**	**78**	**103**	**78**	**120**	**(42)**	**45**	**93**	**131**	**228**	**376**	**692**	**883**	**1135**
Beginning Cash	**265**	**87**	**104**	**207**	**164**	**284**	**242**	**287**	**380**	**284**	**513**	**888**	**1581**	**2463**
Ending Cash Balance	**87**	**164**	**207**	**285**	**284**	**242**	**287**	**380**	**511**	**513**	**888**	**1581**	**2463**	**3598**

Boey Li| contact@westpeakresearch.com

Appendix 4: Schedules

Operating Model

(Figures in mm CAD)	Feb-23 FY-2023	Mar-24 FY-2024	Dec-24 Q3-2025	Apr-25 Q4-2025	Apr-25 FY-2025	Jul-25 Q1-2026	Oct-25 Q2-2026	Jan-26 Q3-2026	Apr-26 Q4-2026	Apr-26 FY-2026	Apr-27 FY-2027	Apr-28 FY-2028	Apr-29 FY-2029	Apr-30 FY-2030
Revenue Analysis														
Number of Stores at Beginning of Period	107	114	122	127	134	149	152	155	157	159	169	176	183	190
Stores Newly Opened, # of Stores	8	6	5	7	15	3	3	2	3	11	8	8	8	8
Stores Closed, # of Stores	(1)	(1)	0	0	0	0	0	0	(1)	(1)	(1)	(1)	(1)	(1)
Number of Stores at End of Period	114	119	127	134	149	152	155	157	159	169	176	183	190	197
Avg. Number of Stores, # of Stores	74	78	83	87	94	100	102	104	105	109	115	120	124	129
Sales from Boutiques	1427	1547	487	567	1838	462	532	589	664	2246	2473	2693	2922	3096
Avg. sales per store	19	20	6	7	19	5	5	6	6	21	22	23	24	24
Sales from eCommerce	768	785	242	277	836	198	197	229	284	909	1060	1267	1505	1667
Total Revenue	***2196***	***2332***	***729***	***844***	***2674***	***659***	***729***	***818***	***948***	***3155***	***3532***	***3960***	***4427***	***4763***
Boutique Sales, % of sales of total rev., %	65%	66%	67%	67%	69%	70%	73%	72%	70%	71%	70%	68%	66%	65%
eCommerce Sales, % of sales of total rev., %	35%	34%	33%	33%	31%	30%	27%	28%	30%	29%	30%	32%	34%	35%
Schedules - Property and Equipment														
Property and Equipment, Beginning	414	431	526	589	621	621	649	684	710	727	727	756	786	816
Add: Capital Expenditures	123	173	84	59	250	62	65	68	67	263	236	246	255	265
Add: Acquisitions	0	6	0	0	0	0	0	0	0	0	0	0	0	0
Less: Depreciation	(53)	(65)	(20)	(27)	(86)	(35)	(30)	(43)	(51)	(158)	(208)	(216)	(224)	(233)
Less: Other Adjustments	(175)	(114)	0		(164)					(105)				
Property and Equipment, Ending	309	431	589	621	621	649	684	710	727	727	756	786	816	848
Capex, % of Beginning P&E, %	30%	40%	64%	40%	40%	40%	40%	40%	38%	36%	33%	33%	33%	33%
Estimated P&E Useful Life, Years	8	7	6	5	7	5	5	4	4	5	4	4	4	4
Working Capital Analysis														
Current Assets														
Accounts Receivable, % of Revenue, %	1%	1%	1%	1%	2%	1%	1%	1%	1%	1%	1%	0%	0%	0%
Inventories, % of COGS, %	36%	27%	9%	23%	29%	30%	29%	26%	22%	27%	23%	20%	18%	18%
Prepaid Expenses, % of COGS, %	3%	3%	3%	4%	6%	5%	4%	3%	2%	2%	2%	2%	1%	1%
Current Liabilities														
Accounts Payable, % of COGS, %	17%	15%	22%	22%	27%	22%	22%	22%	22%	26%	20%	20%	20%	22%
Drivers														
COGS, % of Revenue	0%	0%	0%	55%	56%	55%	53%	53%	53%	53%	50%	48%	44%	40%
Gross Margin	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
SG&A, % of Revenue	0%	0%	0%	29%	0%	27%	26%	27%	27%	0%	24%	19%	19%	17%
EBITDA Margin	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Effective Tax Rate	0%	0%	0%	36%	0%	36%	36%	36%	36%	0%	33%	35%	35%	35%
Revenue Growth	-	40%	12%	5%	44%	4%	5%	4%	2%	17%	4%	4%	4%	4%

Appendix 5: Discounted Cash Flow

Discounted Cash Flow Analysis

(Figures in mm CAD)

WACC Calculations

Cost of Equity	
Risk-free rate	3.5%
Expected market return	8.0%
Market Risk Premium	**4.5%**
Beta	1.84
Cost of Equity	**11.8%**

Cost of Debt	
Pre-tax cost of debt	1.6%
Debt Adjustment Factor	63.67%
Effective tax rate	36.3%
Cost of Debt	**0.6%**

WACC	
Market value of equity	8,315.2
Market value of debt	806.1
Total Capitalization	9,121.3
Cost of equity	11.8%
Cost of debt	0.6%
WACC	**10.8%**

Free Cash Flow

(Figures in mm CAD)	Feb-23 FY-2023	May-23 Q1-2024	Aug-23 Q2-2024	Nov-23 Q3-2024	Mar-24 Q4-2024	Mar-24 FY-2024	Jun-24 Q1-2025	Sep-24 Q2-2025	Dec-24 Q3-2025
EBIT	234	7	(1)	57	31	94	17	15	87
Less: Tax expense	(76)	(3)	(1)	(19)	(13)	(36)	(7)	(9)	(31)
Add: Depreciation and amortization	53	15	15	17	18	65	19	19	20
Less: Capital expenditures	(123)	(35)	(48)	(44)	(44)	(173)	(58)	(49)	(84)
Less: Change in net working capital	(383)	(38)	(64)	113	(5)	1	(78)	(22)	(50)
Unlevered Free Cash Flow	**(295)**	**(54)**	**(99)**	**124**	**(13)**	**(50)**	**(108)**	**(45)**	**(57)**
Discount factor									
Present Value of Unlevered Free Cash Flow									

(Figures in mm CAD)	Apr-25 Q4-2025	Apr-25 FY-2025	Jul-25 Q1-2026	Oct-25 Q2-2026	Jan-26 Q3-2026	Apr-26 Q4-2026	Apr-26 FY-2026	Apr-27 FY-2027	Apr-28 FY-2028	Apr-29 FY-2029	Apr-30 FY-2030
EBIT	101	224	78	121	119	139	473	684	1061	1380	1779
Less: Tax expense	(36)	(83)	(23)	(38)	(38)	(45)	(144)	(209)	(354)	(466)	(605)
Add: Depreciation and amortization	27	86	35	30	43	51	158	208	216	224	233
Less: Capital expenditures	(59)	(250)	(62)	(65)	(68)	(67)	(263)	(236)	(246)	(255)	(265)
Less: Change in net working capital	20	(54)	(89)	(18)	8	18	(95)	(228)	(151)	(176)	(190)
Unlevered Free Cash Flow	**53**	**(77)**	**(62)**	**30**	**65**	**95**	**129**	**218**	**526**	**708**	**952**
Discount factor	0.25	0.25	0.50	0.75	1.00	1.25	1.25	2.25	3.25	4.25	5.25
Present Value of Unlevered Free Cash Flow	**52**	**52**	**(59)**	**28**	**58**	**84**	**111**	**173**	**377**	**458**	**556**

Discounted Cash Flow Valuations

Perpetuity Growth Method	
Perpetuity Growth Rate	**2.5%**
PV sum of unlevered FCF	1,726.2
Terminal value	6,864.3
Enterprise Value	**8,590.4**
Add: Cash	207.0
Less: Debt	806.1
Less: Other EV adjustments	-
Equity Value	**7,991.4**
Shares outstanding	116.8
Implied Share Price	**$ 68.40**
Current Price	$ 71.17
Implied Price	**$ 68.40**
Total Return	**-3.9%**

Exit Multiple Method	
Terminal EV/EBITDA Multiple	**12.9 x**
PV sum of unlevered FCF	1,726.2
Terminal value	15121.9
Enterprise Value	**16848.1**
Add: Cash	207.0
Less: Debt	806.1
Less: Other EV adjustments	-
Equity Value	**16249.0**
Shares outstanding	116.8
Implied Share Price	**$139.08**
Current Price	$ 71.17
Implied Price	**$139.08**
Total Return	**95.4%**

Perpetuity Growth Rate \ WACC	11.8%	11.3%	10.8%	10.3%	9.8%
1.50%	$ 54.04	$ 57.25	$ 61.57	$ 65.77	$ 71.46
2.00%	$ 56.57	$ 60.06	$ 64.79	$ 69.41	$ 75.73
2.50%	$ 59.37	$ 63.19	**$ 68.40**	$ 73.52	$ 80.58
3.00%	$ 62.49	$ 66.70	$ 72.47	$ 78.20	$ 86.15
3.50%	$ 65.99	$ 70.66	$ 77.10	$ 83.55	$ 92.60

Terminal EV/EBITDA Multiple \ WACC	11.8%	11.3%	10.8%	10.3%	9.8%
10.9 x	$ 113.55	$ 115.95	$ 118.95	$ 121.63	$ 124.96
11.9 x	$ 123.15	$ 125.75	$ 129.00	$ 131.91	$ 135.51
12.9 x	$ 132.77	$ 135.58	**$ 139.08**	$ 142.21	$ 146.09
14.0 x	$ 143.32	$ 146.34	$ 150.12	$ 153.50	$ 157.69
14.9 x	$ 151.96	$ 155.17	$ 159.17	$ 162.75	$ 167.19

Appendix 6: Comparable Companies Analysis

Comparable Company Analysis

As of Jan. 10 2025
(Figures in mm USD) USD/CAD=$1.42

Company	Ticker	Share Price	Equity Value	Enterprise Value	2022 EBITDA	2023 EBITDA	2024 EBITDA	2022 EV/EBITDA	2023 EV/EBITDA	2024 EV/EBITDA	2022 Sales Revenue	2023 Sales Revenue	2024 Sales Revenue	2022 EV/SALES	2023 EV/SALES	2024 EV/SALES
								EV/EBITDA Multiple			P/E Multiple					
Lululemon Athletica	(NASDAQ: LULU)	$ 395.47	49,884.2	50,231.4	1,599.0	2,017.9	2,586.6	31.4 x	24.9 x	19.4 x	$ 6,257	$ 8,111	$ 9,619	8.0 x	6.2 x	5.2 x
Urban Outfitters	(NASDAQ: URBN)	$ 56.96	5,396.1	6,291.2	511.4	324.9	491.8	12.3 x	19.4 x	12.8 x	$ 4,549	$ 4,795	$ 5,153	1.4 x	1.3 x	1.2 x
American Eagle Outfitters	(NYSE: AEO)	$ 16.23	3,209.6	4,438.2	774.2	481.8	599.6	5.7 x	9.2 x	7.4 x	$ 5,011	$ 4,990	$ 5,262	0.9 x	0.9 x	0.8 x
Abercrombie & Fitch	(NYSE: ANF)	$ 160.92	8,573.7	8,842.3	491.0	229.5	655.8	18.0 x	38.5 x	13.5 x	$ 3,713	$ 3,698	$ 4,281	2.4 x	2.4 x	2.1 x
Victoria's Secret	(NYSE: VSCO)	$ 37.58	3,006.4	5,967.4	1,173.0	751.0	530.0	5.1 x	7.9 x	11.3 x	$ 6,785	$ 6,344	$ 6,182	0.9 x	0.9 x	1.0 x
Ralph Lauren	(NYSE: RL)	$ 237.34	15,284.7	19,992.4	1,038.3	952.8	1,048.6	19.3 x	21.0 x	19.1 x	$ 6,219	$ 6,444	$ 6,631	3.2 x	3.1 x	3.0 x
Aritzia	**(TSX: ATZ)**	**$ 48.18**	**5,629.2**	**6,054.6**	**253.6**	**304.4**	**235.4**	**23.9 x**	**19.9 x**	**25.7 x**	**$ 1,061.19**	**$ 1,558.90**	**$ 1,655.97**	**5.7 x**	**3.9 x**	**3.7 x**
Median								**12.3 x**	**19.4 x**	**12.8 x**				**1.4 x**	**1.3 x**	**1.2 x**
Mean								**14.5 x**	**20.0 x**	**12.9 x**				**2.7 x**	**2.3 x**	**2.1 x**
High								**31.4 x**	**38.5 x**	**19.4 x**				**8.0 x**	**6.2 x**	**5.2 x**
Low								**5.1 x**	**7.9 x**	**7.4 x**				**0.9 x**	**0.9 x**	**0.8 x**

					EV/EBITDA Impliled Price							EV/Sales Implied Price		
Median		**2022**	**2023**	**2024**	$ 23.06	$ 46.81	$ 22.13		**2022**	**2023**	**2024**	$ 8.92	$ 13.86	$ 13.66
Mean	**CAD**	**$ 39.54**	**$ 68.79**	**$ 31.65**	**$ 27.85**	**$ 48.44**	**$ 22.29**	**CAD**	**$ 29.80**	**$ 39.27**	**$ 36.36**	**$ 20.99**	**$ 27.65**	**$ 25.61**
High					$ 64.54	$ 96.76	$ 35.48					$ 69.28	$ 79.00	$ 70.37
Low					$ 7.40	$ 17.06	$ 11.27					$ 4.35	$ 8.23	$ 8.31

Appendix 7: Summary Page

Summary Page

	Feb-23	May-23	Aug-23	Nov-23	Mar-24	Mar-24	Jun-24	Sep-24	Dec-24	Apr-25	Apr-25	Jul-25	Oct-25	Jan-26	Apr-26	Apr-26	Apr-27	Apr-28	Apr-29	Apr-30
(Figures in mm CAD)	**FY-2023**	**Q1-2024**	**Q2-2024**	**Q3-2024**	**Q4-2024**	**FY-2024**	**Q1-2025**	**Q2-2025**	**Q3-2025**	**Q4-2025**	**FY-2025**	**Q1-2026**	**Q2-2026**	**Q3-2026**	**Q4-2026**	**FY-2026**	**FY-2027**	**FY-2028**	**FY-2029**	**FY-2030**
Income Statement																				
Revenue	2,195.6	462.7	534.2	653.5	682.0	2,332.4	498.6	615.7	728.7	844.1	2,687.1	659.3	728.9	818.0	948.0	3,154.8	3,532.1	3,959.6	4,427.0	4,763.1
EBITDA	287.2	21.6	13.7	74.1	49.1	158.2	35.9	34.6	107.6	128.1	309.7	112.5	150.9	162.3	189.6	630.5	891.9	1,277.0	1,604.8	2,012.4
Net Income	134.7	2.6	(20.6)	26.2	5.1	14.0	(3.4)	(1.2)	53.8	63.2	115.8	40.6	68.4	67.2	79.6	271.1	424.8	657.2	864.7	1,123.9
Earnings Per Share	$ 1.17	$ 0.02	$ (0.19)	$ 0.23	$ 0.04	$ 0.12	$ (0.03)	$ (0.01)	$ 0.46	$ 0.54	$ 1.00	$ 0.35	$ 0.59	$ 0.58	$ 0.68	$ 2.32	$ 3.64	$ 5.62	$ 7.40	$ 9.62
Cash Flow Statement																				
Capital Expenditures	(122.8)	(34.9)	(47.9)	(44.3)	(44.2)	(172.7)	(58.5)	(49.0)	(83.6)	(58.9)	(250.0)	(62.1)	(64.9)	(68.4)	(67.5)	(263.0)	(236.4)	(245.6)	(255.3)	(265.3)
Acquisitions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Divestitures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance Sheet																				
Current Assets	611.8	595.2	648.1	609.6	566.2	566.2	559.8	671.3	750.0	848.4	848.1	780.1	822.1	907.4	1,028.1	1,029.5	1,341.6	1,992.6	2,839.8	3,955.8
Non-Current Assets	1,224.7	1,233.9	1,299.5	1,341.5	1,379.9	1,379.9	1,418.6	1,542.2	1,635.2	1,639.1	1,639.2	1,666.9	1,702.2	1,727.9	1,744.6	1,745.0	1,773.6	1,803.3	1,834.1	1,866.2
Assets	1,836.5	1,829.1	1,947.6	1,951.1	1,946.1	1,946.1	1,418.6	2,213.5	2,385.2	2,487.6	2,487.4	2,446.9	2,524.3	2,635.3	2,772.7	2,774.5	3,115.2	3,795.8	4,674.0	5,822.0
Current Liabilities	417.3	431.8	527.0	460.6	403.4	403.4	400.3	510.5	582.1	636.3	636.3	554.0	564.5	605.7	665.7	665.7	581.0	603.9	617.3	642.6
Non-Current Liabilities	733.5	666.1	694.4	716.0	735.2	735.2	741.9	829.4	846.2	846.2	846.2	846.2	846.2	846.2	846.2	846.2	846.2	846.2	846.2	846.2
Liabilities	1,150.8	1,097.9	1,221.3	1,176.6	1,138.6	1,138.6	1,142.3	1,339.9	1,428.3	1,482.5	1,482.5	1,400.2	1,410.7	1,451.8	1,511.9	1,511.9	1,427.1	1,450.1	1,463.5	1,488.8
Shareholders' Equity	685.8	731.2	726.2	773.5	807.5	807.5	836.5	873.5	956.9	1,005.3	1,005.1	1,046.7	1,115.1	1,182.5	1,262.3	1,262.3	1,687.2	2,344.3	3,209.1	4,333.0
Cash	86.5	58.8	76.5	140.8	163.3	163.3	100.7	104.0	207.0	284.6	284.3	242.4	287.2	380.0	511.5	512.8	888.5	1,580.5	2,463.2	3,598.0
Debt	654.7	628.0	660.4	682.8	698.6	698.6	709.3	790.6	806.1	806.1	806.1	806.1	806.1	806.1	806.1	806.1	806.1	806.1	806.1	806.1
Net Debt	568.2	569.2	583.8	542.0	535.3	535.3	608.6	686.6	599.1	521.5	521.7	563.6	518.9	426.1	294.6	293.2	(82.4)	(774.4)	(1657.1)	(2791.9)
Minority Interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Metrics																				
Return on Equity (ROE)	19.6%	0.3%	-2.8%	3.4%	0.6%	1.7%	-0.4%	-0.1%	5.6%	6.3%	11.5%	3.9%	6.1%	5.7%	6.3%	21.5%	25.2%	28.0%	26.9%	25.9%
Return on Assets (ROA)	7.3%	0.1%	-1.1%	1.3%	0.3%	0.7%	-0.2%	-0.1%	2.3%	2.5%	4.7%	1.7%	2.7%	2.6%	2.9%	9.8%	13.6%	17.3%	18.5%	19.3%
Return on Invested Capital (ROIC)	22.2%	0.4%	-0.1%	3.8%	1.2%	2.6%	-1.9%	-0.3%	6.4%	7.6%	11.4%	6.1%	8.3%	7.9%	9.4%	24.9%	32.5%	40.5%	47.6%	54.2%
Valuation Metrics																				
Stock Price (High)	$ 54.08	$ 43.90	$ 43.90	$ 25.73	$ 40.17	$ 43.90	$ 37.40	$ 47.66	$ 67.86	$ 67.86	$ 67.86	$ 67.86	$ 67.86	$ 67.86	$ 67.86	$ 67.86	$ 67.86	$ 67.86	$ 67.86	$ 67.86
Stock Price (Low)	$ 32.85	$ 36.47	$ 23.98	$ 21.92	$ 25.00	$ 21.92	$ 32.98	$ 36.40	$ 43.19	$ 67.86	$ 67.86	$ 67.86	$ 67.86	$ 67.86	$ 67.86	$ 67.86	$ 67.86	$ 67.86	$ 67.86	$ 67.86
Stock Price (Average)	$ 43.47	$ 40.19	$ 33.94	$ 23.83	$ 32.59	$ 32.91	$ 35.19	$ 42.03	$ 55.53	$ 67.86	$ 67.86	$ 67.86	$ 67.86	$ 67.86	$ 67.86	$ 67.86	$ 67.86	$ 67.86	$ 67.86	$ 67.86
Diluted Shares Outstanding (Average)	104.8	116.3	117.4	112.1	109.4	109.4	112.9	112.8	112.8	114.7	115.3	115.3	115.3	115.1	115.3	115.3	115.3	115.3	115.3	115.3
Market Capitalization (Average)	4,554.6	4,672.7	3,983.1	2,671.4	3,563.3	3,600.2	3,973.1	4,742.8	6,265.7	7,784.3	7,821.9	7,821.9	7,821.9	7,812.5	7,821.9	7,821.9	7,821.9	7,821.9	7,821.9	7,821.9
Enterprise Value (Average)	5,122.7	5,241.9	4,567.0	3,213.4	4,098.6	4,135.5	4,581.7	5,429.4	6,864.7	8,305.8	8,343.6	8,385.5	8,340.7	8,238.5	8,116.5	8,115.1	7,739.5	7,047.5	6,164.8	5,030.0
P/E	37.2 x	n/a	n/a	102.9 x	731.3 x	267.5 x	n/a	n/a	120.6 x	125.4 x	68.0 x	195.2 x	116.0 x	118.0 x	99.6 x	29.2 x	18.7 x	12.1 x	9.2 x	7.1 x
EV/EBITDA	17.8 x	243.1 x	333.9 x	43.4 x	83.5 x	26.1 x	127.5 x	157.1 x	63.8 x	64.8 x	26.9 x	74.6 x	55.3 x	50.8 x	42.8 x	12.9 x	8.7 x	5.5 x	3.8 x	2.5 x
FCF Yield to Market Capitalization	-6.5%	-1.2%	-2.5%	4.6%	-0.4%	-1.4%	-2.7%	-1.0%	-0.9%	0.7%	-1.0%	-0.8%	0.4%	0.8%	1.2%	1.6%	2.8%	6.7%	9.1%	12.2%
FCF Yield to Enterprise Value	-5.8%	-1.0%	-2.2%	3.9%	-0.3%	-1.2%	-2.4%	-0.8%	-0.8%	0.6%	-0.9%	-0.7%	0.4%	0.8%	1.2%	1.6%	2.8%	7.5%	11.5%	18.9%
Free Cash Flow																				
EBIT	234.3	6.7	(0.9)	57.3	30.9	93.7	16.7	15.1	87.3	101.3	223.8	77.9	121.3	119.5	138.9	472.9	684.1	1,061.0	1,380.4	1,779.1
Tax Expense	(76.2)	(3.2)	(0.6)	(19.1)	(12.9)	(35.8)	(7.5)	(9.0)	(30.7)	(35.6)	(82.7)	(22.8)	(38.5)	(37.8)	(44.8)	(143.9)	(209.2)	(353.9)	(465.6)	(605.2)
D&A	52.9	14.9	14.6	16.8	18.2	64.5	19.3	19.5	20.3	26.8	85.9	34.5	29.6	42.8	50.7	157.6	207.8	216.0	224.4	233.3
Capital Expenditures	(122.8)	(34.9)	(47.9)	(44.3)	(44.2)	(172.7)	(58.5)	(49.0)	(83.6)	(58.9)	(250.0)	(62.1)	(64.9)	(68.4)	(67.5)	(263.0)	(236.4)	(245.6)	(255.3)	(265.3)
Changes in NWC	(383.5)	(37.5)	(64.2)	113.3	(5.0)	0.7	(77.9)	(21.9)	(50.3)	19.7	(53.8)	(89.4)	(17.8)	8.5	17.9	(94.8)	(228.4)	(151.4)	(175.7)	(190.3)
Unlevered Free Cash Flow	(295.3)	(54.2)	(99.0)	124.1	(13.1)	(49.7)	(107.9)	(45.3)	(57.1)	53.3	(76.9)	(61.9)	29.7	64.5	95.2	128.9	217.8	526.1	708.2	951.6

Valuation Summary

Current Price	$ 71.17
Target Price	$ 82.72
Total Return	16.2%
Recommendation	**BUY**

DCF Valuation	
Perpetuity Growth Implied Price	$ 68.40
Exit Multiple Implied Price	$139.08
Comps Valuation	
Comps - EV/EBITDA Implied Price	$ 31.65
Comps - EV/Sales Implied Price	$ 36.36

Legal Disclaimer

The content, opinions, estimates, and projections contained in this report are those of WestPeak Research Association (known as "WestPeak" or "WestPeak Research") and its directors, analysts, and affiliates and are subject to change without notice. The content, opinions, estimates, and projections on this report may not have been updated directly by WestPeak and its directors, analysts, and affiliates and may also have been altered or without your or our knowledge. WestPeak and its directors, analysts, and affiliates, without exception, do not accept any liability for factual, typographical, and grammatical errors, omissions, or content in this report. WestPeak and its directors, analysts, and affiliates do not accept any liability for damages arising from the use of or reliance on any of the content, opinions, estimates, and projections on this report. WestPeak and its directors, analysts, and affiliates endeavor to ensure that the content, opinions, estimates, and projections have been compiled or derived from sources that we believe are reliable and contain information and opinions that are accurate and complete. Information may be available to WestPeak and its directors, analysts, and affiliates that is not reflected in this report. The information in this report is not intended to be used as the primary basis of investment decisions, and because of individual client objectives, should not be construed as advice designed to meet the particular investment needs of any investor. This report is for information purposes only and is not an offer to sell or the solicitation of an offer to buy any security. WestPeak and its directors, analysts, and affiliates may have a personal long or short position in any of the securities discussed herein, related securities or in options, futures or other derivative instruments based thereon. The reader should assume that WestPeak and its directors, analysts, and affiliates may have a conflict of interest and should not rely solely on this report in evaluating whether or not to buy or sell securities of issuers discussed herein. The reader, by the viewing of and use of the content, opinions, estimates, and projections contained in this report is assumed by WestPeak and its directors, analysts, and affiliates to have fully read, understood, and unconditionally agreed to all the terms and conditions set forth in this legal disclaimer.

Boey Li
Analyst

WestPeak Research Association
contact@westpeakresearch.com