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Chain Store Sales Quarterly Update

Retailers | Comparable Sales Tracking – 2nd Quarter, 2014

Q2 2014 ended July, 2014

Quarterly Overview

For the quarter ended July, 2014, the 103 chain stores now tracked quarterly by Tully & Holland reported a 1.4% median increase in comparable store sales. Fifty-two of the chains monitored (50.5%) reported positive growth in same store sales in Q2 of 2014 versus Q2 of 2013. After a weak Q1 2014, most retailers in our universe, regardless of product exposure, reported sequentially improved same store sales nos.

CHAIN STORE COMPARABLE GROWTH

Consumer Electronics	10.0%
Jewelry	6.7%
Athletic Footwear	6.0%
DIY Home Centers	5.4%
Men's Apparel	5.0%
Home Furnishings	4.7%
Beauty Aids	3.0%
Warehouse Club	2.5%
Off-Price	2.0%
Discount	1.9%
Department Stores	1.0%
Footwear	0.8%
Mass Merchandisers	0.0%
Chain Drug	-0.4%
Luxury Goods	-1.2%
Specialty Apparel	-1.9%
Books, Toys & Gifts	-1.3%
Sporting Goods	-2.4%
Total	1.40%

Best Performing Segments

A surge in comps at Gamestop led Consumer Electronics to register an impressive 10% increase in same store sales this quarter. Both Jewelry and Athletic Footwear continued their outperformance with same store sales growth of 6.7% and 6.0% respectively.

Worst Performing Segments

Sporting Goods again saw the largest median decrease in same store sales, falling 2.4% for the quarter, as a slump in the firearms business continued to hurt sales at Cabela's. Specialty Retail segment continues to see negative trends as a result of increased competition and lack of a fashion cycle.

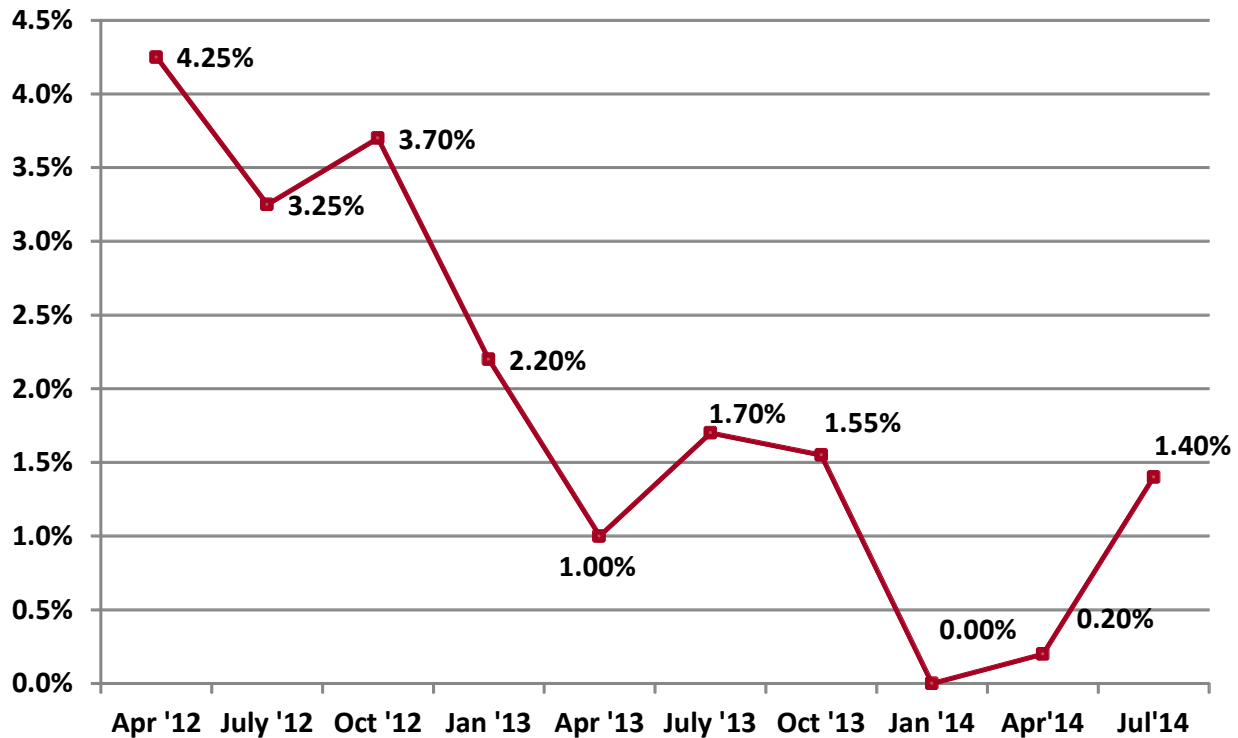
For Further Analysis, CLICK HERE

- **[Two-Year Trend in Same Store Sales Growth](#)**
- **[Leaders and Laggards by Brand](#)**
- **[Key Quotes From Quarterly Earnings Calls](#)**

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Historical Chain Quarterly Same Store Sales Chart



Source: Capital IQ and T&H Analysis

Key Standouts by Brand

Leaders	
Kate Spade	30.00%
GameStop	21.90%
Free People	21.00%
West Elm	16.70%
Destination XL	11.30%

Laggards	
Coach (Domestic)	-17.00%
Cabela's	-14.20%
Aeropostale	-13.00%
Urban Outfitters	-10.00%
Cache	-8.80%

Source: Capital IQ and T&H Analysis

Free People, Urban Outfitter's relatively young concept, continues to generate impressive same store sales growth while GameStop is benefiting from strong sales of Xbox One and PlayStation 4.

On the other hand, Coach continues to be the worst performer in the group. Aeropostale and Urban Outfitters continue to lose share due to lack of product newness and excitement.

Key Highlights from Quarterly Analyst Conference Calls

“ In the U.S., our second quarter traffic was notably better than the first quarter pace, enough to improve the traffic trends on a two-year basis. However, the level of second quarter promotions in the U.S. remained elevated”

John Mulligan, CFO, Target Corp.

“ We have placed strong expectations on boots and I think that’s the right thing to do. Some of the results of some of these new casual brands that we’ve tested and rolled out are delivering some nice results.”

Deborah L. Ferrée, Vice Chairman and Chief Merchandising Officer, DSW Inc.

“ Our customer very much wants value and very much responds to promotions, so I don't see a change happening there, but it's very promotional.”

Karen Hoguet, CFO, Macy's

“ We are in the midst of a more aggressive fashion cycle. Social media has become a critical strategic tool and customer engagement is more important than ever. ”

Julian Geiger, CEO, Aeropostale

“ I think if you go to any mall today or open any email, you see that promotions are persistent, and the -- particularly in the apparel areas. But you also saw a step-up in promotions in our competitive set. And it's something that we've been talking about for a long time.”

Laura J. Alber, CEO, Williams-Sanoma

“ We believe the housing market remains a modest tailwind for our business. We had growth in transactions and ticket for both the quarter and the half. Both our consumer and pro businesses grew. ”

Frank Blake, CEO, Home Depot, Inc.

Source: Seeking Alpha: Earnings Conference Call Transcripts

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