

LANDS' END, INC.

(NasdaqCM: LE)

Based in Dodgeville, Wisconsin, Lands' End, Inc. is a leading digital retailer of solution-based apparel, swimwear, outerwear, accessories, footwear, home products, and uniforms. The company sells products through its e-commerce website as well as through third-party distribution channels and company-operated retail stores. The company also has an Outfitters distribution channel through which it offers customized products to businesses and schools.

COMPANY HIGHLIGHTS

- * **Global Brand Power:** In our view, Lands' End is leveraging its globally recognized brand name and long-established history as a catalog-based retailer to implement an omnichannel strategy focused on product newness, with core categories including outerwear and swimwear and their related adjacencies. Since the beginning of fiscal 2023 (February 3, 2023), Lands' End has reduced its inventory levels by approximately 30%, while leveraging improvements in supply chain efficiencies and more frequent ordering of smaller order lots.
- * **Gross Margin Expansion:** In fiscal 2023, gross margins expanded by 430 basis points, driving a \$32 million (5%) increase in gross profit dollars, despite 5% lower revenue. Lands' End has achieved more full-price selling and lower levels of promotional inventory clearance, driven by this improved inventory management, as well as lower fabric prices and an easing of freight transportation costs, which were elevated coming out of the COVID-19 pandemic. Through the first quarter of fiscal 2024, the business delivered six consecutive quarters of margin expansion.
- * **Execution of an "Asset Light" Licensing Strategy:** Lands' End is also executing on an "asset light" strategy to expand its products via licensing partnerships with retailers including Macy's, Target, Costco, and Kohl's and to provide royalty revenues and additional gross merchandise value (GMV) for the Lands' End brand

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KEY STATISTICS

Key Stock Statistics

Recent price (6/24/24)	\$12.76
Fair Value Estimate	\$18.00
52 week high/low	\$15.00/\$5.98
Shares outstanding (M)	31.4
Market cap (\$M)	400.7
Dividend	NA
Yield	NA

Sector Overview

Sector	Consumer Discretionary
Sector % of S&P 500	9.9%

Financials (\$M, as of 5/3/24)

Cash & Mkt Securities	27.4
Debt	286.1
Working Capital	185.9
Current Ratio	1.8
Payout ratio	NM
Revenue (LTM)	1448.4
Net Income (LTM)	NM
Net Margin (LTM)	NM

Risk

Beta	2.80
Inst. ownership	30%

Valuation

P/E Forward EPS	60.8
Price/Revenue (LTM)	0.3
Price/EBITDA (LTM)	5.9
Free Cash Flow Margin (% , LTM)	8.2%

Top Holders

Mr. Edward S. Lampert
 Capital Research and Management Company
 Dimensional Fund Advisors LP

Management

President/CEO	Mr. Andrew McLean
CFO	Mr. Bernard McCracken
COO	Mr. Peter Gray
Company website	www.landsend.com

PRICE CHART



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but also to help drive traffic to its core e-commerce website. We also see these channels utilizing Lands' End's single inventory, thus boosting its efficiency. We also see the company expanding licensing of private label products in noncore categories to further amplify its brand value.

- * **Leveraging Consumer Data to Drive Strategy:** Lands' End captures data from its more than 7 million customers to adapt its product assortment in order to appeal to both core customers and more solution-driven customers, which tend to be younger. The company cross-promotes its products between B2B (Outfitters) and B2C (e-Commerce) categories and utilizes social media and its recently redesigned website to engage with its customers.
- * **Innovation in Premium, Solution-Driven Categories:** We see Lands' End increasingly focusing on solution-based categories such as sun protection, waterproofing, and body shaping products, which now account for approximately one-third of its product mix. In our view, these initiatives have helped position the company as a lifestyle brand as well as supported its efforts to sell its products at higher price points, with more modest discounting.
- * **Strong Balance Sheet and Cash Flow:** As of May 3, 2024, Lands' End had \$27.4 million in cash and equivalents and \$286 million in debt. The company recently refinanced a \$260 million term loan initially scheduled to mature in 2025, to late 2028. In fiscal 2023, the company achieved its highest cash flow from operations and free cash flow levels since fiscal 2014, which we see supporting its debt service obligations and a share repurchase policy, which has seen around \$20 million of cash returned to shareholders since the start of fiscal 2023.
- * **Fiscal 2024 Outlook:** For fiscal 2024, Lands' End has guided to net revenue of \$1.36 billion-\$1.45 billion, with GMV, including branded product license sales, expected to show low- to middle-single-digit growth. The company expects adjusted EBITDA to be in the range of \$88 million-\$97 million (compared with \$84 million in fiscal 2023) and adjusted net income of \$5.5 million-\$13 million (EPS of \$0.18 to \$0.41).
- * **Fair Value:** Based on our enterprise value (EV)/EBITDA analysis, we arrive at a fair value estimate of \$18 per share.

COMPANY/INDUSTRY BACKGROUND

Based in Dodgeville, Wisconsin, Lands' End, Inc. is a leading digital retailer of solution-based apparel, swimwear, outerwear, accessories, footwear, home products, and uniforms. The company sells products through its website as well as through third-party distribution channels and company-operated stores. The company

also has an Outfitters distribution channel through which it offers customized apparel products to businesses and schools. We estimate that the company currently has a customer base totaling more than 7 million worldwide.

Lands' End was founded in 1963 by Gary Comer and his partners as a sailboat hardware and equipment catalog business and has evolved into an omnichannel and multi-apparel category retailer. In fiscal 2023, Lands' End fulfilled orders to customers in approximately 135 countries outside the United States, and international revenues totaled around 9% of net revenue. The company owns and operates three distribution centers in Wisconsin totaling 2 million square feet and a distribution center in the U.K. of approximately 185,000 square feet.

Its primary operations are based in the U.S., U.K., and Germany. In fiscal 2021 (ended February 2022), the company reached a revenue peak of approximately \$1.64 billion. However, over the past two years, Lands' End has focused on maximizing the quality of its revenues, including product newness and less promotional activity, to drive enhanced profitability. In fiscal 2023, although revenues declined 5%, gross margins reached their highest level since 2017, and the company reported the strongest cash flow from operations since its spin-off from Sears Holdings Corp. in 2014.

Its primary operating segments consist of e-Commerce in the U.S. and Europe, Outfitters, Third-Party, and Retail. Lands' End previously operated in Japan but divested of that business in fiscal 2022. In recent years, U.S. e-Commerce through its website has accounted for more than 60% of net revenues. International e-commerce, which consists primarily of Europe but includes other international websites and third-party affiliates, has accounted for around 10%.

Both the U.S. and European e-Commerce businesses have seen gross margin expansion since fiscal 2023, as Lands' End has focused on product newness and superior inventory management. We see the European side of the business serving as a testing ground for new products, as well as developing localized, region-specific product lines.

The Outfitters unit leverages the Lands' End brand to sell uniform and logo apparel to businesses and their employees, as well as to student households through school relationships. Key industries for the business include packing and airlines, financial services, and banking. This business has generated approximately 15%-20% of net revenues and operates only in the U.S., though we see opportunity for international expansion over the long term. We see Lands' End leveraging its Outfitters customer base to drive traffic back to its core e-commerce website and view positively

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PEER COMPARISON

Company	Ticker	Recent Price (\$)	52-Week High (\$)	52-Week Low (\$)	Mkt. Cap (\$MIL)	1-yr Price Change (%)	1-yr Rev Growth (%)	1 YR EPS Growth (%)	P/E Ratio	Beta	Yield (%)
LANDS' END, INC	NASDAQ: LE	12.76	15.00	5.98	401	48	NM	NM	NM	2.80	NA
THE GAP, INC	NYSE: GPS	24.8	30.59	8.51	9302	181	-5	NM	18.5	2.34	2.4
GUESS?, INC	NYSE: GES	20.62	33.5	17.92	1098	4	3	41	6.7	1.94	5.8
URBAN OUTFITTERS, INC	NASDAQ: URBN	45.04	47.29	30.05	4239	44	8	79	14.8	1.49	NA

the attractive margin potential of the Outfitters business, given the more modest marketing expense. We also view positively the recent revamping of its sales organization, which included the hiring of a new senior vice president/general manager for the Outfitters group.

Its third-party segment, which has accounted for approximately 7.5% of revenues in recent years, sells products from the same inventory as its U.S. e-Commerce unit, which we see derisking the inventory, as it increases the number of channels through which the company's products are sold. In addition, these products are managed as efficiently in terms of replenishment as items sold through the e-commerce channel. Products sold through these retail partner marketplace websites and properties are on a wholesale basis, through which Lands' End receives royalty revenue on sales. Retailers including Target, Macy's, Kohl's, and, most recently, Costco have marketed Lands' End solution-based merchandise, including its leading swimwear category. We see these relationships appealing to higher-margin, differentiated lifestyle customer segments, amplifying the brand's reach and serving as an effective marketing tool, driving customer traffic to its core e-commerce website for full product assortment and more regular purchasing.

Lastly, its Retail segment sells products through company-operated stores. As of February 2024, there were 26 U.S. company-operated stores compared to 28 such stores at the end of the prior fiscal year. This channel has accounted for approximately 3% of net revenues in recent years. In fiscal 2023, its company-operated stores saw an increase in same-store sales of 3.1% compared with fiscal 2022.

INVESTMENT THESIS

In our view, Lands' End is executing on a strategy to leverage its brand and position it as a solutions provider, as part of a customer lifestyle category. The company has focused on inventory newness that can appeal to its core customer looking for seasonal wardrobe staples, as well as those looking for solution-type garments including waterproofing, sun protection, and other product innovations.

Underpinning this strategy has required deviating from the traditional retail model of purchasing seasonal inventory and selling it down as it becomes stale, at increasingly higher promotions over time. In contrast, Lands' End has reduced its inventory by more than 30% over the past five quarters and focused on product newness and higher product quality, with more frequent replenishment of smaller ordering lots. In our view, this is of notable relevance in the swim category, where products continue to be sold around vacation schedules and not just based on the calendar. This has enabled the selling of more inventory year-round, at higher prices and with less discounting, driving enhanced profit margins, inventory turns, and cash flows.

To support these goals, we view positively the company's supply chain improvements, which brought product sourcing and manufacturing to more favorable locations to shorten the length of time to receive products, and regular product flows, so that it can maximize its inventory, carry less inventory, and be faster in replenishment. Lands' End currently has manufacturing in Turkey and Mexico, which are closer to its core Western European and U.S. distribution networks, and has sped up the inventory supply chain by as much as two months or more and the replenishment of certain high-demand products in 30-45 days.

In the first quarter of fiscal 2024, the business delivered its fifth consecutive quarter of year-over-year margin expansion. Margin expansion has come from both targeted promotions and product newness, driving higher-quality sales and improved inventory management and achieving a lower cost on its products due in part to favorable fabric costs and lower transportation costs. We see these positive trends from both U.S. and European operations and see these strategies positioning Lands' End for sustained growth, as its revenues return to growth over the coming years. We think the company's improvement in margin expansion has been underappreciated by investors.

In our view, Lands' End has successfully repositioned the brand and its product assortment to appeal to both single-category customers that replenish core items and newer, more-solution-oriented/lifestyle customers. The company refers to these stratified segments as "resolvers" and "evolvers," respectively.

In fiscal 2023, notable growth categories included swimwear, outerwear, bottoms, and school and business uniforms. The company has cited approximately one-third of its product mix focusing on higher-end technical solution items that offer higher price points and higher gross margins. Such products include garments with sun protection, its water-resistant Wanderweight™ packable jacket, and women's swimwear with UV-resistant and body-sculpting features in its patent-pending WaveShaper swimsuit line.

In addition to using technology in product innovation, Lands' End is leveraging its digital presence, by virtue of 90% of its business being conducted online. The company utilizes data and analytics to better understand customer shopping behaviors, to drive inventory management and replenishment, and to maintain a social media presence, with targeted promotions around key holidays such as Memorial Day serving as key marketing efforts for new customer acquisition. We see such initiatives supporting Lands' End's goals to keep its products for sale at full price for a longer time period. We also see the company applying AI-driven tools to various functions, including its uniforms business.

As mentioned earlier, Lands' End's third-party business has allowed the company to selectively expand its retail channels and customer base through increased brand awareness, ultimately aimed to direct traffic back to the Lands' End e-commerce site for the full catalog. The company estimates that up to 80% of its customers through these channels hadn't shopped at Lands' End in over five years, which we view as an effective customer acquisition marketing tool.

Another component of Lands' End's "asset light" licensing strategy is through its expansion of private label products in noncore categories, through which it can complement its product assortment, without the expense of investing in product sourcing and manufacturing. Under this model, licensed products are sold on Lands' End's website and through its distribution channels, earning Lands' End royalties on these wholesale sales. To date, the company has launched products in the home category and is in the early stages of licensing products in the shoe and kidswear categories. Over time, we see potential for Lands' End to enter the beauty/wellness categories as well as expand this strategy across new geographies, including Latin America and the Middle East.

RECENT DEVELOPMENTS

Lands' End shares are listed on the Nasdaq Capital Market under the symbol "LE". In 2023, the stock rose by 26%, compared with a 24% increase for the S&P 500. Year-to-date in 2024, the stock has risen by 35%, versus an increase of 15% for the S&P 500.

In June 2024, Lands' End reported results for the first quarter of fiscal 2024, ended May 3, 2024. Excluding contribution from a concluded Delta Air Lines Outfitters contract in 1Q23, revenues increased 1% (versus a 7.8% decline, inclusive of the contract). Third-party net revenue increased by 62.9%, and gross margin increased by 500 basis points year over year. Resulting from higher digital marketing spend focused on new customer acquisition, the net loss was \$0.20 per share, compared with a net loss per share of \$0.05 in the prior-year period.

Adjusted net loss was \$6.2 million, or \$0.20 per diluted share, compared with an adjusted net loss of \$1.6 million, or \$0.05 per diluted share, in the first quarter of fiscal 2023.

In June 2024, Lands' End revised its guidance for fiscal 2024, raising the low end of its revenue guidance, and said it expected net revenue of \$1.36 billion-\$1.45 billion, with GMV growth in the low- to mid-single-digit range. The company expects adjusted EBITDA of \$88 million-\$97 million, adjusted net income of \$5.5 million-\$13 million, and adjusted diluted earnings per share of \$0.18-\$0.41.

In April 2024, Lands' End announced the launch of its new patent-pending WaveShaper™ technology in its Sculpting Suits line, continuing its long-standing tradition of innovative swim solutions. This built-in technology features varying levels of targeted zoned compression that seamlessly sculpts the body into an hourglass effect.

In March 2024, Lands' End's board of directors authorized the repurchase of up to \$25 million of the company's common stock through March 31, 2026, refreshing a recently expired prior authorization.

In January 2024, Lands' End announced an exclusive, premium women's swim collection of nearly 70 pieces, including tops, bottoms, skirts, cover-ups, and bags to be sold at Target stores.

In January 2024, Lands' End entered into a new term loan of \$260 million that matures in December 2028, refinancing its existing term loan well ahead of its maturity in September 2025.

In September 2023, Lands' End appointed Bernard McCracken as chief financial officer.

EARNINGS & GROWTH ANALYSIS

As mentioned earlier, Lands' End has reshaped its product assortment and inventory to focus on newer and more frequently replenished goods that can be sold at full price. In addition, fiscal 2023 revenues included contribution of approximately \$27 million from a concluded Outfitters contract with Delta Air Lines, from which we see an unfavorable year-over-year comparison. Thus, we see a modest top-line revenue decline in 2024 and a return to growth in 2025. Still, with the expansion of its third-party business, through which Lands' End earns royalties, we are encouraged by its guidance for growth on total GMV sales, which the company uses as an indicator of customer engagement with its brand across both the B2B and B2C channels.

We forecast fiscal 2024 revenues of \$1.4 billion and fiscal 2025 revenues of \$1.44 billion, which would represent a 5% decline and 4% growth, respectively. However, we note that the company has achieved increasing profitability despite declining top-line results. We attribute this to its focus on prioritizing key items and categories and inventory turnover that drives enhanced cash flow.

In our view, Lands' End is well positioned to expand gross margins over the coming years, with expected tailwinds including lower supply chain transport and freight costs, lower promotional activity and increases in average unit costs, and favorable fabric input costs. We think its multichannel distribution should introduce more "asset light" elements into the commercial strategy while leveraging the inventory.

We project gross margins of 45.1% in fiscal 2024 and fiscal 2025, respectively, up from 42.5% in fiscal 2023. For adjusted EBITDA, we expect \$93 million and \$99 million for fiscal 2024 and fiscal 2025, up from \$84 million in fiscal 2023, which increased significantly from \$71 million in fiscal 2022 despite significant contraction in company inventory. We see this validating the company's strategic focus on higher-quality sales and balance sheet/inventory efficiency. Despite higher SG&A costs in fiscal 2023 (37% compared with 34% in fiscal 2022), we expect lower digital marketing spend and continued cost controls to support continued margin expansion.

We forecast net income of \$6.6 million (EPS of \$0.21) and \$14.7 million (EPS of \$0.47) in fiscal 2024 and 2025, respectively. On an adjusted basis, we see net income of \$10.9 million (EPS of \$0.34) and \$15.4 million (EPS of \$0.49) in fiscal 2024 and fiscal 2025, respectively, with adjustments largely related to restructuring charges. We note that fiscal 2023 results (net loss was \$130.7 million, or a diluted loss per share of \$4.09) were impacted by a \$107 million goodwill impairment write-down, excluding which the adjusted net loss was \$4.8 million (a \$0.15 loss per share).

FINANCIAL STRENGTH & DIVIDEND

Our financial strength rating for Lands' End is Medium-High. On May 3, 2024, the company had \$27.4 million in cash and equivalents, compared with \$25.3 million at the end of fiscal 2023. Working capital was \$186 million, resulting in a current ratio above 1.8. Lands' End had \$286 million in total debt (\$246 million in a term loan and \$40 million on its revolving asset-based lending facility).

In early 2024, the company entered into a new term loan of \$260 million that matures in December 2028, refinancing a term loan originally set to mature in September 2025. This refinancing, along with improvements in cash flow generation, should help the company to reduce its interest expense, which had increased by 21% to \$48.3 million in fiscal 2023, over the coming years.

As of May 3, 2024, inventories were \$288.6 million, down from \$301.7 million in the prior quarter. Since the end of fiscal 2022, inventory has been reduced by more than 30% and has been reduced in each of the past five quarters. In our view, this improvement in inventory efficiency, and Lands' End's focus on capitalizing on inventory speed to market and more frequent, small inventory purchases has had a profound impact on its balance sheet and cash flows.

In fiscal 2023, net cash provided by operations was \$130.6 million (53 weeks), compared with net cash used of \$36.4 million (52 weeks) in fiscal 2022. This is largely attributable to improvement in inventory flow and productivity. In fiscal 2023, its 8.5% free cash flow margin represented the highest level since 2015, and its cash flow from operations/current liabilities ratio of 0.5x represented the highest level since 2015 as well. The average cash conversion cycle of 91.5 days marked the lowest level since 2019.

We see Lands' End's strategy to enhance operating cash flows through reduced purchases, and improving its speed to market bolstering its ability to service its debt and support capital expenditures, which it expects to be around \$30 million in fiscal 2024.

In fiscal 2023, the company achieved multiyear highs across various financial metrics, with gross margin (the trailing 12 months ended May 3, 2024, representing the highest since 2017), cash flow margin, and cash flow from operations to current liabilities representing the highest levels since 2015 and the average cash conversion cycle achieving its lowest number of days (91.5) since 2019.

In fiscal 2023, net cash used in investing activities was \$34.9 million, up from \$29.8 million in the prior fiscal year, due to investments in both years to update its digital information technology infrastructure. Net cash used in financing activities was \$110.1 million during fiscal 2023 compared with net cash provided by financing activities of \$73.5 million during fiscal 2022. The decrease in net cash provided by financing activities is primarily due to lower inventory levels.

During the past two fiscal years, Lands' End returned more than \$20 million to shareholders through share repurchases. The company had not previously repurchased its shares in the years since its spin-off from then-owner Sears in 2014. In March 2024, the company's board of directors authorized the repurchase of up to \$25 million of the company's common stock through March 2026. In the first quarter of fiscal 2024, the company repurchased \$1 million worth of its shares against this new authorization.

Lands' End does not pay a dividend, and we do not expect the company to initiate such a policy over the near term.

MANAGEMENT

Andrew McLean has been Lands' End's chief executive officer since January 2023 and is a member of its board. Mr. McLean's career spans more than 20 years, including retail experience leading organizational growth for several Fortune 500 and start-up companies. Prior to joining Lands' End, Mr. McLean held various C-level executive roles with American Eagle Outfitters, including president (international) and both chief commercial and chief operating officer. Previously, Mr. McLean held leadership roles at global retailers Liz Claiborne Inc. and Gap Inc., after beginning his career in strategy consulting with AT Kearney.

Bernard McCracken has been Lands' End's chief financial officer since September 2023, after being elevated from interim chief financial officer and previous roles as VP, controller and chief accounting officer. Before joining Lands' End, Mr. McCracken held previous senior corporate accounting and controller positions

with The Children's Place Inc. and Footstar Inc., after working in consulting roles with firms including Deloitte & Touche LLP, The Leslie Fay Companies, and Loehmann's Inc.

Lands' End's board of directors includes five independent directors of the six total members, including an independent chair, which we view favorably for its corporate governance.

As of March 2024, Edward S. Lampert, former chairman of Sears, owned 54% of Lands' End's outstanding shares of common stock, and the stock was approximately 25% held by institutions.

RISKS

Risks for an investment in Lands' End include its operating in a highly competitive industry, with many retail and apparel options, both in store and online; the company's reliance on the fourth fiscal quarter (approximately one-third of its annual revenues) due to the holiday shopping season, which can experience volatility due to macroeconomic challenges and discretionary consumer sentiment metrics; potential for supply chain disruptions or cost variability due to issues including higher freight costs and inventory transportation availability; and maintaining a functioning e-commerce platform. In addition, we see some vendor concentration risk; in fiscal 2023, the top 10 vendors accounted for approximately 48% of its merchandise purchases in dollars.

VALUATION

Over the past 52 weeks, Lands' End shares have traded in a range of \$6-\$15. The shares are currently trading at the higher end of the range, which we attribute to improved investor sentiment toward the company's execution of its strategy to reorganize its sales and inventory models and its focus on improving profitability on its sales through a rapidly expanding distribution network.

Despite this operational momentum, the stock trades at a discount to a peer group of global apparel brands, recently trading at an EV/revenue multiple around 0.3-times our 2024 revenue estimate of \$1.4 billion, which compares with a multiple near 2-times for the peer group. On a forward EBITDA basis, the stock is currently trading around 7.2-times our fiscal 2024 adjusted estimate of \$93 million, which is at the low end of the three-year forward average between 7-to-8 times, and well below a peer level of more than 10.5-times.

Although we note the impact of recalibration of Lands' End's top line over the immediate term, we think the current valuation does not accurately reflect the impact of recent gross margin and distribution network expansion, which we expect will ultimately drive enhanced traffic to Lands' End's e-commerce platform, which should increase organic revenue growth over time. Further, we view the superior cash flow and inventory management profiles as underappreciated by investors.

As such, we think the stock warrants a narrower discount with its peers. Thus, we apply a 9.0-times multiple to our fiscal 2024 adjusted EBITDA estimate of \$93 million. After adjusting for net debt, we arrive at a fair value for LE shares of \$18, which represents approximately 40% upside to recent levels below \$13.00.

Steve Silver,
Argus Research Analyst

INCOME STATEMENT

Growth Analysis (\$MIL)	FY 2021	FY 2022	FY 2023	Q1 2024	Q2 2024E	Q3 2024E	Q4 2024E	2024E	Q1 2025E	Q2 2025E	Q3 2025E	Q4 2025E	2025E
Revenue	1636.6	1555.4	1472.5	285.5	308.1	323.4	483.0	1400.0	293.8	328.3	322.6	495.4	1440.1
Gross Profit	691.5	593.8	625.5					630.9					649.1
SG&A	571.8	527.4	550.2					536.7					548.1
Operating Income	79.8	24.7	-77.5					51.1					61.0
Adjusted EBITDA	120.9	63.5	-39.1	11.6	15.4	24.2	41.9	93.1	13.1	14.9	26.4	44.7	99.1
Interest Expense	34.4	39.8	48.3					41.5					40.0
Pretax Income	46.0	-14.7	-131.8	15.0	11.4	11.8	29.7	9.5	-6.7	-4.8	6.7	25.1	20.3
Tax Rate (%)	27	NA	NA					31					28
Net Income	33.4	-12.5	-130.7					6.6					14.7
EPS (\$)	0.99	-0.38	-4.09	-0.20	-0.22	0.10	0.53	0.21	-0.17	-0.12	0.16	0.60	0.47
Adjusted EPS	0.99	-0.23	-0.15	-0.20	-0.09	0.10	0.53	0.34	-0.16	-0.12	0.16	0.61	0.49
Diluted Shares	33.7	33.1	32.0					31.4					31.3
Dividend Per Share (\$)	NA	NA	NA					NA					NA
Growth Rates (%)													
Revenue	15	-5	-5					-5					3
Operating Income	63	NA	NA					NA					19
Pre-Tax Income	265	NA	NA					NA					114
Net Income	209	NA	NA					NA					123
EPS	200	NA	NA					NA					124
Valuation Analysis													
Price (\$): High	44.40	21.12	10.81					NA					NA
Price (\$): Low	16.60	6.61	5.98					NA					NA
PE: High	134.5	21.3	NA					NA					NA
PE: Low	50.3	6.7	NA					NA					NA
PS: High	5.9	0.4	0.2					NA					NA
PS: Low	2.2	0.1	0.1					NA					NA
Yield: High	NA	NA	NA					NA					NA
Yield: Low	NA	NA	NA					NA					NA
Financial & Risk Analysis (\$MIL)													
Cash	34.3	39.6	25.3					NA					NA
Working Capital	195.5	259.2	150.4					NA					NA
Current Ratio	1.6	1.9	1.6					NA					NA
LTDebt/Equity (%)	65.7	93.1	107.3					NA					NA
Total Debt/Equity (%)	70.5	98.2	115.1					NA					NA
Ratio Analysis													
Gross Profit Margin	42.3%	52.5%	42.5%					45.1%					45.1%
Operating Margin	5%	2%	NM					4%					4%
Net Margin	2%	NM	NM					0%					1%
Return on Assets	4.8%	1.7%	2.4%					NA					NA
Return on Equity	8.6%	-3.2%	-42.0%					NA					NA
Op Inc/Int Exp	2.3	0.6	-1.6					NA					NA

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