



BDO

Retail Compass Survey of CFOs

Evolving Financial Ecosystem Requires Retailers to Adapt to Thrive: BDO Survey

Retail Industry Financials on Uncertain Terrain as CFOs Focus on Sales



72%

of CFOs say it will be at least slightly difficult for retail & consumer businesses to refinance debt, up from 68% last year

DEBT

30%

say they are most focused on gross sales as a priority financial metric, up from 20% last year



EBITDA is diminishing in importance, with 19% saying it's their primary financial metric, down from 39% in 2015



M&A Landscape Remains Promising as Retailers Branch Out



99%

expect M&A activity to remain the same or increase



About half (49%) say activity will be driven by strategic buyers

Increasing market share



31%

&

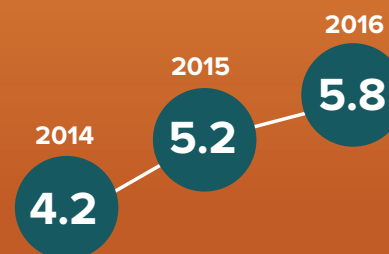
Revenue & profitability



31%

are cited as the top deal catalysts for strategic acquisitions

Expected EBITDA multiples continue to rise



Retailers Cultivate Fresh Inventory & Talent to Stand Out as E-Commerce Takes Root



said they'd focus most heavily on e-commerce and mobile, down from 37% last year



48%

expect to increase headcount



will focus most heavily on improved merchandise assortment as their top growth tactic, up from 26% last year



56%

say average employee compensation will grow



Markets' Volatile Nature Stunts IPO Growth



2/3

of CFOs expect IPO activity to remain consistent with 2015



30%

say strength of U.S. economy and stock market will be the primary factor determining a company's ability to go public



The e-commerce sector is expected to see the most IPO activity for the 4th consecutive year, cited by 64% of CFOs

For more information, visit blog.bdo.com/ or contact Ted Vaughan, partner and leader of BDO's Consumer Business practice: tvaughan@bdo.com / 214-665-0752

The BDO Retail Compass Survey of CFOs is a national telephone survey conducted by Market Measurement, Inc., an independent market research consulting firm, whose executive interviewers spoke directly to chief financial officers using a telephone survey conducted within a scientifically-developed, pure random sample of the nation's retailers.

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