

Specialty Retail: Softlines

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Morry Brown, CFA
(213) 688-4311
morry.brown@wedbush.com

Off-Price Could See \$1 Billion Benefit from Dept Store Consolidation: Analysis of JCP/M Store Closings

- Retail consolidation theme continues to bolster off-price prospects for 2017, and likely beyond.** The shuttering of department stores and other brick and mortar retail locations is a well-established trend that has unlocked significant market share gains for off-price retailers over the last 8-10 years. With mall traffic declines intensifying, the trend appears likely to gather steam in the coming years, and we believe the off-price channel will continue to capitalize on this theme. JCPenney and Macy's alone have recently announced ~240 store closures, representing ~\$1.6 billion in annual sales. The majority of these stores will be liquidated and closed by 2Q17. After conducting a store-by-store analysis of the JCPenney and Macy's closures, comparing each location's proximity to off-price competition, we believe the store closings should be a meaningful comp tailwind for off-price beginning in 2H17. The methodology of our analysis can be seen on Page 8.
- We see up to a \$1 billion revenue opportunity for off-price from JCP and Macy's 2017 store closures, translating to a potential SSS tailwind of +1%-3%.** Of the roughly \$1.6 billion of sales freed up from the JCPenney's and Macy's store closures, we believe off-price retailers are in a position to capture up to \$1 billion dollars of these sales over the next 12 months (based on locations within 30 miles of the named store closings). Assuming a 50% revenue capture rate, we estimate SSS gains of ~170 bps, ~125 bps, and ~80 bps, respectively for BURL, TJX's Marmaxx, and ROST (see Figure 1 for sensitivity analysis). We believe a 50% revenue uptake is reasonable (potentially conservative) given product category, brand, and consumer similarities, and store overlap. In addition, historical precedent suggests department store sales losses and off-price sales gains have tracked closely since the 2008 recession (see Figure 4), even as sales have shifted online.
- BURL likely to see the greatest SSS benefit from door closings, followed by TJX and then ROST; continue to see earnings upside to 2017 estimates for off-price.** Based on our sensitivity analysis, we view BURL as the largest beneficiary of the JCP/M store closings, based on the largest overlap with closing stores on a percentage basis. We see room for upside to our above-consensus EPS estimates across all three off-price retailers, particularly given this analysis does not include store consolidations outside JCP and Macy's (which has also yet to name ~34 store closures at ~\$425 million in sales).

Figure 1: Analysis of Sales and SSS Gains from JCPenney and Macy's Named Store Closures

Revenue Uptake	Opportunity from JCPenney and Macy's Closures						
	\$ millions				SSS		
	TJX	ROST	BURL	Total	TJX	ROST	BURL
5%	\$27	\$10	\$10	\$48	13 bps	8 bps	17 bps
10%	\$55	\$21	\$20	\$95	25 bps	15 bps	34 bps
15%	\$82	\$31	\$29	\$143	38 bps	23 bps	51 bps
20%	\$110	\$41	\$39	\$190	50 bps	31 bps	68 bps
25%	\$137	\$52	\$49	\$238	63 bps	39 bps	85 bps
30%	\$165	\$62	\$59	\$286	76 bps	46 bps	102 bps
40%	\$220	\$83	\$78	\$381	101 bps	62 bps	136 bps
50%	\$274	\$103	\$98	\$476	126 bps	77 bps	170 bps
60%	\$329	\$124	\$118	\$571	151 bps	93 bps	204 bps
70%	\$384	\$145	\$137	\$666	176 bps	108 bps	238 bps
80%	\$439	\$166	\$157	\$761	201 bps	124 bps	272 bps
90%	\$494	\$186	\$176	\$857	227 bps	139 bps	306 bps
100%	\$549	\$207	\$196	\$952	252 bps	155 bps	340 bps
Stores	218	92	90	400			
In Same Center	28	12	14	54			

Source: Company data, Wedbush Securities, Inc.

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Key Points (continued)

Consolidation remains a key driver for off-price – announced door closings for 2017 appear likely to add to the revenue tailwind. Department store door closings and revenue losses have been a consistent theme post-2008, with off-price reaping the benefits of reduced competition. We believe this long-term trend will continue to provide a tailwind for off-price SSS in the coming years, as mall traffic declines appear to have only worsened YTD in 2017, despite a relatively stable/favorable broader economic backdrop. In the medium-term (3-5 year time horizon), we view the ongoing consolidation and share shifts as entirely positive for the off-price channel, and expect the familiar themes across the sector to remain firmly entrenched (market share gains, solid SSS generally in the +3%-5% range annually, improving EBIT margin and continued unit growth). This supports our constructive view on the off-price sector, and bolsters our belief that valuation should not be an impediment to continued share price appreciation over the medium term.

Macy's and JCPenney named door closings create a revenue opportunity of ~\$1 billion for off-price, and an expected comp lift of +1%-3% – with BURL expected to have the largest opportunity. The closing of ~240 units comprising ~\$1.6 billion in total revenue from JCP and M is plainly a net positive for off-price retailers – the question is solely in regards to magnitude. Our store-level analysis suggests off-price retailers are in a position to capture up to \$1 billion of these sales from door closings already named, based on off-price concepts located in the same trade area as the shuttered department stores (note: Macy's has not yet specified all of its planned ~100 door closings; our analysis excludes the 34 yet-to-be-named locations, which could potentially bring the total revenue opportunity for off-price closer to \$1.4-\$1.5 billion and would likely add to the SSS tailwind).

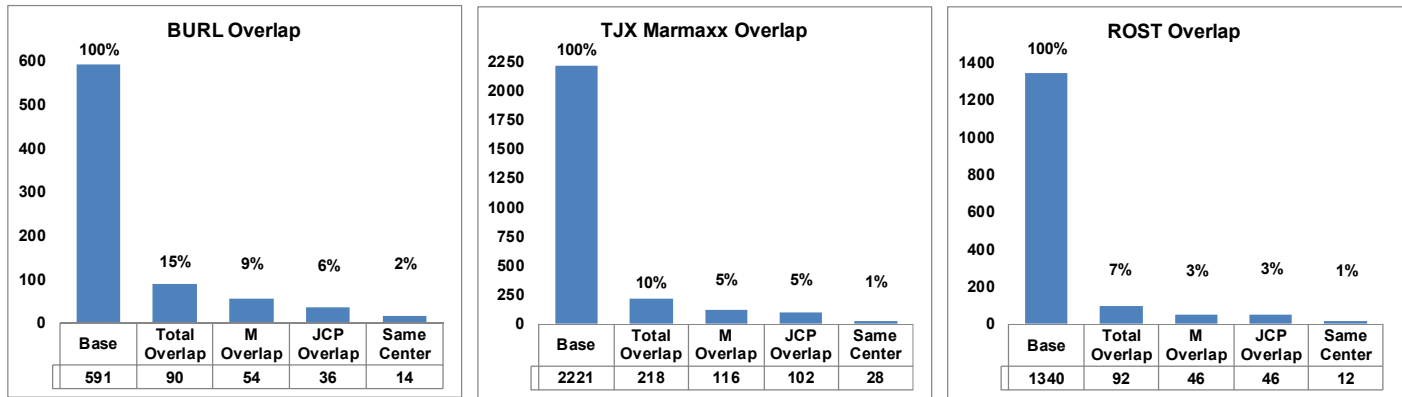
Figure 2 illustrates the details of the potential SSS tailwind for each off-price retailer, based on a series of assumed capture rates applied to each off-price retailer's sales opportunity (calculated bottoms-up, by store). This sums to an estimated ~\$1 billion opportunity (rounding from the \$952 million in actual dollars available, per our analysis). We view a capture rate in the 50% range as a reasonable, if not conservative, scenario, given the overlap in brands and products between department stores and off-price, and the store overlap (there are off-price concepts located within driving distance of all Macy's named closures and the majority of JCP closures, and we have excluded the revenue opportunity from any store closings that are located more than a 30 minute drive from an off-price concept). If we assume a 50% capture rate on the available sales opportunity, the SSS lift would equate to +170 bps for BURL (highest store overlap, as a percentage of its store base), +130 bps for TJX's Marmaxx division, and +80 bps for ROST (lowest store overlap). For summaries on store overlap by off-price retailer, see Figure 3.

Figure 2: Opportunity from JCPenney and Macy's Closures

Revenue Uptake	Opportunity from JCPenney and Macy's Closures						
	\$ millions				SSS		
	TJX	ROST	BURL	Total	TJX	ROST	BURL
5%	\$27	\$10	\$10	\$48	13 bps	8 bps	17 bps
10%	\$55	\$21	\$20	\$95	25 bps	15 bps	34 bps
15%	\$82	\$31	\$29	\$143	38 bps	23 bps	51 bps
20%	\$110	\$41	\$39	\$190	50 bps	31 bps	68 bps
25%	\$137	\$52	\$49	\$238	63 bps	39 bps	85 bps
30%	\$165	\$62	\$59	\$286	76 bps	46 bps	102 bps
40%	\$220	\$83	\$78	\$381	101 bps	62 bps	136 bps
50%	\$274	\$103	\$98	\$476	126 bps	77 bps	170 bps
60%	\$329	\$124	\$118	\$571	151 bps	93 bps	204 bps
70%	\$384	\$145	\$137	\$666	176 bps	108 bps	238 bps
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90%	\$494	\$186	\$176	\$857	227 bps	139 bps	306 bps
100%	\$549	\$207	\$196	\$952	252 bps	155 bps	340 bps
Stores	218	92	90	400			
In Same Center	28	12	14	54			

Source: Company data, Wedbush Securities, Inc.

Figure 3: BURL Has Highest Store Overlap As % of Store Base



Source: Company data, Wedbush Securities, Inc.

History of department store sales losses vs. off-price sales gains suggest our assumptions could prove conservative. While a scenario in which off-price siphons off roughly 50% of abandoned sales from the JCP/M door closings would appear to be a fair scenario, we note historical precedent suggests this analysis could prove conservative, even accounting for online market share gains. Since 2007, department store sales losses and off-price sales gains have closely tracked each other, with off-price revenues more than overtaking department store share losses (Figure 4). While these figures include both new/closed stores, and SSS gains/losses – making it a rather blunt analytic tool – it provides some additional support that our 50% revenue capture rate assumption appears to be solid, and potentially conservative.

Figure 4: Dept. Store Losses and Off-Price Gains Tracked Closely, with Off-Price Taking More Sales Than Dept. Store Losses

Store	Sales - \$ billions										
	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	Delta 07-16
JCPenney	\$19.9	\$18.5	\$17.6	\$17.8	\$17.3	\$13.0	\$11.9	\$12.3	\$12.6	\$12.5	(\$7.3)
Macy's	\$26.3	\$24.9	\$23.5	\$25.0	\$26.4	\$27.7	\$27.9	\$28.1	\$27.1	\$25.8	(\$0.5)
Bon Ton	\$3.4	\$3.4	\$3.1	\$3.0	\$2.9	\$2.9	\$2.8	\$2.8	\$2.7	\$2.6	(\$0.8)
Dillard's	\$7.2	\$6.7	\$5.9	\$6.0	\$6.2	\$6.5	\$6.4	\$6.5	\$6.4	\$6.1	(\$1.1)
Kohl's	\$16.5	\$16.4	\$17.2	\$18.4	\$18.8	\$19.3	\$19.0	\$19.0	\$19.2	\$18.7	\$2.2
Nordstrom	\$8.8	\$8.3	\$8.3	\$9.3	\$10.5	\$11.8	\$12.2	\$13.1	\$14.1	\$14.5	\$5.7
Sears	\$27.8	\$25.3	\$23.7	\$22.9	\$21.6	\$21.0	\$19.2	\$17.0	\$15.0	\$13.5	(\$14.4)
Stage Stores	\$1.5	\$1.5	\$1.4	\$1.5	\$1.5	\$1.6	\$1.6	\$1.6	\$1.6	\$1.4	(\$0.1)
Total Dept Stores (A)	\$111.4	\$105.0	\$100.6	\$103.9	\$105.2	\$103.8	\$101.0	\$100.4	\$98.7	\$95.1	(\$16.3)
TJX Marmaxx	\$12.0	\$12.4	\$13.3	\$14.1	\$15.4	\$17.0	\$17.9	\$18.7	\$19.9	\$21.2	\$9.3
ROST	\$6.0	\$6.5	\$7.2	\$7.9	\$8.6	\$9.7	\$10.2	\$11.0	\$11.9	\$12.9	\$6.9
BURL	\$3.4	\$3.6	\$3.6	\$3.7	\$3.9	\$4.1	\$4.4	\$4.8	\$5.1	\$5.6	\$2.2
Total Off-Price (B)	\$21.3	\$22.4	\$24.1	\$25.6	\$27.8	\$30.9	\$32.6	\$34.5	\$37.0	\$39.7	\$18.3

Notes:

Hudson's Bay's Lord & Taylor and Belk are notably not included. Sears' is Sears segment and does not include K-Mart. We substitute Gordman's FY16 as the TTM into 3Q16. BURL's FY07 is the TTM ending May 31, 2008.

Delta A-B	\$2.0
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Source: Company data, Wedbush Securities, Inc.

Potential EPS impact: BURL the big winner, with TJX/ROST also seeing a lift. Translating the sales gains to potential for EPS upside, we view BURL as the biggest beneficiary on an EPS basis given (1) the largest overlap with JCP/M store closings as a percentage of its store base and (2) lower EBIT margins vs. TJX and ROST, which drives higher EPS sensitivity to upside to revenue. At BURL, we see the revenue gains translating into \$0.22 of potential EPS upside for the 12 months ending 2Q18 (the store closings used for our calculations are all expected to be completed by end of 2Q17). This equates to 6% of potential upside to current consensus EPS estimates over the same time period. For TJX and ROST, the expected EPS impact equates to roughly 2% from current consensus estimates (Figure 5).

Figure 5: EPS Sensitivity, Based on Off-Price Capturing 50% of Available Sales

	BURL	TJX	ROST
Incremental SSS	1.7%	1.3%	0.8%
Incremental revenue	\$98	\$273	\$103
Assumed incremental EBIT margin	25%	30%	30%
Incremental EBIT	\$24	\$82	\$31
Tax rate	36%	37%	37%
Share count	70.1	643.1	380.1
EPS impact	\$0.22	\$0.08	\$0.05
Consensus EPS est, TTM ending 2Q18	\$3.49	\$3.65	\$2.97
% increase to current consensus EPS	6%	2%	2%

Source: Company data, Wedbush Securities, Inc.

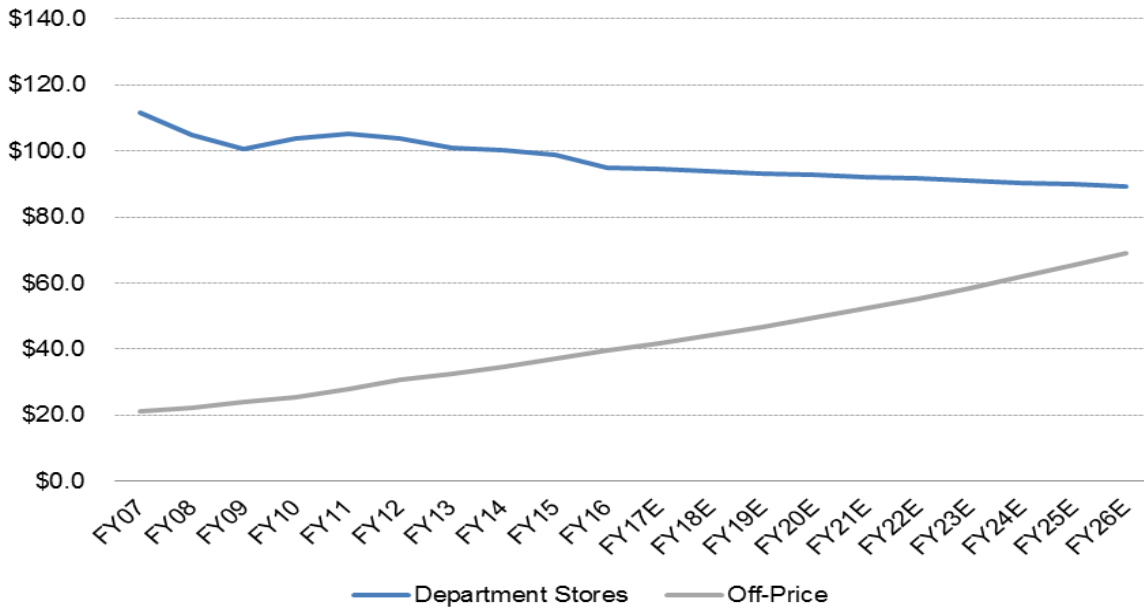
Door closings unlikely to end with 2017 announcements. Importantly, we believe department store consolidation will continue beyond 2017, as mall traffic challenges appear firmly entrenched. We expect continued top-line pressure across the mall, which should further erode margin rates and profitability across mall-based brick and mortar units in the coming years. The profitability pressures raise viability concerns for certain concepts (e.g. Sears), and suggest the likelihood of further unit closings even from the stronger players in the channel (e.g. Macy's). In short, the primary driver of off-price revenue growth – market share gains at the expense of department stores – appears highly likely to continue over the medium-term.

Over the longer term, as department store revenue losses and store closings accelerate, we believe the primary question for off-price shifts to: what does full price competition look like? The off-price business model has always been based on a reference point to full priced merchandise. Selling primarily branded goods, in-season, at prices 20%-60% below full retail price (often using department stores as the benchmark for comparison purposes) has been the core value equation driving resonance with the consumer and off-price market share gains. As department stores become less relevant to the consumer shopping experience, and comprise a shrinking amount of total dollar volume, it remains uncertain exactly what full price sales will look like over a longer time horizon (Note: this discussion is on a 10+ year time horizon, and unlikely to be relevant anytime in the near future). Presumably, much of the full price business eventually moves online, through some combination of: (1) Amazon, (2) smaller niche e-commerce retailers or (3) vendor's owned websites.

This shift in composition of revenue could potentially bring changes to the off-price industry. In general, we believe the two key tenants of the current operating structure are likely to remain intact however: (1) all retail businesses, whether brick and mortar or online, need some form of an off-price channel to clear goods (AMZN already throws off a significant amount of goods to off-price retailers) and (2) the browsing experience is challenging to replicate online, both from a vendor perspective (most brands prefer to limit sale price messaging online, given a disproportionate customer reach relative to in-store clearing methods, where significantly fewer customers see sale pricing) and from a customer experience perspective (we have not seen an online experience that matches the treasure hunt experience from an in-store visit). We believe the decline of the flash sale model (including Amazon closing its MyHabit flash sale site in 2016) illustrates some of the challenges of clearing goods online. That said, other factors could change the structure of the off-price business longer-term. If the vendor base follows department stores into a period of consolidation, the pricing landscape within the off-price marketplace could shift, with fewer/larger vendors able to negotiate more favorable terms versus the current highly fragmented market (which remains favorable to off-price retailers).

Importantly, off-price appears to have a defensible competitive moat for many years to come. These longer-term topics are likely well outside of most investors' time horizon, and are unlikely to warrant concerns as long as department stores continue to generate more revenue than off-pricers. As illustrated in Figure 6, assuming recent sales trends continue for both channels (constant sales CAGRs from 2007-2016), department stores would still generate larger total sales volume relative to off-price 10+ years from now. We believe we are a long way from having a conversation about off-price running out of runway to take share from department stores.

Figure 6: Significant Share Gains Remain for Off-Price to Overtake Dept Stores in Total Sales Volume
 Dollars in billions, 2017-2026 estimates assume 2007-2016 CAGRs continue



Source: Company data, Wedbush Securities, Inc.

Summary of Macy's and JCPenney Closures

~\$1.6 billion in sales freed up. The closures of Macy's and JCPenney stores frees up ~\$1.6 billion in sales, per management commentary. While Macy's closures represent \$1 billion of annual sales, just over ~\$575 million has been accounted for so far by publicly named store closures, leaving ~\$425 million still on the table (and providing for further upside to our estimated opportunity to off-price). JCPenney's 138 named store closures represent less than 5% of the company's annual sales, per commentary from executives. We estimate this opportunity at \$620 million, or slightly less than 5% of the company's FY2016 annual sales.

Majority of liquidations planned to be complete by 2Q17. We believe 66 Macy's stores will be liquidated and closed by the end 1Q17. An additional 2 locations are planned to close in mid-2017 and a further 34 stores will close over the next few years. JCP's 138 store closures are planned to start the liquidation process on May 22, 2017 and to close by July 31, 2017 (the end of 2Q17). We acknowledge the potential for a short-term negative sales impact on off-price retailers given the liquidation process of the department stores, though we view this impact as significantly smaller than the potential positive impact (and also note the potential for a positive impact to the off-price buying market during clearance events, as market disruption generally leads to favorable buying terms, and higher gross margins for off-pricers).

Summaries by company: Please also refer to Figure 7.

- Macy's announced its intent to close ~100 stores in August 2016, representing ~\$1 billion of annual sales net of sales expected to be retained in nearby locations or online, per management. According to our checks, we believe 66 of these stores will be liquidated and closed by end of 1Q17. These stores represented ~\$575 million in annual sales, according to Macy's. An additional 2 locations are planned to close in mid-2017 and a further 34 stores will close over the next few years, accounting for another ~\$425 million of sales.
- JCP's recently announced 138 store closures are scheduled to begin the liquidation process on May 22, 2017. The stores are planned to close by July 31, 2017. Management noted these stores represent less than 5% of annual sales. We estimate this opportunity at \$620 million, or slightly less than 5% of the company's FY2016 annual sales.

Figure 7: Summary of JCP and M Store Closing Plans

Company Store Closings Sales Commentary		
Department Store	JCPenney	Macy's
Store Closures Announced	138	~100
Sales per Management	"The store closures represent between 13% and 14% of our current store portfolio, but less than 5% of total annual sales."	"Together, annual sales volume of the approximately 100 closed locations, net of sales expected to be retained in nearby stores and online, is expected to be roughly \$1 billion."
Store Closures Named	138	68 (sales guidance associated with 66)
Sales per Management	< 5% of sales	"As a result of closing 63 Macy's stores in early 2017, along with the three closed mid-year 2016, the company's 2017 sales are expected to be negatively impacted by approximately \$575 million."
Notes		An additional \$425 million of sales is up for grabs from the 30+ store closures that have yet been named, providing upside to our estimates.

Source: Company data, Wedbush Securities, Inc.

Methodology

We matched the 138 JC Penney and 68 Macy's publicly listed store closures and identified off-price retailers in proximity, which we defined as being within 30 miles of the closing store, though we note that the average driving distance is less than 8 miles (as seen in Figure 14 further below) across each included off-price concept.

- Off-price retailers included in the analysis are TJX's Marmaxx (TJ Maxx and Marshalls), ROST's Ross Dress for Less, and BURL's Burlington.
- Driving distances were calculated between the closing department store and nearby off-price stores. Off-price stores greater than 30 miles away were filtered out and assumed not to pick-up any market share. When we found or considered that an off-price location was in the same shopping center as the department store, we marked the distance as 0 miles.
- JCPenney's or Macy's sales up for grabs were estimated according to respective company commentary. JCP management noted the 138 stores represented "less than 5% of total annual sales." We estimated ~\$4.5 million in annual revenue for each closing JCP store by dividing \$620 million (slightly less than 5% of JCP's FY16 annual sales) by 138 stores. We estimated ~\$8.7 million in annual revenue for each closing Macy's store by dividing \$575 million (the estimate given for 66 named closing stores) by 66 stores. Of the 100 stores Macy's plans to close, a remaining 34 have yet to be named and will close over the next few years. Macy's associated \$1 billion in sales to its ~100 closings, meaning \$425 million in revenue from unnamed store closures will still be up for grabs and is not included in our analysis, providing upside to our estimates as we cannot yet determine revenue opportunities for unnamed locations. Please refer to Figure 7 for additional information.
- We divided the revenue per JCP or Macy's store (~\$4.5 million or ~\$8.7 million) by the number of off-price stores in our applied range of up to 30 driving miles. For example, if a Burlington or a TJMaxx were near a closing Macy's, the two would get half the assumed revenue boost, and if three off-price locations were in the range, each would get a third of the closing store's revenue, etc. If no off-price concept is located near a closing JCP/M store, the revenue associated with that store is not included in our estimated opportunity for off-price retailers.
- We calculated the dollar sales gain to an off-price retailer according to a sensitivity analysis that produced estimates by % revenue uptake of the closing store's sales, or the share of the closing store's sales that the off-price store was able to take. We calculated the basis point SSS gain by applying the same sensitivity. Our basis point SSS figures represent the annualized gains over the twelve month period ending in 2Q18 (so that gains commence once all analyzed stores are planned to close, beginning with 3Q17).
- See Figures 14-19 for a list of Macy's and JCPenney store closures and off-price locations nearby.

Sensitivity Analysis by Department Store and Off-Price Retailer
Figure 8: Opportunity from JCPenney and Macy's Closures

Revenue Uptake	Opportunity from JCPenney and Macy's Closures						
	\$ millions				SSS		
	TJX	ROST	BURL	Total	TJX	ROST	BURL
5%	\$27	\$10	\$10	\$48	13 bps	8 bps	17 bps
10%	\$55	\$21	\$20	\$95	25 bps	15 bps	34 bps
15%	\$82	\$31	\$29	\$143	38 bps	23 bps	51 bps
20%	\$110	\$41	\$39	\$190	50 bps	31 bps	68 bps
25%	\$137	\$52	\$49	\$238	63 bps	39 bps	85 bps
30%	\$165	\$62	\$59	\$286	76 bps	46 bps	102 bps
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100%	\$549	\$207	\$196	\$952	252 bps	155 bps	340 bps
Stores	218	92	90	400			
In Same Center	28	12	14	54			

Source: Company data, Wedbush Securities, Inc.

Figure 9: Opportunity from Macy's Closures

Revenue Uptake	Opportunity from Macy's Closures						
	\$ millions				SSS		
	TJX	ROST	BURL	Total	TJX	ROST	BURL
5%	\$17	\$6	\$7	\$30	8 bps	5 bps	12 bps
10%	\$33	\$12	\$14	\$59	15 bps	9 bps	24 bps
15%	\$50	\$19	\$21	\$89	23 bps	14 bps	36 bps
20%	\$66	\$25	\$28	\$118	30 bps	18 bps	48 bps
25%	\$83	\$31	\$34	\$148	38 bps	23 bps	60 bps
30%	\$99	\$37	\$41	\$178	46 bps	28 bps	72 bps
40%	\$132	\$49	\$55	\$237	61 bps	37 bps	96 bps
50%	\$166	\$62	\$69	\$296	76 bps	46 bps	120 bps
60%	\$199	\$74	\$83	\$355	91 bps	55 bps	144 bps
70%	\$232	\$86	\$97	\$415	106 bps	65 bps	168 bps
80%	\$265	\$99	\$110	\$474	121 bps	74 bps	192 bps
90%	\$298	\$111	\$124	\$533	137 bps	83 bps	215 bps
100%	\$331	\$123	\$138	\$592	152 bps	92 bps	239 bps
Stores	116	46	54	216			
In Same Center	12	7	9	28			

Source: Company data, Wedbush Securities, Inc.

Figure 10: Opportunity from JCPenney Closures

Revenue Uptake	Opportunity from JCPenney Closures						
	\$ millions				SSS		
	TJX	ROST	BURL	Total	TJX	ROST	BURL
5%	\$11	\$4	\$3	\$18	5 bps	3 bps	5 bps
10%	\$22	\$8	\$6	\$36	10 bps	6 bps	10 bps
15%	\$33	\$13	\$9	\$54	15 bps	9 bps	15 bps
20%	\$44	\$17	\$12	\$72	20 bps	12 bps	20 bps
25%	\$54	\$21	\$15	\$90	25 bps	16 bps	25 bps
30%	\$65	\$25	\$17	\$108	30 bps	19 bps	30 bps
40%	\$87	\$33	\$23	\$144	40 bps	25 bps	40 bps
50%	\$109	\$42	\$29	\$180	50 bps	31 bps	50 bps
60%	\$131	\$50	\$35	\$216	60 bps	37 bps	60 bps
70%	\$153	\$58	\$41	\$252	70 bps	44 bps	70 bps
80%	\$174	\$67	\$46	\$288	80 bps	50 bps	81 bps
90%	\$196	\$75	\$52	\$323	90 bps	56 bps	91 bps
100%	\$218	\$83	\$58	\$359	100 bps	62 bps	101 bps
Stores	102	46	36	184			
In Same Center	16	5	5	26			

Source: Company data, Wedbush Securities, Inc.

Figure 11: BURL's Opportunity

Revenue Uptake	BURL Opportunities					
	\$ millions			SSS		
	JCP	M	Total	JCP	M	Total
5%	\$3	\$7	\$10	5 bps	12 bps	17 bps
10%	\$6	\$14	\$20	10 bps	24 bps	34 bps
15%	\$9	\$21	\$29	15 bps	36 bps	51 bps
20%	\$12	\$28	\$39	20 bps	48 bps	68 bps
25%	\$15	\$34	\$49	25 bps	60 bps	85 bps
30%	\$17	\$41	\$59	30 bps	72 bps	102 bps
40%	\$23	\$55	\$78	40 bps	96 bps	136 bps
50%	\$29	\$69	\$98	50 bps	120 bps	170 bps
60%	\$35	\$83	\$118	60 bps	144 bps	204 bps
70%	\$41	\$97	\$137	70 bps	168 bps	238 bps
80%	\$46	\$110	\$157	81 bps	192 bps	272 bps
90%	\$52	\$124	\$176	91 bps	215 bps	306 bps
100%	\$58	\$138	\$196	101 bps	239 bps	340 bps
Stores	36	54	90			
In Same Center	5	9	14			

Source: Company data, Wedbush Securities, Inc.

Figure 12: TJX's Opportunity

Revenue Uptake	TJX MarMaxx Opportunities					
	\$ millions			SSS		
	JCP	M	Total	JCP	M	Total
5%	\$11	\$17	\$27	5 bps	8 bps	13 bps
10%	\$22	\$33	\$55	10 bps	15 bps	25 bps
15%	\$33	\$50	\$82	15 bps	23 bps	38 bps
20%	\$44	\$66	\$110	20 bps	30 bps	50 bps
25%	\$54	\$83	\$137	25 bps	38 bps	63 bps
30%	\$65	\$99	\$165	30 bps	46 bps	76 bps
40%	\$87	\$132	\$220	40 bps	61 bps	101 bps
50%	\$109	\$166	\$274	50 bps	76 bps	126 bps
60%	\$131	\$199	\$329	60 bps	91 bps	151 bps
70%	\$153	\$232	\$384	70 bps	106 bps	176 bps
80%	\$174	\$265	\$439	80 bps	121 bps	201 bps
90%	\$196	\$298	\$494	90 bps	137 bps	227 bps
100%	\$218	\$331	\$549	100 bps	152 bps	252 bps
Stores	102	116	218			
In Same Center	16	12	28			

Source: Company data, Wedbush Securities, Inc.

Figure 13: ROST's Opportunity

Revenue Uptake	ROST Opportunities					
	\$ millions			SSS		
	JCP	M	Total	JCP	M	Total
5%	\$4	\$6	\$10	3 bps	5 bps	8 bps
10%	\$8	\$12	\$21	6 bps	9 bps	15 bps
15%	\$13	\$19	\$31	9 bps	14 bps	23 bps
20%	\$17	\$25	\$41	12 bps	18 bps	31 bps
25%	\$21	\$31	\$52	16 bps	23 bps	39 bps
30%	\$25	\$37	\$62	19 bps	28 bps	46 bps
40%	\$33	\$49	\$83	25 bps	37 bps	62 bps
50%	\$42	\$62	\$103	31 bps	46 bps	77 bps
60%	\$50	\$74	\$124	37 bps	55 bps	93 bps
70%	\$58	\$86	\$145	44 bps	65 bps	108 bps
80%	\$67	\$99	\$166	50 bps	74 bps	124 bps
90%	\$75	\$111	\$186	56 bps	83 bps	139 bps
100%	\$83	\$123	\$207	62 bps	92 bps	155 bps
Stores	46	46	92			
In Same Center	5	7	12			

Source: Company data, Wedbush Securities, Inc.

List of M/JCP Store Closures and Off-Price Locations Nearby

Figure 14: List of M/JCP Store Closures and Off-Price Locations Nearby

	Burlington	Ross	TJ Maxx	Marshalls
Stores near Macy's or JCPenney	90	92	132	86
Stores near Macy's	54	46	64	52
Stores near JCPenney	36	46	68	34
Average Miles Away	7.5	4.4	5.8	5.8

Notes: X = no location nearby, 0 = location in same shopping center

Store	Mall/Shopping Center	City	State	Miles Away from Department Store			
				Burlington	Ross	TJ Maxx	Marshalls
JCP	Auburn Mall	Auburn	AL	X	3.9	3.7	X
JCP	Tannehill Promenade	Bessemer	AL	14	0	0	10.4
JCP	Gadsden Mall	Gadsden	AL	X	2.5	2.1	X
JCP	Jasper Mall	Jasper	AL	X	X	0.3	X
JCP	Military Plaza	Benton	AR	18.8	18.8	19	21.3
JCP	Chickasaw Plaza	Blytheville	AR	X	X	X	X
JCP	Riverview Mall	Bullhead City	AZ	X	3.7	X	X
JCP	Downtown Bishop	Bishop	CA	X	X	X	X
JCP	Sunwest Plaza	Lodi	CA	10.2	1.7	7.2	0.3
JCP	The Village at Orange	Orange	CA	6.6	0	1.3	4.3
JCP	Hilltop Mall	Richmond	CA	1.5	1.2	2.2	6.6
JCP	Fort Morgan Main St.	Morgan	CO	X	X	X	X
JCP	Glenwood Springs Mall	Glenwood Springs	CO	X	0	X	X
JCP	St. Vrain Centre	Longmont	CO	22.9	2.4	19	2.4
JCP	Broadway Plaza	Sterling	CO	X	X	X	X
JCP	Connecticut Post Mall	Milford	CT	4	X	1.8	0.5
JCP	Jacksonville Regional Shopping Center	Jacksonville	FL	18.4	6.2	16	6.4
JCP	Palatka Mall	Palatka	FL	X	29.3	X	X
JCP	Dublin Mall	Dublin	GA	X	X	0	X
JCP	Macon Mall	Macon	GA	0	2.1	20.8	2
JCP	Milledgeville Mall	Milledgeville	GA	X	X	0	X
JCP	Gateway Plaza	Thomasville	GA	X	X	X	X
JCP	Tifton Mall	Tifton	GA	X	X	0	X
JCP	Downtown Decorah	Decorah	IA	X	X	X	X
JCP	Crossroads Mall	Fort Dodge	IA	X	X	X	0.1
JCP	Penn Central Mall	Oskaloosa	IA	X	X	X	X
JCP	Quincy Place	Ottumwa	IA	X	X	X	X
JCP	Snake River Plaza	Burley	ID	X	X	X	X
JCP	Eastland Mall	Bloomington	IL	X	X	2.2	X
JCP	Fulton Square	Canton	IL	X	X	X	X
JCP	Village Square Mall	Effingham	IL	X	X	X	X
JCP	Freestanding	Macomb	IL	X	X	X	X
JCP	Peru Mall	Peru	IL	X	X	X	0
JCP	Northland Mall	Sterling	IL	X	X	X	X
JCP	Centerpointe of Woodridge	Woodridge	IL	10.2	1.4	1.3	1.2
JCP	FairOaks Mall	Columbus	IN	X	X	1.1	X
JCP	Connorsville Plaza	Connorsville	IN	X	X	24.6	X

Source: Company data, Wedbush Securities, Inc.

Figure 15: List of M/JCP Store Closures and Off-Price Locations Nearby (cont'd)

Store	Mall/Shopping Center	City	State	Burlington	Ross	TJ Maxx	Marshalls
JCP	Huntington Plaza	Huntington	IN	24.5	X	X	X
JCP	Jasper Manor Center	Jasper	IN	X	X	X	X
JCP	Logansport Mall	Logansport	IN	X	X	X	X
JCP	Chanute Square	Chanute	KS	X	X	X	X
JCP	Downtown Great Bend	Great Bend	KS	X	X	X	X
JCP	Hutchinson Mall	Hutchinson	KS	X	X	0	X
JCP	Freestanding	Lawrence	KS	X	0.3	0.3	X
JCP	Winfield Plaza	Winfield	KS	X	X	X	X
JCP	Cortana Mall	Baton Rouge	LA	2.8	6.5	7.5	2.6
JCP	Park Terrace	DeRidder	LA	X	X	X	X
JCP	North Shore Square	Slidell	LA	X	1	6.1	0.3
JCP	Berkshire Mall	Lanesborough	MA	X	X	2.1	X
JCP	Easton Marketplace	Easton	MD	X	X	X	X
JCP	Rockland Plaza	Rockland	ME	X	X	0.9	X
JCP	Lakeview Square Mall	Battle Creek	MI	23.7	X	0.9	29.5
JCP	Delta Plaza	Escanaba	MI	X	X	X	X
JCP	Westshore Mall	Holland	MI	0	X	1	X
JCP	Copper Country Mall	Houghton	MI	X	X	X	X
JCP	Birchwood Mall	Kingsford	MI	X	X	X	X
JCP	Midland Mall	Midland	MI	24.6	X	24.4	X
JCP	Cascade Crossings	Sault Ste. Marie	MI	X	X	0	X
JCP	Central Lakes Crossing	Baxter	MN	X	X	X	X
JCP	Five Lakes Centre	Fairmont	MN	X	X	X	X
JCP	Faribo West Mall	Faribault	MN	X	X	X	28.5
JCP	Irongate Plaza	Hibbing	MN	X	X	X	X
JCP	Hutchinson Mall	Hutchinson	MN	X	X	X	X
JCP	Red Wing Mall	Red Wing	MN	X	X	X	X
JCP	Downtown Thief River Falls	Thief River Falls	MN	X	X	X	X
JCP	Freestanding	Winona	MN	X	X	X	X
JCP	Maryville Center	Maryville	MO	X	X	X	X
JCP	Leigh Mall	Columbus	MS	X	X	0.2	X
JCP	Southgate Plaza	Corinth	MS	X	X	X	X
JCP	Greenville Mall	Greenville	MS	X	X	0	X
JCP	Bonita Lakes Mall	Meridian	MS	X	0.7	1	X
JCP	Oxford Mall	Oxford	MS	X	2.2	X	X
JCP	Capital Hill Mall	Helena	MT	X	3.8	3.1	X
JCP	Sidney Main Street	Sidney	MT	X	X	X	X

Source: Company data, Wedbush Securities, Inc.

Figure 16: List of M/JCP Store Closures and Off-Price Locations Nearby (cont'd)

Store	Mall/Shopping Center	City	State	Burlington	Ross	TJ Maxx	Marshalls
JCP	Albemarle Crossing	Albemarle	NC	X	0.9	1	X
JCP	Boone Mall	Boone	NC	X	X	0	X
JCP	Eastridge Mall	Gastonia	NC	19.6	2.3	1.4	X
JCP	Blue Ridge Mall	Hendersonville	NC	X	10.4	0	10.4
JCP	Monroe Crossing	Monroe	NC	13.9	2.1	2.1	X
JCP	Becker Village Mall	Roanoke Rapids	NC	X	X	X	X
JCP	Prairie Hills Mall	Dickinson	ND	X	X	X	X
JCP	Buffalo Mall	Jamestown	ND	X	X	X	X
JCP	Downtown Wahpeton	Wahpeton	ND	X	X	X	X
JCP	Fremont Mall	Fremont	NE	30	X	X	X
JCP	Downtown McCook	McCook	NE	X	X	X	X
JCP	Platte River Mall	North Platte	NE	X	X	X	X
JCP	Rio Grande Plaza	Rio Grande	NJ	X	0.6	7.4	X
JCP	The Boulevard	Las Vegas	NV	2.5	0.8	0.8	0
JCP	Dunkirk-Fredonia Plaza	Dunkirk	NY	X	X	0.5	X
JCP	Westfield Sunrise	Massapequa	NY	1	X	1	3.7
JCP	Palisades Center	West Nyack	NY	0	X	4.9	3.9
JCP	Findlay Village Mall	Findlay	OH	X	X	0	X
JCP	New Towne Mall	New Philadelphia	OH	X	X	X	0
JCP	Richmond Town Square	Richmond Heights	OH	4.7	X	4.5	3.7
JCP	St. Mary's Square	St. Marys	OH	X	X	27.7	
JCP	Altus Plaza	Altus	OK	X	X	X	X
JCP	Ne-Mar Shopping Center	Claremore	OK	27.2	26.8	15.2	24.9
JCP	Ponca Plaza	Ponca City	OK	X	X	X	X
JCP	Pioneer Square Shopping Center	Stillwater	OK	X	1.4	0.7	X
JCP	Astoria Downtown	Astoria	OR	X	4.3	5.9	X
JCP	Grants Pass Shopping Center	Grants Pass	OR	X	0	28	X
JCP	La Grande Downtown	La Grande	OR	X	X	X	X
JCP	Downtown Pendleton	Pendleton	OR	X	X	X	X
JCP	The Dalles Main Street	The Dalles	OR	X	X	X	X
JCP	Columbia Mall	Bloomsburg	PA	X	X	X	1.3
JCP	Clearfield Mall	Clearfield	PA	X	22.2	22.6	X
JCP	King of Prussia Mall	King of Prussia	PA	17.2	9.4	2.9	6.1
JCP	Philadelphia Mills	Philadelphia	PA	0	1.7	1.6	0
JCP	Bradford Towne Centre	Towanda	PA	X	X	X	X
JCP	Lycoming Mall	Pennsdale	PA	0	X	9.8	X
JCP	Willow Grove Park	Willow Grove	PA	4.2	2.9	1.6	0.9

Source: Company data, Wedbush Securities, Inc.

Figure 17: List of M/JCP Store Closures and Off-Price Locations Nearby (cont'd)

Store	Mall/Shopping Center	City	State	Burlington	Ross	TJ Maxx	Marshalls
JCP	Citadel Mall	Charleston	SC	2.6	0.6	1.2	2
JCP	Town 'N Country	Easley	SC	18.4	11.9	15.1	2
JCP	Palace Mall	Mitchell	SD	X	X	X	X
JCP	Northridge Plaza	Pierre	SD	X	X	X	X
JCP	Watertown Mall	Watertown	SD	X	X	X	X
JCP	Yankton Mall	Yankton	SD	X	X	X	X
JCP	Greeneville Commons	Greeneville	TN	X	27.1	28.2	X
JCP	Knoxville Center	Knoxville	TN	17.1	14	14.1	X
JCP	County Market Place	Union City	TN	X	X	X	X
JCP	Athens Village Shopping Center	Athens	TX	X	X	X	X
JCP	Borger Shopping Plaza	Borger	TX	X	X	X	X
JCP	Heartland Mall	Early	TX	X	X	X	X
JCP	El Paso Downtown	El Paso	TX	7.7	5.9	9	5.9
JCP	Marshall Mall	Marshall	TX	29.2	X	X	X
JCP	McAllen Downtown	McAllen	TX	2	2.5	2.4	2.3
JCP	University Mall	Nacogdoches	TX	26.2	25.2	25.4	X
JCP	King Plaza Shopping Center	Seguin	TX	X	16.5	16.2	22.2
JCP	Bosque River Center	Stephenville	TX	X	X	X	X
JCP	New River Valley Mall	Christiansburg	VA	X	0	0.9	X
JCP	Tanglewood Mall	Roanoke	VA	8.9	9	0	X
JCP	Pilchuck Landing	Snohomish	WA	14.8	15.3	14.9	X
JCP	Pine Tree Mall	Marinette	WI	X	X	X	X
JCP	Marshfield Mall	Marshfield	WI	X	X	X	X
JCP	Richland Square Shopping Center	Richland Center	WI	X	X	X	X
JCP	Rapids Mall	Wisconsin Rapids	WI	X	X	20.8	X
JCP	Foxcroft Towne Center	Martinsburg	WV	X	20.7	1	24.5
JCP	Downtown Sheridan	Sheridan	WY	X	X	X	X
Macy's	Laurel Plaza	North Hollywood	CA	5.4	3.9	5.5	3.9
Macy's	Ala Moana Jewel Gallery	Honolulu	HI	X	0.6	0.7	X
Macy's	Valley Fair	West Valley City	UT	4.4	0	9.5	4.8
Macy's	Greenwood	Bowling Green	KY	X	X	0.8	X
Macy's	Carolina Place	Pineville	NC	1.6	2.4	8.4	7.4
Macy's	Douglaston	Douglaston	NY	2.3	X	4.9	3.5
Macy's	Downtown Portland	Portland	OR	8.3	0	0	2.3
Macy's	*Lancaster Mall	Salem	OR	0	1.4	2.7	6.2
Macy's	Oakwood Mall	Eau Claire	WI	X	0	0	X
Macy's	Mission Valley Apparel	San Diego	CA	7.2	0.6	4.8	0.5

Source: Company data, Wedbush Securities, Inc.

Figure 18: List of M/JCP Store Closures and Off-Price Locations Nearby (cont'd)

Store	Mall/Shopping Center	City	State	Burlington	Ross	TJ Maxx	Marshalls
Macy's	Paseo Nuevo	Santa Barbara	CA	X	4	X	0
Macy's	Lakeland Square	Lakeland	FL	0	0.6	0.4	7.3
Macy's	Oviedo Marketplace	Oviedo	FL	8.8	1.8	1.8	16.9
Macy's	Sarasota Square	Sarasota	FL	6.9	2.8	5.6	2.8
Macy's	University Square	Tampa	FL	0	1.7	7.6	6.2
Macy's	CityPlace	West Palm Beach	FL	2.3	3.6	2.8	5.4
Macy's	Georgia Square	Athens	GA	X	3.1	4	2.4
Macy's	Nampa Gateway Center	Nampa	ID	5.6	5.8	5.5	X
Macy's	Alton Square	Alton	IL	X	0	X	14.3
Macy's	Stratford Square	Bloomington	IL	0	1.4	1.5	8.7
Macy's	Eastland	Bloomington	IL	X	X	2.1	X
Macy's	Jefferson	Louisville	KY	6.2	0	0.6	8.5
Macy's	Esplanade	Kenner	LA	0.9	14.2	2.8	7.2
Macy's	Bangor	Bangor	ME	1.1	X	2.3	4.3
Macy's	Westgate	Brockton	MA	9.8	X	1.7	0
Macy's	Silver City Galleria	Taunton	MA	11.9	X	1.7	4.5
Macy's	Lakeview Square Mall	Battle Creek	MI	23.7	X	0.9	29.5
Macy's	Eastland Center	Harper Woods	MI	0	X	3.6	X
Macy's	Lansing	Lansing	MI	0.5	X	0	13.2
Macy's	Westland	Westland	MI	0.8	X	6.1	4.2
Macy's	Minneapolis Downtown	Minneapolis	MN	5.9	X	7.2	0
Macy's	Northgate	Durham	NC	2.6	0.9	7.3	9.5
Macy's	Columbia	Grand Forks	ND	X	X	0.5	X
Macy's	Moorestown	Moorestown	NJ	5.1	0.4	4.1	0.4
Macy's	Voorhees Town Center	Voorhees	NJ	5.8	1.7	6.2	5.4
Macy's	Preakness	Wayne	NJ	0.3	X	4.5	5
Macy's	Cottonwood	Albuquerque	NM	1.8	1.2	10.2	0.4
Macy's	Las Vegas Boulevard	Las Vegas	NV	4.4	2.5	3.8	3.3
Macy's	Great Northern	Clay	NY	1.6	X	2	6.9
Macy's	Oakdale Mall	Johnson City	NY	0	X	4.6	X
Macy's	The Marketplace	Rochester	NY	0.2	X	5.8	0.7
Macy's	Eastland	Columbus	OH	5	X	14.6	12.1
Macy's	Sandusky	Sandusky	OH	X	X	0	X
Macy's	Fort Steuben	Steubenville	OH	X	X	2.8	X
Macy's	Promenade	Tulsa	OK	5.2	0.3	4.2	8.6
Macy's	Neshaminy	Bensalem	PA	5.5	2.9	5.6	4.4
Macy's	Shenango Valley	Hermitage	PA	25.1	X	0.9	X

Source: Company data, Wedbush Securities, Inc.

Figure 19: List of M/JCP Store Closures and Off-Price Locations Nearby (cont'd)

Store	Mall/Shopping Center	City	State	Burlington	Ross	TJ Maxx	Marshalls
Macy's	Beaver Valley	Monaca	PA	X	0.5	X	0.5
Macy's	Lycoming	Muncy	PA	0	X	8.4	X
Macy's	Plymouth Meeting	Plymouth Meeting	PA	10	1.8	2.6	2
Macy's	Washington Crown Center	Washington	PA	X	0	12.9	0
Macy's	Parkdale	Beaumont	TX	0.5	0.7	17.9	0.3
Macy's	Southwest Center	Dallas	TX	0	1.8	15.5	4.8
Macy's	Sunland Park	El Paso	TX	2	0.5	15.4	0.3
Macy's	Greenspoint	Houston	TX	1.3	2.8	7.3	2.9
Macy's	West Oaks Mall	Houston	TX	0.5	0.6	1.4	2.9
Macy's	Pasadena Town Square	Pasadena	TX	6.4	0.6	16.1	6.1
Macy's	Collin Creek	Plano	TX	3	2.7	5.7	0
Macy's	Broadway Square	Tyler	TX	3.9	0	3.5	0.9
Macy's	Layton Hills	Layton	UT	10.6	0.8	9.7	X
Macy's	Cottonwood	Salt Lake City	UT	4.5	3	3.2	5.1
Macy's	Landmark	Alexandria	VA	4.7	1.3	3.9	1.5
Macy's	River Ridge	Lynchburg	VA	1.1	2.3	0	X
Macy's	Everett	Everett	WA	0	2	0	8.2
Macy's	Three Rivers	Kelso	WA	X	1.8	X	X
Macy's	Valley View	La Crosse	WI	X	1	0.6	X
Macy's	Simi Valley Town Center	Simi Valley	CA	12.9	2.1	7.9	0
Macy's	Mall at Tuttle Crossing	Dublin	OH	4.4	X	4.5	5.6

Source: Company data, Wedbush Securities, Inc.

Analyst Certification

I, Morry Brown, CFA, certify that the views expressed in this report accurately reflect my personal opinion and that I have not and will not, directly or indirectly, receive compensation or other payments in connection with my specific recommendations or views contained in this report.

Covered Public Companies Mentioned (Prices as of 04/21/2017)

Company	Ticker	Rating	Price	Price Target
Amazon.com Inc	AMZN	O	\$898.53	\$900
Burlington Stores Inc	BURL	O	\$97.54	\$107
Ross Stores Inc	ROST	O	\$64.90	\$67
TJX Companies Inc	TJX	O	\$78.56	\$85

Disclosure information regarding historical ratings and price targets is available at <http://www.wedbush.com/ResearchDisclosure/DisclosureQ117.pdf>

Investment Rating System:

Outperform: Expect the total return of the stock to outperform relative to the median total return of the analyst's (or the analyst's team) coverage universe over the next 6-12 months.

Neutral: Expect the total return of the stock to perform in-line with the median total return of the analyst's (or the analyst's team) coverage universe over the next 6-12 months.

Underperform: Expect the total return of the stock to underperform relative to the median total return of the analyst's (or the analyst's team) coverage universe over the next 6-12 months.

The Investment Ratings are based on the expected performance of a stock (based on anticipated total return to price target) relative to the other stocks in the analyst's coverage universe (or the analyst's team coverage).*

Rating Distribution (as of March 31, 2017)	Investment Banking Relationships (as of March 31, 2017)
Outperform: 53%	Outperform: 14%
Neutral: 43%	Neutral: 0%
Underperform: 3%	Underperform: 0%

The Distribution of Ratings is required by FINRA rules; however, WS' stock ratings of Outperform, Neutral, and Underperform most closely conform to Buy, Hold, and Sell, respectively. Please note, however, the definitions are not the same as WS' stock ratings are on a relative basis.

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Wedbush Equity Research Disclosures as of April 24, 2017

Company	Disclosure
Ross Stores	1
The TJX Companies	1
Burlington Stores	1
Amazon.com	1

Research Disclosure Legend

1. WS makes a market in the securities of the subject company.
2. WS managed a public offering of securities within the last 12 months.
3. WS co-managed a public offering of securities within the last 12 months.
4. WS has received compensation for investment banking services within the last 12 months.
5. WS provided investment banking services within the last 12 months.
6. WS is acting as financial advisor.
7. WS expects to receive compensation for investment banking services within the next 3 months.
8. WS provided non-investment banking securities-related services within the past 12 months.
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Price Charts

Wedbush disclosure price charts are updated within the first fifteen days of each new calendar quarter per FINRA regulations. Price charts for companies initiated upon in the current quarter, and rating and target price changes occurring in the current quarter, will not be displayed until the following quarter. Additional information on recommended securities is available on request.

AMZN

1) 04/20/15 NEUTRAL \$395	2) 04/24/15 NEUTRAL \$435	3) 07/20/15 OUTPERFORM \$575	4) 07/24/15 OUTPERFORM \$700	5) 04/29/16 OUTPERFORM \$775	6) 07/25/16 OUTPERFORM \$835
7) 07/29/16 OUTPERFORM \$900					



BURL

1) 01/05/17 OUTPERFORM \$107	2) 03/02/17 OUTPERFORM \$112
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ROST

1) 09/30/14 OUTPERFORM \$87	2) 11/03/14 OUTPERFORM \$89	3) 11/20/14 OUTPERFORM \$97	4) 01/08/15 OUTPERFORM \$106	5) 02/26/15 OUTPERFORM \$112	6) 05/22/15 OUTPERFORM \$117
7) 06/15/15 OUTPERFORM \$58	8) 08/21/15 OUTPERFORM \$59	9) 11/20/15 OUTPERFORM \$61	10) 03/02/16 OUTPERFORM \$63	11) 05/20/16 OUTPERFORM \$62	12) 08/04/16 OUTPERFORM \$65
13) 08/19/16 OUTPERFORM \$67	14) 11/18/16 OUTPERFORM \$71	15) 03/01/17 OUTPERFORM \$73			



TJX

1) 05/20/14	2) 08/20/14	3) 11/03/14	4) 01/08/15	5) 05/19/15	6) 02/24/16	7) 05/17/16
NEUTRAL \$62	NEUTRAL \$63	OUTPERFORM \$68	OUTPERFORM \$76	OUTPERFORM \$80	OUTPERFORM \$79	OUTPERFORM \$83
8) 07/08/16	9) 08/17/16	10) 11/16/16				
OUTPERFORM \$82	OUTPERFORM \$84	OUTPERFORM \$85				



* WS changed its rating system from (Strong Buy/Buy/Hold/Sell) to (Outperform/ Neutral/Underperform) on July 14, 2009. Please access the attached hyperlink for WS' Coverage Universe: <http://www.wedbush.com/services/cmg/equities-division/research/equity-research> Applicable disclosure information is also available upon request by contacting James Kim in the Research Department at (213) 688-4380, by email to James.Kim@wedbush.com, or the Business Conduct Department at (213) 688-8090. You may also submit a written request to the following: Business Conduct Department, 1000 Wilshire Blvd., Los Angeles, CA 90017.

OTHER DISCLOSURES

RESEARCH DEPT. * (213) 688-4380 * www.wedbush.com
 EQUITY TRADING Los Angeles (213) 688-4470 / (800) 421-0178 * EQUITY SALES Los Angeles (800) 444-8076
 CORPORATE HEADQUARTERS (213) 688-8000

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EQUITY RESEARCH DEPARTMENT

RETAIL AND CONSUMER

Building Supplies/Materials**Environmental Services**

Al Kaschalk (213) 688-4539

Food and Beverage

Colin Radke, CFA (213) 688-6624

Footwear and Apparel

Christopher Svezia (212) 938-9922

Homebuilders

Jay McCanless (212) 833-1381

Leisure

James Hardiman, CFA CPA (212) 833-1362

Sean Wagner (212) 833-1363

Restaurants

Nick Setyan (213) 688-4519

Colin Radke, CFA (213) 688-6624

Specialty Retail: Hardlines

Seth Basham, CFA (212) 938-9954

Nathan Friedman (212) 938-9955

Specialty Retail: Softlines

Morry Brown, CFA (213) 688-4311

TECHNOLOGY, INTERNET AND MEDIA

Business Services/IT Services/Payments

Moshe Katri (212) 938-9947

Ariel Hughes (212) 833-1373

Consumer Entertainment Products

Nick McKay (213) 688-4343

Michael Pachter (213) 688-4474

Alicia Reese (212) 938-9927

Matthew Breda (213) 688-4480

Enterprise Software

Steve Koenig (415) 274-6801

Entertainment: Retail/Entertainment: Software

Michael Pachter (213) 688-4474

Nick McKay (213) 688-4343

Alicia Reese (212) 938-9927

Matthew Breda (213) 688-4480

Internet: eCommerce

Aaron Turner (213) 688-4429

Amir Chaudhri (213) 688-4538

Internet: Media and Gaming**Internet: Social Media, Advertising and Technology**

Michael Pachter (213) 688-4474

Nick McKay (213) 688-4343

Alicia Reese (212) 938-9927

Matthew Breda (213) 688-4480

Media

James Dix, CFA (213) 688-4315

Aria Ertefaie (212) 938-9958

Movies and Entertainment

Michael Pachter (213) 688-4474

Alicia Reese (212) 938-9927

Nick McKay (213) 688-4343

Matthew Breda (213) 688-4480

HEALTHCARE

Biotechnology/Biopharmaceuticals

David M. Nierengarten, Ph.D. (415) 274-6862

Dilip Joseph (415) 273-7308

Robert Driscoll, Ph.D. (415) 274-6863

Emerging Pharmaceuticals

Liana Moussatos, Ph.D. (415) 263-6626

Kelechi Chikere, Ph.D. (415) 273-7304

Medical Devices

Tao Levy (212) 938-9948

Na Sun (212) 938-9953

FINANCIAL INSTITUTIONS

Real Estate Finance and Services

Jason Weaver, CFA (212) 833-1383

Regional Banks/Texas Banks

Peter J. Winter (212) 938-9942

David J. Chiaverini, CFA (212) 938-9934

Yi Fu Lee, CFA, CPA (212) 938-9925

Specialty Finance

Henry J. Coffey Jr., CFA (212) 833-1382

EQUITY SALES

Los Angeles (213) 688-4470 / (800) 444-8076

San Francisco (415) 274-6800

New York (212) 938-9931

Boston (617) 832-3700

Minneapolis (213) 688-6671

Chicago (213) 688-4418

EQUITY TRADING

Los Angeles (213) 688-4470 / (800) 421-0178

San Francisco (415) 274-6811

New York (212) 938-9923

Boston (617) 832-3700

Milwaukee (213) 688-4475

CORPORATE HEADQUARTERS

1000 Wilshire Blvd., Los Angeles, CA 90017-2465

Tel: (213) 688-8000 www.wedbush.com
