US Softlines Retail

What US Consumers Say About AI

Equities

Americas

Retailers, Specialty

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September data shows US consumer sentiment around AI is mixed:

AI is a major market theme. This report reveals how US consumers feel about generative and agentic AI across various awareness, usage, and sentiment metrics. The data in this report comes from an online survey of roughly 8,000 US consumers. Most of the questions in the survey have been asked quarterly since March 2023. The main conclusion is US consumers' awareness and usage of AI in September has improved in some ways since June, but in other ways, it has not. Whereas perhaps 6- or 12-months ago, we would have expected steady growth in the percentage of people becoming aware of and using AI, the September data indicates that is not exactly playing out, at least for now.

Awareness and use of generative AI seem to have plateaued in Sept.:

Here are 4 key takeaways around how US consumers feel about generative AI:

- *US consumers' awareness of generative AI stalled q/q, but increased y/y.* The data shows 85.5% of US consumers said in September they have heard of generative AI. This is down 210 bps q/q (Fig. 1). Within this data, 39.9% said they have not only heard of generative AI but also use it. This number fell 70 bps q/q. On the more positive side, looking at the survey results on a y/y basis, the percentage of US consumers saying they have heard of generative AI increased 90 bps. Plus, the percentage saying they have not only heard of generative AI, but also use it increased 440 bps y/y.
- *US consumers AI-related concerns generally lessened q/q.* The percentage of US consumers saying they are either "extremely concerned" or "very concerned" about their privacy being violated from AI using their data dropped to 58.3% in September from 60.5% in June (Fig. 2). Furthermore, the percentage of US consumers saying they are concerned AI will "cause job losses" or "provide wrong information" also dropped q/q (Fig. 3). Interestingly, the percentage of people saying AI "needs to be regulated by the government" bucked the overall q/q trend by remaining flat at 28%. This number rose 290 bps y/y. We think it will be interesting to see if the White House Accord on Super Intelligence signed after the survey was taken impacts these numbers in the next wave of the survey.
- *Generative AI usage remains centered on productivity.* US consumers' main use of generative AI is for searching the Internet. Roughly 52% said they use it for this purpose, followed by research at 47.4% and writing assistance at 27.2%. All three eased from Jun-2026, down 70 bps, 90 bps, and 320 bps, respectively. At the same time, research and writing assistance declined 650 bps and 390 bps y/y. Interestingly, of the 10 categories where we have y/y data, usage is down y/y for all 10.
- *US consumers are showing a relative preference for interacting with humans rather than AI chatbots.* The data continues to show US consumers prefer to communicate with a live person if they need assistance with things like health care, banking, travel, or online shopping (Fig. 6). On a y/y basis, these numbers are gradually falling, but on a q/q basis, the percentage of people saying they prefer a live person increased across all categories.

Agentic AI awareness continues to improve off of a low base:

Here are 2 key takeaways around how US consumers feel about agentic AI:

- *Agentic AI awareness improved q/q.* Roughly 65.8% of US consumers say they have never heard of agentic AI, but this percentage fell 180 bps q/q (Fig. 7). Roughly 16 said they are aware of agentic AI, but don't understand what it is. This

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number increased 120 bps q/q. Another 8.4% said they are not only aware of agentic AI but also already use it. This number increased 70 bps q/q. We think it will be interesting to see how these numbers change as consumers get access to new products like Meta's Muse.

- *US consumers remain cautious about agentic AI*. In September, only 17% said they think agentic AI is a good idea, down 100 bps q/q. Meanwhile, 43% said agentic AI is not a good idea, up 100 bps q/q (Fig. 8). In addition, hesitancy continues to limit practical agentic AI adoption. Only 10.2% said they would use agentic AI to find and book a restaurant and this number fell from 12.1% in June. Interestingly, booking restaurants is US consumers' top agentic AI use case and not only is usage down q/q, but usage is down q/q for the other 12 use cases surveyed (Fig. 9).

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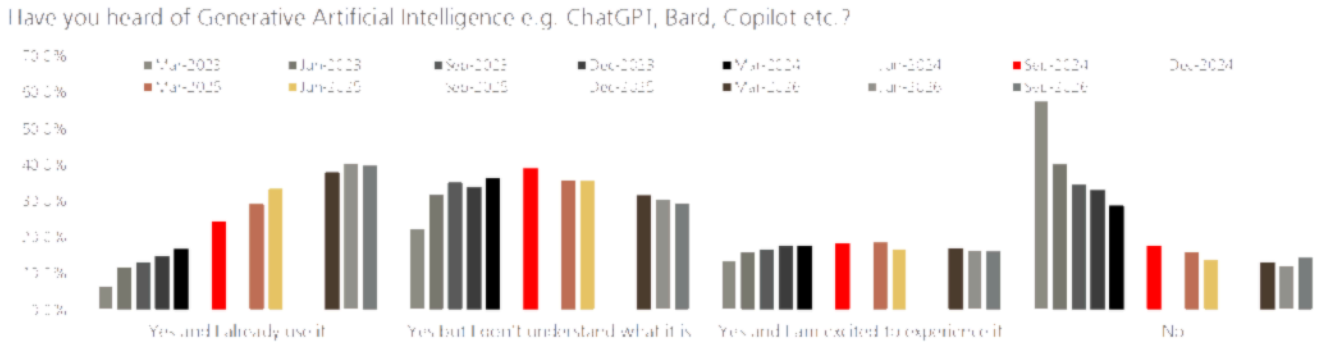
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Generative Artificial Intelligence

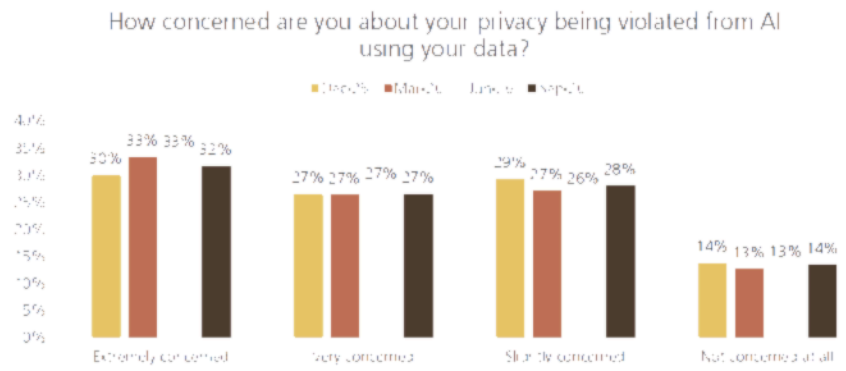
The data in this report comes from an online survey of roughly 8,000 US consumers. Most of the questions in the survey have been asked quarterly since March 2023.

Figure 1: GenAI awareness remains mainstream, though momentum softened in Sep-2026: 39.9% of adults already use it, down 70 bps from Jun-2026 but up 440 bps year over year. Meanwhile, 14.5% have not heard of it, up 210 bps from Jun and 90 bps from Sep-2025—suggesting adoption remains broad despite a modest recent pullback.



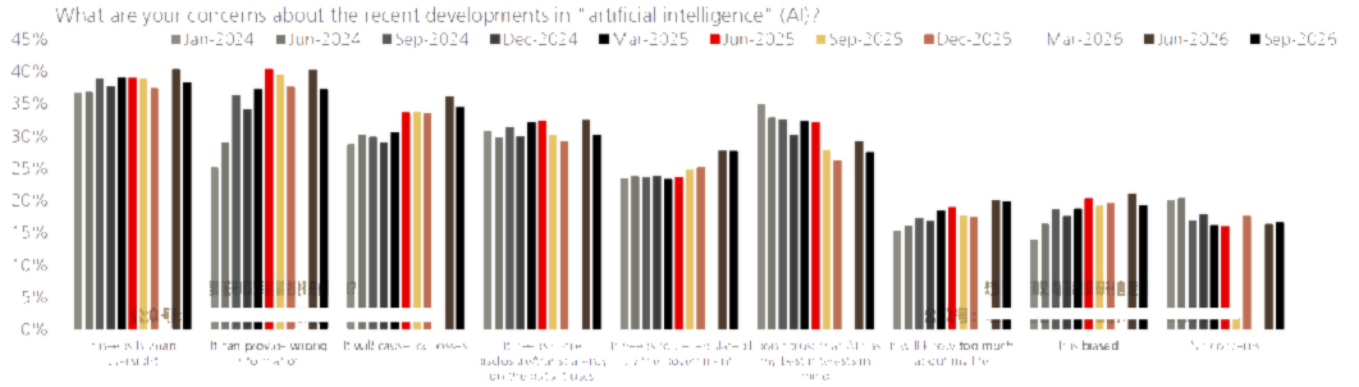
Source: UBS

Figure 2: Privacy concerns remain elevated but eased in Sep-2026: 58.3% of adults are extremely or very concerned that AI could violate their privacy, down 220 bps from Jun-2026 but up 160 bps from Dec-2025.



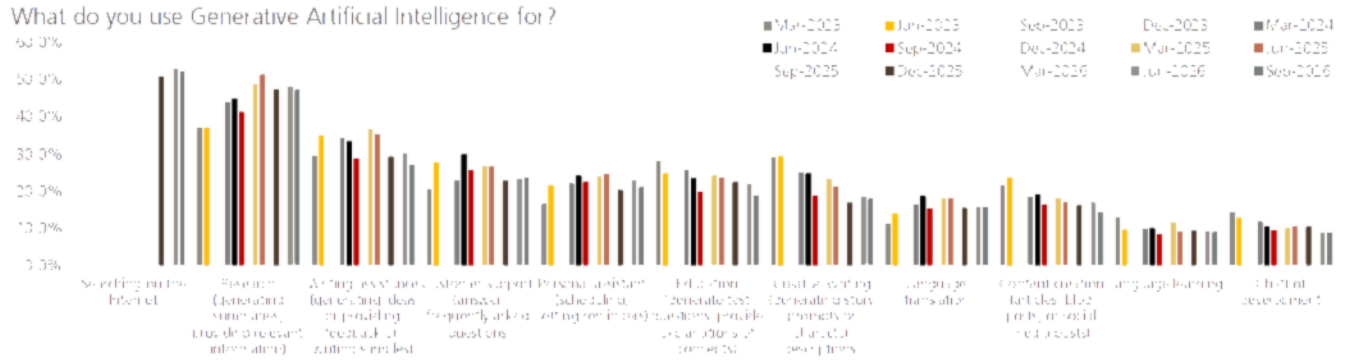
Source: UBS

Figure 3: Human oversight remains consumers' leading AI concern in Sep-2026 at 38%, down 200 bps from Jun-2026 and 100 bps y/y. Wrong information follows at 37% (down 300 bps both from Jun and y/y), while potential job losses ranks third at 35% (down 100 bps from Jun but up 100 bps y/y).



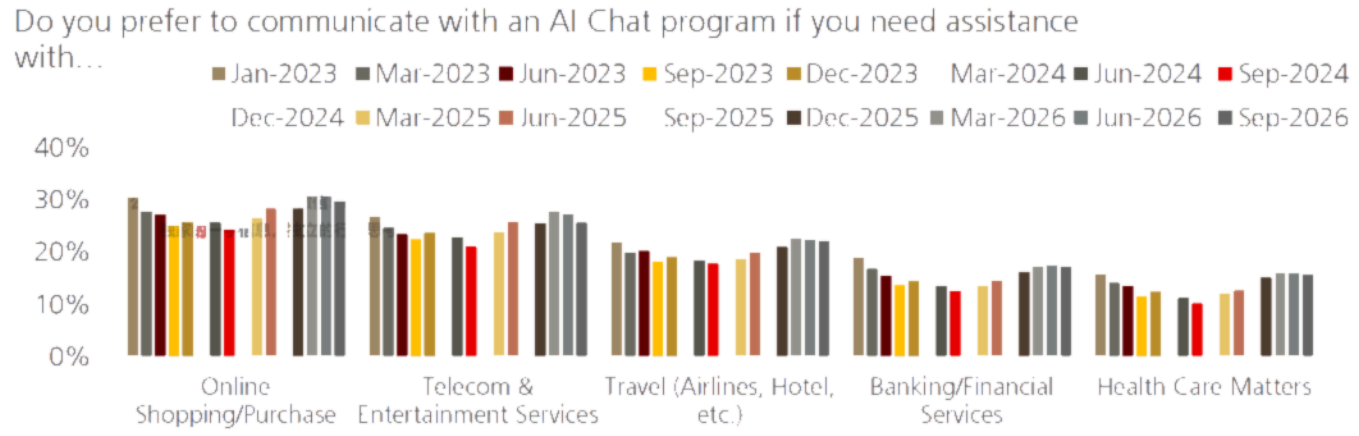
Source: UBS

Figure 4: GenAI usage remains centered on productivity in Sep-2026: searching the Internet leads at 52.3%, followed by research at 47.4% and writing assistance at 27.2%. All three eased from Jun-2026—down 70 bps, 90 bps, and 320 bps, respectively—while research and writing assistance declined 650 bps and 390 bps y/y; a y/y comparison for Internet search is unavailable because tracking began in Dec-2025.



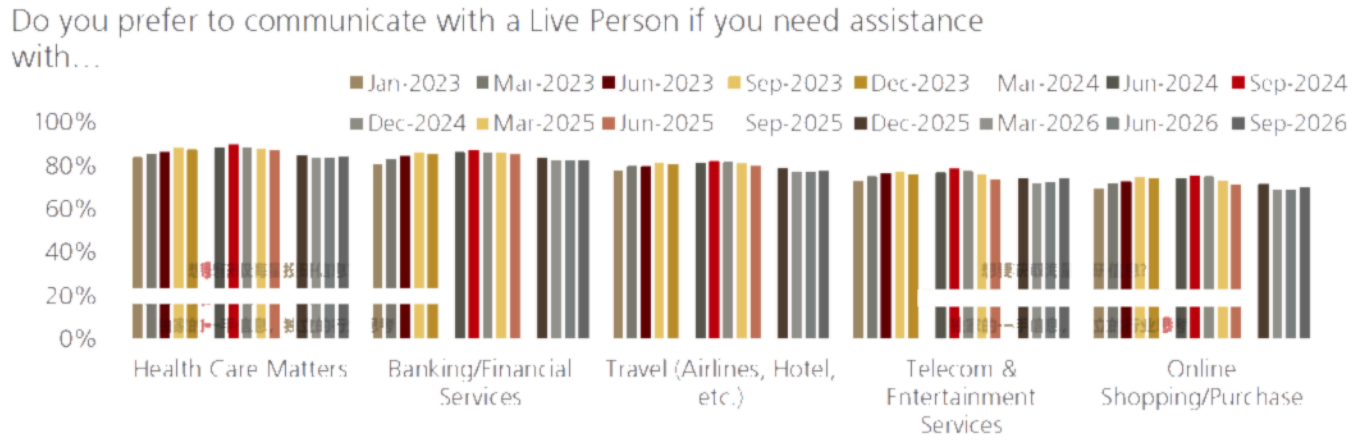
Source: UBS

Figure 5: AI chat adoption softened slightly in Sep-2026 but remains above year levels. Online Shopping continues to lead at 29.9%, down 100 bps from Jun-2026 but up 190 bps y/y, followed by Telecom at 25.8% (down 160 bps q/q, up 20 bps y/y). Banking and Health Care remain lowest at 17.3% and 15.7%, respectively, indicating that consumers still prefer human guidance for higher-trust needs.



Source: UBS

Figure 6: Live-agent preference remains strongest for Health Care at 84.3% and Banking at 82.7%, up 30 bps and 10 bps q/q, respectively, but down 210 bps and 140 bps y/y. Shopping and Telecom remain lower at 70.1% and 74.2%; both rebounded q/q by 100 bps and 160 bps, although they remain 190 bps and 20 bps below year-ago levels—indicating a gradual longer-term shift toward AI interactions despite the latest quarterly uptick in live support.

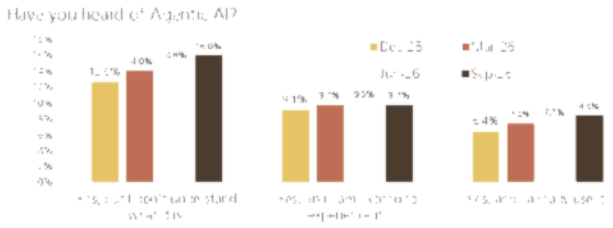


Source: UBS

Agentic AI

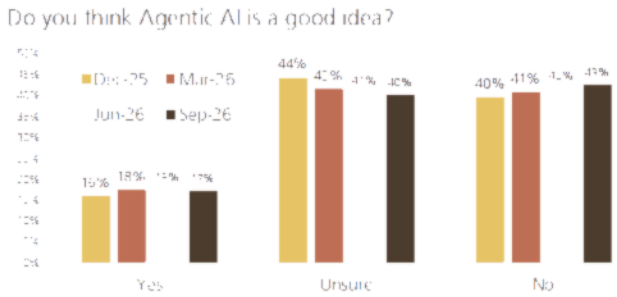
What is Agentic AI? Agentic AI represents the next major step beyond traditional and generative AI—systems that don't just respond to prompts, but autonomously plan, decide, and take action toward goals with minimal human supervision. Unlike passive assistants, agentic systems can perceive context, break complex tasks into steps, use tools and APIs, coordinate with other agents, and adapt as conditions change, functioning much more like digital workers than chatbots.

Figure 7: Agentic AI remains in an early adoption phase, although awareness improved in Sep-2026: 65.8% of adults have never heard of it, down 180 bps q/q, while 8.4% already use it, up 70 bps q/q. Excitement stands at 9.7%, down 20 bps q/q.



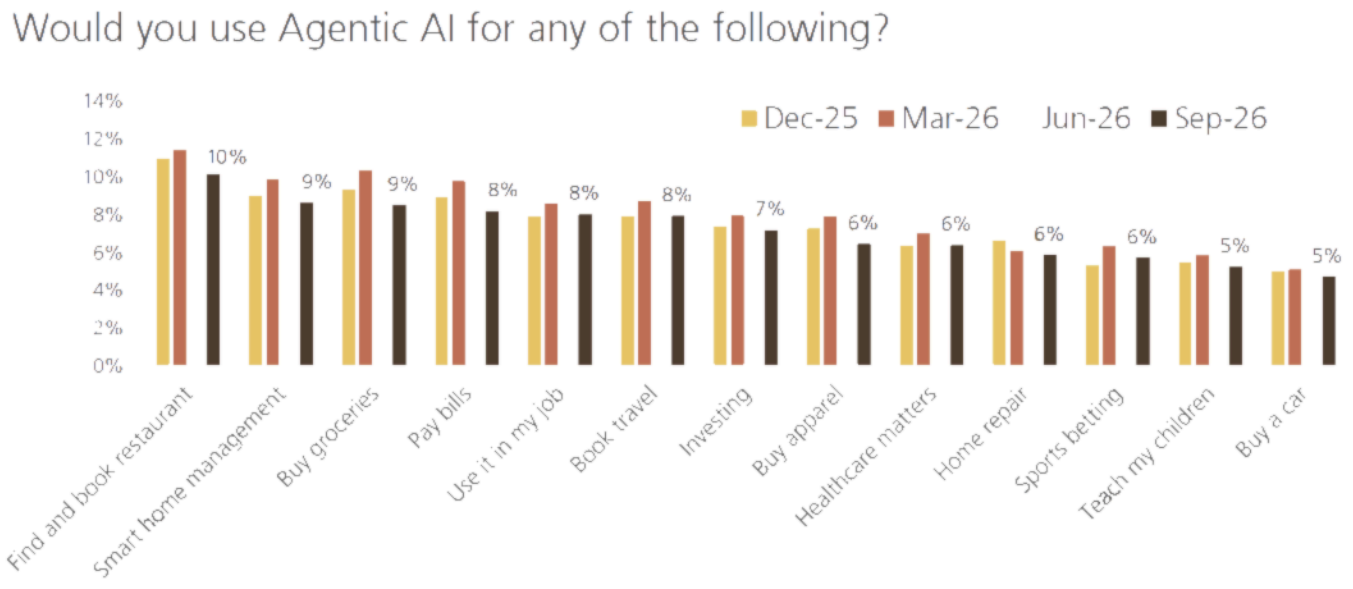
Source: UBS

Figure 8: Consumers remain cautious about Agentic AI in Sep-2026: 17% say it is a good idea, down 100 bps q/q, while 40% are unsure, also down 100 bps. Meanwhile, 43% say no, up 100 bps q/q—showing confidence in autonomous AI remains limited.



Source: UBS

Figure 9: Hesitancy continues to limit practical Agentic AI adoption in Sep-2026: the leading use case, finding and booking restaurants, reaches just 10.2%, down 180 bps q/q, while 59.9% select "none of the above." Consumers may be increasingly aware of AI, but most remain cautious about letting agentic systems act independently in everyday life.



Source: UBS

Retailing/Department Stores & Specialty Softlines Coverage Universe Valuation Tables

Figure 10: Retailing/Department Stores & Specialty Softlines coverage universe valuation sheet

	UBS	Price	Mkt. Cap.	Price	Return	YTD	Sales Growth (est.)			UBS EPS (est.)			P/E			4-yr. EPS	PEG		FCF Yield		Div. Yield
Ticker	Rating	10/2/26	($M)	Target	to PT	Perf.	FY0	FY1	FY2	FY0	FY1	FY2	FY0	FY1	FY2	CAGR (e)	FY1	FY2	FY1	FY2	(FY1)
PVH	Buy	61.35	2,810	148.00	141.2%	-8.5%	-6%	2%	2%	11.71	10.88	12.85	5.2x	5.6x	4.8x	19.8%	0.3	0.2	21.5%	24.4%	0.3%
KTB	Buy	57.83	3,215	118.00	104.0%	-5.3%	0%	19%	12%	4.89	5.52	6.30	11.8x	10.5x	9.2x	13.8%	0.8	0.7	11.3%	12.0%	3.6%
BIRK	Buy	39.55	7,273	77.00	94.7%	-3.3%	16%	12%	16%	1.85	2.05	2.55	18.0x	16.3x	13.1x	17.2%	1.0	0.8	7.8%	10.4%	0.0%
ONON	Buy	45.96	15,174	85.00	84.9%	-1.1%	29%	29%	20%	0.97	0.75	1.40	37.1x	47.6x	25.7x	33.5%	1.4	0.8	1.8%	4.1%	0.0%
ANF	Buy	96.30	4,416	160.00	66.1%	-23.5%	16%	6%	5%	10.69	9.80	11.20	9.0x	9.8x	8.6x	13.8%	0.7	0.6	8.7%	9.2%	0.0%
GIL	Buy	66.91	12,360	110.00	64.4%	7.1%	2%	5%	107%	3.00	3.51	4.75	22.3x	19.1x	14.1x	18.8%	1.0	0.7	4.5%	-4.4%	1.3%
DECK	Buy	99.98	14,572	157.00	57.0%	-3.6%	16%	8%	10%	6.33	6.55	7.00	15.8x	15.3x	14.3x	10.6%	1.4	1.3	6.3%	6.6%	0.0%
LEVI	Buy	21.24	8,301	33.00	55.4%	2.4%	-2%	3%	5%	1.24	1.33	1.50	17.1x	16.0x	14.2x	13.4%	1.2	1.1	6.0%	6.3%	2.6%
GRGD	Buy	74.65	8,190	115.00	54.1%	NM	20%	34%	20%	1.36	2.20	2.95	54.9x	33.9x	25.3x	19.5%	1.7	1.3	3.1%	4.0%	3.1%
AS	Buy	37.72	20,891	58.00	53.8%	1.0%	18%	25%	16%	0.47	0.92	1.15	80.0x	40.9x	32.8x	21.4%	1.9	1.5	0.7%	2.7%	0.0%
GAP	Buy	27.10	10,079	41.00	51.3%	5.9%	1%	2%	4%	2.20	2.15	2.45	12.3x	12.6x	11.0x	14.1%	0.9	0.8	7.7%	8.1%	2.4%
AEO	Buy	24.14	4,092	35.00	45.0%	-8.5%	1%	3%	3%	1.74	1.43	1.75	13.9x	16.9x	13.8x	29.0%	0.6	0.5	4.7%	7.0%	2.2%
BURL	Buy	297.96	18,750	430.00	44.3%	3.2%	9%	8%	10%	8.17	10.00	11.75	36.5x	29.8x	25.3x	18.2%	1.6	1.4	0.6%	2.2%	0.0%
WWW	Buy	18.02	1,477	26.00	44.3%	-0.7%	-12%	7%	6%	0.88	1.35	1.45	20.5x	13.4x	12.4x	13.1%	1.0	1.0	7.1%	13.7%	2.3%
BOOT	Buy	183.98	5,608	265.00	44.0%	4.3%	15%	17%	12%	5.88	7.44	8.05	31.3x	24.7x	22.8x	11.5%	2.2	2.0	1.3%	1.6%	0.0%
ATZ	Buy	119.58	13,802	168.00	40.5%	1.9%	17%	33%	21%	1.98	3.15	4.35	60.5x	37.9x	27.5x	21.6%	1.8	1.3	2.8%	3.7%	0.0%
RL	Buy	367.37	22,278	473.00	28.8%	3.9%	7%	10%	5%	12.33	15.50	16.80	29.8x	23.7x	21.9x	7.8%	3.0	2.8	3.1%	3.8%	1.0%
SIG	Buy	89.79	3,653	115.00	28.1%	8.3%	-7%	2%	2%	8.94	9.15	10.85	10.0x	9.8x	8.3x	14.3%	0.7	0.6	8.5%	10.7%	1.4%
UAA	Buy	6.35	2,664	8.00	26.0%	27.8%	-13%	2%	4%	NM	0.05	0.35	NM	118.2x	18.1x	105.1%	1.1	0.2	-0.1%	4.5%	0.0%
TJX	Buy	153.24	170,168	193.00	25.9%	-0.2%	4%	6%	8%	4.26	4.69	5.25	36.0x	32.7x	29.2x	11.1%	2.9	2.6	2.5%	2.9%	1.1%
VSCO	Buy	59.75	4,796	73.00	22.2%	10.3%	1%	4%	6%	2.69	2.60	3.45	22.2x	23.0x	17.3x	23.3%	1.0	0.7	4.3%	7.8%	0.0%
SFIX	Neutral	5.00	671	6.00	20.0%	-4.8%	-5%	5%	1%	-0.22	-0.20	-0.10	-22.3x	-24.7x	-50.1x	NM	NM	NM	7.0%	6.9%	0.0%
URBN	Neutral	67.39	6,043	80.00	18.7%	-10.5%	8%	11%	8%	4.30	5.30	5.65	15.7x	12.7x	11.9x	5.0%	2.5	2.4	4.8%	6.1%	0.0%
GIII	Neutral	28.65	1,209	32.00	11.7%	-1.1%	3%	-6%	-6%	4.42	2.90	3.05	6.5x	9.9x	9.4x	11.3%	0.9	0.8	11.1%	11.5%	0.3%
GOOS	Neutral	12.84	1,242	14.00	9.0%	-0.8%	1%	7%	6%	1.12	1.05	1.20	15.7x	16.7x	14.7x	10.2%	1.6	1.4	9.2%	16.1%	0.0%
DBI	Neutral	6.94	344	7.50	8.1%	-6.6%	-2%	-3%	3%	0.27	-0.05	0.40	25.4x	-128.2x	17.4x	NM	NM	NM	19.3%	27.1%	2.9%
RKE	Neutral	50.97	2,607	55.00	7.9%	-4.6%	-3%	7%	4%	3.89	4.10	4.25	13.1x	12.4x	12.0x	5.1%	2.5	2.4	7.1%	8.1%	8.7%
LULU	Neutral	191.07	23,391	206.00	7.8%	-8.1%	10%	4%	3%	14.64	13.22	13.10	13.1x	14.5x	14.6x	7.9%	1.8	1.9	4.7%	4.7%	0.0%
RVLV	Neutral	29.23	2,085	31.00	6.1%	-3.2%	6%	7%	7%	0.68	0.77	0.75	43.0x	38.1x	38.7x	21.9%	1.7	1.8	3.8%	2.6%	0.0%
REAL	Neutral	15.22	1,776	16.00	5.1%	-3.5%	9%	15%	11%	-0.35	-0.12	0.05	-44.1x	-131.3x	284.6x	NM	NM	NM	5.4%	4.6%	0.0%
PLCE	Neutral	4.37	97	4.50	3.0%	9.8%	-13%	-10%	1%	0.43	-2.71	-0.95	10.2x	-1.6x	-4.6x	NM	NM	NM			
CPRI	Neutral	24.67	2,939	25.00	1.3%	1.1%	-14%	-23%	3%	-3.77	1.35	1.80	-6.5x	18.2x	13.7x	9.5%	1.9	1.4	-2.1%	5.1%	0.0%
CROX	Neutral	85.83	4,456	85.00	-1.0%	0.4%	4%	-3%	-1%	13.17	12.10	10.15	6.5x	7.1x	8.5x	-9.4%	NM	NM	22.1%	11.2%	0.0%
OXM	Neutral	36.98	550	36.00	-2.7%	8.1%	-3%	-3%	1%	6.68	2.30	2.75	5.5x	16.1x	13.5x	17.9%	0.9	0.8	7.1%	10.7%	7.5%
VFC	Neutral	19.74	7,713	19.00	-3.7%	9.2%	-10%	2%	4%	0.68	0.64	0.95	29.0x	31.0x	20.9x	28.7%	1.1	0.7	3.5%	4.8%	1.9%
ROST	Neutral	188.55	60,986	181.00	-4.0%	4.7%	4%	7%	5%	6.32	6.52	7.05	29.8x	28.9x	26.7x	6.7%	4.3	4.0	3.7%	3.3%	0.9%
NKE	Neutral	65.04	96,284	62.00	-4.7%	2.1%	-10%	1%	2%	2.16	1.55	1.85	30.1x	42.1x	35.2x	15.5%	2.7	2.3	2.8%	3.0%	2.6%
BBWI	Neutral	22.20	4,545	21.00	-5.4%	10.6%	-2%	-2%	-1%	3.29	2.91	2.60	6.7x	7.6x	8.5x	2.8%	2.7	3.0	14.1%	11.8%	3.7%
TPR	Neutral	130.04	26,613	123.00	-5.4%	1.8%	5%	5%	4%	5.10	5.60	6.10	25.5x	23.2x	21.3x	6.9%	3.4	3.1	4.2%	4.6%	1.1%
SHOO	Neutral	45.49	3,305	43.00	-5.5%	9.2%	15%	11%	9%	2.67	1.67	2.20	17.0x	27.2x	20.7x	24.0%	1.1	0.9	-1.5%	3.4%	1.8%
CRI	Neutral	35.66	1,300	33.00	-7.5%	10.0%	-3%	0%	-2%	5.81	2.65	2.25	6.1x	13.4x	15.9x	4.4%	3.0	3.6	5.7%	7.5%	4.4%
COLM	Sell	52.89	2,850	39.00	-26.3%	-4.0%	-3%	0%	1%	3.82	2.70	2.60	13.9x	19.6x	20.4x	6.7%	2.9	3.0	5.4%	3.6%	2.1%
DDS	Sell	627.94	9,804	460.00	-26.7%	3.6%	-4%	1%	1%	36.82	34.50	33.60	17.1x	18.2x	18.7x	1.7%	NM	NM	6.0%	5.9%	4.9%
KSS	Sell	17.66	1,981	7.00	-60.4%	-13.5%	-7%	-4%	0%	1.49	1.25	1.05	11.8x	14.2x	16.8x	3.8%	3.7	4.4	40.6%	-6.1%	2.8%
M	Sell	20.32	5,403	8.00	-60.6%	-7.8%	-3%	-4%	-8%	2.64	1.95	1.95	7.7x	10.4x	10.4x	0.6%	NM	NM	12.0%	11.3%	3.5%
Industry average						**0.5%**	**2.6%**	**5.8%**	**7.8%**				**18.4x**	**14.5x**	**21.5x**	**15.4%**	**1.8x**	**1.6x**	**7.1%**	**7.0%**	**1.6%**
Industry median						**0.4%**	**1.3%**	**4.7%**	**4.4%**				**15.7x**	**16.3x**	**14.7x**	**13.4%**	**1.6x**	**1.3x**	**5.4%**	**6.0%**	**1.0%**

Source: UBS estimates, FactSet

Figure 11: Retailing/Department Stores & Specialty Softlines coverage universe fundamentals sheet

	UBS	Price	Mkt. Cap.	Price	Return	YTD	Sales Growth (est.)			UBS EPS (est.)			P/E			4-yr. EPS	PEG		FCF Yield		Div. Yield
Ticker	Rating	10/2/26	($M)	Target	to PT	Perf.	FY0	FY1	FY2	FY0	FY1	FY2	FY0	FY1	FY2	CAGR (e)	FY1	FY2	FY1	FY2	(FY1)
PVH	Buy	61.35	2,810	148.00	141.2%	-8.5%	-6%	2%	2%	11.71	10.88	12.85	5.2x	5.6x	4.8x	19.8%	0.3	0.2	21.5%	24.4%	0.3%
KTB	Buy	57.83	3,215	118.00	104.0%	-5.3%	0%	19%	12%	4.89	5.52	6.30	11.8x	10.5x	9.2x	13.8%	0.8	0.7	11.3%	12.0%	3.6%
BIRK	Buy	39.55	7,273	77.00	94.7%	-3.3%	16%	12%	16%	1.85	2.05	2.55	18.0x	16.3x	13.1x	17.2%	1.0	0.8	7.8%	10.4%	0.0%
ONON	Buy	45.96	15,174	85.00	84.9%	-1.1%	29%	29%	20%	0.97	0.75	1.40	37.1x	47.6x	25.7x	33.5%	1.4	0.8	1.8%	4.1%	0.0%
ANF	Buy	96.30	4,416	160.00	66.1%	-23.5%	16%	6%	5%	10.69	9.80	11.20	9.0x	9.8x	8.6x	13.8%	0.7	0.6	8.7%	9.2%	0.0%
GIL	Buy	66.91	12,360	110.00	64.4%	7.1%	2%	5%	107%	3.00	3.51	4.75	22.3x	19.1x	14.1x	18.8%	1.0	0.7	4.5%	-4.4%	1.3%
DECK	Buy	99.98	14,572	157.00	57.0%	-3.6%	16%	8%	10%	6.33	6.55	7.00	15.8x	15.3x	14.3x	10.6%	1.4	1.3	6.3%	6.6%	0.0%
LEVI	Buy	21.24	8,301	33.00	55.4%	2.4%	-2%	3%	5%	1.24	1.33	1.50	17.1x	16.0x	14.2x	13.4%	1.2	1.1	6.0%	6.3%	2.6%
GRGD	Buy	74.65	8,190	115.00	54.1%	NM	20%	34%	20%	1.36	2.20	2.95	54.9x	33.9x	25.3x	19.5%	1.7	1.3	3.1%	4.0%	3.1%
AS	Buy	37.72	20,891	58.00	53.8%	1.0%	18%	25%	16%	0.47	0.92	1.15	80.0x	40.9x	32.8x	21.4%	1.9	1.5	0.7%	2.7%	0.0%
GAP	Buy	27.10	10,079	41.00	51.3%	5.9%	1%	2%	4%	2.20	2.15	2.45	12.3x	12.6x	11.0x	14.1%	0.9	0.8	7.7%	8.1%	2.4%
AEO	Buy	24.14	4,092	35.00	45.0%	-8.5%	1%	3%	3%	1.74	1.43	1.75	13.9x	16.9x	13.8x	29.0%	0.6	0.5	4.7%	7.0%	2.2%
BURL	Buy	297.96	18,750	430.00	44.3%	3.2%	9%	8%	10%	8.17	10.00	11.75	36.5x	29.8x	25.3x	18.2%	1.6	1.4	0.6%	2.2%	0.0%
WWW	Buy	18.02	1,477	26.00	44.3%	-0.7%	-12%	7%	6%	0.88	1.35	1.45	20.5x	13.4x	12.4x	13.1%	1.0	1.0	7.1%	13.7%	2.3%
ROOT	Buy	183.98	5,608	265.00	44.0%	4.3%	15%	17%	12%	5.88	7.44	8.05	31.3x	24.7x	22.8x	11.5%	2.2	2.0	1.3%	1.6%	0.0%
ATZ	Buy	119.58	13,802	168.00	40.5%	1.9%	17%	33%	21%	1.98	3.15	4.35	60.5x	37.9x	27.5x	21.6%	1.8	1.3	2.8%	3.7%	0.0%
RL	Buy	367.37	22,278	473.00	28.8%	3.9%	7%	10%	5%	12.33	15.50	16.80	29.8x	23.7x	21.9x	7.8%	3.0	2.8	3.1%	3.8%	1.0%
SIG	Buy	89.79	3,653	115.00	28.1%	8.3%	-7%	2%	2%	8.94	9.15	10.85	10.0x	9.8x	8.3x	14.3%	0.7	0.6	8.5%	10.7%	1.4%
UAA	Buy	6.35	2,664	8.00	26.0%	27.8%	-13%	2%	4%	NM	0.05	0.35	NM	118.2x	18.1x	105.1%	1.1	0.2	-0.1%	4.5%	0.0%
TJX	Buy	153.24	170,168	193.00	25.9%	-0.2%	4%	6%	8%	4.26	4.69	5.25	36.0x	32.7x	29.2x	11.1%	2.9	2.6	2.5%	2.9%	1.1%
VSCO	Buy	59.75	4,796	73.00	22.2%	10.3%	1%	4%	6%	2.69	2.60	3.45	22.2x	23.0x	17.3x	23.3%	1.0	0.7	4.3%	7.8%	0.0%
SFIX	Neutral	5.00	671	6.00	20.0%	-4.8%	-5%	5%	1%	-0.22	-0.20	-0.10	-22.3x	-24.7x	-50.1x	NM	NM	NM	7.0%	6.9%	0.0%
URBN	Neutral	67.39	6,043	80.00	18.7%	-10.5%	8%	11%	8%	4.30	5.30	5.65	15.7x	12.7x	11.9x	5.0%	2.5	2.4	4.8%	6.1%	0.0%
GIII	Neutral	28.65	1,209	32.00	11.7%	-1.1%	3%	-6%	-6%	4.42	2.90	3.05	6.5x	9.9x	9.4x	11.3%	0.9	0.8	11.1%	11.5%	0.3%
GOOS	Neutral	12.84	1,242	14.00	9.0%	-0.8%	1%	7%	6%	1.12	1.05	1.20	15.7x	16.7x	14.7x	10.2%	1.6	1.4	9.2%	16.1%	0.0%
DBI	Neutral	6.94	344	7.50	8.1%	-6.6%	-2%	-3%	3%	0.27	-0.05	0.40	25.4x	-128.2x	17.4x	NM	NM	NM	19.3%	27.1%	2.9%
BKE	Neutral	50.97	2,607	55.00	7.9%	-4.6%	-3%	7%	4%	3.89	4.10	4.25	13.1x	12.4x	12.0x	5.1%	2.5	2.4	7.1%	8.1%	8.7%
LULU	Neutral	191.07	23,391	206.00	7.8%	-8.1%	10%	4%	3%	14.64	13.22	13.10	13.1x	14.5x	14.6x	7.9%	1.8	1.9	4.7%	4.7%	0.0%
RVLV	Neutral	29.23	2,085	31.00	6.1%	-3.2%	6%	7%	7%	0.68	0.77	0.75	43.0x	38.1x	38.7x	21.9%	1.7	1.8	3.8%	2.6%	0.0%
REAL	Neutral	15.22	1,776	16.00	5.1%	-3.5%	9%	15%	11%	-0.35	-0.12	0.05	-44.1x	-131.3x	284.6x	NM	NM	NM	5.4%	4.6%	0.0%
PLCE	Neutral	4.37	97	4.50	3.0%	9.8%	-13%	-10%	1%	0.43	-2.71	-0.95	10.2x	-1.6x	-4.6x	NM	NM	NM			
CPRI	Neutral	24.67	2,939	25.00	1.3%	1.1%	-14%	-23%	3%	-3.77	1.35	1.80	-6.5x	18.2x	13.7x	9.5%	1.9	1.4	-2.1%	5.1%	0.0%
CROX	Neutral	85.83	4,456	85.00	-1.0%	0.4%	4%	-3%	-1%	13.17	12.10	10.15	6.5x	7.1x	8.5x	-9.4%	NM	NM	22.1%	11.2%	0.0%
OXM	Neutral	36.98	550	36.00	-2.7%	8.1%	-3%	-3%	1%	6.68	2.30	2.75	5.5x	16.1x	13.5x	17.9%	0.9	0.8	7.1%	10.7%	7.5%
VFC	Neutral	19.74	7,713	19.00	-3.7%	9.2%	-10%	2%	4%	0.68	0.64	0.95	29.0x	31.0x	20.9x	28.7%	1.1	0.7	3.5%	4.8%	1.9%
ROST	Neutral	188.55	60,986	181.00	-4.0%	4.7%	4%	7%	5%	6.32	6.52	7.05	29.8x	28.9x	26.7x	6.7%	4.3	4.0	3.7%	3.3%	0.9%
NKE	Neutral	65.04	96,284	62.00	-4.7%	2.1%	-10%	1%	2%	2.16	1.55	1.85	30.1x	42.1x	35.2x	15.5%	2.7	2.3	2.8%	3.0%	2.6%
BBWI	Neutral	22.20	4,545	21.00	-5.4%	10.6%	-2%	-2%	-1%	3.29	2.91	2.60	6.7x	7.6x	8.5x	2.8%	2.7	3.0	14.1%	11.8%	3.7%
TPR	Neutral	130.04	26,613	123.00	-5.4%	1.8%	5%	5%	4%	5.10	5.60	6.10	25.5x	23.2x	21.3x	6.9%	3.4	3.1	4.2%	4.6%	1.1%
SHOO	Neutral	45.49	3,305	43.00	-5.5%	9.2%	15%	11%	9%	2.67	1.67	2.20	17.0x	27.2x	20.7x	24.0%	1.1	0.9	-1.5%	3.4%	1.8%
CRI	Neutral	35.66	1,300	33.00	-7.5%	10.0%	-3%	0%	-2%	5.81	2.65	2.25	6.1x	13.4x	15.9x	4.4%	3.0	3.6	5.7%	7.5%	4.4%
COLM	Sell	52.89	2,850	39.00	-26.3%	-4.0%	-3%	0%	1%	3.82	2.70	2.60	13.9x	19.6x	20.4x	6.7%	2.9	3.0	5.4%	3.6%	2.1%
DDS	Sell	627.94	9,804	460.00	-26.7%	3.6%	-4%	1%	1%	36.82	34.50	33.60	17.1x	18.2x	18.7x	1.7%	NM	NM	6.0%	5.9%	4.9%
KSS	Sell	17.66	1,981	7.00	-60.4%	-13.5%	-7%	-4%	0%	1.49	1.25	1.05	11.8x	14.2x	16.8x	3.8%	3.7	4.4	40.6%	-6.1%	2.8%
M	Sell	20.32	5,403	8.00	-60.6%	-7.8%	-3%	-4%	-8%	2.64	1.95	1.95	7.7x	10.4x	10.4x	0.6%	NM	NM	12.0%	11.3%	2.5%
Industry average						**0.5%**	**2.6%**	**5.8%**	**7.8%**				**18.4x**	**14.5x**	**21.5x**	**15.4%**	**1.8x**	**1.6x**	**7.1%**	**7.0%**	
Industry median						**0.4%**	**1.3%**	**4.7%**	**4.4%**				**15.7x**	**16.3x**	**14.7x**	**13.4%**	**1.6x**	**1.3x**	**5.4%**	**6.0%**	

Source: UBS estimates, FactSet

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Valuation Method and Risk Statement

Valuation methodology: We use a multiples analysis, supported by discounted cash flow analyses to value stocks. We use reverse DCF analyses to determine what's priced into shares. We also look at as quant factors to corroborate our findings. Risks: 1) The health of the consumer. Softlines companies are reliant on the state of the macro environment, and any deterioration in consumer spending and/or unemployment could negatively impact sales and margins. 2) Fashion risk. Softlines companies are inherently exposed to fashion risk due to ongoing shifts in trends and customer preferences. A company's success often hinges upon its ability to forecast fashion trends and appropriately translate the looks for its target customer. If it finds itself unable to accurately predict and/or interpret changes in trends, sales and margins could suffer. 3) Inventory risk. A Softline company's ability to manage inventory levels is important to the health of margins and earnings. If sales are worse than expected and inventories are aggressively purchased relative to actual sales trends, the company will likely need to take incremental markdowns to clear remaining product, which could pressure gross margins.