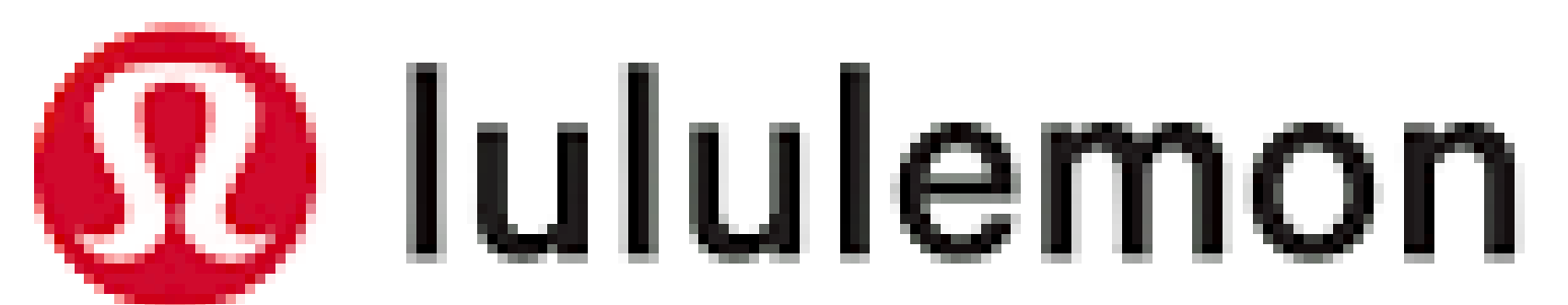


April 2025

Company Analysis Chart

Edition 14: Clothing Clevers



Researched & Written by Vasav Gupta

Ross Stores Inc.

Ticker: ROST | **Sector:** Consumer Cyclical | **Industry:** Apparel Retail



Metric	Value
Market Cap	\$70.91 Billion
FY25 Total Revenue	\$22.75 Billion
Net Income	\$2.15 Billion
P/E Ratio	33.28
Forward P/E Ratio	30.4
Average Industry P/E	21

Recent Headlines

- Ross Stores continues to benefit from broad-based merchandise category strength, indicating robust consumer demand
- In 2026 Ross is expanding its store footprint with dozens of new locations planned across multiple U.S. states, marking the first phase of a targeted store growth program.

Leadership

Chief Executive Officer: James G. Conroy
Chief Operating Officer: Michael J. Hartshorn
Chief Financial Officer: William W. Sheehan II



Recent Performance Highlights

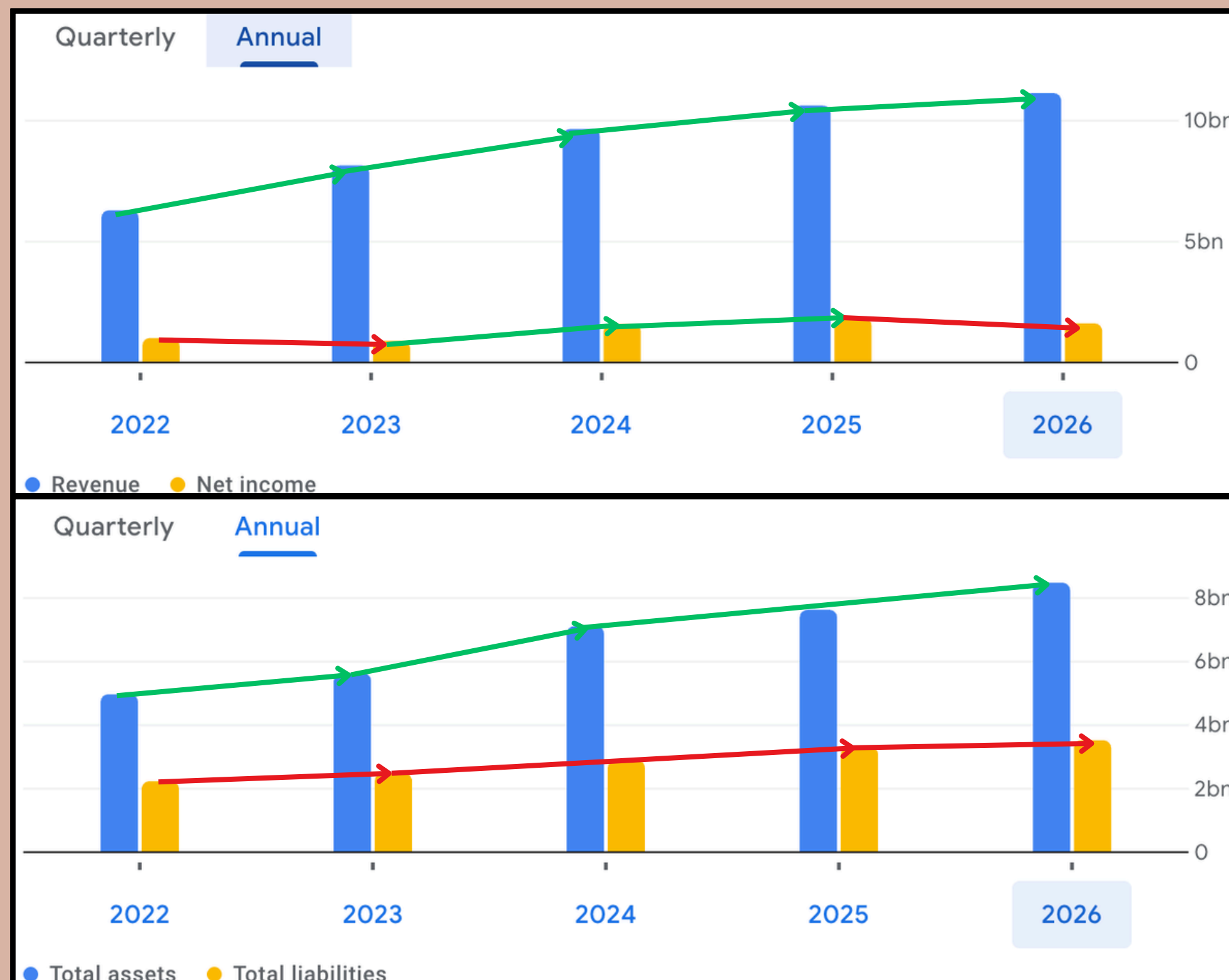
- Sales topped expectations, with revenue up year-over-year (e.g., Q4 sales ~+12.2%).
- Some market commentary highlights retail sector headwinds and consumer spending shifts that could impact discount retailers if demand softens.

Analyst Takeaway: Ross Stores continues to demonstrate strong operational momentum, with FY25 revenue of \$22.75B and net income of \$2.15B, supported by consistent demand in off-price retail and ongoing store expansion. Sales growth of roughly 12% YoY highlights resilience even amid broader retail uncertainty. While the stock trades at a premium P/E of 33.28 vs. industry 21, this valuation reflects its defensive positioning and consistent execution. With strong demand trends and expansion-driven growth, Ross Stores supports a Buy rating.

Rating: Buy | Hold | Sell

Lululemon Athletica Inc

Ticker: LULU | **Sector:** Consumer Cyclical | **Industry:** Apparel Retail



Metric	Metric
Market Cap	\$18.00 Billion
TTM Fiscal Year 2025 Revenue	\$11.1 Billion
TTM Fiscal Year 2025 Income	\$1.58 Billion
Dividend Yield	-
P/E Ratio	11.74
Average Industry P/E	21

Recent Headlines

- Former CEO Calvin McDonald stepped down earlier in 2026, and a permanent successor has not yet been named.
- New board additions like retail veteran Chip Bergh (formerly of Levi Strauss & Co.) aim to support strategic execution.

- ### Recent Performance Highlights
- The company highlighted strong contributions from new product lines and elevated guest experiences.
 - Fourth quarter net revenue came in ahead of consensus, roughly \$3.6 billion, with diluted EPS also above forecasts.
 - International markets continued to show strength, especially Asia, while North America faced slower comps.

Analyst Takeaway: Lululemon maintains solid financial performance with \$11.1B in revenue and \$1.58B in net income, supported by strong product innovation and continued international expansion, particularly in Asia. However, leadership uncertainty following the CEO transition and slower North American comps introduce near-term execution risk. Despite trading at a discounted P/E of 11.74 vs. industry 21, the lack of strategic clarity tempers upside potential. Given strong fundamentals but near-term uncertainty, Lululemon supports a Hold rating.

Leadership

Executive Chair: Martha A. M. Morfitt
Interim CEO and CFO: Meghan C. Frank
Interim CEO and Chief Commercial: Andre Maestrini

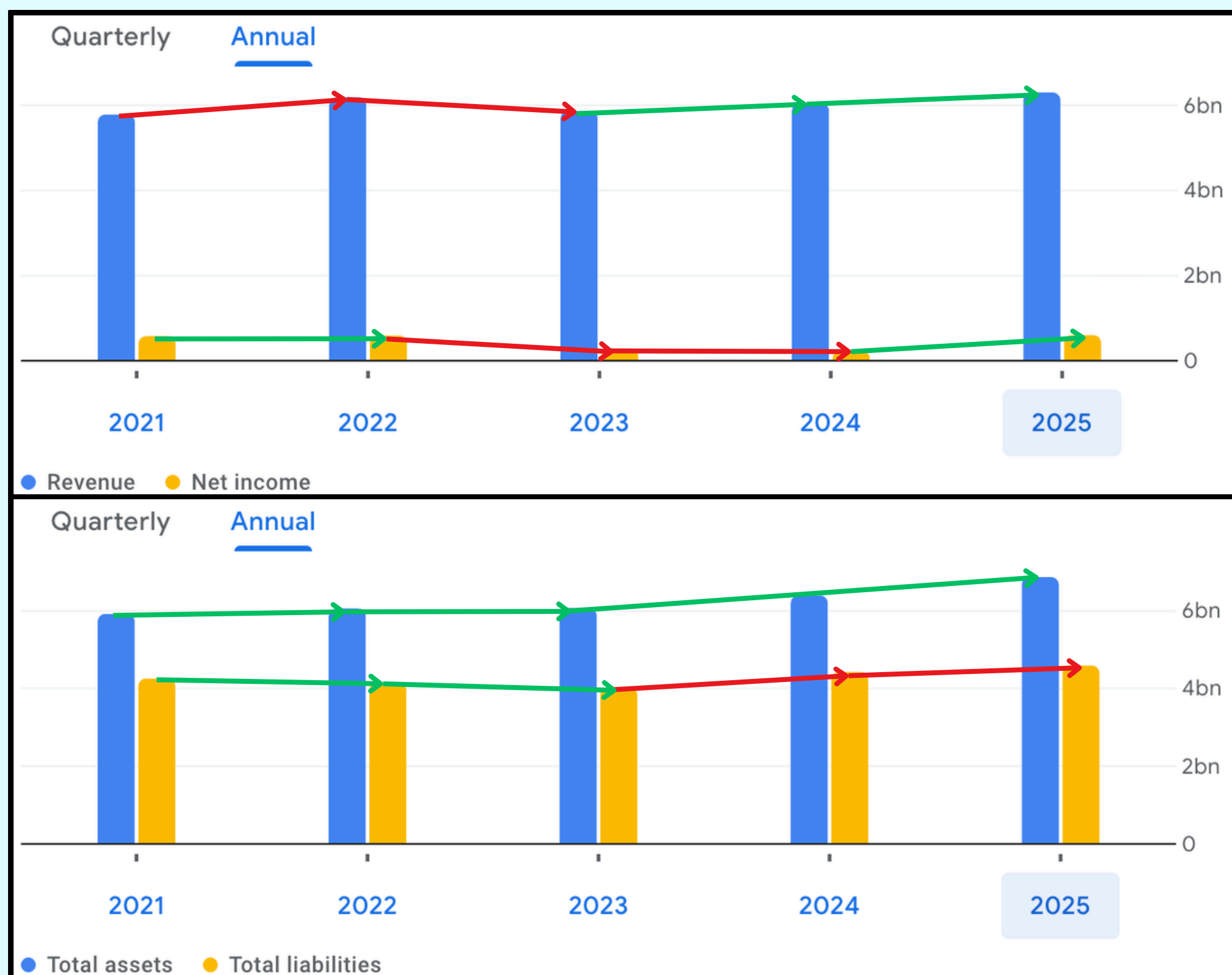


Rating: Buy | Hold | Sell



Levi Strauss & Co

Ticker: LEVI | **Sector:** Consumer Cyclical | **Industry:** Apparel Manufacturing



Metric	Value
Market Cap	\$7.27 Billion
TTM Total Revenue	\$6.28 Billion
TTM Net Income	\$502.00 Million
Dividend Yield	2.57%
P/E Ratio	15
Forward P/E	12.8
Average Industry P/E	23.5

- Recent Performance Highlights**
- Levi reported net revenues of around \$1.7–\$1.74 billion in the first quarter of fiscal 2026, representing about a 14% year-over-year increase
 - Adjusted diluted earnings per share (EPS) came in around \$0.42–\$0.45, above analyst forecasts

- Recent Headlines**
- Analysts emphasize Levi's ability to navigate tariff pressures through full-price selling and digital channel growth.
 - Broader market coverage highlights renewed investor optimism around Levi's turnaround strategy

Leadership

Chief Executive Officer: Michelle D. Grass
Chief Financial & Growth Officer: Harmit J. Singh
General Counsel: David Jedrzejek



Analyst Takeaway: Levi Strauss is demonstrating clear operational momentum, with ~14% YoY revenue growth and EPS exceeding expectations in early FY26, signaling a strengthening demand environment. The company's ability to navigate tariff pressures through full-price selling and continued expansion of digital channels highlights improving pricing power and margin resilience. Additionally, renewed investor optimism around its turnaround strategy reflects confidence in management's execution and brand repositioning.

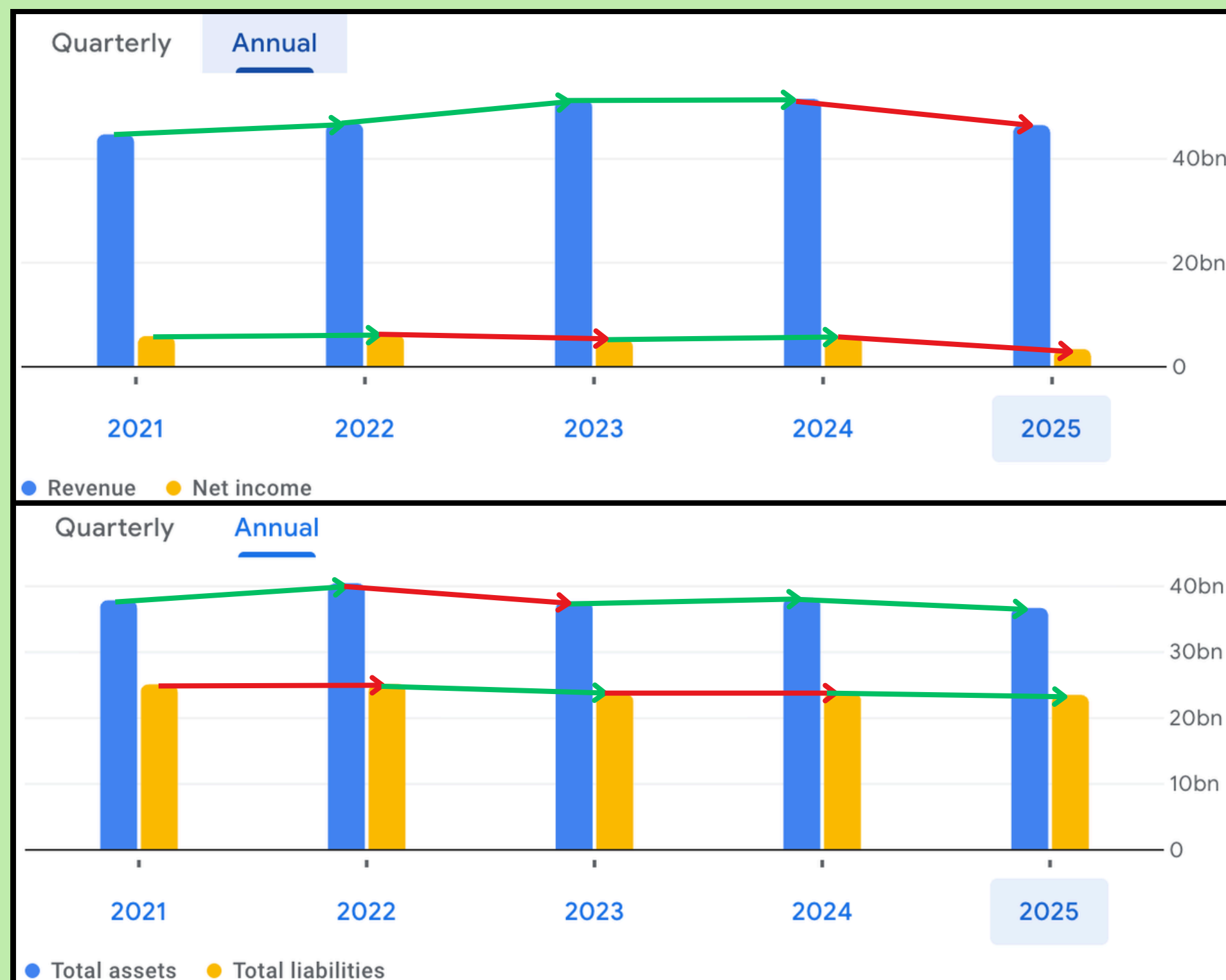
With a P/E of 15, below the industry average of 23.5, Levi offers an attractive valuation relative to its improving growth profile and operational stability. As the company continues to scale its direct-to-consumer presence and reinforce brand relevance globally, Levi Strauss supports a Buy rating.

Rating: Buy | Hold | Sell



Nike Inc.

Ticker: NKE | **Sector:** Consumer Cyclical | **Industry:** Footwear & Accessories



Metric	Value
Market Cap	\$65.44 Billion
TTM Total Revenue	\$46.52 Billion
Dividend Yield	3.80%
TTM Net Income	\$2.25 Billion
P/E Ratio	29.07
Average Industry P/E	23

- ### Recent Performance Highlights
- Gross margin down ~300 basis points (~40–42%) due to discounting, tariffs, and inventory cleanup.
 - Wholesale channel: strong growth (~+7–8%)
 - Direct-to-consumer (Nike Direct): declining (~-4% to -9%)

Analyst Takeaway: Nike remains a dominant global brand, generating \$46.52B in revenue and \$2.25B in net income, but recent performance highlights operational headwinds. Gross margins have declined due to discounting, tariffs, and inventory normalization, while direct-to-consumer sales have weakened. Additionally, expected declines in China sales present a meaningful growth challenge. With a P/E of 29.07 above the industry average of 23, valuation appears elevated relative to near-term pressures. As a result, Nike supports a Hold rating.

- ### Recent Headlines
- China sales expected to drop ~20%, dragging overall growth
 - Some product issues (e.g., World Cup jersey design flaw) have drawn criticism
 - Relaunch of the “Moon Shoe” signals push into heritage products

Leadership

Executive Chairman: Mark G. Parker
Chief Executive Officer: Elliot J. Hill
Chief Financial Officer: Matthew Friend

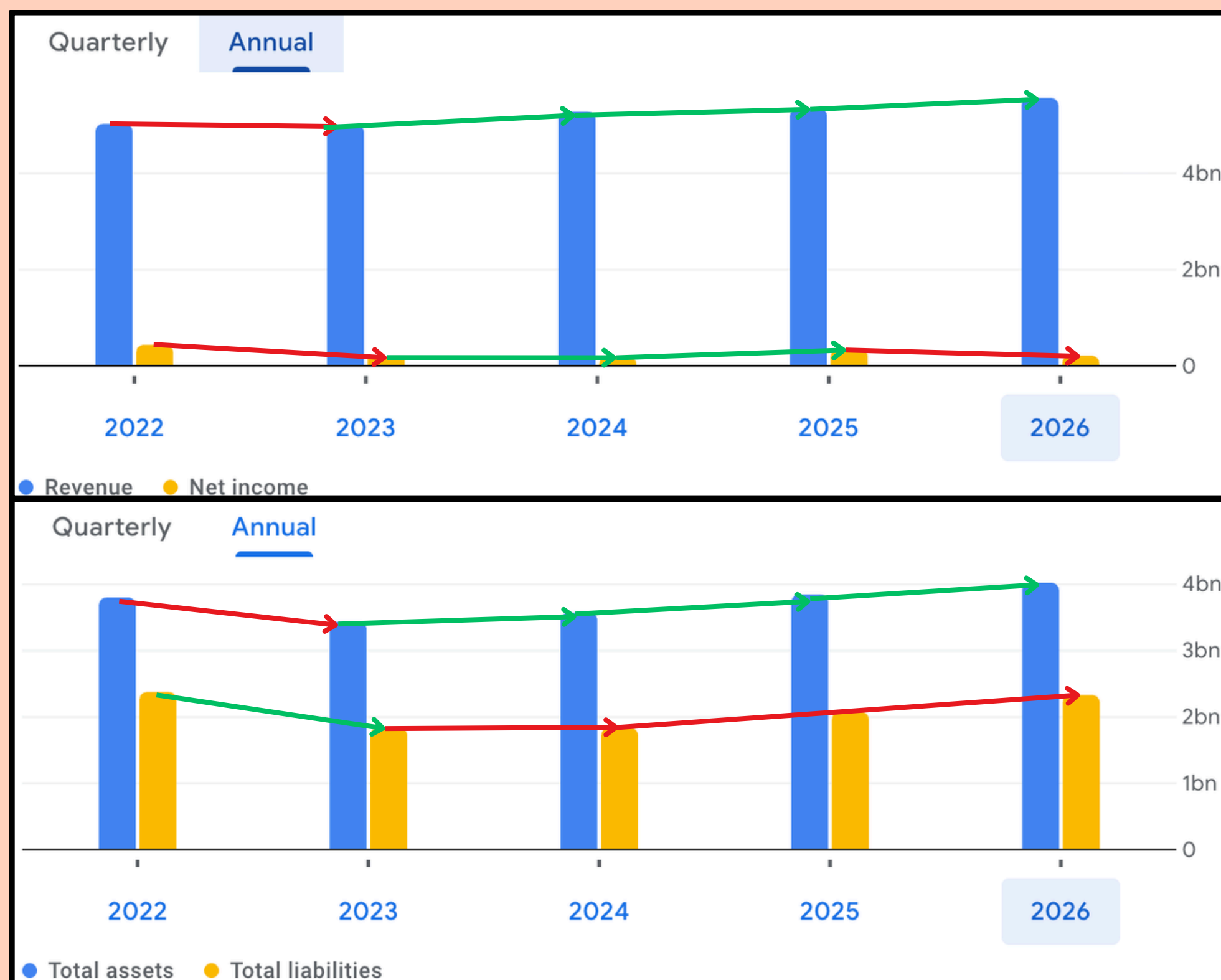


Rating: Buy | Hold | Sell



American Eagle Outfitters Inc

Ticker: AEO | Sector: Consumer Cyclical | Industry: Apparel Retail



Metric	Value
Market Cap	\$2.94 Billion
FY25 Total Revenue	\$5.55 Billion
Net Income	\$191.98 Million
P/E Ratio	15.89
Forward P/E Ratio	11.67
Average Industry P/E	21

- ### Recent Headlines
- Campaigns featuring Sydney Sweeney and others helped attract younger, higher-income shoppers
 - Company adapting to Gen Z-driven Y2K fashion trends (low-rise, midriff styles)

Leadership

Chief Executive Officer: Jay Schottenstein
Executive Creative Director: Jennifer Foyle
Chief Human Resources Officer: Marisa Baldwin



- ### Recent Performance Highlights
- Q4 FY2025 EPS: \$0.84 vs. \$0.71 expected (solid beat)
 - Revenue: ~\$1.8B (+10–12% YoY), above expectations
 - Stock gained ~58% in 2025

Analyst Takeaway: American Eagle continues to outperform, with ~10–12% revenue growth and EPS beating expectations, alongside a strong ~58% stock gain in 2025. Its ability to capture younger consumers through targeted marketing and alignment with Gen Z fashion trends strengthens its competitive positioning. Trading at a P/E of 15.89 (forward ~11.67), below the industry average of 21, the stock offers attractive valuation relative to growth. With strong momentum and improving brand relevance, American Eagle supports a Buy rating.

Rating: Buy | Hold | Sell