

Figure 1: Gymboree Corporation (GYMB) Historical and Estimated Results (dollars in millions)

Gymboree Corporation Deutsche Bank High Yield Research																			
Historical and Estimated Financial Performance (Dollars in Millions)																			
	FY07	FY08	FY09	FY10	FY11	1Q12	2Q12	3Q12	4Q12	FY12	1Q13	2Q13	3Q13E	3Q13	LTM	4Q13E	FY13E	FY14E	
	31-Jan-08	31-Jan-09	30-Jan-10	31-Jan-11	31-Jan-12	30-Apr-12	31-Jul-12	31-Oct-12	31-Jan-13	31-Jan-13	30-Apr-13	31-Jul-13	2-Nov-13	2-Nov-13	2-Nov-13	31-Jan-14	31-Jan-14	31-Jan-15	
<b>Operating Data</b>																			
Net Sales	\$ 920.8	\$ 1,000.7	\$ 1,014.9	\$ 1,074.5	\$ 1,188.3	\$ 297.8	\$ 268.8	\$ 311.5	\$ 397.6	\$ 1,275.7	\$ 292.8	\$ 290.9	\$ 337.7	\$ 309.8	\$ 1,291.2	\$ 374.6	\$ 1,268.2	\$ 1,295.3	
Cost of goods sold	478.0	524.5	536.0	616.2	728.3	175.9	179.6	185.9	252.9	794.3	171.8	183.8	191.5	186.4	704.9	240.5	782.5	777.5	
Gross Profit	442.8	476.2	478.9	458.3	459.8	121.8	89.2	125.6	144.8	481.4	121.0	107.1	146.2	123.5	496.3	134.1	485.8	517.8	
Advertising, selling, general and administrative expense	312.5	327.9	315.3	305.2	363.1	91.7	85.6	99.0	125.4	411.7	104.1	102.0	105.0	111.2	442.7	116.1	433.5	435.4	
EBIT	\$ 130.2	\$ 148.3	\$ 163.6	\$ 72.1	\$ 79.8	\$ 30.1	\$ (6.4)	\$ 26.6	\$ 19.4	\$ 69.7	\$ 16.8	\$ 5.1	\$ 41.2	\$ 12.3	\$ 53.6	\$ 18.0	\$ 52.2	\$ 79.4	
Interest expense, net	0.2	0.2	0.2	17.4	88.7	21.7	21.2	21.3	21.5	65.6	20.4	20.5	19.3	20.5	62.8	19.3	80.6	77.1	
Income taxes	53.1	56.2	62.8	25.4	(6.8)	3.0	(13.5)	0.5	4.4	(5.6)	(0.7)	(5.1)	7.9	(0.0)	(2.4)	(0.5)	(7.3)	0.8	
Other	(3.4)	(1.5)	(1.3)	(0.2)	42.0	0.4	(0.8)	(0.1)	(0.5)	(1.3)	(0.4)	0.1	-	(0.0)	(1.1)	-	(5.4)	-	
Net Income	\$ 80.3	\$ 93.5	\$ 101.9	\$ 28.6	\$ (45.3)	\$ 5.0	\$ (13.3)	\$ 4.9	\$ (5.7)	\$ (9.0)	\$ (2.5)	\$ (9.3)	\$ 14.0	\$ (8.2)	\$ (25.7)	\$ (0.8)	\$ (20.8)	\$ 1.5	
<b>Cash Flow</b>																			
EBIT	\$ 130.2	\$ 148.3	\$ 163.6	\$ 72.1	\$ 79.8	\$ 30.1	\$ (6.4)	\$ 26.6	\$ 19.4	\$ 69.7	\$ 16.8	\$ 5.1	\$ 41.2	\$ 12.3	\$ 53.6	\$ 18.0	\$ 52.2	\$ 79.4	
Depreciation & Amortization	31.2	34.9	37.3	39.9	67.9	14.2	14.0	14.7	14.9	58.4	12.6	10.7	14.5	10.9	49.1	14.5	48.7	58.0	
Other/Stock based compensation	16.4	19.9	18.5	16.3	5.9	1.4	1.5	0.3	1.0	4.3	1.5	1.5	-	1.4	5.5	-	4.4	6.0	
EBITDA	177.8	203.0	219.4	128.4	143.6	45.7	9.7	41.6	35.3	132.3	31.0	17.2	55.7	24.6	108.1	32.5	105.2	143.4	
Adjustments	-	-	-	107.8	49.0	5.2	6.7	5.3	12.3	29.5	5.0	7.6	-	9.3	34.3	-	21.9	4.0	
Adjusted EBITDA	177.8	203.0	219.4	236.1	192.6	50.8	16.4	46.9	47.7	161.8	36.0	24.8	55.7	33.9	142.3	32.5	127.2	147.4	
Capital Expenditures, net	68.8	56.1	38.6	52.3	35.6	8.5	9.9	13.4	15.9	47.9	10.7	12.6	13.0	12.0	51.2	14.0	48.2	40.0	
EBITDA-Capex	109.0	146.9	179.8	183.8	156.1	42.2	6.5	33.5	31.7	113.9	25.3	12.2	42.7	21.9	91.2	18.5	77.9	107.4	
Cash Interest Expense	0.0	0.1	0.1	17.7	74.6	21.7	21.2	21.3	16.5	80.6	20.4	20.5	19.3	20.5	77.8	19.3	80.6	77.1	
Cash Taxes	56.6	62.6	63.7	25.8	1.3	3.0	(13.5)	0.5	4.4	(5.6)	(0.7)	(3.1)	4.7	(0.0)	0.6	(0.3)	(4.1)	(0.3)	
Working Capital (income)	11.4	(8.6)	(15.0)	53.3	(27.9)	5.9	2.3	19.4	(33.4)	(5.8)	(8.3)	8.4	16.0	(5.1)	(38.3)	(26.4)	(31.4)	(12.4)	
Other	-	-	-	1,410.9	17.4	-	-	-	0.1	0.1	-	-	-	-	0.1	-	-	-	
Acquisitions, net	-	-	-	-	1.4	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dispositions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Free Cash Flow (loss)	\$ 39.0	\$ 94.0	\$ 142.0	\$ (1,323.9)	\$ 89.3	\$ 11.6	\$ (3.4)	\$ (7.7)	\$ 44.1	\$ 44.6	\$ 13.8	\$ (13.5)	\$ 2.6	\$ 6.6	\$ 51.0	\$ 25.9	\$ 32.8	\$ 43.0	
<b>Growth &amp; Margin Data</b>																			
Sales Growth	16.3%	8.7%	1.4%	5.9%	10.6%	10.2%	3.8%	2.8%	11.7%	7.4%	-1.7%	8.2%	8.4%	-0.9%	-	-5.8%	-0.9%	345.2%	
EBITDA Growth	22.1%	14.2%	8.1%	7.6%	-18.4%	-14.4%	-35.9%	-22.5%	1.0%	-16.0%	-20.2%	51.4%	15.7%	-27.7%	-	-31.9%	-21.4%	464.4%	
Gross Margin	48.1%	47.6%	47.3%	42.7%	38.7%	40.9%	33.2%	40.3%	36.4%	37.7%	41.3%	36.8%	43.3%	38.8%	38.4%	35.8%	38.3%	40.0%	
SGA/Sales	33.9%	32.8%	31.2%	35.6%	32.0%	30.8%	35.6%	31.8%	31.5%	32.3%	35.6%	35.1%	31.1%	35.9%	34.2%	31.0%	34.2%	33.8%	
Operating Margin	14.1%	14.8%	16.1%	6.7%	6.7%	10.1%	-2.4%	8.5%	4.9%	5.5%	5.8%	1.7%	12.2%	4.0%	4.7%	4.8%	4.1%	6.1%	
EBITDA Margin	19.3%	20.3%	21.6%	22.0%	16.2%	17.1%	6.1%	15.1%	12.0%	12.7%	12.3%	8.5%	16.5%	10.9%	11.0%	8.7%	10.0%	11.4%	
<b>Capitalization</b>																			
Cash	33.3	140.5	267.7	32.1	77.9	88.3	54.6	42.6	33.3	33.3	43.1	26.8	33.0	19.1	19.1	19.0	19.0	53.8	
ABL Revolver (\$225mm, Mar-17)	-	-	-	-	-	-	-	-	-	-	-	-	-	24.0	24.0	-	-	-	
\$500mm Term Loan (L+350, 150bps#, Feb-18)	-	-	-	820.0	811.8	807.9	792.3	790.3	789.1	789.1	767.5	767.6	763.4	767.7	767.7	765.7	765.7	757.5	
Total Senior Secured Debt	-	-	-	820.0	811.8	807.9	792.3	790.3	789.1	789.1	767.5	767.6	763.4	791.7	791.7	765.7	765.7	757.5	
\$400mm 9.125% Sr Nts (Cae2/CCC, Dec-18)	-	-	-	400.0	400.0	400.0	400.0	400.0	371.0	371.0	371.0	371.0	371.0	346.0	346.0	346.0	346.0	346.0	
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Debt	-	-	-	1,220.0	1,211.8	1,207.9	1,192.3	1,190.3	1,140.1	1,140.1	1,138.5	1,138.6	1,134.4	1,137.7	1,137.7	1,111.7	1,111.7	1,103.5	
Net Debt	(33.3)	(140.5)	(267.7)	1,187.9	1,133.9	1,119.6	1,137.7	1,147.7	1,106.8	1,106.8	1,095.3	1,111.8	1,101.4	1,118.6	1,118.6	1,092.7	1,092.7	1,049.7	
<b>Interest Coverage and Leverage</b>																			
Total Sr Sec Debt/LTM Adj EBITDA	0.0x	0.0x	0.0x	3.5x	4.2x	-	-	-	-	4.8x	-	-	-	-	5.6x	-	6.0x	5.1x	
Total Sr Debt/LTM Adj EBITDA	0.0x	0.0x	0.0x	3.5x	4.2x	-	-	-	-	4.8x	-	-	-	-	5.6x	-	6.0x	5.1x	
Total Debt/ LTM EBITDA	0.0x	0.0x	0.0x	5.2x	6.3x	-	-	-	-	7.0x	-	-	-	-	8.0x	-	8.7x	7.5x	
Net Debt/LTM Adj EBITDA	-0.2x	-0.7x	-1.2x	5.0x	5.8x	-	-	-	-	6.8x	-	-	-	-	7.9x	-	8.6x	7.5x	

Source: Deutsche Bank, Company Reports. Cash flow for 3Q13 estimated ahead of 10Q filing.

