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Financial Analysis and Valuation of Christopher and Banks Corp.,

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Christopher and Banks Corp.,

CBKC/(NYSE)

Initiating Coverage:

Investment Rating:

PRICE:	0.34 USD	S&P 500:	2,834.87	DIJA:	25,935.859	RUSSELL 2000:	1,540.3073

- Market Capitalization below 15 million is not a favorable number in the market. C&B is no longer trading in NYSE as of April 18th, 2019.
- C&B has zero dividends. Cash flow ratio is calculated by dividing the operating cash flow by common shares outstanding. The company had CFPS ratios below 1.
- C&B share price closed at $0.34 as of March 29, 2019. It has underperformed by 53.35% the S&P500.

Valuation	**2018 A**	**2019 E**	**2020 E**
EPS	-0.74	0.16	0.16
P/E	NA	5.6	6.5
CFPS	-0.62	0.35	0.45
P/CFPS	-1.26	2.60	2.31

Market Capitalization		**Stock Data**
Equity Market Cap (USD):	14.95(M)	52-Week Range (USD): -63.75%
Enterprise Value (USD):	4.71(M)	12-Month Stock Performance: -68.22%
Shares Outstanding (M):	38.33(M)	Dividend Yield: NA
Estimated Float (M):	26.79(M)	Book Value Per Share (USD):0.54
3-mo Avg. Daily Volume :	825,591	Beta:1.58

Company Quick View:

Location: *2400 xenium Lane North, Plymouth, MN 55441 United States*
Industry: *Women's clothing stores (SIC 5621)/ Women's clothing stores (NAICS 448120)*
Description: *Christopher & Banks is a specialty retailer featuring women's apparel and accessories.*
Key Products & Services: *Company's merchandise assortments include women's apparel, consisting of casual clothing, everyday basics, wear-to-work, leisure/active wear, and seasonal sleepwear in missy, petite and women sizes. The Company also provides a selection of jewelry and accessories.*
Website: *http://www.christopherandbanks.com*

Analyst: *Mona Barhouma*

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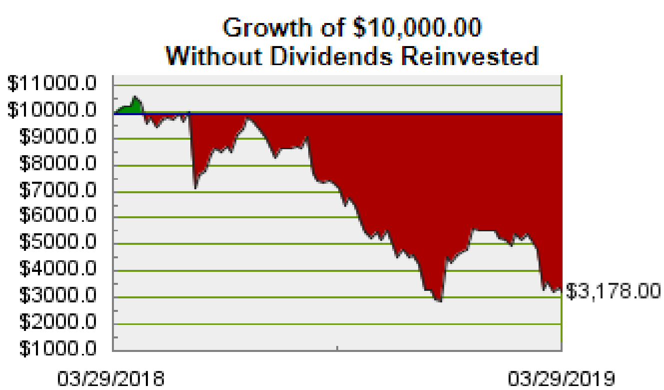
STOCK PRICE PERFORMANCE

Figure 1: 5-year Stock Price Performance as of March 29, 2019

Source:Nasdaq, March 29th, 2019

The stock closed at USD 0.34 per share on March 29, 2019 and is representing a current downward trend as shown in Figure 1. The Year to date (YTD) total return for C&B stock are represented below.

INVESTMENT SUMMARY



Source:TickerTech.com, April 30th, 2019

The above chart shows C&B YTD return on $10,000 investments a year to date starting March 29th, 2018 at which the share price was $1.07 and ending March 29th, 2019 at which the share price became $0.34. There is a sharp drop in the amount reinvested into C&B with zero dividends. It was dropped to $3,178. The percentage of return was -68.22% with a negative annualized gain.

C&B main competitor, Chico's Inc. has a YTD return of -48.97% with a negative annualized return for the period started March 29th, 2018 and ended March 29th, 2019. As shown in Figure 2 below, Since 2015, Chico is experiencing a gradual decline in their stock price performance with an exception to a one-time rise in stock price in December 5th, 2016 and then back to its down trend as of April 1st, 2019 with a closing price of $4.1. Given these returns, Chico is doing much better than C&B. The stock performance of C&B is getting worse.

Figure 2: Chico Stock Price Performance(2015-2019)

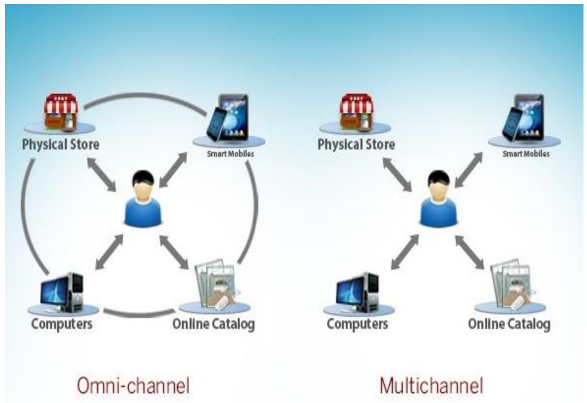
Source: Yahoo Finance, April 1st, 2019

The Russell 2000 (RUT), which is an index used as a benchmark for small-cap stocks in the U.S., shows a YTD return of 20.21%, and an annualized return of 60.47%. Comparing CBK to RUT, the index shows a steady stable stock price movement along the year ended March 29th, 2019. C&B has provided the lowest YTD and annualized return compared to that of both Chico and Russell 2000.

This price behavior can be due to external variables such as economic conditions that influence the market and stock prices as inflation and can be due to company internal events during the year as Management conflicts on earnings distribution or changing certain policies that may impact the company's financial performance.

COMPANY DESCRIPTION

The company mission is to provide women of all sizes with apparel and accessories with style and value that reflects who she is. Their logo is to let her say everyday "I look fabulous and feel amazing." Responsibility, collaboration, integrity, and communication are the key values C&B follows for success. C&B were incorporated in 1986 to acquire Braun's Fashions, Inc., which had operated as a family-owned business since 1956 in Minneapolis, Minnesota. It became a publicly-traded corporation in 1992, and in 2000, it opened its first stores under the Christopher & Banks banner. The aim is to "putting **HER** first", to provide her with stylish apparel to make her feel fabulous at a price she would love. By opening 20 stores in its early years after incorporation to meet women's need from missy and petite sizes to plus-size collection, it created a fashionable women's apparel market for all sizes and ages. They differentiate themselves from their competitors by working in conjunction with a group of suppliers that strive to create unique merchandise manufactured exclusively for C&B. Today, C&B consists of retail, outlet, and online businesses. It operates more than 400 stores nationally in 45 states, providing its customers with style, value and service. C&B targets women who typically are 40 and older with an income level from moderate to above average. C&B provides their customers a retail experience with the ability to shop when and where they want through their retail stores, outlet stores, and website. C&B general business strategy is to build long-term revenue growth and consistent profitability through offering differentiated product assortment, increase customer loyalty, acquire new customers, retain the loyalty of current customers, and recapture lapsed customers. They focus on maximizing the benefits of their customer relationship management (CRM) database, Friendship Rewards Loyalty Program, and private-label credit card program. They use these programs to personalize communication and customize offers. They increase their direct and digital marketing channels to increase brand awareness, encourage additional customer visits and increased spending per visit. They attract their former customers who stopped shopping through direct marketing; by sending direct mails, and emails. They tend to grow e-commerce with improving personalization and enhancing site experiences. They improve their merchandize allocation and distribution by expanding in Omni-channel. Omni-channel is a cross-channel content strategy that businesses use to improve their user experience to meet the expectations shoppers demand.



Source: Omni-channel vs. Multichannel (my own search)
C&B added “find in store” feature online allowing customers to locate product in her store of choice. The flexibility they provide through their online website, increase their profitability. Company’s merchandise assortments include women's apparel, generally consisting of casual clothing, everyday basics, wear-to-work, leisure / active wear, and seasonal sleepwear in missy, petite and women sizes. The company also provides a selection of jewelry and accessories. On the long-term, the company is planning to contemplate growth in comparable store sales, improved selling, general and administration expense, and gross margin rate improvement intended to result in improved financial results as compared to fiscal 2018, as well as test a larger format with a focus on driving existing and lapsed customers to shop. In addition, to increase investments in digital paid media to gain new customers. They are planning to continue to leverage Omni-channel capabilities to improve the productivity of store inventory, and to build their customer base & reduce their cost structure. In the short-term period, the company is expecting to drive further improved financial performance and positive sales as they increase the percentage of outlet product with an improved margin structure and reduce the amount of slow selling merchandise transferred from the base stores.

INDUSTRY ANALYSIS

The women’s specialty retail apparel is highly competitive industry. C&B competes with 45 companies of which they sell women’s clothes/shoes/accessories primarily with department stores, mass merchandiser, and online businesses. C&B competes for sales and for favorable store locations, lease terms and qualified associates. Competitors are significantly larger with greater resources, providing broader selection of merchandise than C&B's and comparatively have lower costs of operations. C&B top competitors are Chico's Inc., RetailWinds Inc., Destination Maternity Corp. There is a strong external competition. C&B sales are declining as demonstrated in C&B Income Statement at the end of this report since 2015 and if compared to S&P 500, there is a big decrease in share price. Increased competition in those areas could be one reason of the loss and could result in higher costs, which could reduce revenue and gross margin even more.

CBK Revenue Growth Rate Comparisons	Company	Industry	Sector	S&P 500
Y / Y Revenue Growth (Q4 MRQ)	-8.64 %	-3.41 %	5.16 %	10.58 %
Q / Q Revenue Growth (Q4 MRQ)	-7.66 %	45.26 %	8.59 %	7.55 %

Source: csimarket 4/12/2019

Although the Retail Apparel industry saw revenue decrease just by -3.41%, C&B announced -8.64% year on year sales decline in the fourth quarter 2018, and underperformed the 5.16% revenue growth in the retail sector. Weak sales in the fourth quarter in the retail apparel industry and within the retail sector were reflected in C&B end of year results, which underperformed overall market.

Clothing industry is changing so fast recently due to the rapid technology advancement, expanding in e-commerce and fast fashion trends, the need for manufacturers who can cope with the rapid change in customer needs. This trend demands companies to be more innovative and accelerate the fashion wheel, creating opportunities and risks for the companies. Analysts foresee a slow incline in the apparel industry due to the many recent challenges that face retailers. On the short-term, changes in consumer lifestyle and turning more to online shopping rather than going shopping to physical stores will consequently impact the flow of shoppers in malls, affecting both department stores and small retailers. On the long-term, the overall growth of the apparel industry will decline if retailers failed to react quickly when consumer tastes change, and can deliver the right products at the right time. I think the age of shoppers, frequency and importance of shopping to people are factors in deciding the boost or the boom of the apparel industry. Apparel retailing is a volatile industry that depends mainly on consumer spending. Decline in consumer spending may have a more negative effect on apparel retailers than in other retailers. While there are many risks that are out of control, C&B is striving to take advantage of the ongoing changes and expensing on widening their customer base, reaching out to every customer through the Omni-channels, and facilitating the supply chain process to retain or acquire customers. In fact, C&B closing stores are increasing dramatically through the past four years.

C&B selling performance is affected by several factors like general economic conditions, timing of opening new stores, and customer response to the seasonal merchandise. Demand can be affected by recessionary economic cycles, higher interest rates, higher fuel costs, increase in commodity prices, unemployment, higher consumer debt levels and changes in tax laws. Any of these can have an adverse financial impact on the company's operations. C&B fund their business operations through a combination of cash, short-term investments and cash flows generated from operations. They apply the effective inventory management, which is one of their key successes to manage inventory levels. Because all C&B stores are located in the United States, they are subject to macroeconomic conditions and consumer confidence. Missy, Petite, Women stores.

C&B provides all the apparel in three sizes with diversification to suit different markets. C&B is offering its products in three formats; CB which offers women assortments in sizes 4-16 and petite from 4p-16p, C.J bank which offers women assortments in sizes 16w-26w and Missy, Petite, Women (MPW) which offers both CB and CJ in all three sizes in one location. MPW stores represent 68% of C&B total stores. C&B stores expands their market internationally. They utilize a broad base of manufactures in China and Vietnam. Most of their sourcing activities are performed by a single based sourcing and procurement function. With this function, they have and their key supply chain partner, they facilitate providing high quality apparel and accessories at a lower cost. Utilizing this function will minimize freight costs through consolidation and to mitigate the impact of higher sourcing costs. They expect an increase in the average unit cost to the extent that they cannot offset with other cost reductions. This may lead them to sell the product at higher prices.

PEER ANALYSIS

C&B big competitors in retail and apparel industry are Chico's Inc., Retail Winds Inc., Destination Maternity corp., Ever-Glory International Inc., and Express Inc. Competitive companies are chosen from companies within the same industry, and headquarter located in same country.

Chico's Inc.(CHS)

Chico's Inc. is the main competitor to C&B Corp. However, its market capitalization is $432.20(M) while C&B is $14.94(M), It directly compete with C&B. Chico is incorporated in Florida in1983. Chico operates as a retailer of women's private branded, casual to classy clothing, and accessories. It has three brands: Chico's, White House Black Market, and Soma. Chico's brand sells private line clothing focusing on women aged 45 or older. Key executives are David Walker aged 64 who has been a director since 2005 and currently serves as Chair of the Board of Chico's Inc. compensation totaled $322,776 in 2017 compared to $120,000 in 2005 when he was assigned. It has 18,500 employees working as full time as of February 2019. On record there are 1083 shareholders named on this company as of March 2019.

RetailWinds Inc (RTW) or New York and Company (NWY) formely.

Second main competitor to Chico's Inc. The company changed its name to RTW Retailwinds, Inc. as of November 19, 2018. It is incorporated in Delaware in 1918. RTW is one of the largest specialty women's Omni-channel and digitally enabled retailer in women's clothing, apparel, and accessories. It sells merchandise in different sizes to fit most women of different age. It has1459 full time employees as of February 2019. One key executive is Gregory Scott, age 55, who served as Chief Executive Officer since February 2011. He served as president of RTW Inc. from June 2010 through October 2014. His total compensation was $1,902,699 in 2017 compared to $2,048,902 in 2016.

Destination Maternity corp.(DEST)

DEST was incorporated in Delaware in 1982. It is a designer and retailer of maternity apparel. DEST operated 1,124 retail locations, including 487 stores in the U.S., Canada, and Puerto Rico. It sells the merchandise internationally and through the web. It has product supply relationships in the Middle East, South Korea, Mexico, Israel and India. There are 1100 employees working for the company on a full time basis. David Stern, age 48, who was an executive Vice President, Chief Financial Officer since 2016 until present. His total compensation was $588,234 in 2016 compared to 773,000 in 2017.

Company	Ticker Sy	Market Cap	PE ratio	P/BV	EV/EBITD	Debt/Ass	ROA	ROE
Christopher and Banks Corp.	C&B	$14.94M	NA	0.49	-0.05	0.72	-16.57%	-92.59%
Chico's Inc.	CHS	$438.03M	$13.43	0.76	2.05	0.77	3.41%	5.76%
RetailWinds Inc.	RTW	$96.256M	$33.10	1.46	2.30	0.70	2.44%	4.88%
Destination Maternity Corp.	DEST	$31.06M	NA	1.13	7.77	0.81	-2.33%	-42.25%

Source: Yahoo Finance, April 2019

MANAGEMENT BACKGROUND & PERFORMANCE

C&B managerial team include ten executives and six members in the board of directors. The management team including its CEO and CFO evaluated and concluded the effectiveness of the company's disclosure controls and procedures as of February 2, 2019. The management concluded that C&B's internal control over financial reporting was designed and operated effectively. C&B went through management change in fiscal 2018. A change of the company's CEO followed by changes in the business operations came in the favor of C&B sales and gross margins. A high turnover of management employees with specific knowledge relating to business operations and industry could be the reason in a loss of organizational focus and inability to execute properly key strategies.

The total number of executives including management and board of directors are 16 members out of which 8 are women and 8 are men. C&B managerial team is equally diversified. As of April 30, 2019, independent directors are Jonathan Duskin, Seth Johnson, Kent Kleeberger, William Sharpe III, and Laura Weil. Jonathan Duskin once said that adding multiple independent directors with experience in the specialty retail industry would help drive growth, enhance profitability and increase stockholder returns.

Top of C&B Executive Officers

Keri L. Jones has served as the president, Chief Executive Officer (CEO) since March 12, 2018. From May 2017 until February 2018, Ms. Jones served as Executive Vice President, Chief merchant of Dick's Sporting Goods. Ms. Jones spent 27 years at Target Corporation, where she served in a variety of leadership roles.

Richard Bundy joined C&B as Senior Vice President, Chief Financial Officer in July 2018. Bundy was with Chico's Inc. for approximately ten years serving in financial roles.

Richard Heyman joined the company as Senior Vice President, Chief Information Officer in October 2018. Most recently, he was a retail digital strategy consultant after having served as senior vice president, chief financial officer at Gordmans, Inc from 2009-2017

Luke R. Komarek has served as senior vice president, general counsel since joining the company in May 2007. Prior to joining Christopher and Banks, he served as general counsel for several public and private companies in the medical service.

Monika L. Dahl was elected as the company's Senior Vice President, Chief Marketing Officer, Omni-Channel and Public Relations in 2016 and previously served as senior vice president, marketing, Omni-Channel and public relations from November 2014 - April 2016. Ms.Dahl previously served as vice president of business development and was a director of business development when joined C&B in May 2004. Prior to C&B, Ms. Dahl held various leadership posts with Wilsons Leather from 1993 to 2004.

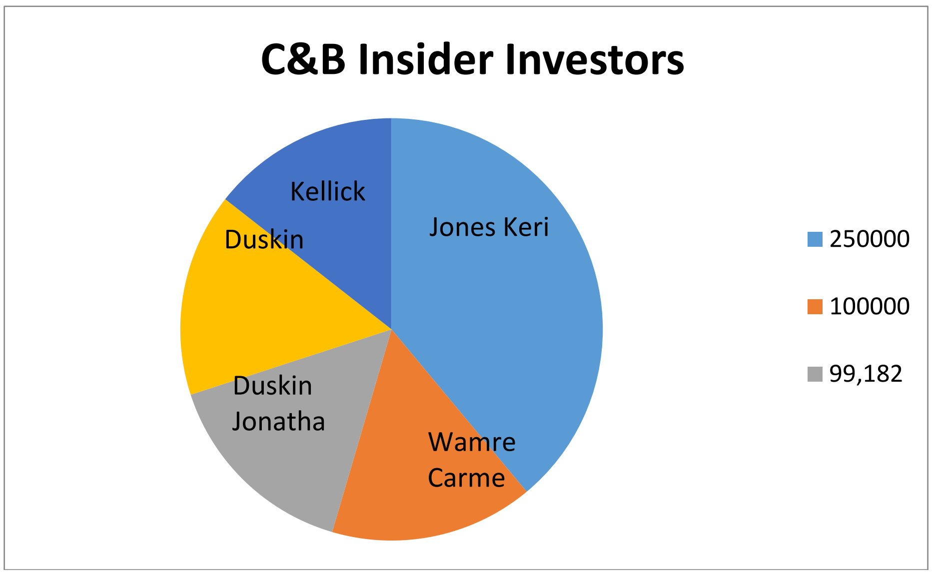
Some of the Board of Directors members are

Kent Kleeberger aged 66, he has served as one of C&B corporation's directors since June 2016 and as a Chairman of the Board since January 2017. He previously was Executive Vice President, Chief Operating Officer of Chico's , Inc. Total compensation, including stock awards and other annual compensation in 2016, were $109,718 compared to $201,648 in 2017.

Jonathan Duskin aged 50, who currently serves on the Board of Directors of C&B and previously served on the Board of Directors of the Wet Seal, Inc., Whitehall Jewelers, Inc and Furniture.com Inc. from 2005 to 2008. His total compensation was $140,725 in 2017

Joel Waller aged 78, Interim President, Interim Chief Executive Officer of C&B since January 17, 2017. He previously served as president of C&B from December 2011 until November 26, 2012. He has more than 35 years of retail experience. His total compensation was $878,307 in 2017.

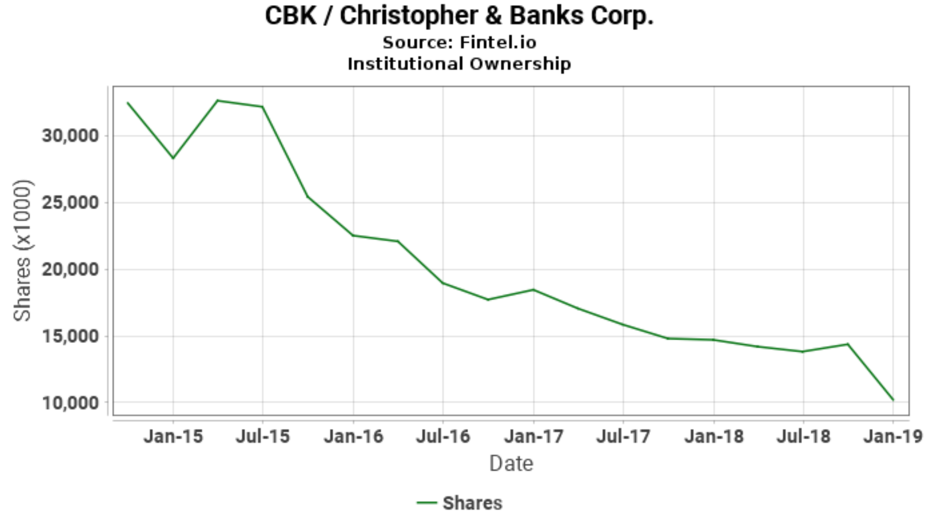
SHAREHOLDER ANALYSIS



Source: Yahoo Finance.

C&B ownership chart reveals the top five insider holders. It shows that most of the shares (250,000) are owned to Jones Keri as of March 11, 2018. She is the Chief Executive Officer of C&B since February 1, 2018. Second large investor Wamer Carmen, Senior Vice President, Chief Stores Officer of C&B. She holds 100,000 shares of C&B as of December 9th, 2018. Duskin Jonathan, the director of C&B holds 99,182 shares as of June 11, 2018. Kellick Andrea holds 92,592 shares as of July 15th, 2018. Total insider shares held are 1.43M since the beginning of

FY2018, percentage of net shares purchased (sold) is 96.70%.



The above graph shows the decrease trend in number of institutional holders from the period of January 2015 to January 2019. Institutional investors decreased to 21% 2018Q4. It is down -41% from 62% in 2018Q3. The ratio worsened, as 4 institutional investors increased or started new stock positions, while 19 decreased and sold stock positions.

C&B has 33 institutional investors and shareholders that have filled with the SEC. Currently the top 5 Institutional holders are Renaissance Technologies LLC which holds 2.85 million shares in C&B, Cleveland Capital, L.P holds 2.26 million shares in C&B Wells Fargo & Company/MN holds 1.60 million shares, White Pine Capital LLC holds 21% of its portfolio in C&B for 1.08 million shares, BlackRock Inc. holds 820,092 shares. Percentage of institutional holdings is 28.54% as of April 2019.

INDUSTRY ANALYSIS AND INVESTMENT RISK

Market Characteristics

The retail industry exhibits a great deal of competition, though competition within each market is unique. This unique competition leads to sensitivity to the state of the economy. Retail industry is responsible for trillions of annual GDP. Opening any new businesses will have a positive effect of the economy, it aids in providing jobs and decrease unemployment rates. Beside that, retail sales are an important economic indicator because consumer spending is also a sign reflects the economy state. Consumer spending represent two third of the GDP. Online shopping is a main driver for that however, price variation between online and brick-mortar stores can challenge the retail market growth.

C&B is high risky company reflected in its beta of 1.58 as of March 2019. They operate in a continuous changing business environment and new risk factors emerge from time to time. These risk factors whatever its timing or severity, they affect C&B business operations to some degree. C&B, as with all companies, has a sensitivity to inflation and interest rates especially changes in interest rates relating to its credit facility with Wells Fargo.Changes in inflation play a significant role in the multinational sectors as well. In the US, inflation rate is low as well as unemployment, which is a good healthy sign for the economy.

Industry Characteristics

C&B is listed under Industry Code (SIC) 5621 and coded under North American Industry Classification System (NAICS) 448120. C&B operates in a highly competitive market, resulting in significant risks. C&B selling performance is affected by several factors like general economic conditions, timing of opening new stores, and customer response to the seasonal merchandise. C&B fund their business operations through a combination of cash, short-term investments and cash flows generated from operations. They apply the Effective inventory management, which is one of their key successes to manage inventory levels.

Apparel retailing is a volatile industry that depends mainly on consumer spending. Decline in consumer spending may have a more negative effect on apparel retailers than in other retailers. Demand can be affected by recessionary economic cycles, higher interest rates, higher fuel costs, increase in commodity prices, unemployment, higher consumer debt levels and changes in tax laws, any of these can have an adverse financial impact on the company’s operations. MPW stores represent 68% of C&B stores. Improving the performance and store productivity of the MPW stores are vital for higher revenues, margins, liquidity, cash flow which can help in improving the overall performance.

Advertising, promotion, and effective marketing campaigns are essential to increase brand awareness and brand growing. C&B

is highly committed to provide a consistent, high-quality customer experience that retains existing customers and attracts a sufficient level of new customers to shop their brand, both in-store and online. Declining store traffic and demand at their brick-and-mortar stores can be a challenge in a highly promotional, low growth environment that may affect their market share, sales, operational results, financial position and cash flow. Competitors may use different advanced approaches for advertisements, which may force C&B to increase expenditures on advertising.

While maintaining costs, C&B relies heavily on product quality for women averaged to highly income earners, value, and packaging. Clothing apparel is seasonal and changes with the change of fashion trend and customers preferences. Another risk for the apparel industry and C&B in specific is customer tastes and fashion apparel trend. Reacting rapidly with taste changes, allocating the right amount and sizes of merchandise to individual stores and ecommerce business can avoid declining sales, and inventory obsolescence. Otherwise, the company is forced to increase its marketing promotions or price markdowns, which could have a material adverse impact on financial condition, cash flow, and liquidity.

International trade is of some concern to C&B in regards currency exchange rates differences. Significant portion of C&B merchandise is produced overseas, primarily in China and Vietnam. They are a party to contracts, transactions and business relationships with various third parties, including vendors, suppliers, and lenders. C&B in some cases depend upon such third parties to provide essential products, and services to operate the company’s business. Imposition of tariffs or increasing it can limit or restrict trading between countries. Currently the U.S. increased tariffs to 25% from 10% on half of U.S. imports from China. Changing trading policies or any new governmental actions related to tariffs may impact the demand of C&B product, incurring more costs, impacting customers, suppliers, and the world economy which in turn will have a material adverse effect on C&B business as most of its merchandize is produced primarily in China.

Adverse economic, industry or market conditions could result in an increased risk to the company associated with the potential financial distress or insolvency of third parties. C&B may face the risk of new legislation or regulation, increase in taxes or extra charges on imports, labor shortages, and financial or political instability in any of the countries in which the merchandise is manufactured.

Other list of risks associated with C&B ecommerce are rapid technological change, the ability to process credit card transactions, lack of sufficient levels of inventory of product or sizes to meet online demand and untimely delivery of their merchandise to customers by third parties. If C&B subjected to those risks, it could negatively impact the brand and reputation which in return will affect the ecommerce sales in which it provides a great percentage of their overall net sales. Costs of raw materials, commodities, transportation or labor may arise which will increase delivery costs, which in return could decrease returns and impact C&B profitability.

The last sets of risk factors are interruption or failure of information technology systems, and attacks on the internal software of the company. Many companies have succumbed to a breach or attack on their system in recent years. While IT systems are necessary to conducting businesses, they also introduce evolving information security threats within reach of the company's IT systems. C&B is taking an active approach to evolve the sophistication of its IT and increasing attention to these threats to avoid having a material adverse effect on its business and cash flows. Disruption in the operation of IT systems will affect the ability to sell goods in-store, which could result in reduced sales and impacting the financial performance of C&B causing major losses. C&B may be subject to cyber security risks breaching customer's personal data resulting in costly government enforcement actions against breaching third parties. Such actions could damage reputation, and at end harming the financial condition and liquidity of the company. With various changes in techniques use in attacks are difficult to detect and will always be a threat to the industry.

PORTER'S FIVE FORCES

Porter's Five Forces Model (1979) helps describe an industry's characteristics. Regarding how these five forces are affecting C&B is discussed below:

Threat of competition: high

C&B environment is highly competitive between 45 local and international competitors. In both markets and industry segments in which C&B operates, it competes with both other branded products and retailers' private label brands as Talbots Inc. The competitiveness of the industry allows the consumer many different options. With the variety of retailer-branded products and conservative consumer budgets, competition will continue to increase.

Threat of New Entrants: low

The fact that C&B competes in mature markets reduces the appeal for new entrants. The high volume/ variety of C&B products is a quality that may makes it a bit harder for a new company to try to enter the market. A new entrant would also need comprehensive knowledge about the global market needs, marketing strategy, new and innovative products, and competitive prices. Most of C&B competitors have much bigger market cap make them dominates the market.

Threat of substitutes: moderate-high

The threat of substitutes is moderate-high, due to the fact that C&B quality products of women clothing and accessories are essential to some and optional to others but not for the daily use. Its products have a seasonal consumption. Except that, loyal C&B customers cannot substitute their loyalty to buy from other stores. As a whole C&B has a high susceptibility to this risk. C&B can lower this threat by increasing the quality of products with innovative changes as well as maintenance of reputations among the presence of substitutes is vital for that purpose.

Bargaining power of suppliers: high

C&B is trying to maintain a goal of efficiency and the ability to maintain relationships with suppliers. While C&B strives to create the best quality merchandise, this emphasis brings requests for the best materials for production. C&B does not have steady revenue stream to provide to suppliers, that is why suppliers have high bargaining power. However, C&B longstanding reputation history and strong financial position, suppliers may find there is a chance of C&B being unable to pay its debts due to the current weak financial position.

Bargaining power of Buyers: Moderate

C&B's risk level is moderate. Bargaining power of buyers has decreased as there are two tiers of buyers, the retailers and the end customer. Two tiers of buyers coupled with brand loyalty and a successful reputation has gained C&B much success in maintaining prices and buyers. C&B is striving to increase customer loyalty, acquire new customers, and recapture lapsed customers in the recent past through targeted communications.

FINANCIAL RATIO ANALYSIS

Productivity Ratios

First, under the management of Joel Waller, the productivity in years 2015 and 2016 is somehow better than the following years in the percentage of sales growth (-8% in 2015; -1% in 2016) compared to -5% in 2018, which means that C&B has a decreasing trend in sales. C&B is doing better than its main competitor Chico regarding sales growth in years 2016, 2017, and 2018, as shown below in the financial ratio analysis table. C&B has a positive working capital, which make its short term assets covers its short-term liabilities. Operating working capital turnover has increased in the number of times from 16 times in 2016 to almost 170 times in 2018 compared to Chico’s where the number of times it turns over its operating working capital decreased from 14 times in 2016 to only 10 times in 2018. The receivables turnover times is showing a decrease trend from almost 150 in 2016 to nearly 130 times in 2018 with an average collection period of 3 days, which is still better if compared to Chico receivable’s turnover of 100 times in 2018. Inventory turnover is declining from 10 times in 2016 to 8 times in 2018 as well as Chico showing a decreasing trend. Net fixed asset turnover is stable in Chico through 2016 to 2018 while in C&B numbers are showing efficient use of its fixed assets to generate sales. Total asset turnover and capital turnover are quiet stable in recent years. C&B is slightly better than Chico but it seems that the company has not increased its efficiency in using current assets to generate sales at the same level of using its net fixed assets.

Ratios	C&B 2018	CHICO 2018	C&B 2017	CHICO 2017	C&B 2016	CHICO 2016	C&B 2015	CHICO 2015
Productivity Ratios								
Growth in sales	-0.05	-0.07	-0.04	-0.08	-0.01	-0.06	-0.08	-0.01
Receivables turnover	126.09	99.61	139.34	269.18	149.71	235.78	94.38	353.20
Inventory turnover	8.50	5.81	8.85	6.07	10.36	6.58	9.04	5.18
Operating working capital turnover	168.23	10.15	33.81	9.22	15.64	14.17	10.72	15.80
Net fixed asset turnover	9.24	5.75	7.39	5.42	6.72	5.19	6.41	4.80
Total asset turnover	3.62	2.12	3.04	2.10	2.82	2.23	2.55	2.27
Invested capital turnover	8.76	2.91	6.06	2.78	4.70	3.07	4.01	3.04
Average collection perriod		3.66		1.36		1.55		1.03

These productivity ratios measured how efficient C&B management is using its assets and invested capital through the years compared to Chico.

Liquidity Ratios

In C&B, there is no liquid cash to pay its obligation or to utilize in other areas. The current ratio is decreasing almost by 15% from year to year and the quick and cash ratios as well. In Chico, liquidity position is much better. It has an increasing trend from 2015 to 2018 in its three liquidity ratios as shown in the financial ratios table. The operating cycle have been stretched to almost 46 days in 2018 from 38 days in 2016. Prolonged operating cycle is unfavorable to C&B but still better than Chico. Cash cycle days increased from 24 days in 2016 to 27 in 2018 at C&B while decreased from 43 days in 2017 to 42 days in 2018 at Chico showing a slight improvement but if compared to C&B in year 2018 we can see that C&B is much better with only 27 days in its cash cycle. I can conclude that C&B with its current ratio of 1.04 in 2018 as shown below in the liquidity ratio table has no enough cash to exactly cover its current obligations through its different types of current assets.

Liquidity Ratios	C&B 2018	Chico 2018	C&B2017	Chico 2017	C&B 2016	Chico 2016	C&B 2015	Chico 2015
Current ratio	1.037	1.763	1.184	1.927	1.456	1.577	1.757	1.561
Quick ratio	0.296	0.908	0.482	1.052	0.767	0.810	0.929	0.776
Cash ratio	0.185	0.754	0.391	0.856	0.655	0.670	0.673	0.495
Short-term investments over invested	0.000	0.085	0.000	0.073	0.000	0.062	0.032	0.058
Operating Cycle	45.827	66.436	43.878	61.535	37.669	56.996	44.265	71.480
Cash Cycle	27.170	41.875	23.105	42.624	24.406	39.843	28.436	53.613

Financial Leverage Ratios

Total debt-to-equity ratio shows an increasing trend from almost 0.9 times in 2016 to 2.6 times in 2018 at C&B while at Chico it showed a slight increase from 0.6 times in 2017 to 0.7 times in 2018. Total debt to asset ratio follows the same pattern as debt-to-equity, which means that C&B is using more debt than Chico in financings its businesses. C&B interest coverage ratio is NA because there is no interest expense between years (2016-2019) as shown below in the income statement P.26, but the forecast starting from year 2020 shows an interest expense number which means C&B will finance its operations from loans and borrowing more than raising capital which maximizes its debt obligations and consequently its financial leverage The financial risk at C&B is getting high in recent years. Mainly C&B ability to finance its operations will get more difficult,.

Financial Risk (Leverage) Ratios	C&B 2018	Chico 2018	C&B2017	Chico 2017	C&B 2016	Chico 2016	C&B 2015	Chico 2015
Total debt-to-equity ratio	2.620	0.736	1.307	0.657	0.859	0.820	0.692	0.823
Total debt-to-equity ratio (excluding c	2.413	0.727	1.173	0.646	0.747	0.804	0.591	0.799
Total financial debt-to-equity ratio	0.000	0.099	0.000	0.105	0.000	0.139	0.000	0.144
Interest coverage ratio (accounting-ba	0.000	123.700	0.000	92.465	0.000	71.314	0.000	6.997
Interest coverage ratio (cash-based)	0.000	382.433	0.000	153.809	0.000	126.687	0.000	56.533
Total debt-to-assets ratio	0.724	0.424	0.567	0.396	0.462	0.451	0.409	0.451
Total financial debt over total assets	0.000	0.057	0.000	0.063	0.000	0.076	0.000	0.079
Long-term financial debt over investec	0.000	0.079	0.000	0.065	0.000	0.085	0.000	0.095

Gross profit margin at C&B shows a slight decrease from 0.33 in 2016 to 0.30 in 2018. At Chico, the profit margin decreased from

Profitability Ratios

almost 0.4 in 2016 to 0.35 in 2018. Comparing C&B to Chico in 2018, C&B gross profit margin is worse than Chico's. The decreasing trend is unfavorable to both companies. The selling, general, and administrative expenses, among other items in the income statement converts the positive gross profit margin into a negative net profit margin as in 2018. The net profit margin was -8.2% while it was -4.5% in 2016. This ratio demonstrates that the company is excessively spending on selling, general, and administrative expenses including interest commission, promotions, and advertising to attract customers.

C&B is not able to achieve profits by using its assets. It achieved -29% ROA in 2018 and -12.6% in 2016. This unfavorable decreasing trend means that if the company continues to invest in assets, it will achieve losses. The company is in trouble because of the negative profitability. C&B did not pay dividends to its stakeholders for the last five years. C&B did not generate enough earnings. It showed losses almost in all of the calculated ratios compared to Chico. For Chico, profitability is much better. Chico paid good dividends to its stakeholders for the last five years with a dividend payout ratio of 1.2 in 2018, increasing its net profit margin to almost 4% in 2018. Return on Invested Capital, and Return on Assets are much better when compared to its past years' and to C&B's.

Profitability/Valuation Ratios	**C&B 2018**	Chico 2018	C&B2017	Chico 2017	C&B 2016	Chico 2016	C&B 2015	Chico 2015
Gross profit margin	0.294	0.358	0.310	0.379	0.336	0.382	0.337	0.541
EBITDA margin	-0.051	0.063	-0.027	0.106	-0.012	0.101	0.003	0.040
Operating profit margin	-0.080	0.020	-0.061	0.064	-0.045	0.057	-0.029	-0.005
NOPAT margin	-0.085	0.017	-0.062	0.045	-0.046	0.038	-0.029	0.001
Earnings before taxes margin	-0.080	0.020	-0.061	0.063	-0.045	0.056	-0.029	-0.006
Net margin	-0.082	0.017	-0.059	0.044	-0.045	0.037	-0.127	0.001
Return on Assets	-0.289	0.035	-0.186	0.093	-0.126	0.082	-0.073	0.002
Net investment rate	0.689	0.049	0.915	0.123	0.824	0.113	-0.458	0.002
Dividend payout ratio	0.000	1.214	0.000	0.418	0.000	0.464	0.000	31.000
ROIC	-0.493	0.055	-0.280	0.168	-0.184	0.146	-0.124	0.004

FINANCIAL PERFORMANCE AND

Regarding productivity and sales growth, Analysts expects C&B will get a boost in sales growth in 2019 with growth rate of 3%. I expect the same level of sales growth in the coming years. C&B turnover and use of its assets to generate revenue is getting

PROJECTIONS

weaker in the coming years. As shown below in p.26, from 2019 to 2023, receivable, inventory, and asset turnovers are similar or worse than in the recent history of the company. To illustrate, total asset turnover is declining from 2.548 times in 2016 to an expected value of 1.94 times in 2023. I expect Inventory turnover to improve in 2019 compared to fiscal 2018. Selling, general, and administrative expenses as a percentage of sales to decline 150 to 200 basis points due to ongoing cost reduction initiatives from the management. Gross margin is expected to improve in 300 to 350 basis points as a result of improved inventory management including supply chain and omni-channel initiatives, C&B is continuing reducing occupancy costs. Most of the margins show improvements in the future.

Between years 2019 and 2023, I expect to see some marginal improvements in C&B financial situation, sales growth, achieving profits instead of the negative figures, positive retained earnings, increase in the proportion of total assets to total liabilities, return on invested capital is getting better. Over all, C&B is struggling financially in the past and coming years. It seems that it will take the company more years to see a measurable improvement in getting out of losses to managing its financial performance more efficiently.

Through both industry and company specific information, estimates have been made for WACC. For the terms of this analysis, five years of pro forma balance sheets and income statements were forecasted. The percentage of sales approach was used and estimates were made based on historical data, market conditions, and changes within the company denoted in the FY2018 annual report.

VALUATION

I used a valuation model based on the historical data for the past five years. I used Mergent Online to download financial statements for the latest five-year period. The most recent audited information for C&B is December 31, 2018. Historical values for ratios used to project financial statements for a five year period.

The forecasted projections for C&B give an estimated price of $0.81 per share for March 29th, 2019. Comparing my stock price estimate of $0.81 to the price of $0.34 at market close on March 29th, 2019, the price to book value is 1.1, return on company's equity is -93%, Price to earnings ratio is currently negative but estimated to have a rise to 10 in 2023, free cash flow as a measure of value is currently a negative figure but at the end of next year it is expected to show a potential rise. Comparing C&B to its competitor Chico, Chico is doing better in terms of the ratios mentioned above. In my opinion, it would be better to sell now on the short term and buy later on the long run, May be buying low in the future is a good decision. In the short term the market often produces irrational prices, but in the long term the market will on average price the stocks correctly.

Through the use of financial stock sites Morningstar, Yahoo Finance, and Reuters, I found the beta is1.58. It is higher than the market beta of 1. While this is a high-risk beta, C&B is an offensive stock returning no dividends with short-term growth potential. Based on interest rates, the 10-year treasury rate was adjusted to estimate a risk-free rate of 2.79%. The market risk premium was stated at a rate of 8.5%. Based on these measures, the calculated estimate of the cost of equity is 16.22%, while the after tax cost of long-term debt is 5.86%. The calculation of Weighted Average Cost of Capital (WACC) based on these factors is 14.67% which is the double of the average WACC of the apparel industry of 7%. C&B Cost of capital of 14.67% with negative stock returns indicates high risk investment.

The recent negative news of delisting C&B stock from the NYSE on April 18, 2019 may lead to reducing market price of common stock, limit access to public capital market and not growing market share. This is may be a reason to why C&B stock price is currently below the estimated value. C&B’s share is fairly volatile with its price movements relative to the rest of the market. This also indicate that the price is not stable, giving us an opportunity to buy later on. The retail sector is also very volatile and subject to many changes without taking a proper holistic approach from C&B under the current financial situation, it may be more difficult to stay up to date with current trends and fairly compete.

Externally, may be one reason behind the expected potential rise in C&B in the few coming years is due to the state of the current U.S. economy with low unemployment rates and the recent tax law changes that secure great benefits especially to businesses. Internally, one reason can be a firm cost restructuring plan executed to minimize the expenses, optimize marketing spend, and boost earnings.

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Christopher & Banks Corp. (NYSE: CBKC)

In USD

Income Statement	**12/31/2016**	**12/31/2017**	**12/31/2018**	**12/31/2019**	**12/31/2020**	**12/31/2021**	**12/31/2022**	**12/31/2023**
Sales	$381,605,000	$365,906,000	$348,900,000	$359,367,000	$370,148,010	$381,252,450	$392,690,024	$404,470,725
Costs of goods sold (COGS)	$253,483,000	$252,399,000	$246,269,000	$232,481,389	$239,455,831	$246,639,506	$254,038,691	$261,659,852
Sales, general and administrative expense (SGA)	$132,857,000	$123,398,000	$120,371,000	$108,498,470	$111,753,424	$115,106,026	$118,559,207	$122,115,983
Depreciation	$ 12,300,000	$ 12,434,000	$ 10,158,000	$ 10,462,740	$ 10,776,622	$ 11,099,921	$ 11,432,918	$ 11,775,906
Operating profit	**$ (17,035,000)**	**$ (22,325,000)**	**$ (27,898,000)**	**$ 7,924,401**	**$ 8,162,133**	**$ 8,406,997**	**$ 8,659,207**	**$ 8,918,983**
Interest expense	$ -	$ -	$ -	$ -	$ 500,213	$ 495,473	$ 510,420	$ 525,828
Interest income	$ (159,000)	$ (154,000)	$ (183,000)	$ -	$ 108,575	$ 259,793	$ 380,291	$ 506,446
Nonoperating income (Expense)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Earnings before taxes (EBT)	$ (17,194,000)	$ (22,479,000)	$ (28,081,000)	$ 7,924,401	$ 7,770,494	$ 8,171,317	$ 8,529,078	$ 8,899,601
Tax expense	$ (197,000)	$ (773,000)	$ 374,000	$ 1,664,124	$ 1,631,804	$ 3,244,013	$ 3,386,044	$ 3,533,141
Net income before extraordinary items	$ (16,997,000)	$ (21,706,000)	$ (28,455,000)	$ 6,260,277	$ 6,138,691	$ 4,927,304	$ 5,143,034	$ 5,366,459
After-tax extraordinary income (Expense)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net income (NI)	**$ (16,997,000)**	**$ (21,706,000)**	**$ (28,455,000)**	**$ 6,260,277**	**$ 6,138,691**	**$ 4,927,304**	**$ 5,143,034**	**$ 5,366,459**
Dividends-- preferred	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Dividends-- common	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Additions to RE	$ (16,997,000)	$ (21,706,000)	$ (28,455,000)	$ 6,260,277	$ 6,138,691	$ 4,927,304	$ 5,143,034	$ 5,366,459

Balance Sheet	**12/31/2016**	**12/31/2017**	**12/31/2018**	**12/31/2019**	**12/31/2020**	**12/31/2021**	**12/31/2022**	**12/31/2023**
Assets								
Cash	$ 35,006,000	$ 23,077,000	$ 10,239,000	$ 10,546,170	$ 10,862,555	$ 11,188,432	$ 11,524,085	$ 11,869,807
Inventory	$ 36,834,000	$ 41,361,000	$ 41,039,000	$ 38,906,871	$ 40,074,077	$ 41,276,299	$ 42,514,588	$ 43,790,026
Accounts receivable	$ 2,549,000	$ 2,626,000	$ 2,767,000	$ 2,295,206	$ 2,364,062	$ 2,434,984	$ 2,508,033	$ 2,583,274
Other short-term operating assets	$ 3,485,000	$ 2,715,000	$ 3,372,000	$ -	$ -	$ -	$ -	$ -
Short-term investments	$ -	$ -	$ -	$ 3,619,152	$ 8,659,756	$ 12,676,371	$ 16,881,530	$ 21,282,135
Total current assets	$ 77,874,000	$ 69,779,000	$ 57,417,000	$ 55,367,398	$ 61,960,450	$ 67,576,086	$ 73,428,237	$ 79,525,242
Net plant, property, & equipment (PPE)	$ 55,332,000	$ 47,773,000	$ 31,643,000	$ 32,592,290	$ 33,570,059	$ 34,577,160	$ 35,614,475	$ 36,682,910
Other long-term operating assets	$ 1,423,000	$ 1,741,000	$ 6,125,000	$ 2,052,151	$ 2,113,715	$ 2,177,127	$ 2,242,440	$ 2,309,714
Long-term investments	$ 577,000	$ 1,043,000	$ 1,276,000	$ -	$ -	$ -	$ -	$ -
Total assets	**$135,206,000**	**$120,336,000**	**$ 96,461,000**	**$ 90,011,839**	**$ 97,644,224**	**$104,330,373**	**$111,285,152**	**$118,517,865**
Liabilities and Equity								
Accounts payable (AP)	$ 13,867,000	$ 20,825,000	$ 17,834,000	$ 16,654,279	$ 17,153,907	$ 17,668,524	$ 18,198,580	$ 18,744,537
Accruals	$ 39,615,000	$ 38,131,000	$ 37,509,000	$ 34,891,358	$ 35,938,099	$ 37,016,242	$ 38,126,729	$ 39,270,531
Other operating current liabilities	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
All short-term debt	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total current liabilities	$ 53,482,000	$ 58,956,000	$ 55,343,000	$ 51,545,637	$ 53,092,006	$ 54,684,766	$ 56,325,309	$ 58,015,068
Long-term debt	$ -	$ -	$ -	$ 5,557,925	$ 5,505,251	$ 5,671,335	$ 5,842,538	$ 6,019,032
Deferred taxes	$ 8,184,000	$ 6,993,000	$ 5,500,000	$ -	$ -	$ -	$ -	$ -
Preferred stock	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other long-term liabilities	$ 822,000	$ 2,237,000	$ 8,970,000	$ -	$ -	$ -	$ -	$ -
Total liabilities	$ 62,488,000	$ 68,186,000	$ 69,813,000	$ 57,103,562	$ 58,597,257	$ 60,356,101	$ 62,167,847	$ 64,034,100
Par plus PIC Less treasury (and other adjustments)	$ 82,356,000	$ 83,494,000	$ 86,447,000	$ 86,447,000	$ 86,447,000	$ 86,447,000	$ 86,447,000	$ 86,447,000
Retained earnings (RE)	$ (9,638,000)	$ (31,344,000)	$ (59,799,000)	$ (53,538,723)	$ (47,400,033)	$ (42,472,728)	$ (37,329,694)	$ (31,963,235)
Total common equity	$ 72,718,000	$ 52,150,000	$ 26,648,000	$ 32,908,277	$ 39,046,967	$ 43,974,272	$ 49,117,306	$ 54,483,765
Total liabilities and equity	**$135,206,000**	**$120,336,000**	**$ 96,461,000**	**$ 90,011,839**	**$ 97,644,224**	**$104,330,373**	**$111,285,152**	**$118,517,865**

Christopher & Banks Corp. (NYSE: CBKC)

In USD

Statement of Cash Flows	**12/31/2016**	**12/31/2017**	**12/31/2018**	**12/31/2019**	**12/31/2020**	**12/31/2021**	**12/31/2022**	**12/31/2023**
Operating Activities								
Net income	$ (16,997,000)	$ (21,706,000)	$ (28,455,000)	$ 6,260,277	$ 6,138,691	$ 4,927,304	$ 5,143,034	$ 5,366,459
Depreciation	$ 12,300,000	$ 12,434,000	$ 10,158,000	$ 10,462,740	$ 10,776,622	$ 11,099,921	$ 11,432,918	$ 11,775,906
Change in deferred tax	$ (790,000)	$ (1,191,000)	$ (1,493,000)	$ (5,500,000)	$ -	$ -	$ -	$ -
Change in inventory	$ 5,647,000	$ (4,527,000)	$ 322,000	$ 2,132,129	$ (1,167,206)	$ (1,202,222)	$ (1,238,289)	$ (1,275,438)
Change in accounts receivable	$ 1,518,000	$ (77,000)	$ (141,000)	$ 471,794	$ (68,856)	$ (70,922)	$ (73,050)	$ (75,241)
Change in other short-term operating assets	$ 5,574,000	$ 770,000	$ (657,000)	$ 3,372,000	$ -	$ -	$ -	$ -
Change in accounts payable	$ (2,778,000)	$ 6,958,000	$ (2,991,000)	$ (1,179,721)	$ 499,628	$ 514,617	$ 530,056	$ 545,957
Change in accruals	$ 4,959,000	$ (1,484,000)	$ (622,000)	$ (2,617,642)	$ 1,046,741	$ 1,078,143	$ 1,110,487	$ 1,143,802
Change in other current liabilities	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net cash from operating activities	**$ 9,433,000**	**$ (8,823,000)**	**$ (23,879,000)**	**$ 13,401,577**	**$ 17,225,620**	**$ 16,346,841**	**$ 16,905,157**	**$ 17,481,446**
Investing Activities								
Investment in PPE	$ (8,408,000)	$ (4,875,000)	$ 5,972,000	$ (11,412,030)	$ (11,754,391)	$ (12,107,023)	$ (12,470,233)	$ (12,844,340)
Investment in other long-term oper. ass.	$ (786,000)	$ (318,000)	$ (4,384,000)	$ 4,072,849	$ (61,565)	$ (63,411)	$ (65,314)	$ (67,273)
Net cash from investing activities	**$ (9,194,000)**	**$ (5,193,000)**	**$ 1,588,000**	**$ (7,339,181)**	**$ (11,815,955)**	**$ (12,170,434)**	**$ (12,535,547)**	**$ (12,911,614)**
Financing Activities								
Change in short-term investments	$ 3,015,000	$ -	$ -	$ (3,619,152)	$ (5,040,605)	$ (4,016,614)	$ (4,205,159)	$ (4,400,604)
Change in long-term investments	$ 55,000	$ (466,000)	$ (233,000)	$ 1,276,000	$ -	$ -	$ -	$ -
Change in short-term debt	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Change in long-term debt	$ -	$ -	$ -	$ 5,557,925	$ (52,674)	$ 166,084	$ 171,203	$ 176,494
Preferred dividends	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Change in preferred stock	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Change in other long-term liabilities	$ (479,000)	$ 1,415,000	$ 6,733,000	$ (8,970,000)	$ -	$ -	$ -	$ -
Change in common stock (Par + PIC)	$ 670,000	$ 1,138,000	$ 2,953,000	$ -	$ -	$ -	$ -	$ -
Common dividends	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net cash from financing activities	**$ 3,261,000**	**$ 2,087,000**	**$ 9,453,000**	**$ (5,755,226)**	**$ (5,093,279)**	**$ (3,850,530)**	**$ (4,033,957)**	**$ (4,224,110)**
Net cash flow	$ 3,500,000	$ (11,929,000)	$ (12,838,000)	$ 307,170	$ 316,385	$ 325,877	$ 335,653	$ 345,723
Starting cash	$ 31,506,000	$ 35,006,000	$ 23,077,000	$ 10,239,000	$ 10,546,170	$ 10,862,555	$ 11,188,432	$ 11,524,085
Ending cash	**$ 35,006,000**	**$ 23,077,000**	**$ 10,239,000**	**$ 10,546,170**	**$ 10,862,555**	**$ 11,188,432**	**$ 11,524,085**	**$ 11,869,807**

Christopher & Banks Corp. (NYSE: CBKC)
In USD

Ratios	2018	2017	2016	2015	2014
Productivity Ratios					
Growth in sales	-4.6%	-4.1%	-0.6%	-8.3%	-3.9%
Receivables turnover	126.09	139.34	149.71	94.38	104.65
Inventory turnover	8.50	8.85	10.36	9.04	9.24
Operating working capital turnover	168.23	33.81	15.64	10.72	9.29
Net fixed asset turnover	9.24	7.39	6.72	6.41	9.21
Total asset turnover	3.62	3.04	2.82	2.55	2.60
Invested capital turnover	8.76	6.06	4.70	4.01	4.62
Liquidity Ratios					
Current ratio	1.04	1.18	1.46	1.76	2.13
Quick ratio	0.30	0.48	0.77	0.93	1.25
Cash ratio	0.19	0.39	0.65	0.67	0.98
Short-tern investments over invested capital	0.00	0.00	0.00	0.03	0.15
Operating Cycle	45.83	43.88	37.67	44.26	43.00
Cash Cycle	27.17	23.10	24.41	28.44	26.95
Financial Risk (Leverage) Ratios					
Total debt-to-equity ratio	2.62	1.31	0.86	0.69	0.18
Total debt-to-equity ratio (excluding deferred taxes)	2.41	1.17	0.75	0.59	0.39
Total financial debt-to-equity ratio	0.00	0.00	0.00	0.00	0.00
Interest coverage ratio (accounting-based)	N/A	N/A	N/A	N/A	N/A
Interest coverage ratio (cash-based)	N/A	N/A	N/A	N/A	N/A
Total debt-to-assets ratio	0.72	0.57	0.46	0.41	0.15
Total financial debt over total assets	0.00	0.00	0.00	0.00	0.00
Long-term financial debt over invested capital	0.00	0.00	0.00	0.00	0.00
Profitability/Valuation Ratios					
Gross profit margin	29.4%	31.0%	33.6%	33.7%	35.3%
EBITDA margin	-5.1%	-2.7%	-1.2%	0.3%	5.1%
Operating profit margin	-8.0%	-6.1%	-4.5%	-2.9%	2.3%
NOPAT margin	-8.5%	-6.2%	-4.6%	-2.9%	2.2%
Earnings before taxes margin	-8.0%	-6.1%	-4.5%	-2.9%	2.3%
Net margin	-8.2%	-5.9%	-4.5%	-12.7%	11.3%
Return on Assets	-28.92%	-18.55%	-12.60%	-7.29%	5.98%
Net investment rate	68.86%	91.48%	82.39%	-45.84%	-161.25%
Dividend payout ratio	0.00%	0.00%	0.00%	0.00%	0.00%
ROIC	-49.33%	-28.03%	-18.43%	-12.39%	8.90%

Chico's Inc., (CHS)					
In USD					
Ratios	CHICO 2018	CHICO 2017	CHICO 2016	CHICO 2015	CHICO 2014
Productivity Ratios					
Growth in sales	-0.07	-0.08	-0.06	-0.01	
Receivables turnover	99.61	269.18	235.78	353.20	391.63
Inventory turnover	5.81	6.07	6.58	5.18	5.31
Operating working capital turnover	10.15	9.22	14.17	15.80	10.29
Net fixed asset turnover	5.75	5.42	5.19	4.80	4.41
Total asset turnover	2.12	2.10	2.23	2.27	1.86
Invested capital turnover	2.91	2.78	3.07	3.04	2.36
Average collection perriod	3.66	1.36	1.55	1.03	0.93
Inventory turnover in days	62.772	60.179	55.448	70.446	68.728
Liquidity Ratios					
Current ratio	1.763	1.927	1.577	1.561	1.858
Quick ratio	0.908	1.052	0.810	0.776	1.082
Cash ratio	0.754	0.856	0.670	0.495	0.883
Short-tern investments over invested	0.085	0.073	0.062	0.058	0.111
Operating Cycle	66.436	61.535	56.996	71.480	69.660
Cash Cycle	41.875	42.624	39.843	53.613	49.940
Financial Risk (Leverage) Ratios					
Total debt-to-equity ratio	0.736	0.657	0.820	0.823	0.525
Total debt-to-equity ratio (excluding c	0.727	0.646	0.804	0.799	0.472
Total financial debt-to-equity ratio	0.099	0.105	0.139	0.144	0.000
Interest coverage ratio (accounting-ba	123.700	92.465	71.314	6.997	1187.173
Interest coverage ratio (cash-based)	382.433	153.809	126.687	56.533	2434.816
Total debt-to-assets ratio	0.424	0.396	0.451	0.451	0.344
Total financial debt over total assets	0.057	0.063	0.076	0.079	0.000
Long-term financial debt over investe	0.079	0.065	0.085	0.095	0.000
Profitability/Valuation Ratios					
Gross profit margin	0.358	0.379	0.382	0.541	0.533
EBITDA margin	0.063	0.106	0.101	0.040	0.089
Operating profit margin	0.020	0.064	0.057	-0.005	0.043
NOPAT margin	0.017	0.045	0.038	0.001	0.024
Earnings before taxes margin	0.020	0.063	0.056	-0.006	0.044
Net margin	0.017	0.044	0.037	0.001	0.024
Return on Assets	0.035	0.093	0.082	0.002	0.045
Net investment rate	0.049	0.123	0.113	0.002	0.057
Dividend payout ratio	1.214	0.418	0.464	31.000	0.714
ROIC	0.055	0.168	0.146	0.004	