



Tuesday Morning

Hilco Streambank is pleased to present the opportunity to acquire the intangible assets of off-price home furnishings “treasure hunt” retailer, Tuesday Morning®.

The available assets include the brand’s trademarks, customer database including more than 3 million active customers, social media accounts, domain names including tuesdaymorning.com, design patents, and related digital content.

Intellectual Property Acquisition Opportunity

Indication of Interest Submission Deadline

June 8, 2023

A Storied Retail Brand with 50 Years of History



Founded in 1974 in Dallas, Texas, Tuesday Morning® is a **leading off-price retailer of home decor and furnishings**. The brand has grown from its boutique roots nearly 50 years ago to become a national chain with over 500 stores in the United States.

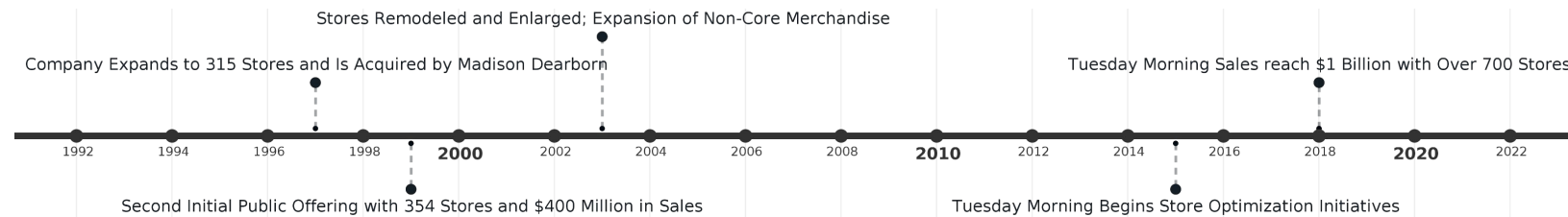
From its beginning, Tuesday Morning's founder purchased leftover inventory from name-brand manufacturers and retailers to resell from a single warehouse in Dallas in a "garage-sale" format, offering incredible deals, the first sale of which occurred on **a Tuesday morning in 1974**. From that initial success, the Tuesday Morning® bargain sale and name stuck.

Over the years, Tuesday Morning® has evolved from a small local store into a **well-established brand with a loyal customer base**. The brand is known for offering a unique and ever-changing assortment of high-quality home goods, including furniture, bedding, rugs, lighting, and home decor accessories. With a focus on providing customers with **premium products at discounted prices**, Tuesday Morning® has become the go-to destination for savvy shoppers who appreciate quality and value.

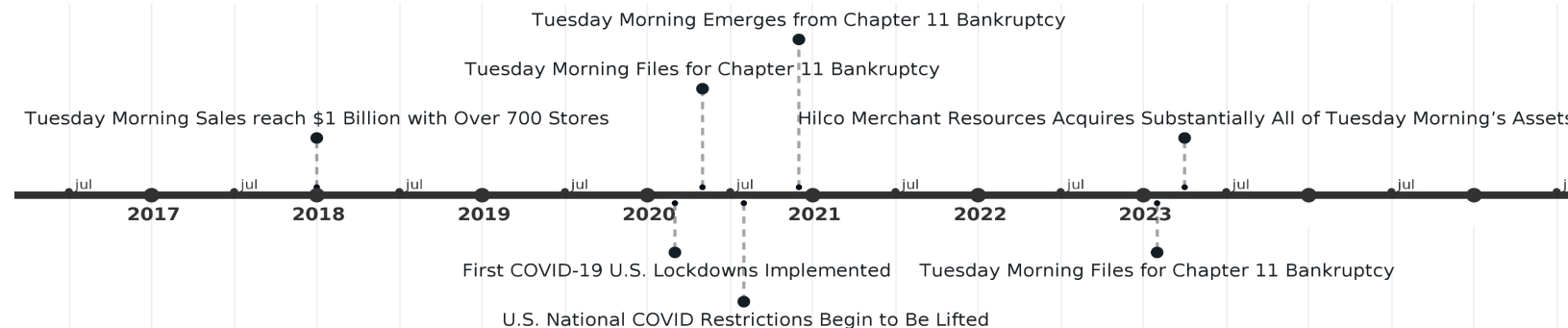
Early Years



Middle Years



Present

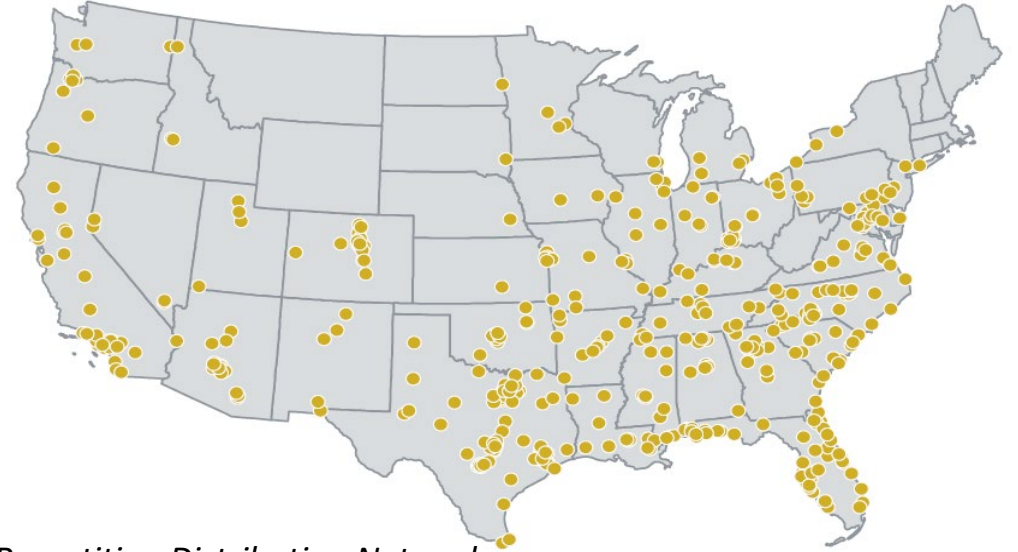


Strong U.S. Market Penetration

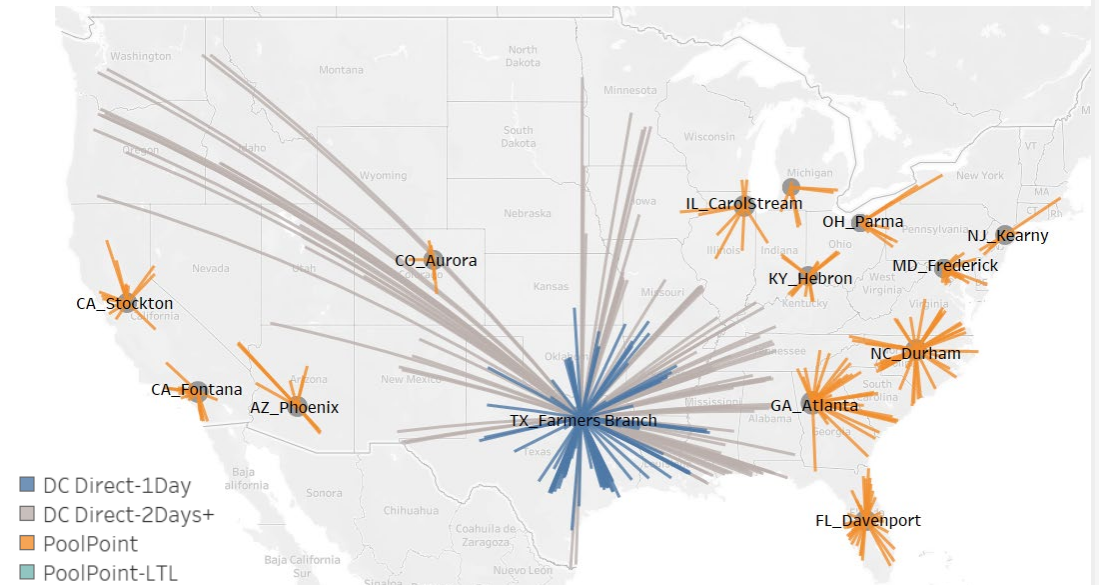
Tuesday Morning®'s strongest markets are concentrated in the **southern and western regions** of the United States, where the brand has established a strong presence and a **loyal customer base**. Tuesday Morning® differentiated itself by offering **high-quality, branded merchandise** at **discounted prices**, which enabled it to stand out amongst competitors that often offered less appealing branded products. This approach allowed Tuesday Morning® to appeal to a valuable consumer base seeking premium goods at affordable prices.

*By the end of June 2023, all of the retail stores will be closed. An opportunity exists to engage in discussions with landlords regarding reactivating a limited store fleet. LTM 4-wall EBITDA as of March 2023 exceeded \$35 million.

*Prepetition Brick-and-Mortar Store Network**

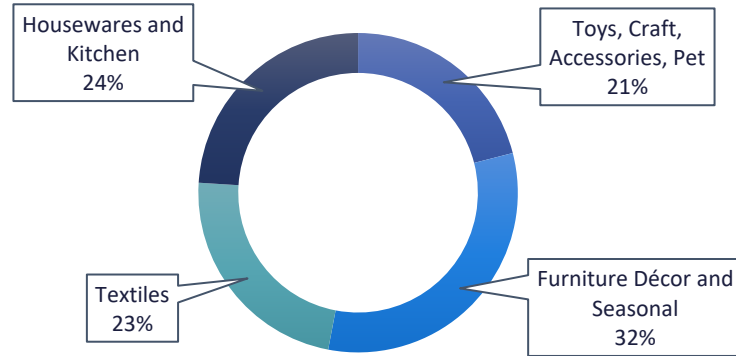


Prepetition Distribution Network



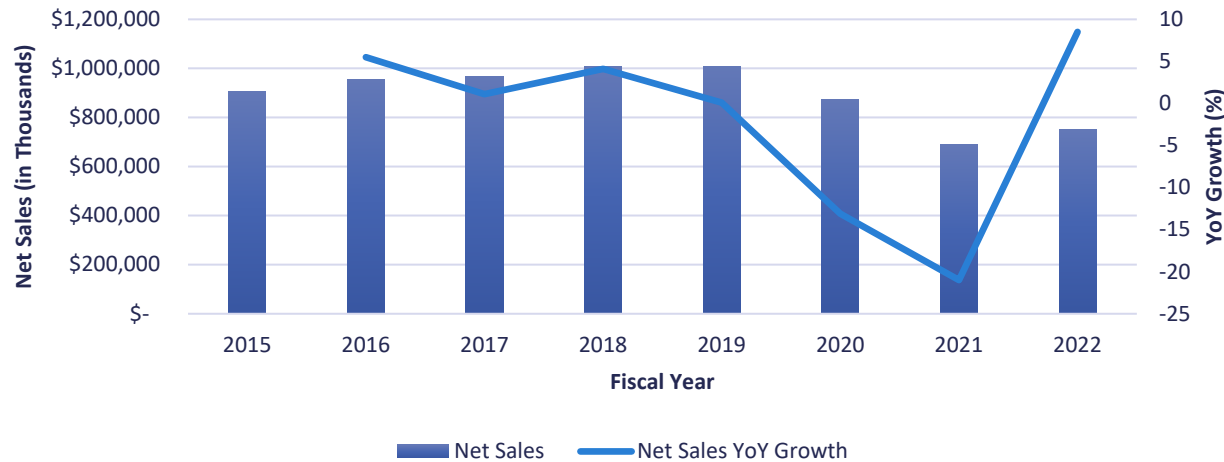
Supported by Substantial Revenues & Diverse Category Offerings

Tuesday Morning Category Contribution (LTM March 2023)



The company's previous sales volumes are impressive, with significant revenue growth over its long history. Tuesday Morning® achieved a meaningful milestone in 2018, achieving **\$1 billion in revenue** in a fiscal year for the first time, to be repeated in 2019. Due to numerous factors, including its significant brick-and-mortar footprint, historically underutilized e-Commerce channel, and customer base accustomed only to in-store bargain hunting, the challenges posed by the COVID-19 pandemic and resultant lockdowns are evident in the company's 2020 and 2021 sales declines. Nevertheless, in the face of COVID-19-related adversity and significant restructuring expenses in 2020, Tuesday Morning® maintained **financial strength** and demonstrated **resilience** in 2022 with **8.5% YoY net sales growth**.

Tuesday Morning Net Sales & YoY Growth



Tuesday Morning Gross Profit & Margin





Opportunity To Engage with a Substantial, Loyal, & Valuable Customer Base

Tuesday Morning® is a strong heritage banner that has developed and fostered a sticky and meaningful relationship with customers who are **economically and professionally attractive** and who enjoy the thrill of the “**treasure hunt**” associated with the Tuesday Morning® brand and shopping experience. There are more than approximately **3 million active customers**. With numerous Tuesday Morning® locations remaining open for inventory sales, the Tuesday Morning® **customer base remains engaged**, translating to a significant opportunity for a buyer of the brand to maintain engagement with a large customer base with whom the Tuesday Morning® brand continues to resonate.



3+ Million Active Customers



82% Customer Satisfaction Score



63% Customer Household Incomes \$75k+
Predominantly Female > 50 Years Old



39% of Customers < 50 Years Old

Tuesday Morning®'s Brand Cache Translates to Multiple Value Propositions

Tuesday Morning®'s value proposition to a strategic buyer is multi-faceted. Tuesday Morning® is a well-established brand tied to a loyal customer base, which would be valuable to a buyer seeking to **expand its reach in the home decor and furnishings industry** or to find a **highly recognizable banner for other product categories**. The historic business model, which was unique in its volume of premium branded product offerings at discounted prices, would provide a buyer with a **unique, competitive advantage** in a growing off-price market. Additionally, the strong revenues associated with the Tuesday Morning® banner makes the brand an attractive investment opportunity.



Drive Off-Price Foot Traffic Through a Recognizable Banner



Expand into Economically Powerful Southern & Western Markets



Engage with a Substantial & Valuable Customer Base



Build Out and Capitalize Upon Historically Underutilized e-Commerce Channel



Returns and Secondary Resale Channel for Established Brands

Available Assets & Process*



10+ U.S. Registered Trademarks



Customer Database with 3+ Million Active Customers



60+ Domain Names including TuesdayMorning.com



Social Media Accounts including Facebook (323k likes) and Instagram (270k followers)



Digital Assets including Photoshoots and Marketing Collateral



20+ U.S. Registered Design Patents

Tuesday Morning



We invite you to explore this opportunity further. Please contact us directly for additional information and to request a non-disclosure agreement for access to a virtual data room containing additional materials.

Indication of Interest Submission Deadline
June 8, 2023

Contact Us

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* The transfer of any assets shall be subject to the terms of definitive documentation. By the end of June 2023, all of the retail stores will be closed. An opportunity exists to engage in discussions with landlords regarding reactivating a limited store fleet.



HilcoTM

Streambank

