

# Boot Barn Holdings (BOOT)

## Company Overview

Boot Barn Holdings (NYSE: BOOT) is the largest specialty retailer of western and workwear apparel in the United States, operating 459 stores across 49 states. The company offers a broad assortment of footwear, apparel, and accessories, including cowboy and work boots, denim, shirts, hats, and outerwear, serving both lifestyle consumers and occupational end markets such as ranching, and agriculture. Its brick-and-mortar footprint is concentrated in the Southern and Western US, supported by a rapidly expanding e-commerce platform that enhances national reach and omnichannel engagement. A differentiated merchandising strategy driven by exclusive brand partnerships and an expanding private-label portfolio supports margin strength and customer loyalty. With resilient workwear demand and substantial white-space opportunity for additional store openings, Boot Barn is well positioned to continue expanding its leadership within the fragmented western lifestyle retail market.

## Industry Overview

The western workwear, fashion, and retail sector is extremely fragmented. BOOT is the only major player in the market with nearly 4 times as many stores in operation compared to its nearest direct competitor. The industry is mainly characterized by thousands of local brands/stores as well as many independent specialty stores, which are all scattered throughout the nation.

The market is expected to grow at around a 6% CAGR over the next couple of years, driven by rising popularity in rodeos and western lifestyle events along with country music culture. There has also been growing interest in western fashion as casual wear. On the work wear side of things, we've seen increasing construction and manufacturing activity recently which has been further reinforced by government regulations on worker safety. Overall challenges in the industry include tariffs and trade policy as many materials are sourced from elsewhere.

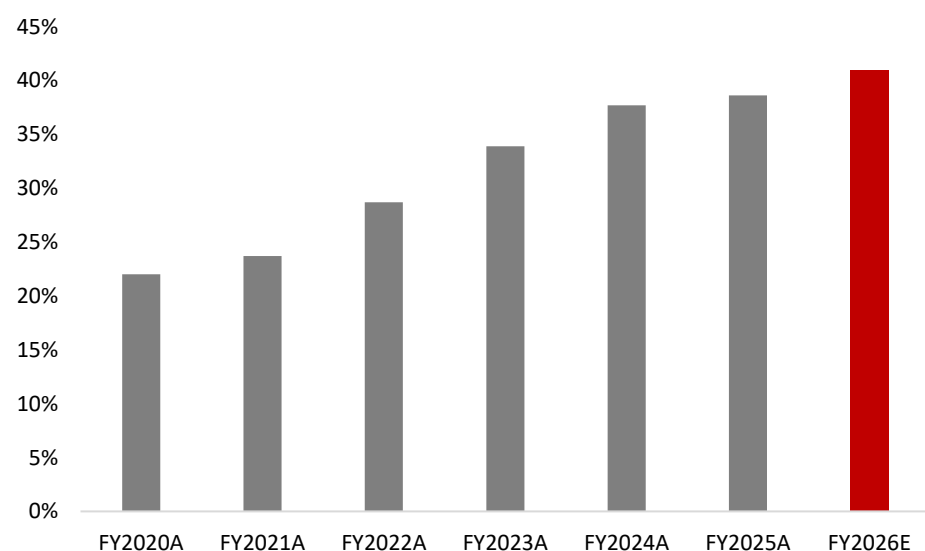


Figure 3: Exclusive Brand Penetration

## Recommendation: BUY

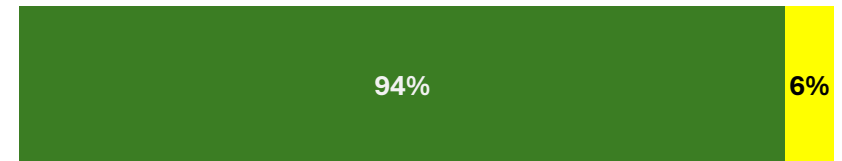


Figure 1: Street Sentiment Analysis

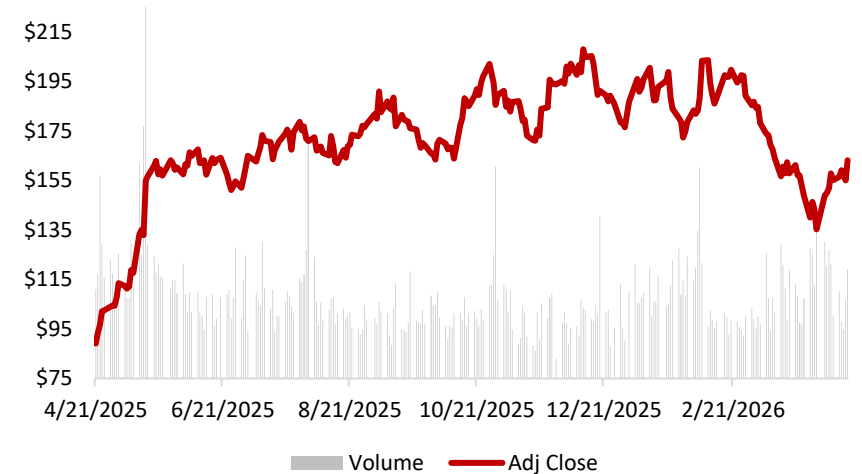


Figure 2: YTD Stock Price Graph

<b>52-Wk Range:</b>	\$86.17-210.25
<b>Current Price:</b>	\$163.09
<b>P/E (TTM):</b>	22.84x
<b>EPS (TTM):</b>	\$7.14
<b>Market Cap (BN):</b>	\$4.96
<b>Beta:</b>	1.76
<b>Yield:</b>	0.00%

WACC	
Risk Free Rate	4.052%
Beta	1.60
Market Risk Premium	4.18%
<b>Cost of Equity:</b>	<b>10.756%</b>
Interest Expense	1,497
Total Debt	0
Tax Rate	25.22%
<b>Cost of Debt:</b>	<b>0.00%</b>
Total Debt	0
Total Equity	5,731,000
<b>Total Capital:</b>	<b>5,731,000</b>
WOD:	0.00%
WOE:	100.00%
<b>WACC:</b>	<b>10.76%</b>

Figure 4: Discount Rate Calculation

## Risks & Mitigants

**Geographic and Customer Concentration:** Boot Barn's store and customer concentration is heavily based around specific regions like Texas, Southern California, and most of the Southwest US. They're also tied to industries like oil, gas, agriculture, and construction since they are a go-to destination for apparel/footwear associated with those areas. Blue-collar industry weakness could cause a slowdown

**Store Expansion Execution Risk:** As Boot Barn continues to aggressively open new stores annually, this carries multiple execution risks. Expansion into new markets where western/work wear culture doesn't fit in could prove to be suboptimal. Additionally, with some areas already densely populated with stores, opening new ones in those same area could prove harmful for SSS growth.

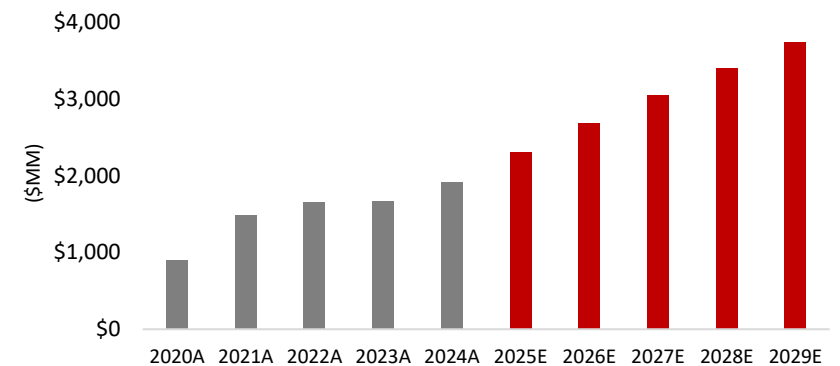


Figure 5: Revenue Forecast

## Investment Thesis

### Dominant Industry Positioning Moat and Aggressive Store Expansion

- Boot Barn is positioned for significant growth as the western and workwear retail market is extremely fragmented and dominated by independent operators and small regional chains. These smaller stores have limited purchasing power, marketing scale, and e-commerce capabilities, allowing Boot Barn to rapidly expand its national footprint from 273 stores in 2021 to 459 stores in 2025, proving its ability to capture share in the market. Management's long-term goal is to reach 1,200 stores across the U.S., giving the company a clear runway for continued expansion. As the largest specialty retailer in the space, Boot Barn benefits from various advantages such as exclusive brand partnerships, and vertically integrated private-label offerings that smaller competitors cannot replicate. Boot Barn is also benefits from both the fashion and blue-collar market. This dual-customer base allows for protection against fashion trends and decreased consumer spending.

### Omni-Channel Expansion

- While traditionally reliant on its brick-and-mortar footprint, Boot Barn has recently accelerated its omnichannel initiatives to expand its digital presence and enhance customer engagement. Through the launch of brand websites and continued investment in e-commerce capabilities, online sales have grown to 19.6% of total sales in Q3. The company has also expanded Buy Online, Pick Up In Store (BOPIS), and ship-to-store capabilities, leveraging its store base to increase convenience and drive traffic. Additionally, Boot Barn is testing its proprietary AI platform, "Cassidy," which will be integrated into large in-store kiosks to personalize customer experience by filtering through thousands of preferences and matching shoppers with the most relevant products. Together, these investments position Boot Barn to drive higher digital penetration while utilizing its physical footprint as a strategic competitive advantage.

### Exclusive Brand Penetration Creating Expanding Margins and Brand Loyalty

- Boot Barn's strategic emphasis on exclusive and private-label brands has emerged as a structural margin driver, with proprietary brands such as Cody James, Shyanne, Idyllwind, Moonshine Spirit, and others increasing penetration from 16.2% of sales in FY19 to 38.6% in FY25, with FY26E projected at 41.0%. Because exclusive brands generate approximately 10% higher gross margins than third-party products, this 24.8% increase in mix has contributed an estimated 2.5% expansion in overall gross margin, representing roughly one-third of total merchandise margin improvement over the period. Management's long-term target of 50% exclusive brand penetration provides additional runway for incremental margin upside. Additionally, the company has launched standalone digital platforms for select brands and plans additional launches for CLEO, WOLF, and other women-focused concepts, strengthening brand identity and direct-to-consumer engagement. Beyond that, increased brand penetration means more customers will be associate themselves with those brands, and by extension with Boot Barn. This will help drive more long term loyalty and recurring demand.

## DCF/Comps Overview

Along with strong fundamentals, our DCF projects an upside of roughly 36.2% over the next 5 years, signaling clear room for growth for the stock. Using the Exit Multiple Method, I've come away with a mean EV/EBITDA multiple of 11.83x.

Going beyond the DCF valuation to overall comps, looking at the P/E ratio, BOOT seems to be trading at a bit of a premium compared to some other comparable companies, but I believe this premium is more than justified given the substantial growth and industry positioning the company has grown to own and capitalize on.

\*\*\*However, just as a side note, there are no direct public competitors for the company, so I went with a couple of options covering all bases.

Company Name (As of 3/4/2026)	Ticker	Stock Price	Market Cap	EV	P/E	EV/EBITDA	EV/Revenue
The Buckle	NYSE: BKE	54.62	2,810,000	2,920,000	13.19x	10.19x	2.25x
Tractor Supply Co.	NYSE: TSCO	45.01	23,680,000	29,420,000	21.85x	15.00x	1.90x
Academy Sports & Outdoors	NASDAQ: ASO	58.63	3,780,000	5,340,000	10.59x	8.27x	0.88x
Levi's	NYSE: LEVI	22.90	8,810,000	10,310,000	16.84x	10.86x	1.59x
Boot Barn Holdings	NYSE: BOOT	\$163.09	4,960,000	5,470,000	22.84x	14.84x	2.52x
Mean					17.06x	11.83x	1.83x
Median					16.84x	10.86x	1.90x
Min					10.59x	8.27x	0.88x
Max					22.84x	15.00x	2.52x

Figure 6: Comps Model

## Financials & DCF

DCF USD(\$) in thousands	2021A	2022A	2023A	2024A	Q1'25A	Q2'25A	Q3'25A	Q4'25E	2025E	2026E	2027E	2028E	2029E
Revenue	\$1,488,256	\$1,657,615	\$1,667,009	\$1,911,104	\$504,067	\$505,396	\$705,643	\$592,176	\$2,307,282	\$2,685,238	\$3,043,856	\$3,401,798	\$3,734,658
EBIT	258,338	231,787	198,214	239,352	70,720	56,423	114,781	82,735	318,222	364,900	412,625	465,756	508,634
% Margin	17.36%	13.98%	11.89%	12.52%	14.03%	11.16%	16.27%	13.97%	13.79%	13.59%	13.56%	13.69%	13.62%
(-) Income Tax Expense	60,143	55,325	50,376	59,175	17,880	14,704	28,941	20,444	78,981	91,043	103,240	116,279	127,246
Effective Tax Rate	23.81%	24.49%	25.52%	24.64%	25.08%	25.83%	25.22%	24.72%	24.91%	25.05%	25.12%	25.07%	25.13%
<b>NOPAT</b>	<b>198,195</b>	<b>176,462</b>	<b>147,838</b>	<b>180,177</b>	<b>52,840</b>	<b>41,719</b>	<b>85,840</b>	<b>62,291</b>	<b>239,241</b>	<b>273,857</b>	<b>309,385</b>	<b>349,477</b>	<b>381,388</b>
(+) D&A	29,230	36,075	49,693	62,590	17,545	19,481	37,663	19,150	75,860	92,730	109,974	125,593	139,829
(-) CapEx	60,443	124,534	118,782	148,293	31,462	43,230	93,194	55,274	55,274	177,623	216,890	239,759	262,641
(-) Changes in NWC	(105,037)	(91,449)	(64,856)	(99,847)	(13,930)	(35,354)	73,985	0	(69,783)	(29,511)	(98,466)	(68,964)	(63,965)
<b>Unlevered FCF</b>	<b>272,019</b>	<b>179,452</b>	<b>143,605</b>	<b>194,321</b>	<b>52,853</b>	<b>53,324</b>	<b>(43,676)</b>	<b>26,167</b>	<b>329,610</b>	<b>218,476</b>	<b>300,936</b>	<b>304,275</b>	<b>322,541</b>
Discount									0.25	1.25	2.25	3.25	4.25
Discount Factor									97.48%	88.01%	79.46%	71.75%	64.78%
<b>PV of FCF</b>									<b>\$321,298</b>	<b>\$192,284</b>	<b>\$239,136</b>	<b>\$218,308</b>	<b>\$208,939</b>
<b>EBITDA</b>	<b>\$287,568</b>	<b>\$267,862</b>	<b>\$247,907</b>	<b>\$301,942</b>	<b>\$88,265</b>	<b>\$75,904</b>	<b>\$152,444</b>	<b>\$101,885</b>	<b>\$394,082</b>	<b>\$457,631</b>	<b>\$522,599</b>	<b>\$591,349</b>	<b>\$648,462</b>

### Exit Multiple Method

WACC	10.76%	
<b>Exit Multiple</b>	<b>12.96x</b>	
Bear	10.96x	2.00x
Base	12.96x	
Bull	14.96x	2.00x
Terminal Value	8,405,369	
<b>PV of TV</b>	<b>5,444,921</b>	
<b>PV of UFCF</b>	<b>1,179,965</b>	
<b>Enterprise Value</b>	<b>6,624,886</b>	
(-) Debt	0	
(+) Cash	200,071	
<b>Equity Value</b>	<b>6,824,957</b>	
Shares Outstanding	30726	
<b>Implied Share Price</b>	<b>\$222.12</b>	
Current Share Price	\$163.09	
<b>Implied Upside (Downside)</b>	<b>36.20%</b>	

Figure 7: DCF Model

	8.96x	10.96x	12.96x	14.96x	16.96x
8.76%	\$178.75	\$208.29	\$237.83	\$267.37	\$296.91
9.76%	\$172.94	\$201.35	\$229.76	\$258.18	\$286.59
10.76%	\$167.39	\$194.73	\$222.07	\$249.41	\$276.75
11.76%	\$162.09	\$188.41	\$214.72	\$241.03	\$267.35
12.76%	\$157.03	\$182.36	\$207.70	\$233.04	\$258.38

Figure 8: Price Sensitivity