

Childrens Place, Inc.
Form DEFA14A
May 05, 2015

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**SCHEDULE 14A
(Rule 14a-101)**

Information Required in Proxy Statement

Schedule 14A Information

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

The Children's Place, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, If Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

Fee previously paid with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

EBITDA (\$ in millions) per Cap IQ

| | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 |
|---------------------------------|--------|--------|--------|--------|--------|
| The Children's Place, Inc. | \$ 196 | \$ 174 | \$ 173 | \$ 164 | \$ 141 |
| Closest Operating Peers | | | | | |
| Gymboree | \$ 220 | \$ 158 | \$ 134 | \$ 94 | \$ 74 |
| Justice | 163 | 197 | 242 | 196 | 114 |
| Other Specialty Retail | | | | | |
| Abercrombie & Fitch Co. | \$ 517 | \$ 546 | \$ 595 | \$ 446 | \$ 410 |
| Aéropostale, Inc. | 452 | 195 | 158 | (70) | (73) |
| American Eagle Outfitters, Inc. | 481 | 435 | 558 | 356 | 349 |
| ANN INC. | 221 | 240 | 265 | 277 | 240 |
| Ascena Retail Group Inc. | 384 | 433 | 467 | 487 | 418 |
| The Buckle, Inc. | 241 | 269 | 292 | 290 | 289 |
| Chico's FAS Inc. | 271 | 327 | 400 | 334 | 287 |
| The Gap, Inc. | 2,624 | 2,044 | 2,494 | 2,653 | 2,635 |
| Tilly's, Inc. | 40 | 51 | 56 | 51 | 45 |
| Wholesale/Retail | | | | | |
| Carter's, Inc. | \$ 275 | \$ 232 | \$ 314 | \$ 371 | \$ 417 |

EBITDA CAGR (2010 – 2014)**EBITDA CAGR (2012 – 2014)**

Source: Capital IQ, Company filings

Note: Ascena and Justice figures show LTM data to adjust for mid-year fiscal year end. OshKosh not included as Carter's disclosure does not allow specific segment EBITDA calculation.

EBITDA Margins per Cap IQ

| | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|
| The Children's Place, Inc. | 11.7 % | 10.2 % | 9.6 % | 9.3 % | 8.0 % |
| Closest Operating Peers | | | | | |
| Gymboree | 20.4 % | 13.3 % | 10.5 % | 7.5 % | 6.1 % |
| Justice | 14.5 % | 15.8 % | 17.5 % | 13.9 % | 8.5 % |
| Other Specialty Retail | | | | | |
| Abercrombie & Fitch Co. | 14.9 % | 13.1 % | 13.2 % | 10.8 % | 10.9 % |
| Aéropostale, Inc. | 18.8 % | 8.3 % | 6.6 % | (3.4)% | (3.9)% |
| American Eagle Outfitters, Inc. | 16.3 % | 13.9 % | 16.1 % | 10.8 % | 10.6 % |
| ANN INC. | 11.2 % | 10.8 % | 11.1 % | 11.1 % | 9.5 % |
| Ascena Retail Group Inc. | 13.5 % | 14.1 % | 11.4 % | 10.1 % | 8.7 % |
| The Buckle, Inc. | 25.3 % | 25.3 % | 26.0 % | 25.7 % | 25.0 % |
| Chico's FAS Inc. | 14.2 % | 14.9 % | 15.5 % | 12.9 % | 10.7 % |
| The Gap, Inc. | 17.9 % | 14.0 % | 15.9 % | 16.4 % | 16.0 % |
| Tilly's, Inc. | 12.0 % | 12.6 % | 11.9 % | 10.3 % | 8.8 % |
| Wholesale/Retail | | | | | |
| Carter's, Inc. | 15.7 % | 11.0 % | 13.2 % | 14.0 % | 14.4 % |

EBITDA Margin Change (2010 - 2014)**EBITDA Margin Change (2012 - 2014)**

Source: Capital IQ, Company filings

Note: Ascena and Justice figures show LTM data to adjust for mid-year fiscal year end. Justice margins do not include any adjustment for corporate expenses that would otherwise be incurred if they were a standalone operating peer. OshKosh not included as Carter's disclosure does not allow specific segment EBITDA calculation.

EBIT (\$ in millions) per Cap IQ

| | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|
| The Children's Place, Inc. | \$ 132 | \$ 108 | \$ 112 | \$ 106 | \$ 91 |
| Closest Operating Peers | | | | | |
| OshKosh | \$ 19 | \$ (10) | \$ (8) | \$ (1) | \$ 8 |
| Gymboree | 177 | 100 | 76 | 47 | 30 |
| Justice | 125 | 157 | 195 | 135 | 53 |
| Other Specialty Retail | | | | | |
| Abercrombie & Fitch Co. | \$ 288 | \$ 313 | \$ 371 | \$ 211 | \$ 183 |
| Aéropostale, Inc. | 394 | 130 | 92 | (135) | (123) |
| American Eagle Outfitters, Inc. | 342 | 297 | 433 | 237 | 213 |
| ANN INC. | 125 | 145 | 167 | 170 | 129 |
| Ascena Retail Group Inc. | 298 | 338 | 331 | 317 | 218 |
| The Buckle, Inc. | 211 | 236 | 258 | 257 | 257 |
| Chico's FAS Inc. | 177 | 228 | 292 | 216 | 164 |
| The Gap, Inc. | 1,976 | 1,452 | 1,935 | 2,117 | 2,071 |
| Tilly's, Inc. | 26 | 35 | 39 | 32 | 24 |
| Wholesale/Retail | | | | | |
| Carter's, Inc. | \$ 243 | \$ 200 | \$ 275 | \$ 306 | \$ 343 |

EBIT CAGR (2010 - 2014)**EBIT CAGR (2012 - 2014)**

Source: Capital IQ, Company filings

Note: Ascena and Justice figures show LTM data to adjust for mid-year fiscal year end.

Fiscal EBIT Margins per Cap IQ

| | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 |
|----------------------------|---------------|---------------|---------------|---------------|---------------|
| The Children's Place, Inc. | 7.9 % | 6.3 % | 6.2 % | 6.0 % | 5.2 % |

Closest Operating Peers

| | | | | | |
|----------|--------|--------|--------|--------|-------|
| OshKosh | 7.3 % | (3.5)% | (2.8)% | (0.5)% | 2.4 % |
| Gymboree | 16.5 % | 8.4 % | 5.9 % | 3.8 % | 2.4 % |
| Justice | 11.2 % | 12.5 % | 14.1 % | 9.6 % | 3.9 % |

Other Specialty Retail

| | | | | | |
|---------------------------------|--------|--------|--------|--------|--------|
| Abercrombie & Fitch Co. | 8.3 % | 7.5 % | 8.2 % | 5.1 % | 4.9 % |
| Aéropostale, Inc. | 16.4 % | 5.5 % | 3.9 % | (6.4)% | (6.7)% |
| American Eagle Outfitters, Inc. | 11.6 % | 9.5 % | 12.5 % | 7.2 % | 6.5 % |
| ANN INC. | 6.3 % | 6.6 % | 7.0 % | 6.8 % | 5.1 % |
| Ascena Retail Group Inc. | 10.5 % | 11.0 % | 8.1 % | 6.6 % | 4.5 % |
| The Buckle, Inc. | 22.2 % | 22.2 % | 23.0 % | 22.8 % | 22.3 % |
| Chico's FAS Inc. | 9.3 % | 10.4 % | 11.3 % | 8.3 % | 6.1 % |
| The Gap, Inc. | 13.5 % | 10.0 % | 12.4 % | 13.1 % | 12.6 % |
| Tilly's, Inc. | 7.7 % | 8.9 % | 8.3 % | 6.4 % | 4.7 % |

Wholesale/Retail

| | | | | | |
|----------------|--------|-------|--------|--------|--------|
| Carter's, Inc. | 13.9 % | 9.5 % | 11.5 % | 11.6 % | 11.8 % |
|----------------|--------|-------|--------|--------|--------|

EBIT Margin Change (2010 - 2014)**EBIT Margin Change (2012 - 2014)**

Source: Capital IQ, Company filings

Ascena and Justice figures show LTM data to adjust for mid-year fiscal year end. OshKosh and Justice Note: margins do not include any adjustment for corporate expenses that would otherwise be incurred if they were a standalone operating peer.

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| eCommerce Revenue (\$ in millions) | | | | | | CAGR (%) | |
|------------------------------------|--------|--------|--------|--------|--------|-----------|-----------|
| | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 | '10 - '14 | '12 - '14 |
| Children's Place | \$ 151 | \$ 176 | \$ 215 | \$ 246 | \$ 280 | 16.6 % | 14.1 % |
| Closest Operating Peers | | | | | | | |
| OshKosh | - | \$ 18 | \$ 33 | \$ 47 | \$ 60 | - | 34.6 % |
| Gymboree | - | - | - | - | - | - | - |
| Justice | - | - | - | - | - | - | - |
| Other Specialty Retail | | | | | | | |
| Abercrombie & Fitch Co. | \$ 405 | \$ 553 | \$ 701 | \$ 778 | \$ 833 | 19.7 % | 9.0 % |
| Aéropostale, Inc. | - | - | - | - | - | - | - |
| American Eagle Outfitters, Inc. | - | - | - | - | - | - | - |
| ANN INC. | 189 | 248 | - | - | - | - | - |
| Ascena Retail Group Inc. | 36 | 104 | 160 | 368 | 450 | - | - |
| The Buckle, Inc. | 62 | 78 | 85 | 89 | 94 | 10.9 % | 5.6 % |
| Chico's FAS Inc. | - | - | - | - | - | - | - |
| The Gap, Inc. | 1,300 | 1,600 | 1,900 | 2,300 | 2,500 | 17.8 % | 14.7 % |
| Tilly's, Inc. | - | - | - | - | - | - | - |
| Wholesale/Retail | | | | | | | |
| Carter's, Inc. | - | \$ 55 | \$ 110 | \$ 164 | \$ 209 | - | 38.2 % |

| eCommerce as % of Total Revenues | | | | | | in bps | |
|----------------------------------|--------|--------|--------|--------|--------|-----------|-----------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | '10 - '14 | '12 - '14 |
| % of Total Revenue | 2010 | 2011 | 2012 | 2013 | 2014 | '10 - '14 | '12 - '14 |
| Children's Place | 9.0 % | 10.3 % | 11.9 % | 13.9 % | 15.9 % | 685 bps | 401 bps |
| Closest Operating Peers | | | | | | | |
| OshKosh | - | 6.3 % | 11.7 % | 16.3 % | 17.9 % | - | 622 bps |
| Gymboree | - | - | - | - | - | - | - |
| Justice | - | - | - | - | - | - | - |
| Other Specialty Retail | | | | | | | |
| Abercrombie & Fitch Co. | 11.7 % | 13.3 % | 15.5 % | 18.9 % | 22.2 % | 1,056 bps | 670 bps |
| Aéropostale, Inc. | - | - | - | - | - | - | - |
| American Eagle Outfitters, Inc. | - | - | - | - | - | - | - |
| ANN INC. | 9.6 % | 11.2 % | - | - | - | - | - |
| Ascena Retail Group Inc. | 1.3 % | 3.4 % | 3.9 % | 7.7 % | 9.4 % | 808 bps | 545 bps |
| The Buckle, Inc. | 6.6 % | 7.3 % | 7.5 % | 7.9 % | 8.2 % | 161 bps | 66 bps |
| Chico's FAS Inc. | - | - | - | - | - | - | - |
| The Gap, Inc. | 8.9 % | 11.0 % | 12.1 % | 14.2 % | 15.2 % | 635 bps | 307 bps |
| Tilly's, Inc. | - | - | - | - | - | - | - |
| Wholesale/Retail | | | | | | | |
| Carter's, Inc. | - | 2.6 % | 4.6 % | 6.2 % | 7.2 % | - | 262 bps |

Source: Capital IQ, Company filings

Note: Figures represent each company's respective FY disclosed e-commerce revenues. (-) noted for companies who do not disclose e-commerce revenue.

Safe Harbor Statement Forward Looking Statements This presentation may contain certain forward-looking statements regarding future circumstances. These forward-looking statements are based upon the Company's current expectations and assumptions and are subject to various risks and uncertainties that could cause actual results and performance to differ materially. Some of these risks and uncertainties are described in the Company's filings with the Securities and Exchange Commission, including in the "Risk Factors" section of its annual report on Form 10-K for the fiscal year ended January 31, 2015. Included among the risks and uncertainties that could cause actual results and performance to differ materially are the risk that the Company will be unsuccessful in gauging fashion trends and changing consumer preferences, the risks resulting from the highly competitive nature of the Company's business and its dependence on consumer spending patterns, which may be affected by the weakness in the economy that continues to affect the Company's target customer, the risk that the Company's strategic initiatives to increase sales and margin are delayed or do not result in anticipated improvements, the risk that the cost of raw materials or energy prices will increase beyond current expectations or that the Company is unable to offset cost increases through value engineering or price increases, and the uncertainty of weather patterns. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they were made. The Company undertakes no obligation to release publicly any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. The inclusion of any statement in this release does not constitute an admission by the Company or any other person that the events or circumstances described in such statement are material.

Important Additional Information The Children's Place, Inc. (the "Company"), its directors and certain of its executive officers may be deemed to be participants in the solicitation of proxies from Company shareholders in connection with the matters to be considered at the Company's 2015 Annual Meeting. The Company has filed a definitive proxy statement and form of WHITE proxy card with the U.S. Securities and Exchange Commission (the "SEC") in connection with any such solicitation of proxies from Company shareholders. **COMPANY SHAREHOLDERS ARE STRONGLY ENCOURAGED TO READ THE DEFINITIVE PROXY STATEMENT AND ACCOMPANYING WHITE PROXY CARD AS THEY CONTAIN IMPORTANT INFORMATION.** Information regarding the identity of potential participants, and their direct or indirect interests, by security holdings or otherwise, is set forth in the proxy statement and other materials filed by the Company with the SEC. Shareholders will be able to obtain any proxy statement, any amendments or supplements to the proxy statement and other documents filed by the Company with the SEC for no charge at the SEC's website at www.sec.gov. Copies will also be available at no charge at the Company's website at www.childrensplace.com, by writing to The Children's Place, Inc. at 500 Plaza Drive, Secaucus, NJ 07094, or by calling the Company's proxy solicitor, MacKenzie Partners, toll-free at (800) 322-2885. 1