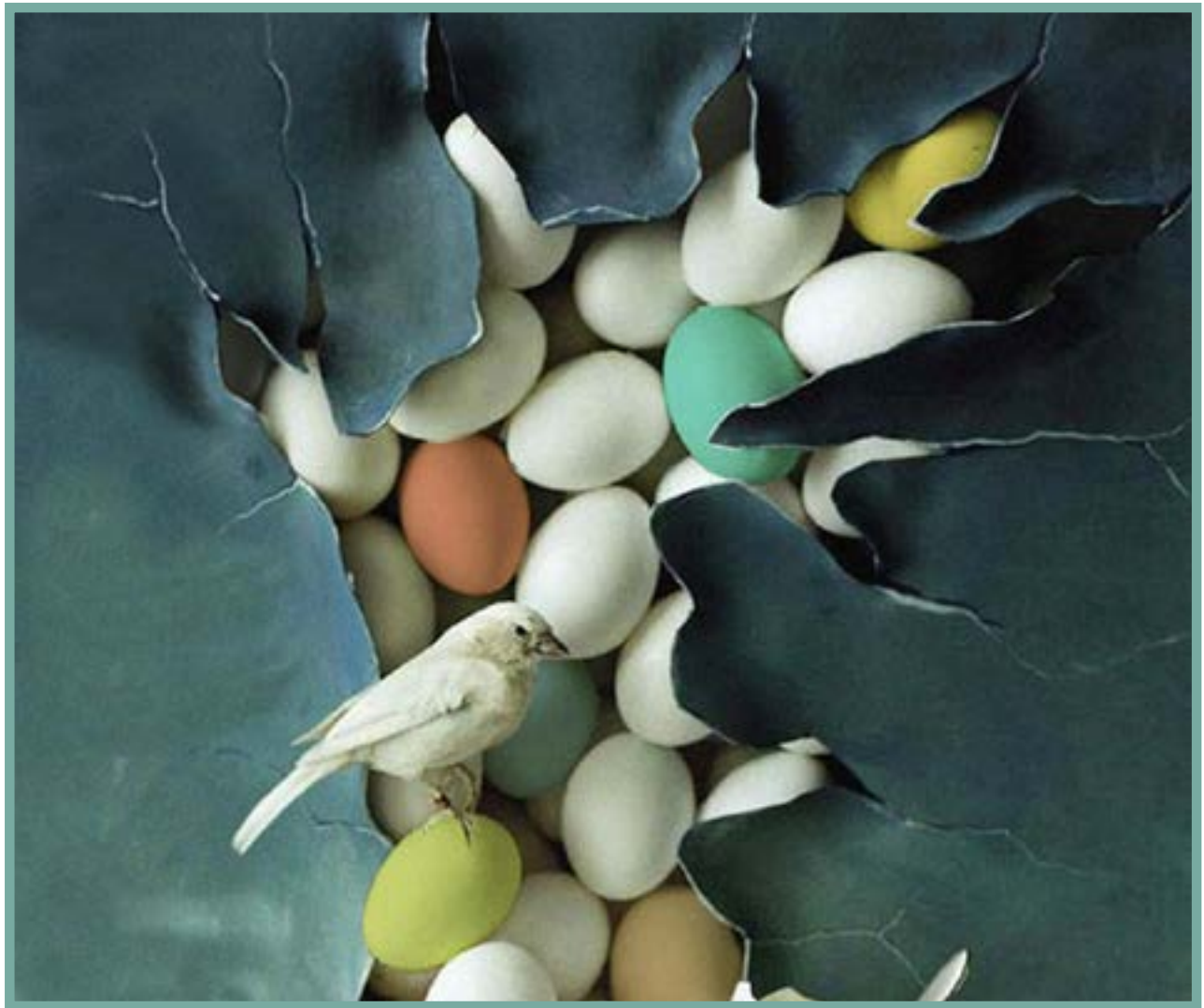


2018 TRENDS



SUMMER
CASUAL

WHERE THE SEASON BEGINS

John Wilson, *President*

Andrew Goldstein, *VP of Sales*

Rebecca Marsella, *Director of Product Development and Trend*

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SUMMER CASUAL
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Fax: 512-327-5801
13427 Pond Springs Rd. Unit #3
Austin, TX 78729 USA



ABOUT SUMMER CASUAL



United States

Austin, Texas

- Corporate Office
- Design Center
- Customer Service
- Fulfillment Center

China

Hangzhou

- Corporate Engineering Center
- Showroom

Hong Kong

- Finance Center
- Operations Office

- Incorporated in 2009.
- Senior management has 70 combined years of experience from manufacturing, marketing, sales, distribution and retail.
- Three in-house professional designers working with our marketing and sourcing teams for innovative, high quality, unique products.
- Dedicated personnel in Asia for retailer support, audit compliance and quality control.
- Qualified accounting, EDI, retail Link, analysis systems and controls.
- Purchasing department experienced in international transportation and customs issues with C-TPAT certification.

Central Factory

- 50,000 Square Meter
- 200,000 Pieces Monthly Capacity
- 600 Production Employees
- 15 Quality Control Staff
- 30 Cutting Machines
- 30 Bending Machines
- 30 Punching Machines
- 120 Welding Machines
- 100 Sewing Machines
- 4 Assembly and Packing

North Factory

- 133,200 Square Meter
- 100,000 Pieces Monthly Capacity
- 250 Production Employees
- 10 Quality Control Staff
- 20 Cutting Machines
- 20 Bending Machines
- 20 Punching Machines
- 200 Welding Machines
- 50 Sewing Machines
- 8 Assembly and Packing

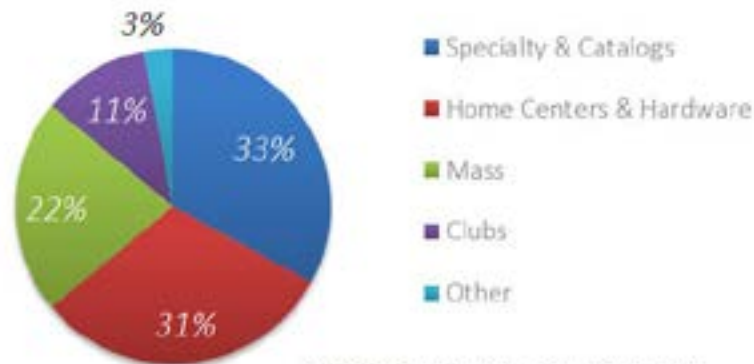
South Factory

- 11,130 Square Meter
- 80,000 Pieces Monthly Capacity
- 150 Production Employees
- 10 Quality Control Staff
- 20 Cutting Machines
- 20 Bending Machines
- 20 Punching Machines
- 100 Welding Machines
- 20 Sewing Machines
- 4 Assembly and Packing

TOTAL MARKET SIZE

between \$3.6 to \$4 billion

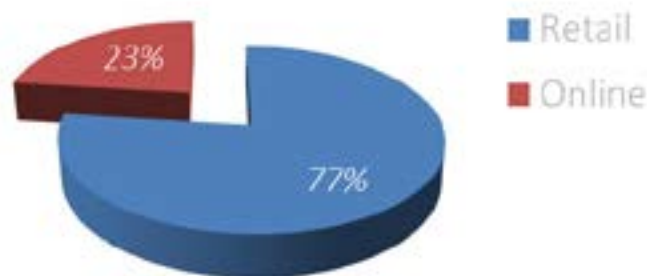
2016 Estimated Overall Sales by Retailer Channel



*SOURCE: Based on Summer Casual Competitive Retail Analysis and various other sources.

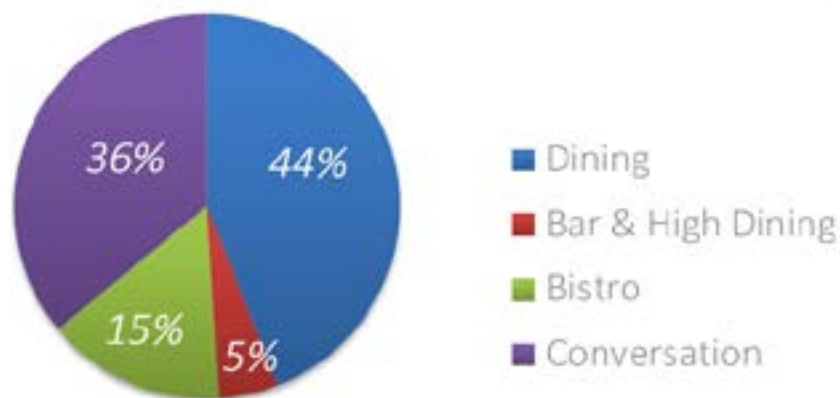
- Steady spending in the Outdoor Lifestyle Category to generate between \$3.6 - \$4.0 Billion in sales
- Home Centers, Clubs, and Catalog / Online Merchants grow their share at the expense of Mass, Hardware and Specialty Retailers.
- Online interaction & volume continues to grow and expand across all platforms

2016 Estimated Overall Sales by Online & In Store



BREAKDOWN BY FURNITURE TYPE

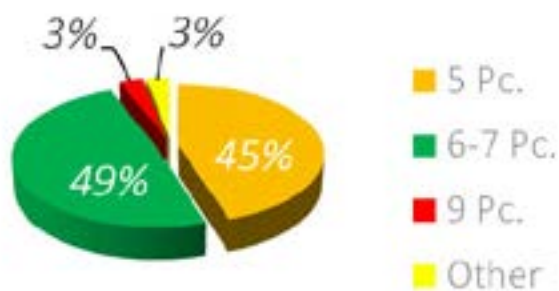
2016 Furniture Type



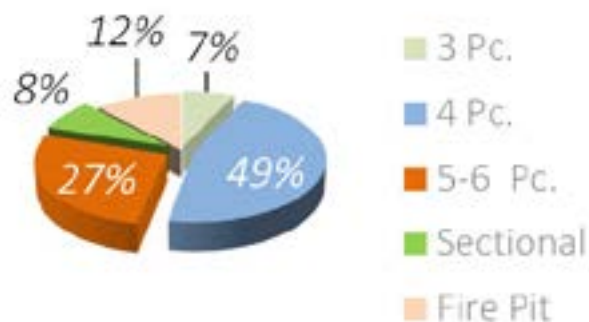
Marketplace Insights

- Since 2014, Dining Set SKU count % has shifted down from 52% to 49%, while Conversation Sets have gone from 34% to 36%
- 5 Pc. Conversation Sets continue to grow with Low Dining functionality
- Fire-Pit Sets are more readily available across all channels

2016 Dining Set Configurations



2016 Conversation Set Configurations

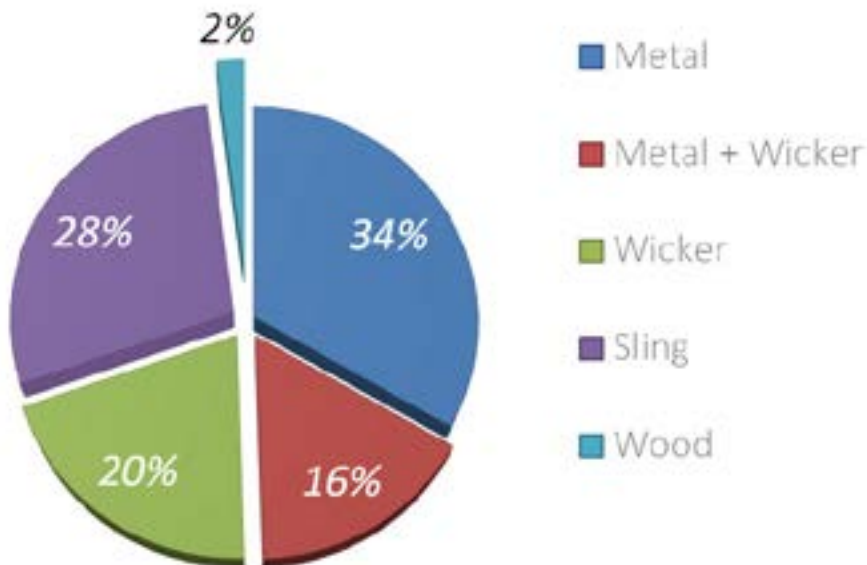


*NOTE: Estimated online sales for retailer's with both brick & mortar and online operations are split-up.

*SOURCE: Based on Summer Casual Competitive Retail Analysis and various other sources

BREAKDOWN BY FURNITURE STYLES & MATERIALS

2016 Furniture Styles/Materials



Style & Material Insights*

- Metal & Wicker combined usage continues to grow, while Wicker and Sling remain constant
- Steel has expanded in usage in all type of sets (Dining & Conversation) and materials (Sling & Wicker)

*NOTE: Estimated online sales for retailer's with both brick & mortar and online operations are split-up.

*SOURCE: Based on Summer Casual Competitive Retail Analysis and various other sources

FOUR YEAR HISTORY OF RETAIL PRICES



2013 to 2016 Retail Insights

- UNDER \$500 from 43% to 33%
- OVER \$1,000 from 19% to 33%
- BETWEEN \$500 - \$1,000 constant at 33%

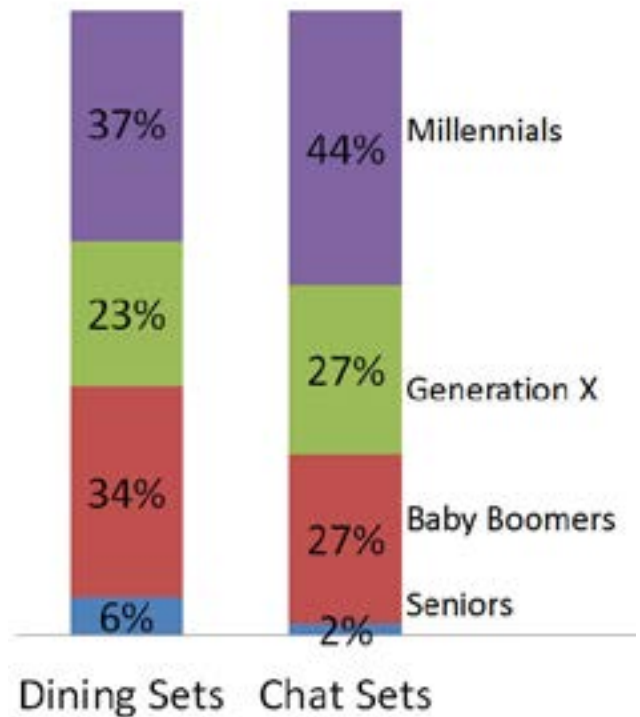
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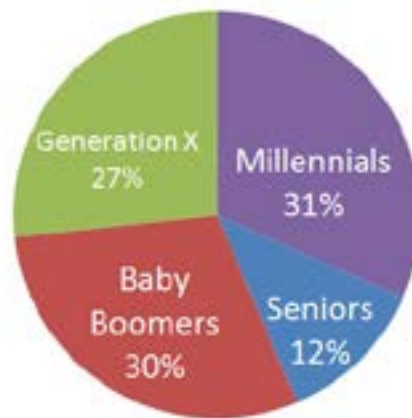
CUSTOMER PROFILE

- Millennials are 31% of the population. 9 out of 10 entertain outdoors. They account for 32% of dollars spent.
- Surprisingly, 7 out of 10 Millennials shop brick and mortar stores, as do Boomers.
- Baby Boomers are 30% of adult population and account for the largest share of total dollars spent in outdoor at 45%.

Outdoor Furniture Buyers
% of households buying in 2016



U.S. Adult
Population



71.5 million
Baby Boomers
in 2016

75 million
Millennials
in 2016

CUSTOMER PROFILE

- 30% of younger Boomers, between the ages of 51-59, have household incomes of \$100,000-plus compared with 21% of older Boomers and 19% of Millennials.
- Price was the No. 1 product feature 69% of Boomers named when buying outdoor dining sets, but style and design topped the list for 73% of the generation buying chat groups.
- 71% of Baby Boomers have a completed outdoor room, and another 10% are in the process of creating one.
- Generation X, ages 35 to 50, represents 27% of the adult population in the U.S.
- Generation X accounted for 42% of spending in the outdoor category.

“This year there are 72 million Baby Boomers, those aged 51-69, in the United States. They account for 30% of the total population. While Boomers did not represent the largest share of outdoor dining sets they did account for the largest share of total dollars spent, compared with 32% of Millennials.”

~ May 2015, Casual Living



INTERESTING STATS ON ONLINE SHOPPING

1. Online shopping grew to \$341.7 billion in 2015 which is a 14.6% increase over 2014 and accounted for more than one half of total retail sales growth in 2015.
2. E-commerce comprised 9.4% of retail sales in 2015 up from 8.2% in 2014.
3. By 2020 it is predicted that 15% of ecommerce will be done on mobile devices and 33% on tablets.
4. Amazon accounted for 60% of total online US sales growth in 2015.



COLOR



2016 COLOR OF THE YEAR

PANTONE®
13-1520 Rose Quartz &
15-3919 Serenity

YELLOW

Yellow comes in a broad spectrum. Lemon Meringue to Inca Gold and all in between. This year a difference in the yellow family is that it is a little deeper than years past. Even the pastel is deeper. This makes the yellow family bolder, but also adds a little brown to the mix. Yellow is being used as a bold accent to black and white palettes.



15-0751 TPX



17-1048 TPX



14-0754 TPX



12-0738 TPX

GREEN

Green is always an important color in the outdoor world. This year Pistachio, Olive, Kelly and Chartreuse are all working together. The varied tones of these colors of nature provide a green option for any taste.



14-5714 TPX



18-0426 TPX



16-6043 TPX



16-6138 TPX

BLUE

Blue is everywhere for the third year in a row. Hues of sun-washed blue lagoons and cobalt oceans with flecks of jade. Blues are still being used as stand alone color for the most part. Whether it is a pale ice blue or a bold cobalt they make a statement.

A favorite in the blue family is the dark teal that can lean in the blue and green family. One of Pantone's Colors of the Year is Serenity which plays into the calming feeling that blue can give.



19-4914 TPX



14-4510 TPX



19-4324 TPX



15-4720 TPX

RED

Deep tones are coupled with brights and pastels. Regal red is still front and center, but hot pink and orange are at the forefront as well. Tones such as pumpkin and dark purple give depth to the red family while soft pink and coral lighten the mood.

There is a red for any occasion this year and they are being featured as stand alone colors as well as mixing with each other.



18-1547 TPX



16-1260 TPX



19-2524 TPX



17-1643 TPX

BROWN

Neutrals are still very important to the outdoor world. The most popular shades are grays as well as warmer tones such as fawn and honey. The browns and greys are organic and soft. These neutrals work well on their own and are also great backdrops for the colors that are being used as accents this year.



19-1218 TPX



17-1047 TPX



17-0808 TPX



16-5904 TPX

BOLD COLORS Bohemian Glamour **WILD FLORALS**
Worldly Prints **COOL CLASSICS** Effervescent Style
EYE CATCHING EMBELLISHMENTS Refined Textures
Feminine Frills Relaxed Tailoring **IRREVERENT EDGE**
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TEXTURAL

Texture is being used a lot in the indoor design industry. Stained wood is being used on ceilings and walls in conjunction with painted wood and brick. Also natural fibers are being woven together for light fixtures and baskets. The mixture of smooth and rough textures with wood, bricks and metal create a very interesting look. The three dimensional aspect of texture provides a new twist to traditional interiors.



STARK CONTRAST

Opposites attract! That is what they say and with the use of black and white together, it is true. The stark contrast creates a dramatic look whether it is in a fabric pattern or as a color palette for a room.



WORLD VIEW

It is a small world after all.... The global inspiration in fashion and home décor is growing each year. Patterns that have been limited to Persian Rugs are now on pillows and dresses. From the large Indian influence to tribal Africa and South America, you never know what part of the world you will see in fashion and home décor. The other interesting piece of this trend is that influences from around the globe are being used together to create interest!



GEO PRINTS

Shapes reminiscent of the 60s and 70s are ruling the geometric scene! Flowing stripes, organic starburst and totally off the wall patterns are making a big impression.



DARK ROMANCE

As we saw last year the floral scene has gotten deeper and darker. With dark backgrounds being used to give colorful florals a more dramatic look, it has really changed the feel of floral. These dark patterns show beautifully in a room with a solid color base. Although the colors are dark it creates a romantic feel with the florals.



BOLD COLOR

BOLD COLOR! It is BACK! Not only as accents, but as the body of the fabric. Neutrals still rule the scene, but color is making a come back with brights and natural tones of color easing their way back to the forefront.



SUBTLE PASTELS

In stark contrast the the bold colors that are being used as accents, subtle soft pastels are being seen as complete rooms and outfits. The use of pinks, blues, yellows and green all together in their pales hues gives an inviting quiet feel of relaxation.



HYGGE (hoo-ga)

Danish word Hygge which loosely translates to “a cozy atmosphere” sums up the environment that is currently on trend. Comfortable and hygge are big words on social media. It is the idea of feeling cozy.

