

## SIKULI CAPITAL

Conviction through contrarian research

# Ollie's Bargain Outlet (OLLI)

## Valuation Snapshot — Fair Value Range

As of May 20, 2026 | Discount closeout retailer

| CURRENT PRICE | PROBABILITY-WEIGHTED FAIR VALUE | FAIR VALUE RANGE      |
|---------------|---------------------------------|-----------------------|
| <b>\$85</b>   | <b>~\$105</b>                   | <b>\$76 - \$140</b>   |
| May 2026      | Bull 25% / Base 50% / Bear 25%  | ~24% upside; PT \$138 |

**Verdict:** OLLI generates \$2.27B in revenue (+8%) with steady cash flow and a strong unit growth runway. Q1 FY26 earnings out June 10. Analyst consensus target of \$138 implies 60%+ upside from current levels<sup>[1]</sup>. The discount retail theme — beneficiary of consumer trade-down, beneficiary of Big Lots / 99¢ Only liquidation closures — supports the long-term thesis. Bull case requires comp acceleration + unit expansion to 1,000 stores; bear case reflects discretionary slowdown and earnings compression.

## CURRENT SNAPSHOT

| Metric               | Value                  | Notes / Source                         |
|----------------------|------------------------|--|
| Stock price          | <b>\$85.16</b>         | [2]                                    |
| FY25 revenue         | <b>\$2.27B (+8%)</b>   | [1]                                    |
| FY25 net income      | <b>\$199.8M (+10%)</b> | [1]                                    |
| Next FY EPS estimate | <b>\$4.48</b>          | Consensus <sup>[1]</sup>               |
| Analyst PT           | <b>\$137</b>           | Strong Buy; 13 analysts <sup>[1]</sup> |

## BULL / BASE / BEAR SCENARIOS

| Scenario (weight)           | Assumptions   | Fair Value    |
|-----------------------------|---|---------------|
| <b>Bull (25%)</b>           | Comp acceleration +5%, unit expansion ahead of plan, multiple expands to 30x EPS                | <b>\$140</b>  |
| <b>Base (50%)</b>           | Mid-single-digit growth, multiple holds at 23x EPS  | <b>\$105</b>  |
| <b>Bear (25%)</b>           | Discretionary slowdown, margin compression, multiple compresses to 17x EPS                      | <b>\$76</b>   |
| <b>Probability-weighted</b> | Trade-down discount retailer; structural unit growth + macro tailwind from competitor closures. | <b>~\$105</b> |

## Key Risks

- **Comp variability:** Closeout merchandise sourcing varies; comps can swing.
- **Consumer cycle:** Discretionary discount; low-income consumer health drives traffic.
- **Inventory management:** Closeout model exposes to inventory risk if sourcing slows.
- **Real estate:** Unit growth requires real estate availability; competing big-box closures help.

## What Would Change Our View

- **Upside:** Q1 beat, Big Lots store conversions, comp re-acceleration.
- **Downside:** Q1 miss, inventory write-downs, comp deceleration to negative.

## Sources

[1] <https://stockanalysis.com/stocks/olli/>

[2] <https://www.investing.com/equities/ollies-bargain-outlet-holdings-inc>

## Disclaimer

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