

Quarterly Industry Update

As of September 30, 2016

Industry: Furniture Retail

Industry Summary

Cogent Valuation identified Furniture Retail publicly traded companies, IPOs, and recent M&A transactions within the Furniture Retail industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Over the last year since September 30, 2015, the median 52-week share price return of the Furniture Retail industry was -14.7%. Between September 30, 2014 and September 30, 2016, the median EV/EBITDA multiple increased from 7.7 to 7.9. However, the median price-to-earnings multiple decreased from 17.5 to 16.1 over the same period.

Comparable Public Company Key Statistics

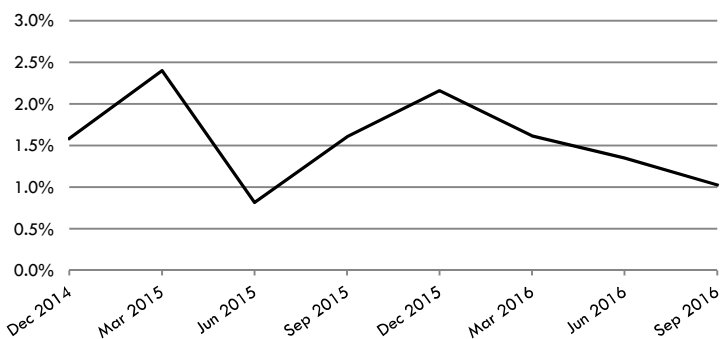
Median 52-Week Return	-14.7%	Median EV/Revenue Multiple	0.7x	Median Price/Earnings Multiple	16.1x
Median 3-Year CAGR Return	-0.9%	Median EV/EBITDA Multiple	7.9x	Median EV/Gross CF Multiple	11.7x

Comparable Public Company Market Price Returns As of September 30, 2016

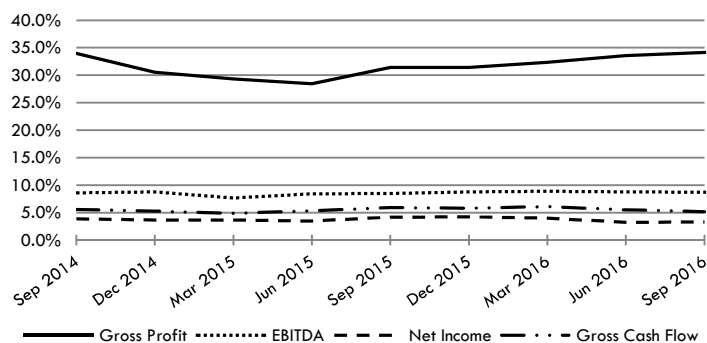
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2015	2014	2013	2012	2011
Aaron's, Inc.	13.5%	16.1%	-29.6%	2.2%	-2.8%	0.1%	-26.8%	4.0%	4.0%	6.0%	30.8%
Bassett Furniture Industries, Incorporated	-7.3%	-2.9%	-16.5%	30.5%	12.8%	27.0%	28.5%	27.7%	22.5%	66.5%	78.3%
Conns Inc.	-56.0%	37.2%	-57.1%	-41.6%	-40.9%	7.5%	25.6%	-76.2%	156.7%	176.2%	137.2%
Ethan Allen Interiors Inc.	12.4%	-5.4%	18.4%	17.1%	3.9%	18.1%	-10.2%	1.8%	18.3%	8.4%	18.5%
Flexsteel Industries Inc.	17.1%	30.5%	65.5%	23.8%	27.5%	28.1%	37.0%	4.9%	43.3%	55.0%	-22.0%
Haverty Furniture Companies Inc.	-6.5%	11.1%	-14.7%	-4.1%	-6.5%	14.9%	-2.6%	-29.7%	91.9%	48.5%	-15.4%
hhgregg, Inc.	-49.7%	4.0%	-62.2%	-46.0%	-53.2%	-28.4%	-51.7%	-45.8%	99.0%	-51.4%	-31.0%
Hooker Furniture Corp.	-3.0%	14.0%	4.0%	26.9%	17.9%	22.0%	47.0%	2.9%	14.8%	26.7%	-18.8%
Kimball International, Inc.	32.4%	13.7%	36.8%	-7.3%	5.3%	21.6%	7.1%	-39.3%	29.5%	129.0%	-26.5%
La-Z-Boy Incorporated	0.6%	-11.7%	-7.5%	11.4%	2.6%	27.1%	-9.0%	-13.4%	119.1%	18.9%	31.9%
Natuzzi SpA	8.7%	20.7%	-14.6%	-7.2%	-0.9%	-9.3%	3.9%	-40.2%	34.9%	-14.7%	-31.2%
Nova Lifestyle, Inc.	101.7%	764.3%	59.2%	-8.1%	-5.1%	-3.1%	-35.9%	-37.7%	120.0%	-51.8%	N/A
Restoration Hardware Holdings, Inc.	-56.5%	20.6%	-62.9%	-34.1%	-18.3%	N/A	-17.2%	42.7%	99.5%	N/A	N/A
Stanley Furniture Company, Inc.	-36.2%	-27.3%	-39.2%	-20.3%	-21.7%	-9.3%	1.8%	-28.6%	-14.7%	50.5%	-3.9%
Tempur Sealy International Inc.	-19.5%	2.6%	-20.6%	0.5%	8.9%	1.5%	28.3%	1.8%	71.4%	-40.1%	31.1%
Median of Industry Public Companies	-3.0%	13.7%	-14.7%	-4.1%	-0.9%	11.2%	1.8%	-13.4%	43.3%	22.8%	-3.9%

(Multiple year periods are calculated as the average annual return.)

Median Quarterly Revenue Growth of All Furniture Retail Companies



Median Gross Profit, EBITDA, Net Income and Gross Cash Flow Margins



Median Public Company Multiples of the Furniture Retail Industry

Date:	9/30/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015	12/31/2015	3/31/2016	6/30/2016	9/30/2016
EV/Revenues Multiple	0.7x	0.8x	0.7x	0.8x	0.8x	0.7x	0.8x	0.7x	0.7x
EV/EBITDA Multiple	7.7x	9.7x	9.2x	9.2x	8.7x	8.6x	7.8x	7.1x	7.9x
Price/Earnings Multiple	17.5x	18.8x	21.4x	20.8x	19.2x	18.0x	17.4x	16.5x	16.1x
EV/Gross Cash Flows Multiple	11.2x	12.1x	15.4x	13.8x	13.2x	11.9x	11.7x	11.4x	11.7x

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Industry: Furniture Retail



Industry Initial Public Offerings (dollars in millions, except share prices)

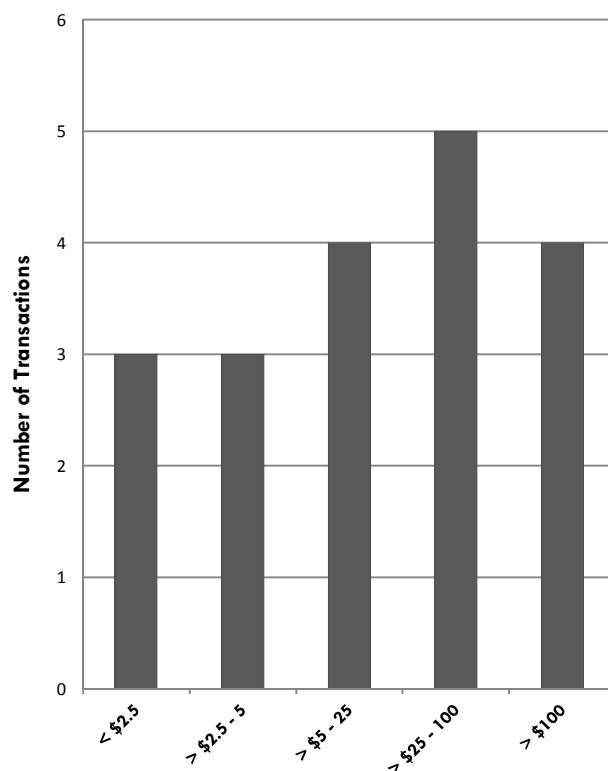
Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
6/27/2016	Vega Corporation Co., Ltd.	\$15.74	0.8	\$13.2	\$34.8	\$8.1	\$81.3	\$0.0	\$4.3	\$0.0
5/26/2016	Maisons du Monde SA	\$19.01	19.4	\$369.1	\$1,108.8	\$838.3	N/A	N/A	N/A	N/A
12/10/2015	Miliboo S.A.	\$4.61	1.2	\$5.6	\$9.3	\$1.5	\$16.2	(\$0.5)	(\$1.0)	(\$0.4)
12/9/2015	Temple & Webster Group Ltd	\$0.79	55.9	\$44.4	\$3.2	\$3.5	\$20.1	(\$3.6)	(\$5.0)	(\$3.6)
6/16/2015	Adairs Limited	\$2.40	90.9	\$218.1	\$160.1	\$81.1	\$202.5	\$28.3	\$6.3	\$34.3
1/27/2015	ScS Group plc	\$2.66	20.4	\$54.3	\$125.7	\$38.2	\$438.2	\$20.4	\$10.0	\$27.1
11/1/2012	Restoration Hardware Holdings, Inc.	\$24.00	5.2	\$123.9	\$650.9	\$151.1	\$1,048.5	\$67.4	\$33.1	\$92.1
5/17/2011	GI Ventures	\$8.91	0.1	\$1.1	N/A	N/A	N/A	N/A	N/A	N/A
Median of All IPOs		nm	nm	\$49.3	\$125.7	\$38.2	\$141.9	\$10.2	\$5.3	\$13.6

nm: not meaningful, N/A: not applicable

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought
7/13/2016	BoConcept Holding A/S	3i Group plc	\$230.1	100%
2/18/2016	Chromcraft Revington, Inc.	Arts and Crafts Industries	\$1.8	100%
2/1/2016	Home Meridian International	Hooker Furniture Corp.	\$100.0	100%
11/17/2015	Double J-RD, LLC	Mattress Firm Holding Corp.	\$3.7	100%
10/5/2015	American Furniture	Bank of America	\$24.1	100%
10/1/2015	DFS Spain Limited	DFS Furniture plc	\$2.3	100%
7/31/2015	Kmart Anchored Center	Third Lake Capital, LLC	\$16.9	100%
7/16/2015	Sleep Country Canada Inc.	Sleep Country Canada	\$362.5	100%
6/19/2015	Alstons Furniture Group	Thailand Carpet	\$37.5	100%
2/7/2015	sofa.com Ltd	CBPE Capital LLP	\$76.3	55%
1/25/2015	Dare Gallery Pty Ltd.	N/A	\$3.3	100%
1/13/2015	Mattress World, Inc.	Mattress Firm Holding	\$2.2	100%
1/6/2015	Sleep America, LLC	Mattress Firm Holding	\$12.4	100%
12/23/2014	Muniré Furniture, Inc.	Heritage Baby Products	\$4.9	100%
10/31/2014	IMG AS	Ekornes ASA	\$89.4	100%
10/20/2014	The Sleep Train, Inc.	Mattress Firm, Inc.	\$451.8	100%
9/30/2014	Back to Bed Inc.	Mattress Firm, Inc.	\$60.3	100%
7/28/2014	Design Within Reach, Inc.	Herman Miller Inc.	\$161.0	84%
7/11/2014	John Cootes Furniture	Elanor Investors Group	\$6.3	100%
Median of the 19 M&A Transaction Targets			\$24.1	100%

Size of the 19 M&A Transactions (dollars in millions)



Definitions of Financial Terms Used in this Quarterly Industry Update:

Enterprise Value (EV): Market Value of Equity + Market Value of Debt - Cash

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA): Profitability metric sometimes also referred to as operating profit or operating earnings.

Gross Cash Flows: Net Income + Depreciation and Amortization Expense

Latest Twelve Months (LTM): Financial information is as of the latest twelve months through the date of this Quarterly Industry Update.

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