

Quarterly Industry Update

As of December 31, 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 December 31, 2015, the median 52-week share price return of the Furniture Retail industry was 21.2%. Between December 31, 2014 and December 31, 2016, the median EV/EBITDA multiple increased from 9.7 to 9.8. Furthermore, the median price-to-earnings multiple increased from 18.8 to 20.3 over the same period.

Comparable Public Company Key Statistics

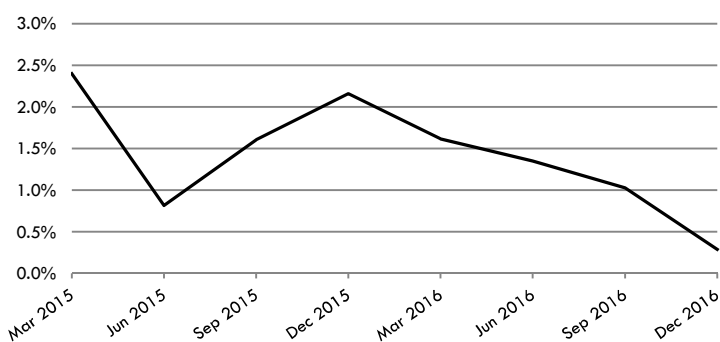
Median 52-Week Return	21.2%	Median EV/Revenue Multiple	0.9x	Median Price/Earnings Multiple	20.3x
Median 3-Year CAGR Return	0.1%	Median EV/EBITDA Multiple	9.8x	Median EV/Gross CF Multiple	14.1x

Comparable Public Company Market Price Returns As of December 31, 2016

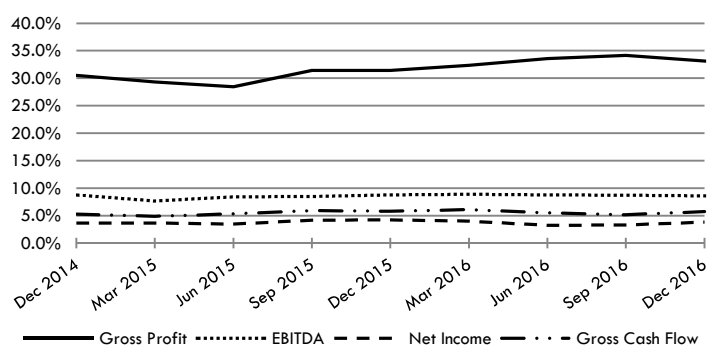
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2015	2014	2013	2012	2011
Aaron's, Inc.	42.9%	25.8%	42.9%	2.3%	2.9%	3.7%	-26.8%	4.0%	4.0%	6.0%	30.8%
Bassett Furniture Industries, Incorporated	21.2%	30.8%	21.2%	24.8%	25.8%	32.3%	28.5%	27.7%	22.5%	66.5%	78.3%
Conns Inc.	-46.1%	22.6%	-46.1%	-17.7%	-45.6%	2.6%	25.6%	-76.2%	156.7%	176.2%	137.2%
Ethan Allen Interiors Inc.	32.5%	17.8%	32.5%	9.1%	6.6%	9.2%	-10.2%	1.8%	18.3%	8.4%	18.5%
Flexsteel Industries Inc.	39.6%	19.2%	39.6%	38.3%	26.1%	34.8%	37.0%	4.9%	43.3%	55.0%	-22.0%
Haverty Furniture Companies Inc.	10.5%	18.3%	10.5%	3.8%	-8.9%	16.6%	-2.6%	-29.7%	91.9%	48.5%	-15.4%
hhgregg, Inc.	-60.9%	-22.3%	-60.9%	-56.5%	-53.2%	-37.0%	-51.7%	-45.8%	99.0%	-51.4%	-31.0%
Hooker Furniture Corp.	50.4%	55.0%	50.4%	48.7%	31.5%	27.0%	47.0%	2.9%	14.8%	26.7%	-18.8%
Kimball International, Inc.	79.7%	35.7%	79.7%	38.8%	5.3%	28.2%	7.1%	-39.3%	29.5%	129.0%	-26.5%
La-Z-Boy Incorporated	27.1%	26.4%	27.1%	7.6%	0.1%	21.1%	-9.0%	-13.4%	119.1%	18.9%	31.9%
Natuzzi SpA	40.4%	29.1%	40.4%	20.8%	-4.4%	0.1%	3.9%	-40.2%	34.9%	-14.7%	-31.2%
Nova Lifestyle, Inc.	7.2%	-46.8%	7.2%	-17.1%	-24.6%	-14.6%	-35.9%	-37.7%	120.0%	-51.8%	N/A
Restoration Hardware Holdings, Inc.	-61.4%	-11.2%	-61.4%	-43.5%	-23.0%	N/A	-17.2%	42.7%	99.5%	N/A	N/A
Stanley Furniture Company, Inc.	-67.7%	-49.4%	-67.7%	-42.7%	-38.3%	-21.3%	1.8%	-28.6%	-14.7%	50.5%	-3.9%
Tempur Sealy International Inc.	-3.1%	20.3%	-3.1%	11.5%	8.2%	5.4%	28.3%	1.8%	71.4%	-40.1%	31.1%
Median of Industry Public Companies	21.2%	20.3%	21.2%	7.6%	0.1%	7.3%	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:	12/31/2014	3/31/2015	6/30/2015	9/30/2015	12/31/2015	3/31/2016	6/30/2016	9/30/2016	12/31/2016
EV/Revenues Multiple	0.8x	0.7x	0.8x	0.8x	0.7x	0.8x	0.7x	0.7x	0.9x
EV/EBITDA Multiple	9.7x	9.2x	9.2x	8.7x	8.6x	7.8x	7.1x	7.9x	9.8x
Price/Earnings Multiple	18.8x	21.4x	20.8x	19.2x	18.0x	17.4x	16.5x	16.1x	20.3x
EV/Gross Cash Flows Multiple	12.1x	15.4x	13.8x	13.2x	11.9x	11.7x	11.4x	11.7x	14.1x

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Quarterly Industry Update

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Industry: Furniture Retail



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

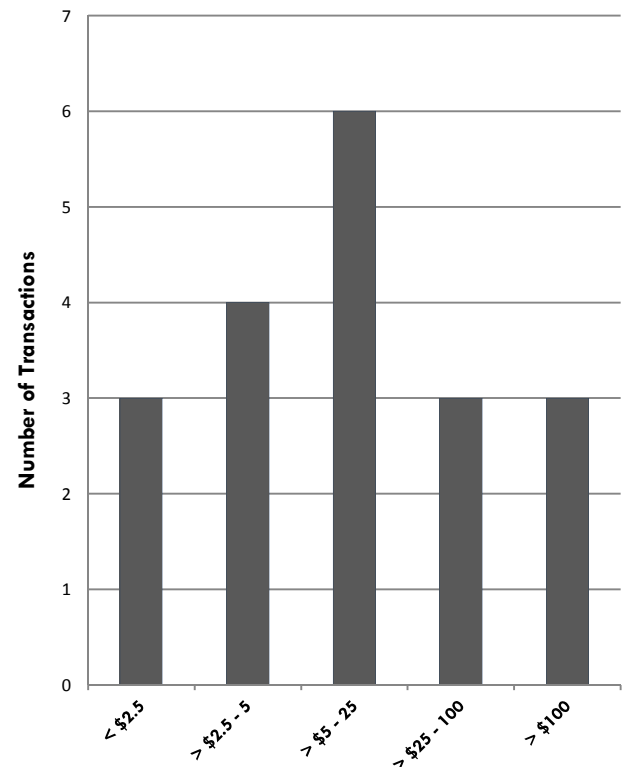
Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
6/27/2016	Vega Corporation Co., Ltd.	\$15.74	0.8	\$13.2	\$34.8	\$8.1	\$81.3	\$0.0	\$4.3	\$0.0
5/26/2016	Maisons du Monde SA	\$19.01	19.4	\$369.1	\$1,108.8	\$838.3	N/A	N/A	N/A	N/A
12/10/2015	Miliboo S.A.	\$4.61	1.2	\$5.6	\$9.3	\$1.5	\$16.2	(\$0.7)	(\$1.0)	(\$0.6)
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
12/16/2016	Morgana AB	Lammhults Design Group	\$4.9	100%
12/12/2016	Fantastic Holdings Limited	Steinhoff Asia Pacific	\$275.1	100%
12/1/2016	Macro International AB	Svedbergs i Dalstorp AB	\$21.8	100%
11/28/2016	WorldStores Limited	Globe Online Limited	\$10.6	100%
10/29/2016	La-Z-Boy Furniture Stores	La-Z-Boy Incorporated	\$11.9	100%
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%
Median of the 19 M&A Transaction Targets			\$12.4	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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