

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 March 31, 2017, the median 52-week share price return of the Furniture Retail industry was 7.1%. Between March 31, 2016 and March 31, 2018, the median EV/EBITDA multiple decreased from 8.4 to 8.0. Furthermore, the median price-to-earnings multiple decreased from 18.2 to 17.3 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 0.8% and 9.1%, respectively.

Public Company Key Statistics

Median 52-Week
Return

7.1%

Median 3-Year CAGR
Return

.5%

Median EV/Revenue
Multiple

.8x

Median EV/EBITDA
Multiple

8.0x

Median Price/Earnings
Multiple

17.3x

Median EV/Gross CF
Multiple

10.8x

Comparable Public Company Market Price Returns as of March 31, 2018

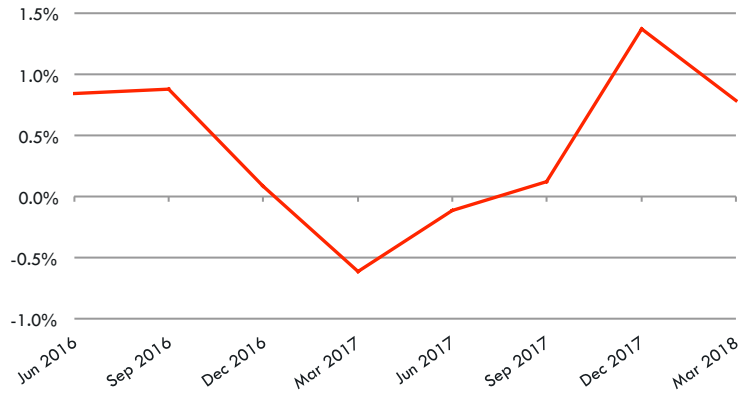
	YTD	3 Month	1 Year	2 Year	3 Year	2016	2015	2014
Aaron's, Inc.	16.9%	16.9%	56.7%	33.4%	21.5%	42.9%	-26.8%	4.0%
Bassett Furniture Industries	-19.3%	-19.3%	12.8%	22.4%	40.3%	21.2%	28.5%	27.7%
Conn's, Inc.	-4.4%	-4.4%	288.6%	23.1%	-2.4%	-46.1%	25.6%	-76.2%
Ethan Allen Interiors Inc.	-19.8%	-19.8%	-25.1%	1.4%	12.4%	32.5%	-10.2%	1.8%
Flexsteel Industries, Inc.	-15.4%	-15.4%	-21.5%	2.9%	14.6%	39.6%	37.0%	4.9%
Haverty Furniture Companies, Inc.	-11.0%	-11.0%	-17.2%	2.8%	6.3%	10.5%	-2.6%	-29.7%
hhgregg, Inc.	-24.2%	-24.2%	-98.0%	-97.0%	-86.4%	-60.9%	-51.7%	-45.8%
Hooker Furniture Corporation	-13.5%	-13.5%	18.2%	29.7%	46.4%	50.4%	47.0%	2.9%
Kimball International, Inc.	-8.7%	-8.7%	3.3%	38.2%	9.5%	79.7%	7.1%	-39.3%
La-Z-Boy Incorporated	-4.0%	-4.0%	10.9%	13.0%	10.8%	27.1%	-9.0%	-13.4%
Natuzzi S.p.A.	2.5%	2.5%	-43.0%	-0.3%	0.3%	40.4%	3.9%	-40.2%
Nova Lifestyle, Inc.	-10.0%	-10.0%	30.1%	15.5%	-27.2%	7.2%	-35.9%	-37.7%
Stanley Furniture Company, Inc.	10.5%	10.5%	106.0%	-44.2%	-25.1%	-67.7%	1.8%	-28.6%
Tempur Sealy International, Inc.	-27.8%	-27.8%	-2.5%	-5.7%	4.7%	-3.1%	28.3%	1.8%
Median of Industry Public Companies	-10.5%	-10.5%	7.1%	4.2%	6.3%	21.2%	1.8%	-13.4%

Multiple year periods are calculated as the average annual return.

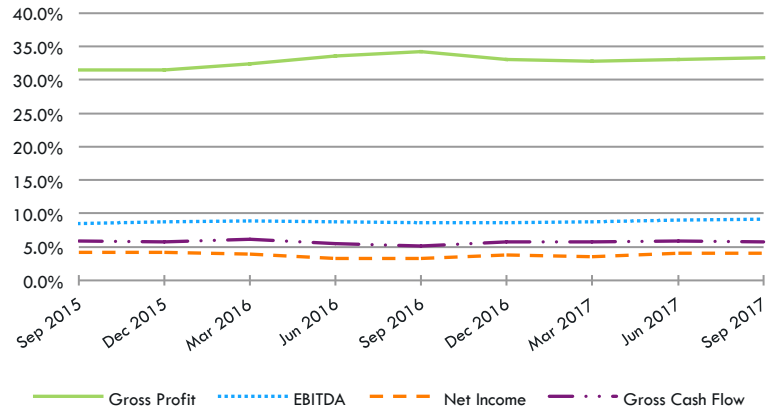
■ Highest Return
 ■ Lowest Return
 ■ Median Return

Industry Revenue Growth and Profit Margins for the Past Two Years

Median Quarterly Revenue Growth of All Furniture Retail Companies



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



Public Company Median Multiples by Quarter

	3/31/18	12/31/17	9/30/17	3/31/17	12/31/16	9/30/16	6/30/16	3/31/16
EV/Revenues Multiple	0.8x	0.9x	0.9x	0.7x	0.9x	0.8x	0.7x	0.7x
EV/EBITDA Multiple	8.0x	8.8x	10.0x	8.0x	9.4x	7.9x	7.3x	8.5x
Price/Earnings Multiple	17.3x	18.7x	20.4x	16.5x	20.6x	16.5x	16.5x	17.8x
EV/Gross Cash Flows Multiple	10.8x	12.8x	16.2x	11.5x	14.1x	11.0x	11.3x	12.2x

 Highest Multiple

 Lowest Multiple

 Median Multiple

Industry Initial Public Offerings—Industry: Furniture Retail (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
11/24/17	TCM Group A/S	\$15.72	7.0	\$110.1	\$34.8	\$8.1	\$81.3	\$0.0	\$4.3	\$0.0
10/12/17	Omfurn India Limited	\$0.35	1.8	\$0.6	\$1,108.8	\$838.3	N/A	N/A	N/A	N/A
6/27/16	Vega Corporation Co., Ltd.	\$15.74	0.8	\$13.2	\$9.3	\$1.5	\$16.2	(\$0.7)	(\$1.0)	(\$0.6)
5/26/16	Maisons du Monde S.A.	\$19.01	19.4	\$369.1	\$3.2	\$3.5	\$20.1	(\$3.6)	(\$5.0)	(\$3.6)
12/10/15	Adairs Limited	\$4.61	1.2	\$5.6	\$160.1	\$81.1	\$202.5	\$28.3	\$6.3	\$34.3
12/9/15	ScS Group plc	\$0.79	55.9	\$44.4	\$125.7	\$38.2	\$438.2	\$20.4	\$10.0	\$27.1
11/1/12	RH	\$2.40	90.9	\$218.1	\$650.9	\$151.1	\$1,048.5	\$67.4	\$33.1	\$92.1
5/17/11	GI Ventures	\$2.66	20.4	\$54.3	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

Multiple year periods are calculated as the average annual return.

■ Highest Return
 ■ Lowest Return
 ■ Median Return

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought
3/2/18	Stanley Furniture Company	Endurance Capital Group	\$18.4	100%
1/25/18	Muuto A/S	Knoll Denmark ApS	\$300.0	100%
1/12/18	Jiaxing Milan Image	Xilinmen Furniture Co.	\$44.7	100%
1/6/18	OKA Direct Ltd.	InvestIndustrial	\$54.3	100%
1/5/18	All assets of Alno AG	RiverRock European Capital	\$23.6	100%
11/6/17	Multyork Furniture Ltd.	The Sofa Workshop Ltd.	\$1.6	100%
12/27/17	Hyundai H&S.co.,Ltd	Hyundai Livart Furniture	\$62.1	100%
1/31/17	Poggenpohl Möbelwerke GmbH	ADCURAM Group AG	\$138.0	100%
12/16/16	Morgana AB	Lammhults Design Group	\$73.2	100%
12/12/16	Fantastic Holdings Limited	Steinhoff Asia Pacific	\$18.4	100%
12/1/16	Macro International AB	Svedbergs i Dalstorp AB	\$21.8	100%

■ USA
 ■ International
 ■ Highest
 ■ Lowest
 ■ Median

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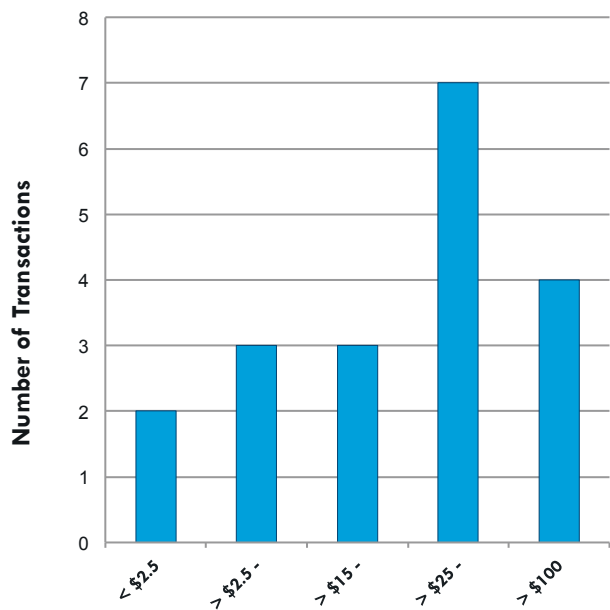
Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

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Transaction Date	Target	Acquirer	Transaction Size	% Bought
2/18/16	WorldStores Limited	Globe Online Limited	\$10.6	100%
2/1/16	La-Z-Boy Furniture Stores	La-Z-Boy Incorporated	\$11.9	100%
11/17/15	BoConcept Holding A/S	3i Group plc	\$231.0	100%
10/5/15	Chromcraft Revington, Inc.	Arts and Crafts Industries	\$1.8	100%
10/1/15	Home Meridian International	Hooker Furniture Corp.	\$100.0	100%
7/31/15	Double J-RD, LLC	Mattress Firm Holding Corp.	\$3.7	100%
7/16/15	American Furniture	Bank of America	\$24.1	100%
6/19/15	DFS Spain Limited	DFS Furniture plc	\$2.3	100%
2/18/16	WorldStores Limited	Globe Online Limited	\$10.6	100%
Median of the 19 M&A Transaction Targets			\$11.9	100%

USA
 International
 Highest
 Lowest
 Median

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions) as of March 31, 2018



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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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