

## Furniture Retail

### INDUSTRY SUMMARY

COGENT VALUATION identified **Furniture Retail** publicly traded companies, IPOs, and recent M&A transactions within the Furniture Retail industry, 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, 2017, the median 52-week share price return of the Furniture Retail industry was -36.0%. Between December 31, 2016 and December 31, 2018, the median EV/EBITDA multiple decreased from 9.8 to 6.2. Furthermore, the median price-to-earnings multiple decreased from 20.3 to 13.6 over the same period. The median revenue growth and EBITDA margin for the industry for the quarter were 1.1% and 8.8%, respectively.

### Public Company Key Statistics

Median 52-Week  
Return

-36%

Median 3-Year CAGR  
Return

-7.1%

Median EV/Revenue  
Multiple

.6x

Median EV/EBITDA  
Multiple

6.2x

Median Price/Earnings  
Multiple

13.6x

Median EV/Gross CF  
Multiple

8.6x

## Comparable Public Company Market Price Returns as of December 31, 2018

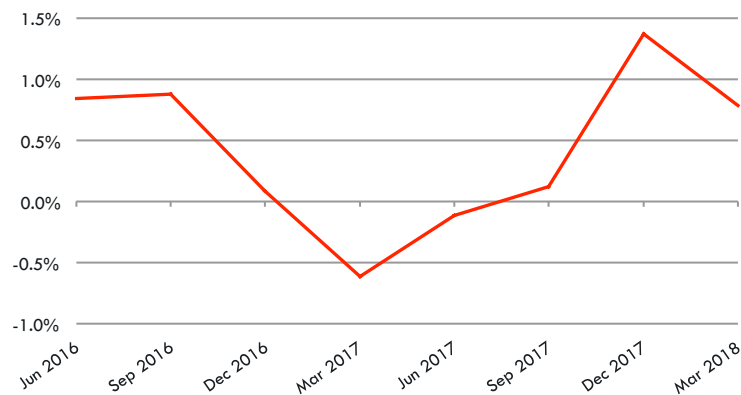
	YTD	3 Month	1 Year	2 Year	3 Year	2016	2015	2014
Aaron's, Inc.	36.7%	16.9%	56.7%	33.4%	21.5%	42.9%	-26.8%	4.0%
Bassett Furniture Industries	-43.5%	-19.3%	12.8%	22.4%	40.3%	21.2%	28.5%	27.7%
Conn's, Inc.	-0.6%	-4.4%	288.6%	23.1%	-2.4%	-46.1%	25.6%	-76.2%
Ethan Allen Interiors Inc.	-38.5%	-19.8%	-25.1%	1.4%	12.4%	32.5%	-10.2%	1.8%
Flexsteel Industries, Inc.	-52.8%	-15.4%	-21.5%	2.9%	14.6%	39.6%	37.0%	4.9%
Haverty Furniture Companies, Inc.	-17.1%	-11.0%	-17.2%	2.8%	6.3%	10.5%	-2.6%	-29.7%
hhgregg, Inc.	15.2%	-24.2%	-98.0%	-97.0%	-86.4%	-60.9%	-51.7%	-45.8%
Hooker Furniture Corporation	-38.0%	-13.5%	18.2%	29.7%	46.4%	50.4%	47.0%	2.9%
Kimball International, Inc.	-24.0%	-8.7%	3.3%	38.2%	9.5%	79.7%	7.1%	-39.3%
La-Z-Boy Incorporated	-11.2%	-4.0%	10.9%	13.0%	10.8%	27.1%	-9.0%	-13.4%
Natuzzi S.p.A.	-50.7%	2.5%	-43.0%	-0.3%	0.3%	40.4%	3.9%	-40.2%
Nova Lifestyle, Inc.	-27.5%	-10.0%	30.1%	15.5%	-27.2%	7.2%	-35.9%	-37.7%
Stanley Furniture Company, Inc.	52.0%	10.5%	106.0%	-44.2%	-25.1%	-67.7%	1.8%	-28.6%
Tempur Sealy International, Inc.	-15.6%	-27.8%	-2.5%	-5.7%	4.7%	-3.1%	28.3%	1.8%
Median of Industry Public Companies	-36%	-10.5%	7.1%	4.2%	6.3%	21.2%	1.8%	-13.4%

Multiple year periods are calculated as the average annual return.

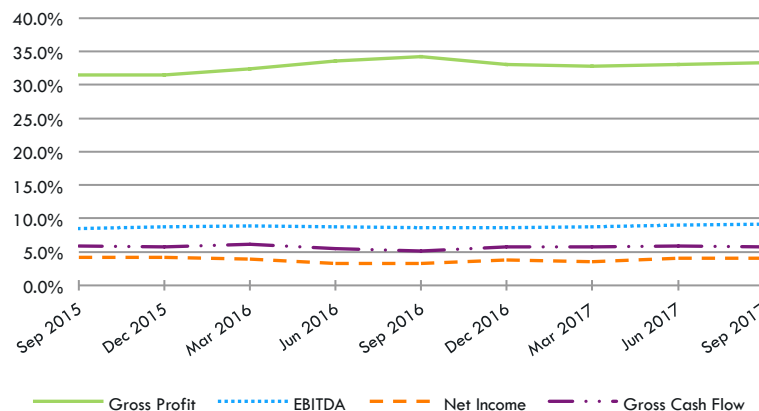
■ Highest Return
 ■ Lowest Return
 ■ Median Return

## 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

	12/31/18	9/30/18	6/30/18	3/31/18	12/31/17	12/31/16	9/30/16	3/31/16
<b>EV/Revenues Multiple</b>	0.6x	0.8x	0.8x	0.9x	0.9x	0.8x	0.7x	0.7x
<b>EV/EBITDA Multiple</b>	6.2x	8.1x	8.0x	8.8x	9.4x	7.9x	7.3x	8.5x
<b>Price/Earnings Multiple</b>	13.6x	17.9x	17.3x	18.7x	20.6x	16.5x	16.5x	17.8x
<b>EV/Gross Cash Flows Multiple</b>	8.6x	11.0x	10.9x	12.8x	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
10/8/18	Westwing Group AG	\$29.83	7.0	\$110.1	\$34.8	\$8.1	\$335.4	\$0.0	\$4.3	\$0.0
10/3/18	Sun Cheong Creative Development Holdings Limited	\$0.14	1.8	\$0.6	\$1,108.8	\$838.3	\$41.8	N/A	N/A	N/A
10/1/18	Parin Furniture Limited	\$0.86	0.8	\$13.2	\$9.3	\$1.5	\$10.0	(\$0.7)	(\$1.0)	(\$0.6)
8/14/18	Shane Global Holding Inc.	\$3.73	19.4	\$369.1	\$3.2	\$3.5	\$146.4	(\$3.6)	(\$5.0)	(\$3.6)
7/25/18	Avon Moldplast Limited	\$0.74	1.2	\$5.6	\$160.1	\$81.1	\$2.1	\$28.3	\$6.3	\$34.3
6/13/18	home24 SE	\$0.04	55.9	\$44.4	\$125.7	\$38.2	\$35.7	\$20.4	\$10.0	\$27.1
11/24/17	TCM Group A/S	\$29.83	90.9	\$218.1	\$650.9	\$151.1	\$298.4	\$67.4	\$33.1	\$92.1
10/12/17	Omfurn India Limited	\$0.35	20.4	\$54.3	N/A	N/A	\$4.2	N/A	N/A	N/A
Median of all IPOs		nm	nm	\$49.3	\$125.7	\$38.2	\$113.1	\$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
12/1/18	EM Home Interior AB	Electra Gruppen AB (publ)	\$1.6	100%
10/31/18	Atlanta Decorative Arts Center	International Market Centers, Inc.	\$67.5	100%
9/19/18	Orangebox Limited	Steelcase Inc.	\$83.4	100%
8/31/18	Jennifer Convertibles, Inc.	Morris Holdings Limited	\$35.0	100%
8/15/18	Arizona based La-Z-Boy Furniture Galleries Stores of Ebco, Inc.	La-Z-Boy Incorporated	\$40.0	100%
7/30/18	Ekornes ASA	Qumei Investment AS	\$709.0	100%
11/27/17	Natuzzi Trading (Shanghai) Co., Ltd.	Jason Furniture (Hangzhou) Co.,Ltd.; Jason Furniture (Ningbo) Co., Ltd.	\$77.6	100%
11/27/17	Jiaxing Milan Image	Xilinmen Furniture Co.	\$18.4	100%
11/27/17	OKA Direct Ltd.	InvestIndustrial	\$54.3	100%
12/12/16	All assets of Alno AG	RiverRock European Capital	\$23.6	100%
12/1/16	Macro International AB	Svedbergs i Dalstorp AB	\$1.6	100%

■ USA
 ■ International
 ■ Highest
 ■ Lowest
 ■ Median

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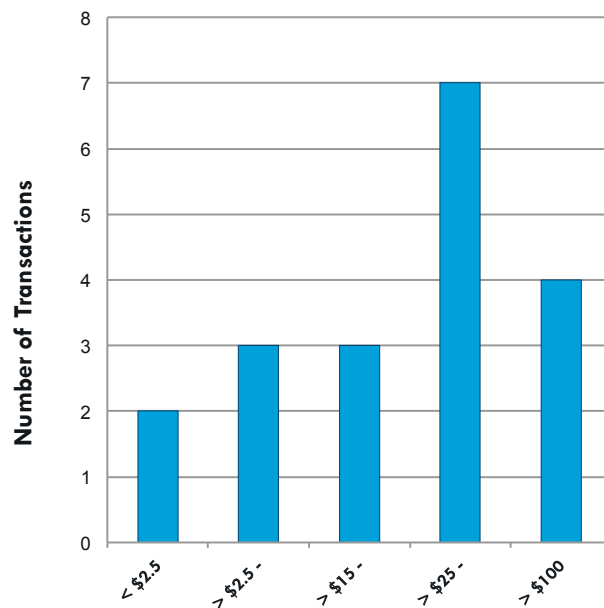
## Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

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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 December 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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