Mufson Howe Hunter

INVESTMENT BANKERS FOR GROWTH

Consumer Products Update

March 2019

The Mufson Howe Hunter Consumer Products Update is designed to update business leaders, investors and industry professionals on current market trends and important developments within the consumer products sector of the economy. This report contains information on select companies in various subsectors within consumer products emphasizing financial performance, stock performance and M&A transactions.

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MHH Sectors

Cleaning and Bath Products

Décor

Furniture

Hardware and Outdoor

Household Appliances

Housewares

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MHH's coverage of the Consumer Products Sector spans companies in the following six sub-segments for each of which our index has been calculated as follows:

The MHH Cleaning and Bath Products Index is currently comprised of Church & Dwight Co., Inc., Colgate-Palmolive Company, Kimberly-Clark Corporation, McBride plc, Prestige Brands Holdings, Inc., PZ Cussons Plc, Reckitt Benckiser Group plc, The Clorox Company and The Procter & Gamble Company.

The MMH Décor Index is currently comprised of Armstrong World Industries, Inc., Colefax Group plc, Culp, Inc., Fortune Brands Home & Security, Inc., Interface, Inc., Masco Corporation, Mohawk Industries, Inc., OMNOVA Solutions Inc., RPM International Inc., The Dixie Group, Inc., The Sherwin-Williams Company and Walker Greenbank plc.

The MHH Furniture Index is currently comprised of Albany International Corp., Bassett Furniture Industries, Incorporated, Crown Crafts, Inc., CSS Industries, Inc., Flexsteel Industries, Inc., Herman Miller, Inc., HNI Corporation, Hooker Furniture Corporation, Kimball International, Inc., Knoll, Inc., Leggett & Platt, Incorporated, Steelcase Inc., Tempur Sealy International, Inc. and Unifi, Inc.

The MHH Hardware and Outdoor Index is currently comprised of Central Garden & Pet Company, Einhell Germany AG, Husqvarna AB (publ), P&F Industries, Inc., Spectrum Brands Holdings, Inc., Techtronic Industries Company Limited, The Toro Company and WD-40 Company.

The MMH Household Appliance Index is currently comprised of AB Electrolux, De'Longhi S.p.A., Fiskars Oyj, iRobot Corporation, NACCO Industries, Inc., Stanley Black & Decker, Inc. and Whirlpool Corporation.

The MHH Housewares Index is currently comprised of BHS Tabletop AG, Churchill China plc, Duni AB (publ), Helen of Troy Limited, Henkel AG & Co. KGaA, Leifheit AG, Libbey Inc., Lifetime Brands, Inc., Newell Brands Inc., Portmeirion Group plc, SEB SA and Tupperware Brands Corporation.

The companies that comprise each Index can change periodically as a result of a variety of reasons, including mergers, acquisitions, initial public offerings and other transactions; therefore, comparisons to historical time periods and historical performance for each Index may not entirely correspond and correlate to the Index's current performance. In addition, historical performance is not a guarantee or prediction of future results.

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Public Comp Group Valuation Metrics

($ in millions, except per share data)	Market & Capitalization			LTM Performance			Valuation			Margins	
							Enterprise Value/		Price/	Gross	
Company	**Price [1]**	**Equity Value**	**Enterprise Value [2]**	**Revenue**	**EBITDA**	**EPS**	**Revenue**	**EBITDA**	**EPS**	**Profit**	**EBITDA**
Cleaning and Bath Products											
The Procter & Gamble Company (NYSE:PG)	$98.55	$245,528.3	$266,781.3	$66,869.0	$17,608.0	$3.83	3.99 x	15.2 x	25.7 x	49.8%	26.3%
Reckitt Benckiser Group plc (LSE:RB.)	76.66	54,209.2	65,019.2	12,666.0	3,606.0	4.88	5.13 x	18.0 x	15.7 x	61.1%	28.5%
Colgate-Palmolive Company (NYSE:CL)	65.87	57,130.4	63,153.4	15,625.0	4,369.0	2.42	4.04 x	14.5 x	27.3 x	59.8%	27.9%
Kimberly-Clark Corporation (NYSE:KMB)	116.83	40,458.3	47,795.3	18,431.0	4,062.0	4.60	2.59 x	11.8 x	25.4 x	33.8%	21.5%
The Clorox Company (NYSE:CLX)	158.03	20,172.9	22,575.9	6,187.0	1,292.0	6.42	3.65 x	17.5 x	24.6 x	43.3%	20.7%
Church & Dwight Co., Inc. (NYSE:CHD)	65.80	16,202.1	18,118.7	4,104.6	962.1	3.30	4.41 x	18.8 x	19.9 x	45.0%	23.2%
Prestige Consumer Healthcare Inc. (NYSE:PBH)	29.26	1,513.9	3,372.8	1,019.9	342.9	6.42	3.31 x	9.8 x	4.6 x	56.4%	33.6%
PZ Cussons Plc (LSE:PZC)	2.53	1,059.9	1,254.3	762.6	104.1	0.11	1.64 x	12.0 x	22.2 x	37.4%	13.4%
McBride plc (LSE:MCB)	1.33	243.0	357.5	689.8	53.2	0.10	0.52 x	6.7 x	12.8 x	34.2%	7.7%
Mean		**$48,502.0**	**$54,269.8**	**$14,039.4**	**$3,599.9**	**$3.56**	**3.25x**	**13.8x**	**19.8x**	**46.8%**	**22.5%**
Median		**20,172.9**	**22,575.9**	**6,187.0**	**1,292.0**	**3.83**	**3.65x**	**14.5x**	**22.2x**	**45.0%**	**23.2%**
Décor											
The Sherwin-Williams Company (NYSE:SHW)	$433.20	$40,348.6	$49,838.6	$17,449.8	$2,897.4	$20.01	2.86 x	17.2 x	21.6 x	43.5%	16.6%
Mohawk Industries, Inc. (NYSE:MHK)	136.12	10,100.0	12,910.3	9,904.1	1,769.5	11.63	1.30 x	7.3 x	11.7 x	30.4%	17.9%
Masco Corporation (NYSE:MAS)	37.56	11,474.5	14,049.5	8,173.0	1,293.0	1.97	1.72 x	10.9 x	19.0 x	32.3%	15.8%
RPM International Inc. (NYSE:RPM)	57.87	7,680.4	9,825.4	5,483.4	657.3	1.84	1.79 x	14.9 x	31.4 x	40.8%	12.0%
Fortune Brands Home & Security, Inc. (NYSE:FBHS)	47.12	6,710.8	8,836.0	5,446.9	825.5	2.90	1.62 x	10.7 x	16.3 x	36.1%	15.2%
Colfax Corporation (NYSE:CFX)	26.46	3,101.1	4,173.7	3,555.7	428.2	(0.52)	1.17 x	9.7 x	NM	30.8%	12.0%
Armstrong World Industries, Inc. (NYSE:AWI)	73.18	3,627.3	4,127.7	950.7	342.8	4.82	4.34 x	12.0 x	15.2 x	34.4%	28.2%
Interface, Inc. (NasdaqGS:TILE)	17.75	1,056.0	1,593.9	1,108.7	161.1	0.81	1.44 x	9.9 x	22.0 x	38.1%	14.5%
OMNOVA Solutions Inc. (NYSE:OMN)	8.15	365.8	611.2	764.8	77.6	(1.77)	0.80 x	7.9 x	NM	25.2%	10.1%
Culp, Inc. (NYSE:CULP)	18.55	232.3	195.4	312.0	30.9	1.25	0.63 x	6.3 x	14.8 x	18.7%	10.0%
The Dixie Group, Inc. (NasdaqGM:DXYN)	1.27	20.3	162.0	411.9	12.7	(1.09)	0.39 x	12.7 x	NM	22.4%	3.1%
Walker Greenbank PLC (AIM:WGB)	0.88	62.3	65.6	107.9	13.0	0.16	0.61 x	5.1 x	5.4 x	60.0%	12.0%
Mean		**$7,064.9**	**$8,865.8**	**$4,472.4**	**$709.1**	**$3.50**	**1.56x**	**10.4x**	**17.5x**	**34.4%**	**14.0%**
Median		**3,364.2**	**4,150.7**	**2,332.2**	**385.5**	**1.55**	**1.37x**	**10.3x**	**16.3x**	**33.3%**	**13.3%**
Furniture											
Leggett & Platt, Incorporated (NYSE:LEG)	45.42	5,922.8	6,916.6	4,207.3	562.7	2.14	1.64 x	12.3 x	21.3 x	20.7%	13.4%
Tempur Sealy International, Inc. (NYSE:TPX)	58.21	3,168.9	4,825.8	2,712.0	368.7	2.44	1.78 x	13.1 x	23.9 x	41.8%	13.0%
Albany International Corp. (NYSE:AIN)	77.55	2,502.2	2,875.2	966.2	218.9	2.31	2.98 x	13.1 x	33.6 x	35.6%	22.7%
Steelcase Inc. (NYSE:SCS)	17.51	2,043.4	2,313.8	3,303.5	264.3	0.87	0.70 x	8.8 x	20.1 x	32.0%	7.6%
Herman Miller, Inc. (NasdaqGS:MLHR)	36.68	2,176.5	2,361.0	2,473.7	258.0	2.28	0.95 x	9.2 x	16.1 x	36.2%	10.3%
HNI Corporation (NYSE:HNI)	38.63	1,692.8	1,897.7	2,244.1	179.3	2.14	0.85 x	10.6 x	18.0 x	36.7%	8.0%
Knoll, Inc. (NYSE:KNL)	21.16	1,030.4	1,503.6	1,263.8	156.7	1.66	1.19 x	9.6 x	12.7 x	36.6%	12.4%
Unifi, Inc. (NYSE:UFI)	22.12	406.4	504.7	696.3	51.6	1.32	0.72 x	9.8 x	16.8 x	11.9%	7.0%
Kimball International, Inc. (NasdaqGS:KBAL)	15.69	583.1	499.2	704.4	61.9	0.92	0.71 x	8.1 x	17.1 x	31.7%	8.8%
Hooker Furniture Corporation (NasdaqGS:HOFT)	31.40	369.4	377.6	658.5	55.6	2.86	0.57 x	6.8 x	11.0 x	21.7%	8.4%
CSS Industries, Inc. (NYSE:CSS)	6.89	60.9	107.3	389.2	8.4	(6.14)	0.28 x	12.7 x	NM	28.4%	2.2%
Bassett Furniture Industries, Incorporated (NasdaqGS:BSET)	19.75	210.1	162.1	458.4	33.0	1.05	0.35 x	4.9 x	18.8 x	60.9%	7.2%
Flexsteel Industries, Inc. (NasdaqGS:FLXS)	24.89	196.2	154.9	482.8	28.7	1.61	0.32 x	5.4 x	15.5 x	19.4%	5.9%
Crown Crafts, Inc. (NasdaqCM:CRWS)	5.45	54.9	59.1	76.2	9.4	0.38	0.78 x	6.3 x	14.3 x	28.4%	12.3%
Mean		**$1,458.4**	**$1,754.2**	**$1,474.0**	**$161.2**	**$1.13**	**0.99x**	**9.3x**	**18.4x**	**31.6%**	**9.9%**
Median		**806.7**	**1,004.2**	**835.3**	**109.3**	**1.63**	**0.75x**	**9.4x**	**17.1x**	**31.9%**	**8.6%**

(continued on next page)

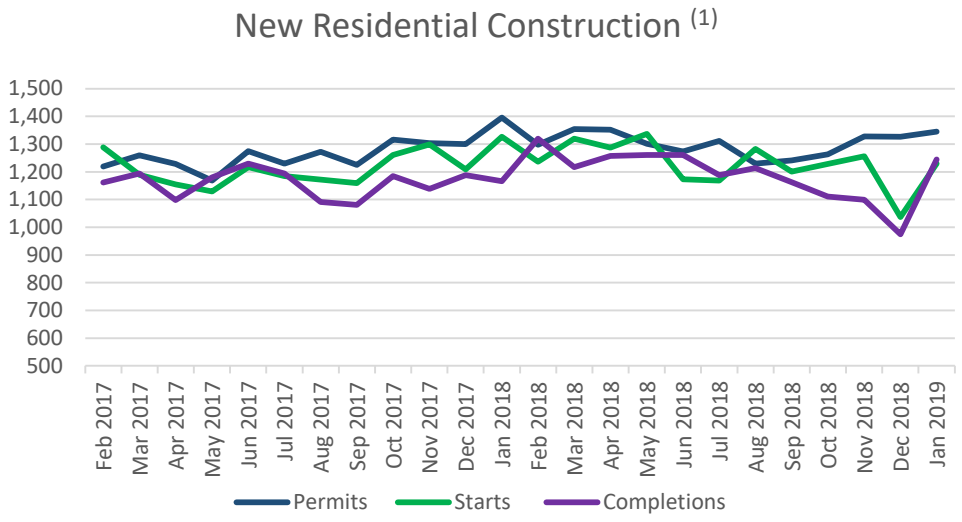
Consumer Products Group Summary

($ in millions, except per share data)	Market & Capitalization			LTM Performance			Valuation			Margins	
		Equity	Enterprise				Enterprise Value/		Price/	Gross	
Company	**Price [1]**	**Value**	**Value [2]**	**Revenue**	**EBITDA**	**EPS**	**Revenue**	**EBITDA**	**EPS**	**Profit**	**EBITDA**
Hardware and Outdoor											
Techtronic Industries Company Limited (SEHK:669)	$6.68	$12,227.3	$12,178.7	$6,612.8	$699.4	$0.28	1.84 x	17.4 x	23.6 x	37.0%	10.6%
Spectrum Brands Holdings, Inc. (NYSE:SPB)	54.17	2,893.2	7,019.7	3,145.9	$499.5	$5.40	2.23 x	14.1 x	10.0 x	37.1%	15.9%
The Toro Company (NYSE:TTC)	68.58	7,214.2	7,237.6	2,618.7	$445.5	$2.50	2.76 x	16.2 x	27.4 x	35.9%	16.6%
Husqvarna AB (publ) (OM:HUSQ B)	8.21	4,690.6	10,925.6	40,745.0	$4,581.0	$3.83	0.27 x	2.4 x	2.1 x	30.8%	11.2%
WD-40 Company (NasdaqGS:WDFC)	178.97	2,477.1	2,524.3	412.2	$84.2	$4.69	6.12 x	30.0 x	38.1 x	55.0%	20.4%
Central Garden & Pet Company (NasdaqGS:CENT)	31.28	1,789.1	1,999.6	2,215.4	$211.7	$2.32	0.90 x	9.4 x	13.5 x	30.5%	9.7%
Einhell Germany AG (DB:EIN3)	65.37	246.7	329.4	580.0	$44.5	$6.47	0.57 x	7.4 x	10.1 x	34.8%	7.7%
P&F Industries, Inc. (NasdaqGM:PFIN)	8.54	31.6	34.0	64.2	$3.4	$0.01	0.53 x	9.9 x	NM	35.8%	5.3%
Mean		**$3,829.2**	**$5,474.3**	**$6,615.6**	**$785.4**	**$3.43**	**1.94x**	**13.4x**	**16.9x**	**37.1%**	**12.6%**
Median		**2,893.2**	**7,019.7**	**2,618.7**	**445.5**	**3.83**	**1.84x**	**14.1x**	**11.8x**	**35.9%**	**11.2%**
Household & Family Electonics / Appliances											
Stanley Black & Decker, Inc. (NYSE:SWK)	$132.43	$20,004.9	$25,630.9	$13,592.5	$2,227.7	$6.50	1.89 x	11.5 x	20.4 x	36.5%	16.4%
Whirlpool Corporation (NYSE:WHR)	141.51	9,029.5	16,126.5	21,079.0	1,915.0	(9.01)	0.77 x	8.4 x	NM	16.9%	9.1%
AB Electrolux (publ) (OM:ELUX B)	26.20	7,529.2	6,802.2	123,572.0	9,067.0	14.61	0.06 x	0.8 x	1.8 x	19.4%	7.3%
De'Longhi S.p.A. (BIT:DLG)	26.31	3,932.9	3,927.5	2,028.6	299.8	0.00	1.94 x	13.1 x	NM	42.0%	14.8%
iRobot Corporation (NasdaqGS:IRBT)	125.06	3,462.5	3,327.4	1,034.8	135.6	2.35	3.22 x	24.5 x	53.3 x	52.6%	13.1%
Fiskars Oyj Abp (HLSE:FSKRS)	22.12	1,805.1	1,464.4	1,113.7	108.3	0.11	1.31 x	13.5 x	NM	43.3%	9.7%
NACCO Industries, Inc. (NYSE:NC)	36.57	253.9	188.3	122.8	47.5	4.83	1.53 x	4.0 x	7.6 x	17.6%	-15.2%
Mean		**$6,574.0**	**$8,209.6**	**$23,220.5**	**$1,971.6**	**$2.77**	**1.53x**	**10.8x**	**20.7x**	**32.6%**	**7.9%**
Median		**3,932.9**	**3,927.5**	**2,028.6**	**299.8**	**2.35**	**1.53x**	**11.5x**	**14.0x**	**36.5%**	**9.7%**
Housewares											
Henkel AG & Co. KGaA (XTRA:HEN3)	$100.03	$43,442.7	$45,939.7	$19,901.0	$3,860.0	$0.00	2.31 x	11.9 x	NM	47.0%	19.4%
Newell Brands Inc. (NYSE:NWL)	16.23	7,668.7	15,871.1	13,969.7	2,029.5	(10.05)	1.14 x	7.8 x	NM	34.6%	14.5%
SEB SA (ENXTPA:SK)	172.42	8,563.3	10,751.7	6,568.4	780.6	7.67	1.64 x	13.8 x	22.5 x	12.4%	11.9%
Helen of Troy Limited (NasdaqGS:HELE)	112.11	2,959.9	3,279.6	1,577.8	235.4	5.44	2.08 x	13.9 x	20.6 x	41.4%	14.9%
Tupperware Brands Corporation (NYSE:TUP)	30.11	1,462.8	2,281.3	2,152.4	390.3	(3.73)	1.06 x	5.8 x	NM	66.7%	18.1%
Duni AB (publ) (OM:DUNI)	10.52	494.6	1,524.6	4,720.0	600.8	6.55	0.32 x	2.5 x	1.6 x	27.3%	12.7%
Lifetime Brands, Inc. (NasdaqGS:LCUT)	10.46	217.0	563.6	659.0	38.5	(0.58)	0.86 x	14.6 x	NM	36.7%	5.8%
Libbey Inc. (AMEX:LBY)	3.94	87.3	477.7	813.5	80.8	(0.50)	0.59 x	5.9 x	NM	19.5%	9.9%
Churchill China plc (AIM:CHH)	16.78	184.2	170.4	55.0	9.7	0.63	3.10 x	17.6 x	26.8 x	83.9%	17.3%
Portmeirion Group plc (AIM:PMP)	15.09	160.8	162.1	88.5	11.5	0.68	1.83 x	14.1 x	22.3 x	53.1%	12.8%
Leifheit Aktiengesellschaft (DB:LEI)	22.95	218.2	167.4	236.3	21.1	1.15	0.71 x	7.9 x	19.9 x	43.9%	8.9%
BHS tabletop AG (DB:HUL)	0.00	0.0	3.0	119.9	6.6	0.05	0.03 x	0.5 x	0.0 x	70.4%	5.5%
Mean		**$5,454.9**	**$6,766.0**	**$4,238.5**	**$672.1**	**$0.61**	**1.30x**	**9.7x**	**16.2x**	**44.7%**	**12.7%**
Median		**356.4**	**1,044.1**	**1,195.6**	**158.1**	**0.34**	**1.10x**	**9.9x**	**20.6x**	**42.6%**	**12.7%**

NA = Not Available; NM = Not Meaningful; LTM = Latest Twelve Months
‡ = excluded from Mean and Median calculations
Source: Public Filings, Press Releases and Published Research Reports.

(1) As of close February 28, 2019
(2) Enterprise value is defined as equity value plus net debt, preferred stock and minority interests. Net Debt includes long term debt, short term debt, postretirement benefits and unfunded pensions, if applicable, less cash and cash equivalents.

Residential Construction Trend



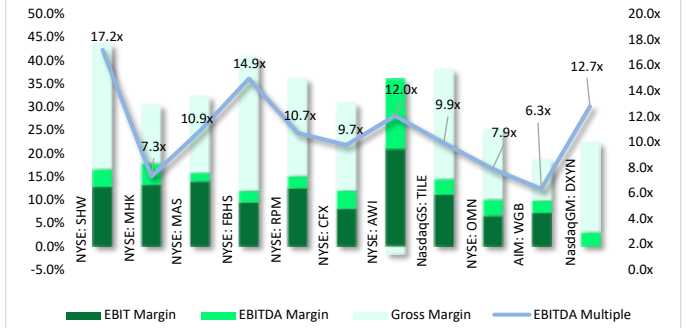
1) Source: US Census Bureau

Public Comp Group – Operating Performance vs. EBITDA Multiple Analysis [1]

Operating Performance vs. EBITDA Multiple - Cleaning & Bath Products

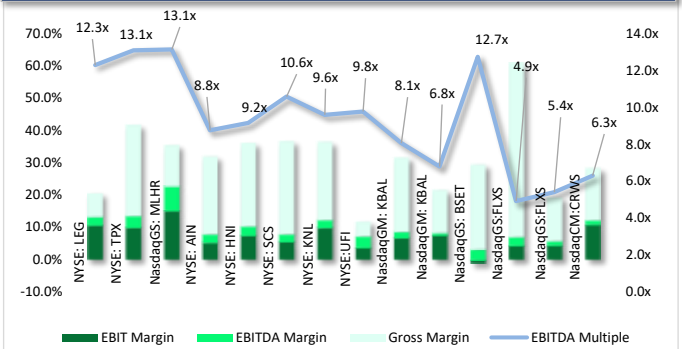
Source: CapitalIQ and MHH

Operating Performance vs. EBITDA Multiple - Decor



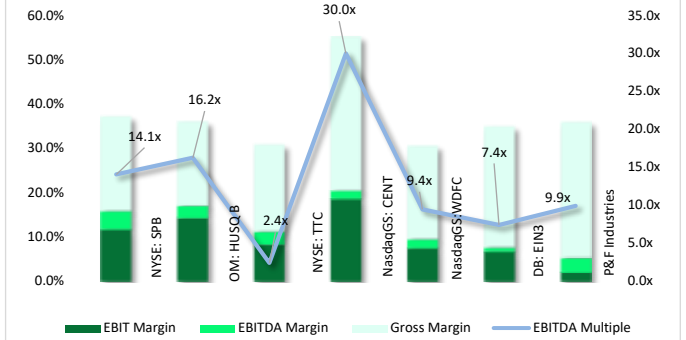
Source: CapitalIQ and MHH

Operating Performance vs. EBITDA Multiple - Furniture



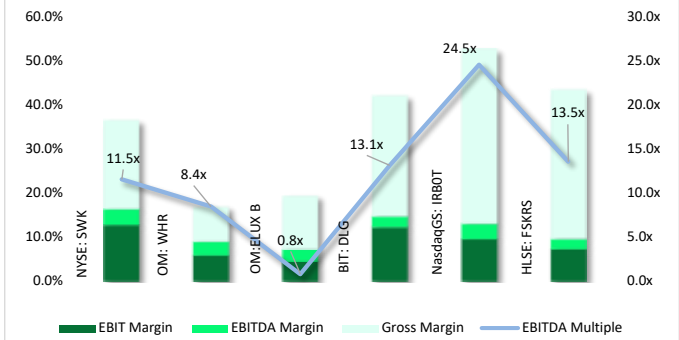
Source: CapitalIQ and MHH

Operating Performance vs. EBITDA Multiple - Hardware



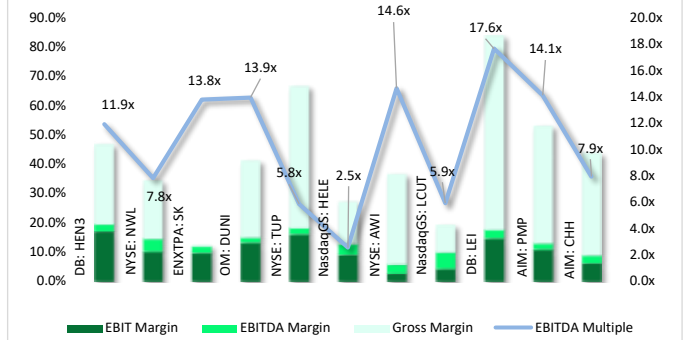
Source: CapitalIQ and MHH

Operating Performance vs. EBITDA Multiple - Household Appliances



Source: CapitalIQ and MHH

Operating Performance vs. EBITDA Multiple - Housewares

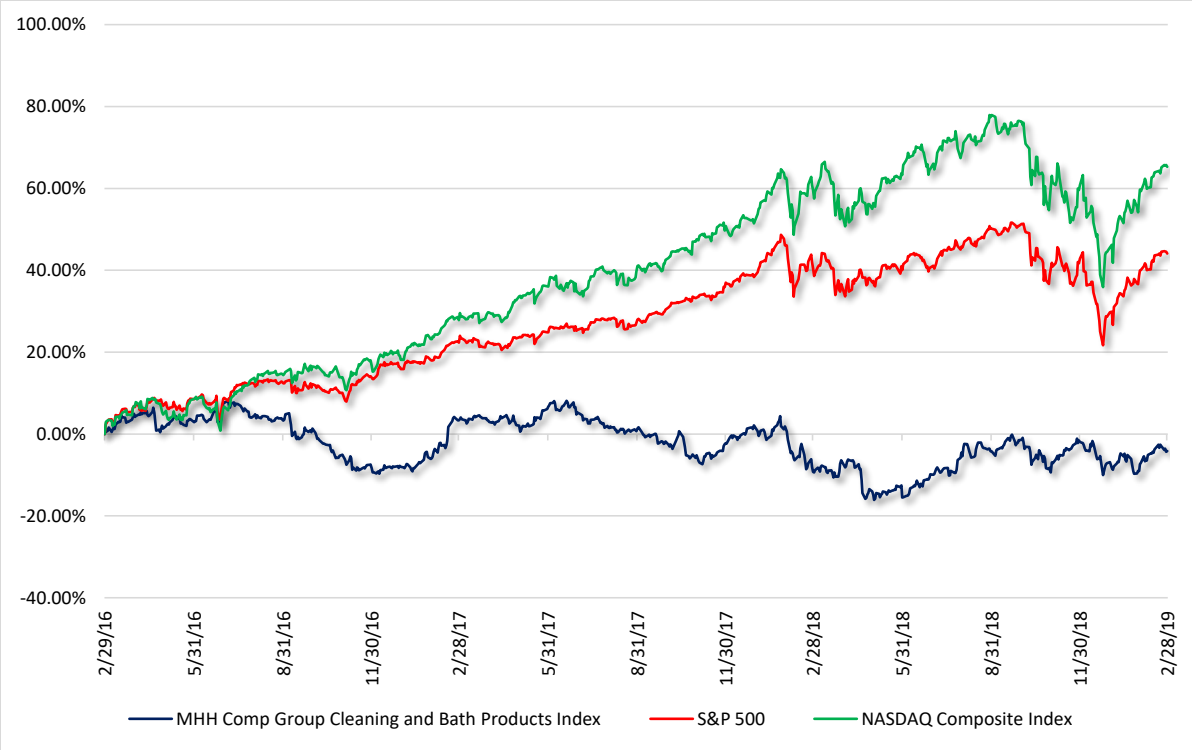


Source: CapitalIQ and MHH

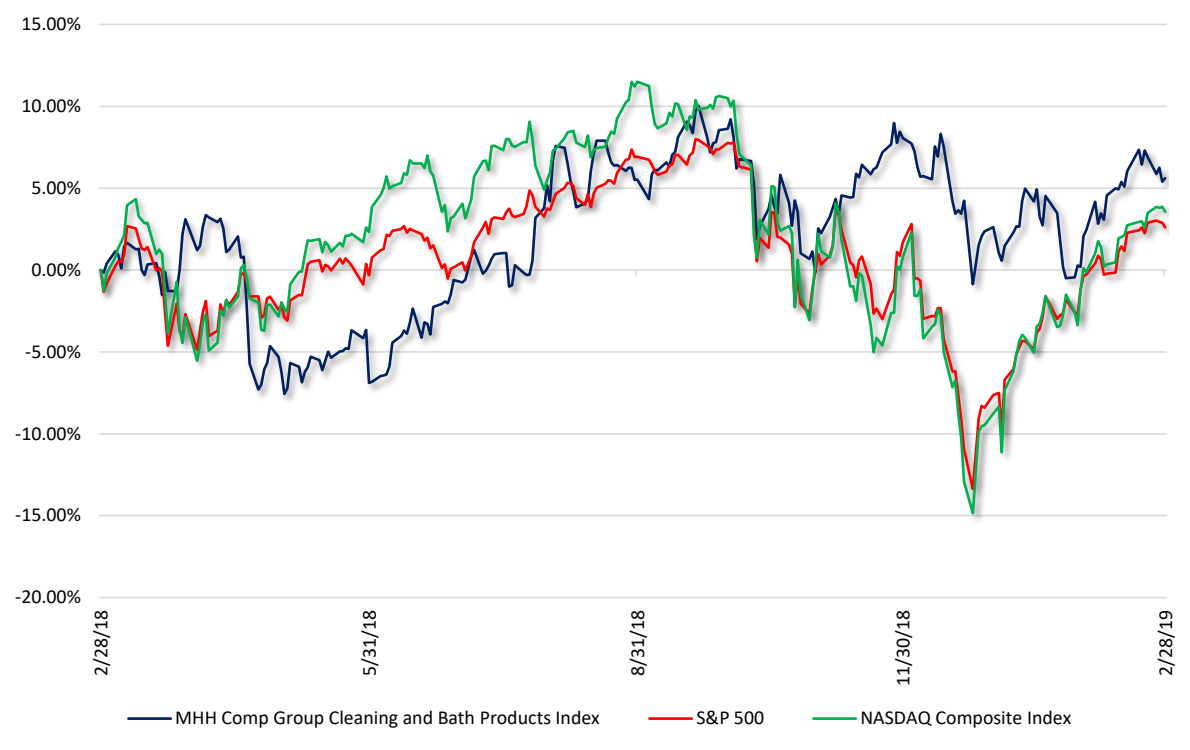
1) *Companies with statistically significant outliers for EBITDA multiples are not included in graphs*

Comparative Index Performance (Three-year and One-year)

Last Three Years



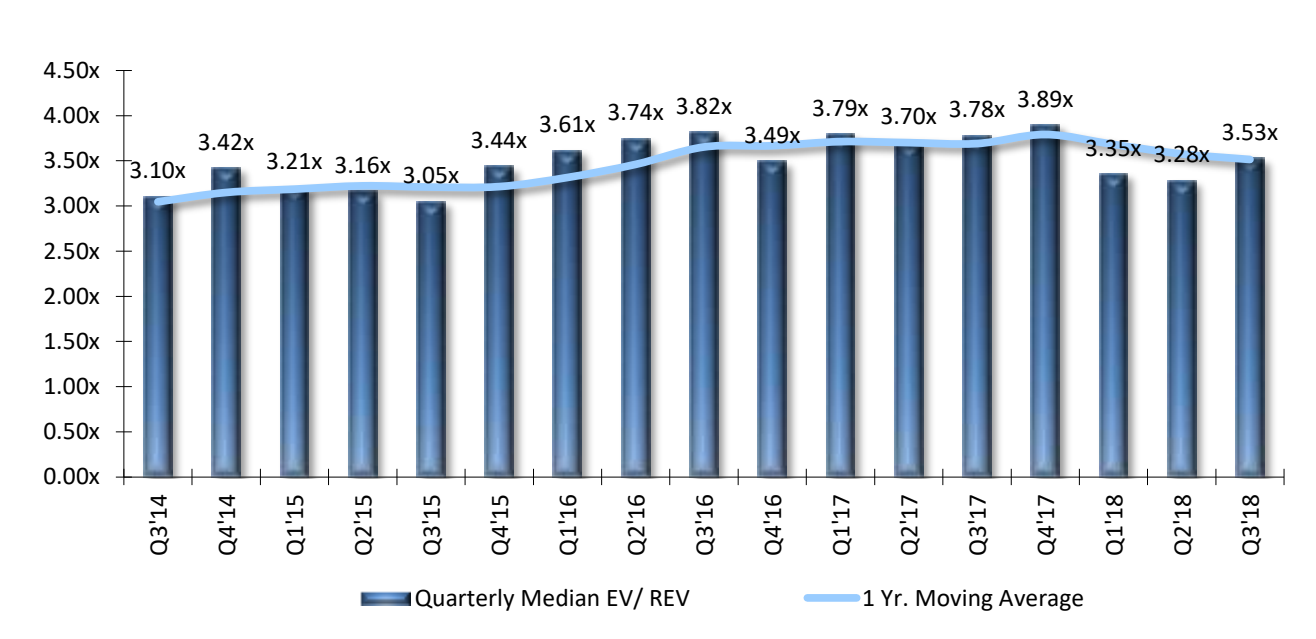
Last Twelve Months



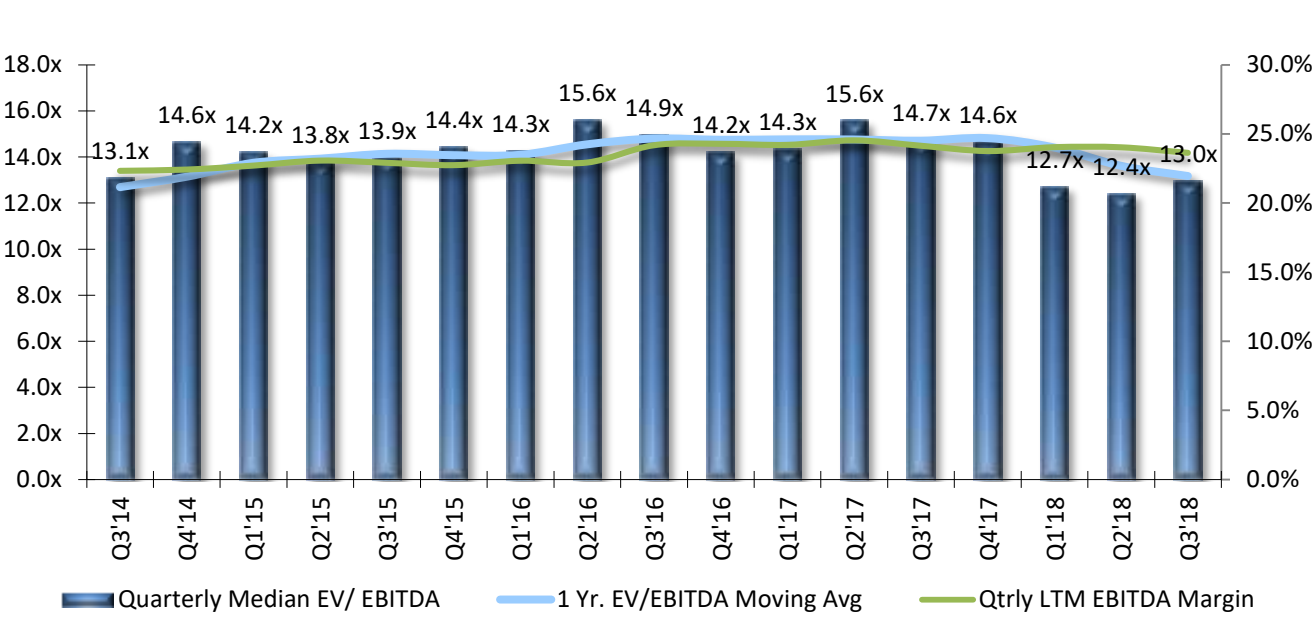
Source: CapitalIQ

Valuation Trend

Enterprise Value/LTM Revenue



Enterprise Value/LTM EBITDA

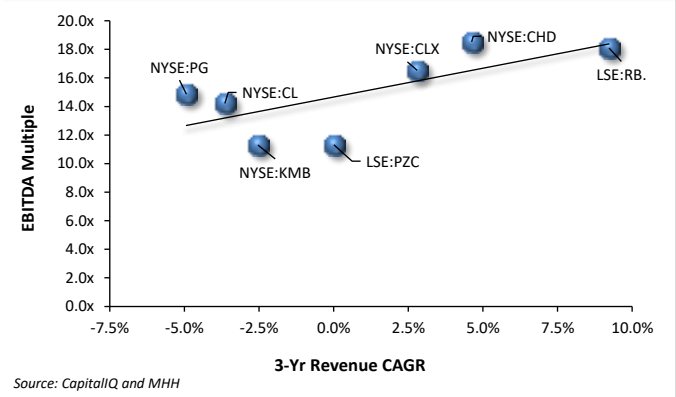


Source: CapitalIQ

Valuation and Operating Performance Matrices

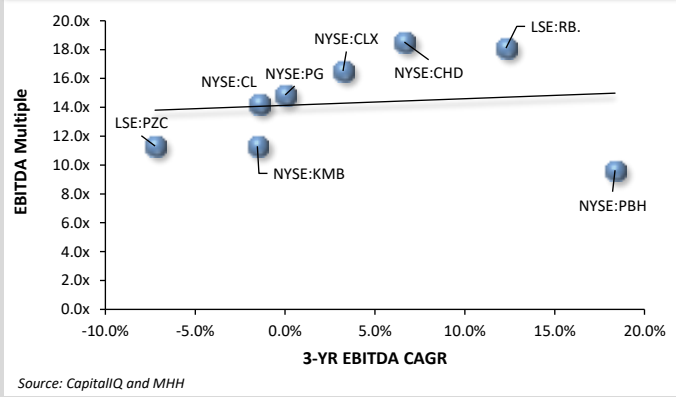
Graphs adjusted to eliminate statistical outliers.

3-Yr Revenue CAGR vs. EBITDA Multiple



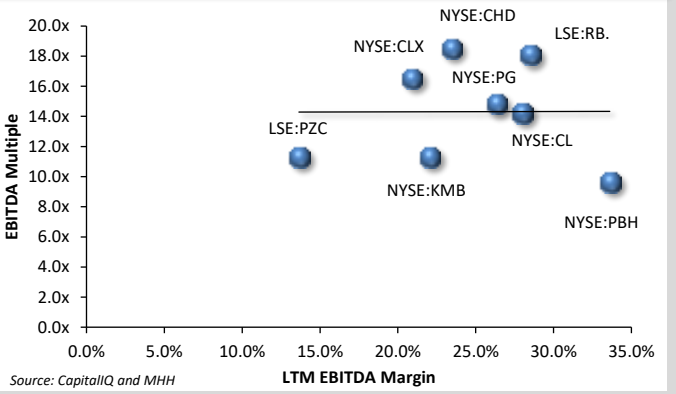
Source: CapitalIQ and MHH

3-Yr EBITDA CAGR vs. EBITDA Multiple



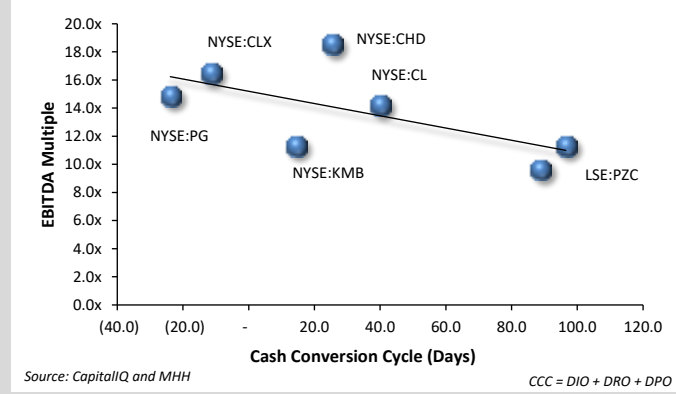
Source: CapitalIQ and MHH

EBITDA Margin vs. EBITDA Multiple



Source: CapitalIQ and MHH

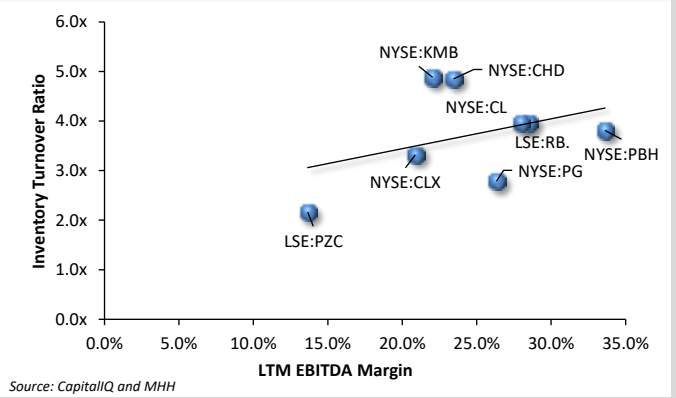
Cash Conversion Cycle vs. EBITDA Multiple



Source: CapitalIQ and MHH

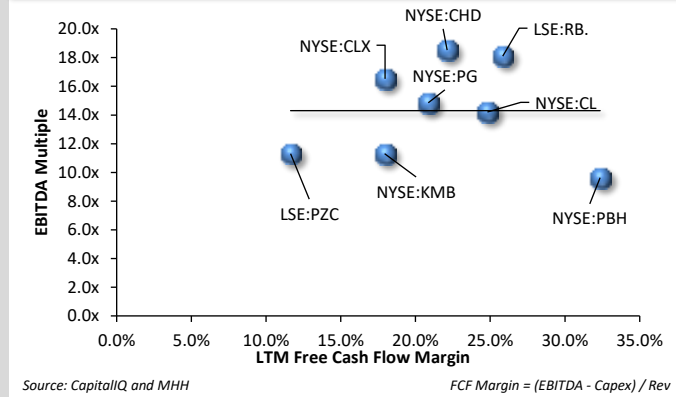
CCC = DIO + DRO + DPO

EBITDA Margin vs. Inventory Turn Ratio



Source: CapitalIQ and MHH

Free Cash Flow Margin vs. EBITDA Multiple



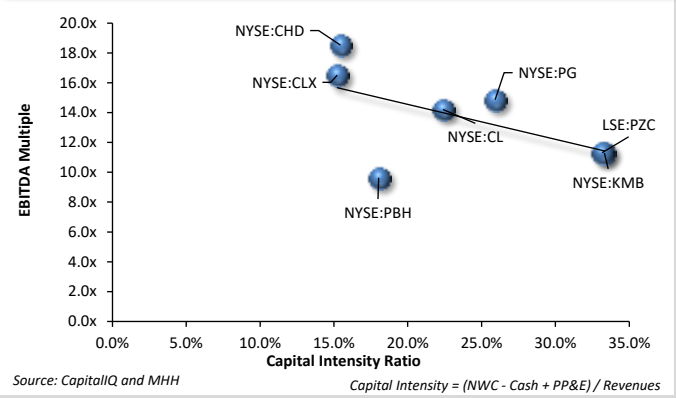
Source: CapitalIQ and MHH

FCF Margin = (EBITDA - Capex) / Rev

Valuation and Operating Performance Matrices (cont.)

Graphs adjusted to eliminate statistical outliers

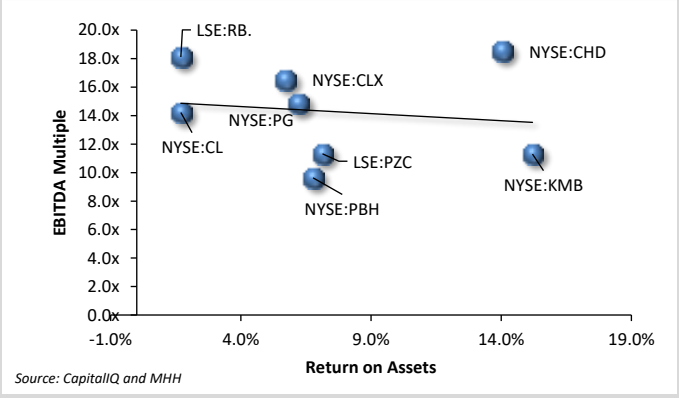
Capital Intensity vs. EBITDA Multiple



Source: CapitalIQ and MHH

Capital Intensity = (NWC - Cash + PP&E) / Revenues

Return on Assets vs. EBITDA Multiple



Source: CapitalIQ and MHH

Selected M&A Transactions: 2/1/19 - 2/28/19

Announced	Target	Target Description	Acquirer	Value
2/13/19	Germaine de Capuccini S.A.	Manufacturer of skincare and cosmetic products for men and women	ACON Investments, L.L.C	ND
2/22/19	UpSpring, Ltd	Develops, manufactures and sells health, wellness and safety products	Reckitt Benckiser Group plc (LSE:RB)	ND

ND – Not disclosed. Transaction values in millions.

Selected News Announcements

Church & Dwight Co., Inc. (NYSE:CHD) announced a quarterly dividend payable **March 1, 2019.**

Colgate-Palmolive Company (NYSE:CL) announced a **fixed income offering** of **€497 million.**

Colgate-Palmolive Company (NYSE:CL) announced a quarterly dividend payable **May 10, 2019.**

Colgate-Palmolive Company (NYSE:CL) announced the appointment of Noel Wallace as **President and CEO**, effective **April 2, 2019**.

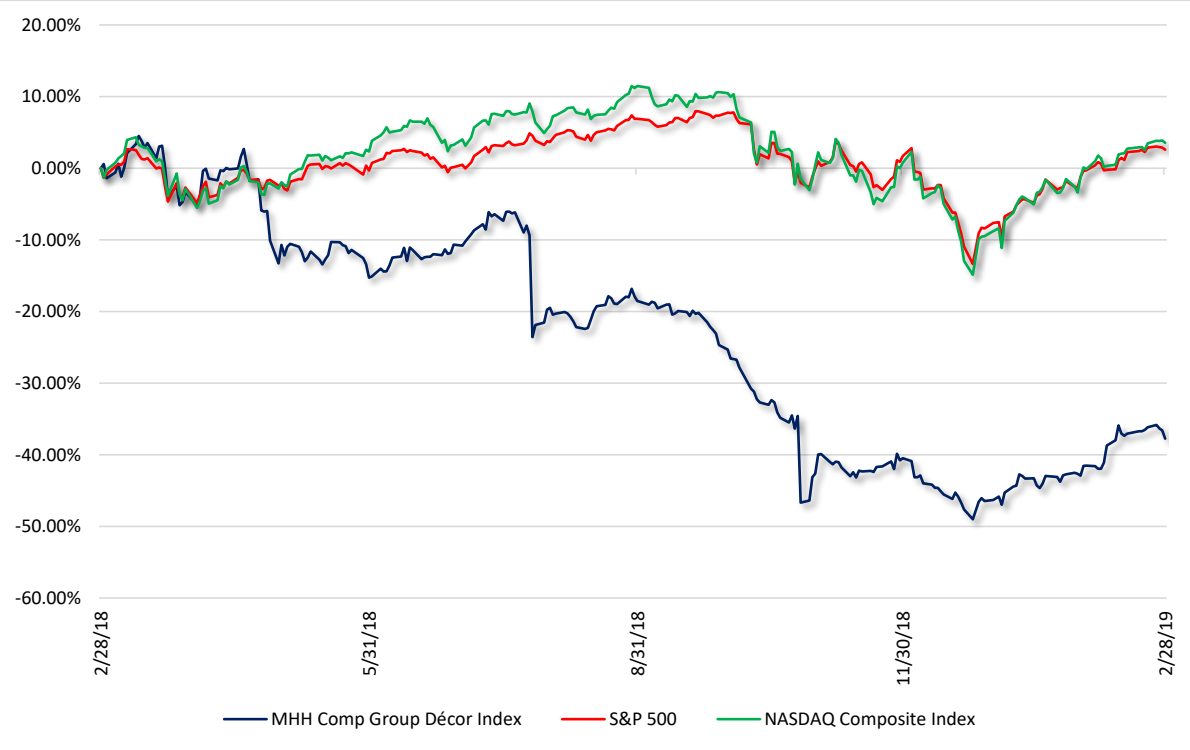
Reckitt Benckiser Group plc (LSE:RB) announced a dividend payable **May 23, 2019.**

The Clorox Company (NYSE:CLX) announced a quarterly dividend payable **May 10, 2019.**

Comparative Index Performance (Three-year and One-year)

Last Three Years

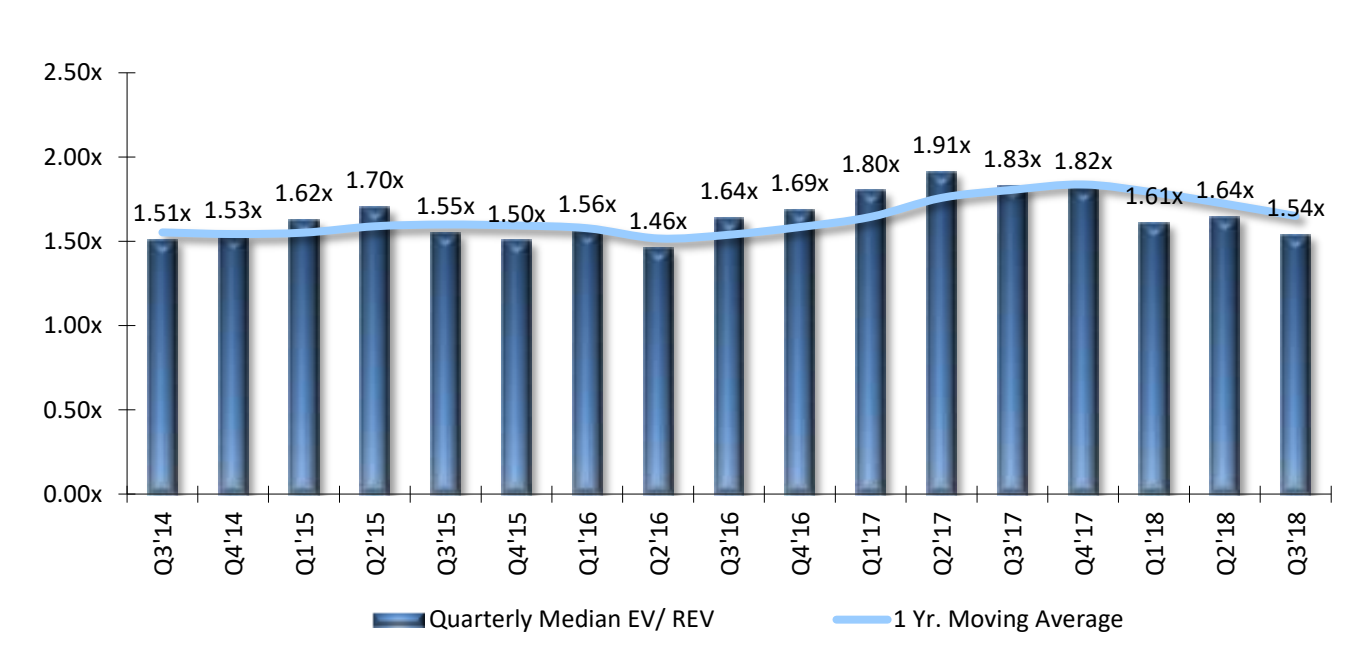
Last Twelve Months



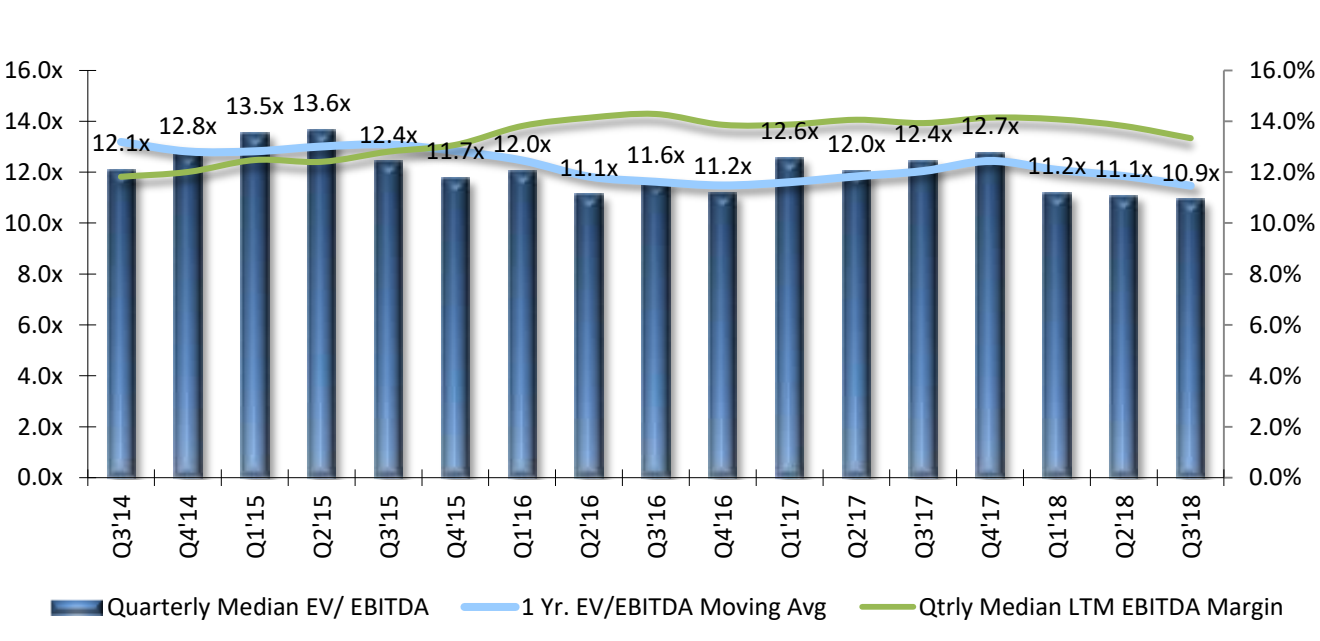
Source: CapitalIQ

Valuation Trend

Enterprise Value/LTM Revenue



Enterprise Value/LTM EBITDA

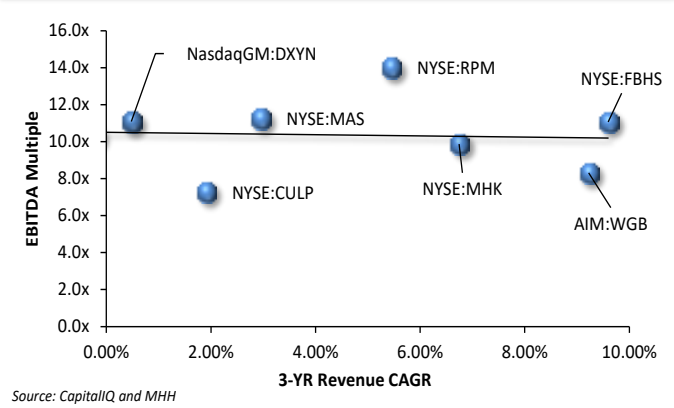


Source: CapitalIQ

Valuation and Operating Performance Matrices

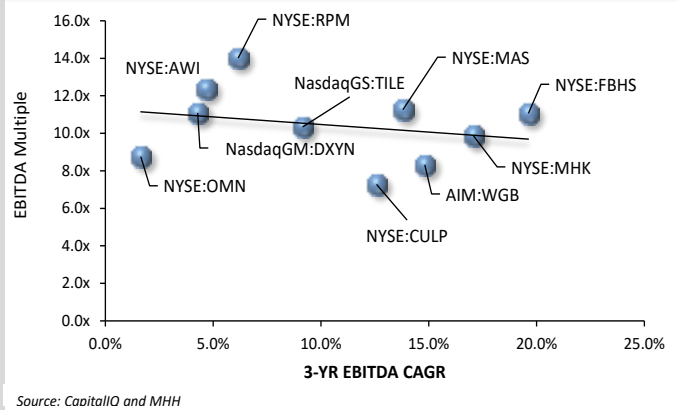
Graphs adjusted to eliminate statistical outliers.

3-Yr Revenue CAGR vs. EBITDA Multiple



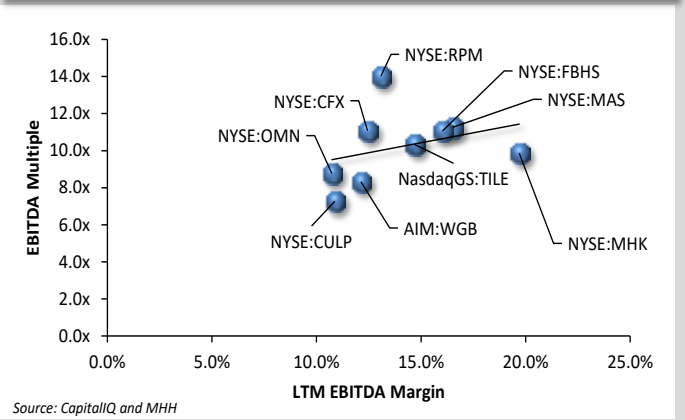
Source: CapitalIQ and MHH

3-Yr EBITDA CAGR vs. EBITDA Multiple



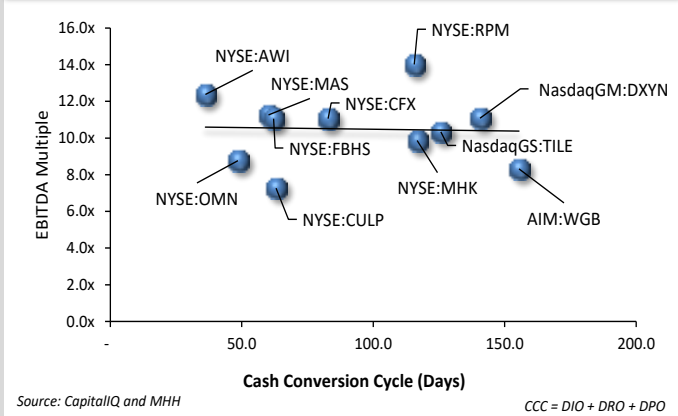
Source: CapitalIQ and MHH

EBITDA Margin vs. EBITDA Multiple



Source: CapitalIQ and MHH

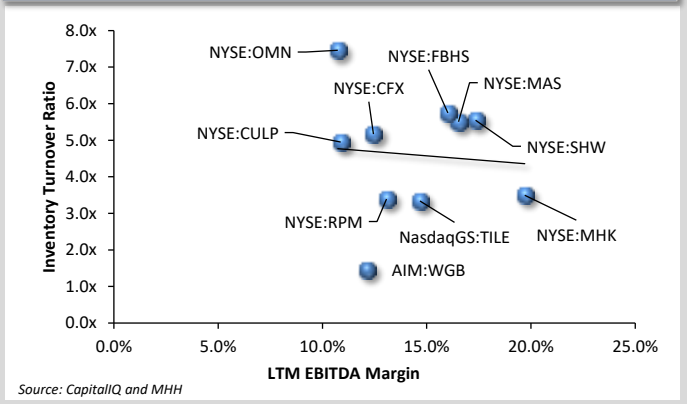
Cash Conversion Cycle vs. EBITDA Multiple



Source: CapitalIQ and MHH

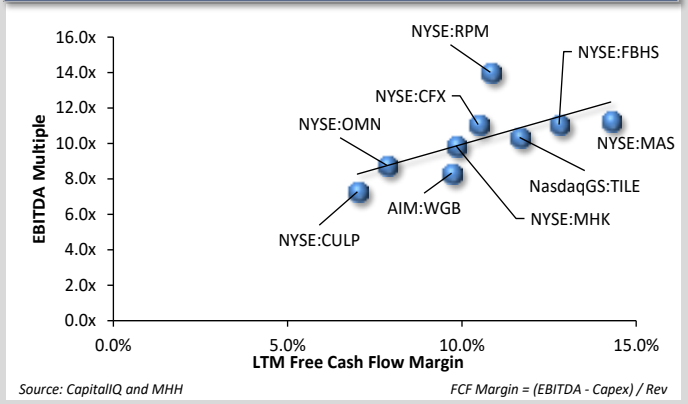
CCC = DIO + DRO + DPO

EBITDA Margin vs. Inventory Turn Ratio



Source: CapitalIQ and MHH

Free Cash Flow Margin vs. EBITDA Multiple



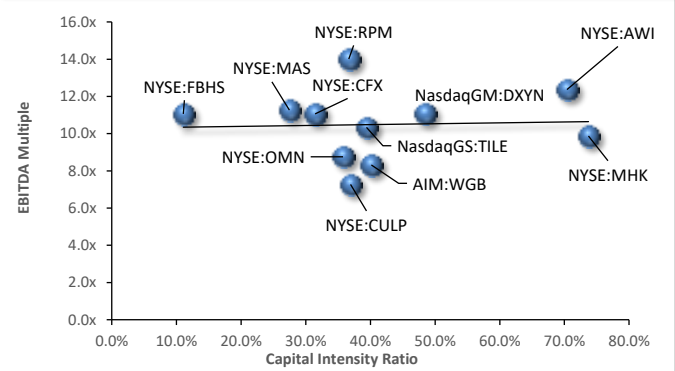
Source: CapitalIQ and MHH

FCF Margin = (EBITDA - Capex) / Rev

Valuation and Operating Performance Matrices (cont.)

Graphs adjusted to eliminate statistical outliers.

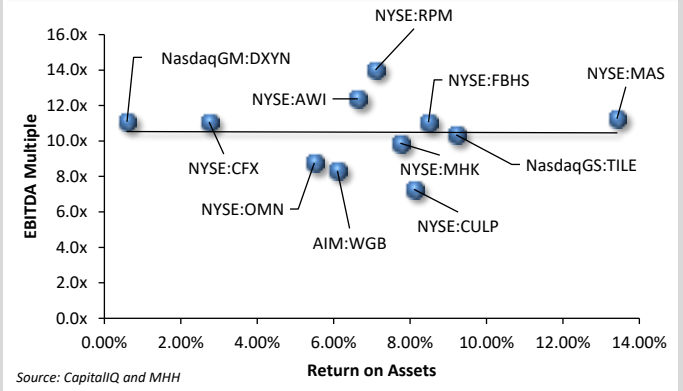
Capital Intensity vs. EBITDA Multiple



Source: CapitalIQ and MHH

Capital Intensity = (NWC - Cash + PP&E) / Revenues

Return on Assets vs. EBITDA Multiple



Source: CapitalIQ and MHH

Selected M&A Transactions: 2/1/19 - 2/28/19

No Home Décor Transaction Announcements for the month of February.

Selected News Announcements

Armstrong World Industries, Inc. (NYSE:AWI) announced a quarterly dividend payable **March 20, 2019.**

Culp, Inc. (AIM:CFX) announced a quarterly dividend payable **April 15, 2019.**

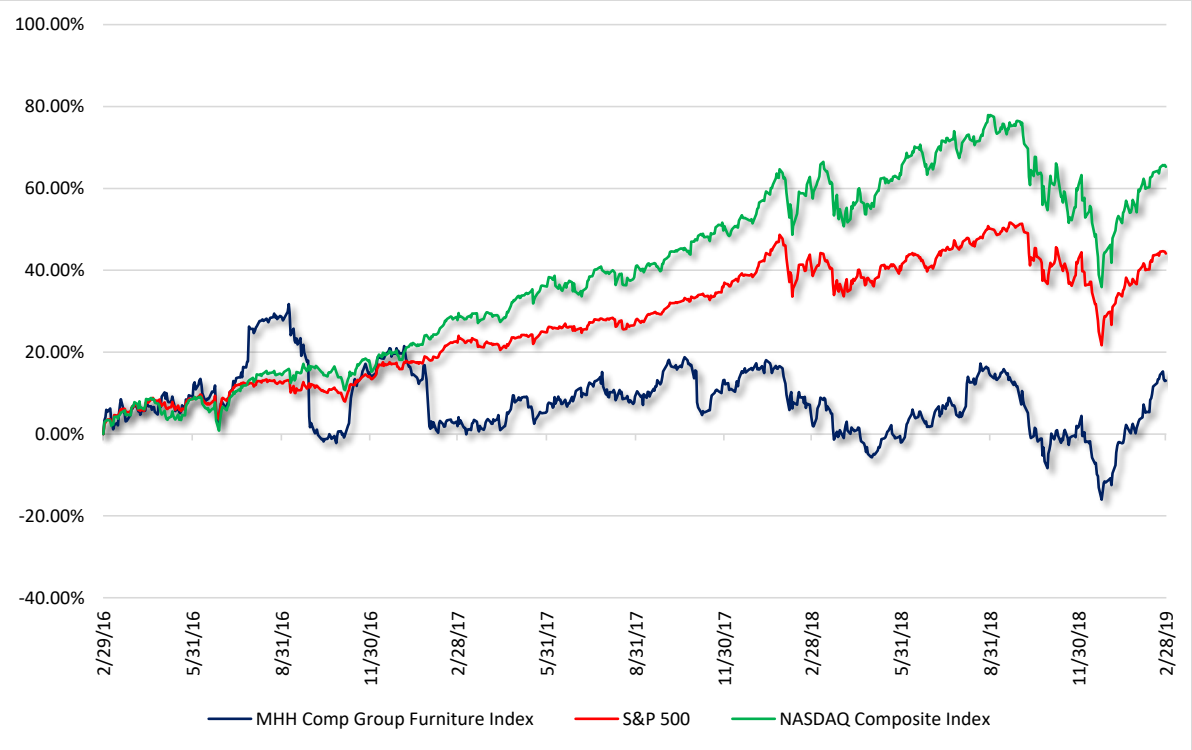
Interface, Inc. (NasdaqGS:TILE) announced a quarterly dividend payable **March 22, 2019.**

RPM International Inc. (NYSE:RPM) announced a **fixed-income offering** of **$350 million.**

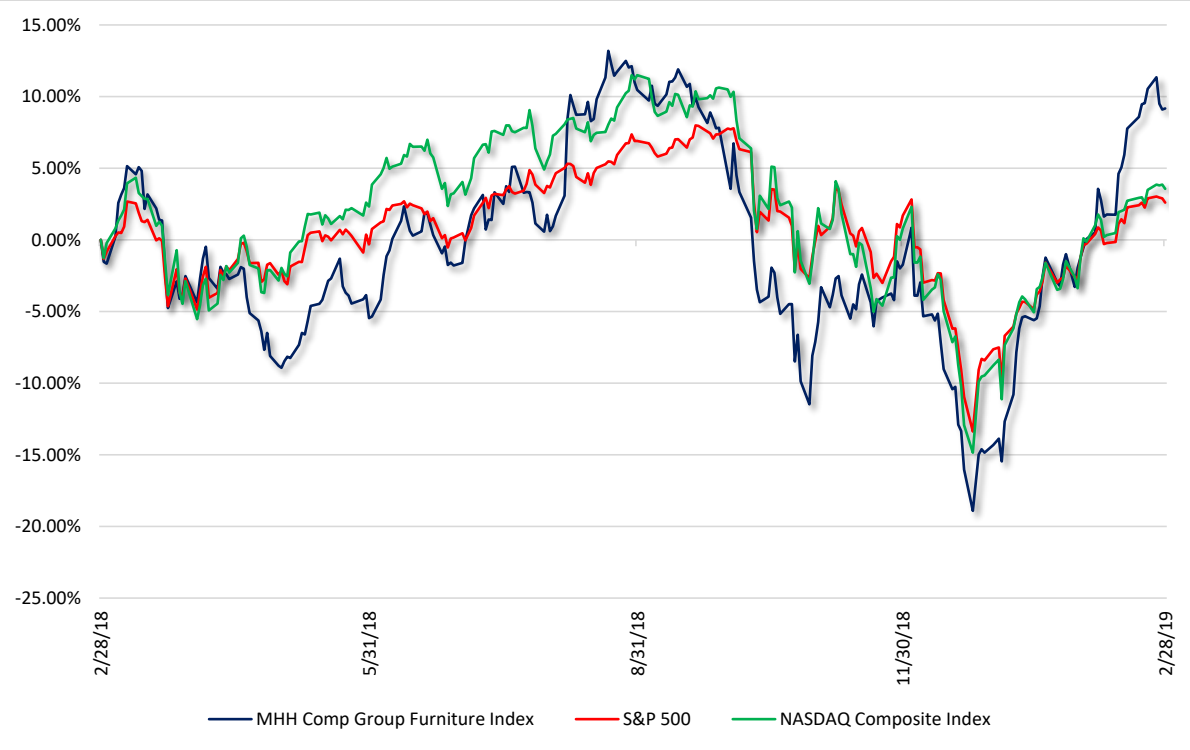
The Sherwin-Williams Company (NYSE:SHW) announced a quarterly dividend payable **March 8, 2019.**

Comparative Index Performance (Three-year and One-year)

Last Three Years



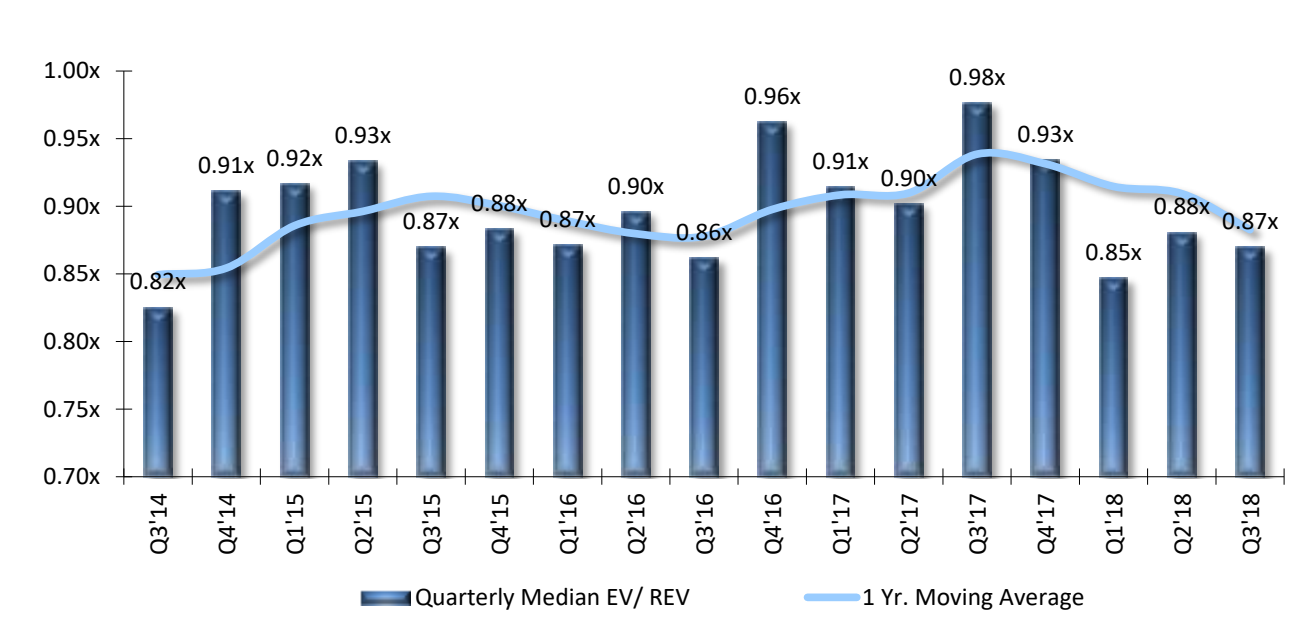
Last Twelve Months



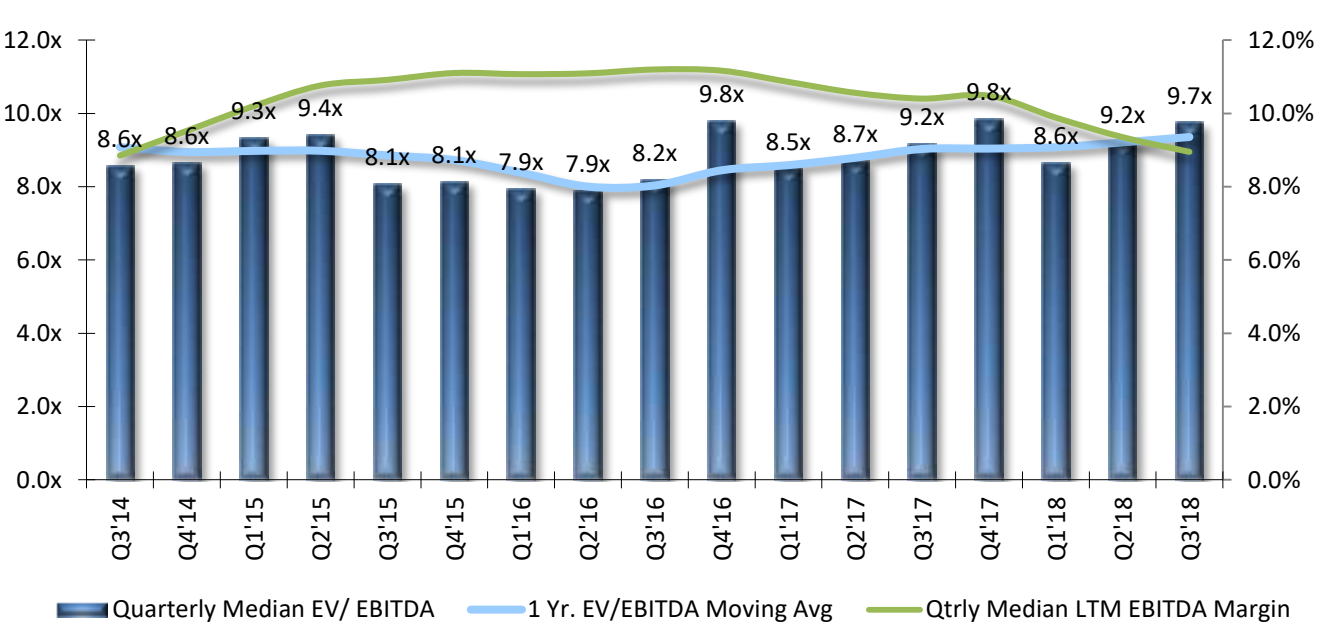
Source: CapitalIQ

Valuation Trend

Enterprise Value/LTM Revenue



Enterprise Value/LTM EBITDA

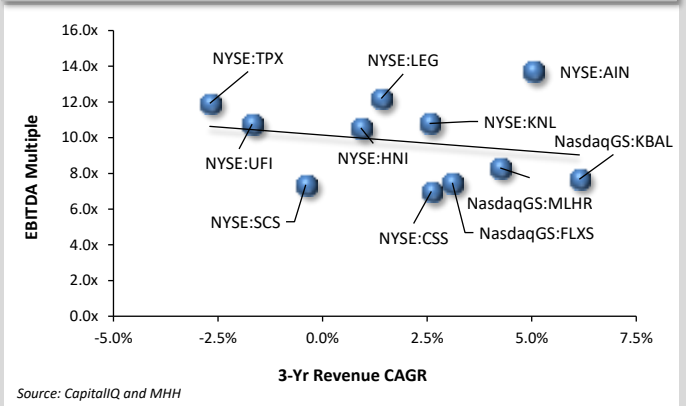


Source: CapitalIQ

Valuation and Operating Performance Matrices

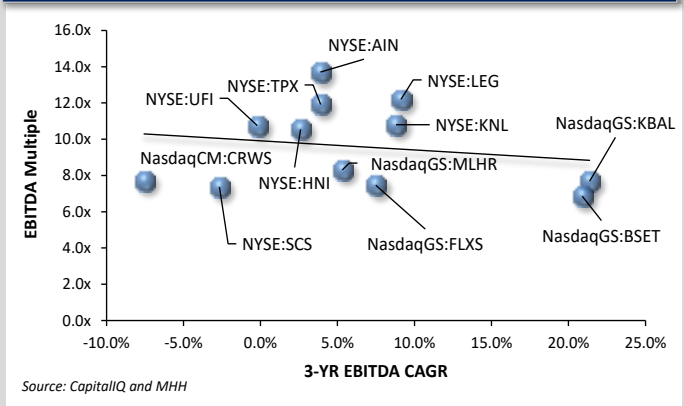
Graphs adjusted to eliminate statistical outliers.

3-Yr Revenue CAGR vs. EBITDA Multiple



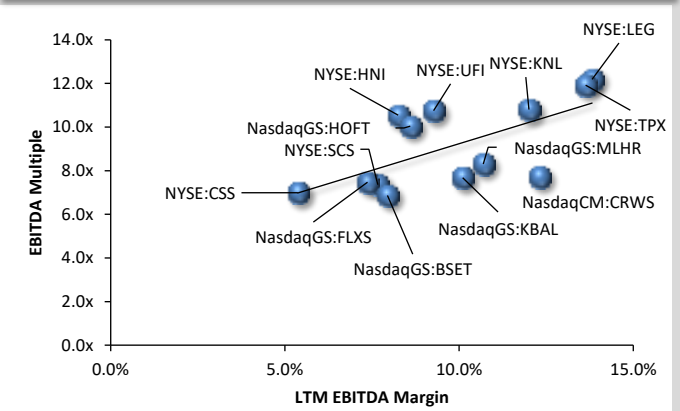
Source: CapitalIQ and MHH

3-Yr EBITDA CAGR vs. EBITDA Multiple



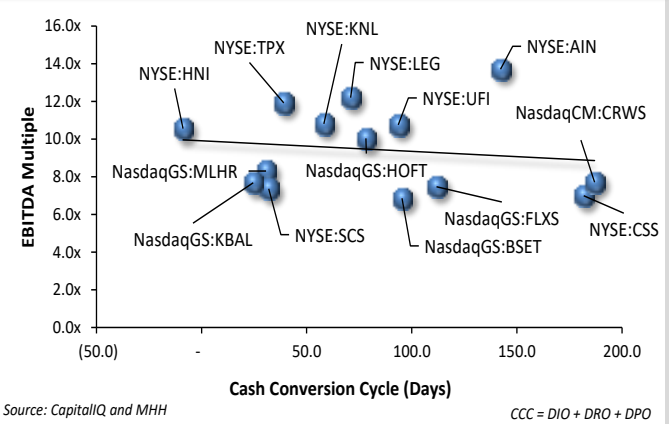
Source: CapitalIQ and MHH

EBITDA Margin vs. EBITDA Multiple



Source: CapitalIQ and MHH

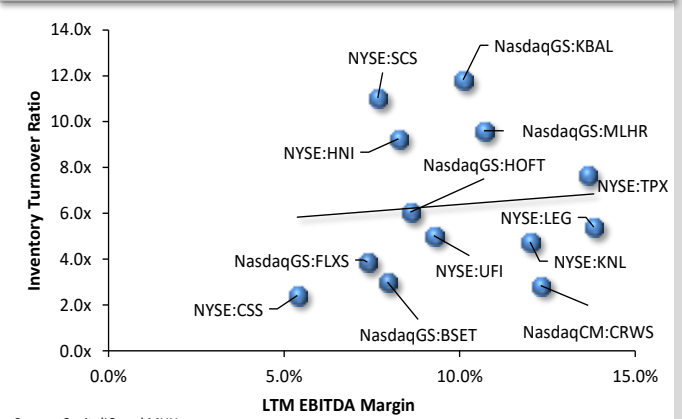
Cash Conversion Cycle vs. EBITDA Multiple



Source: CapitalIQ and MHH

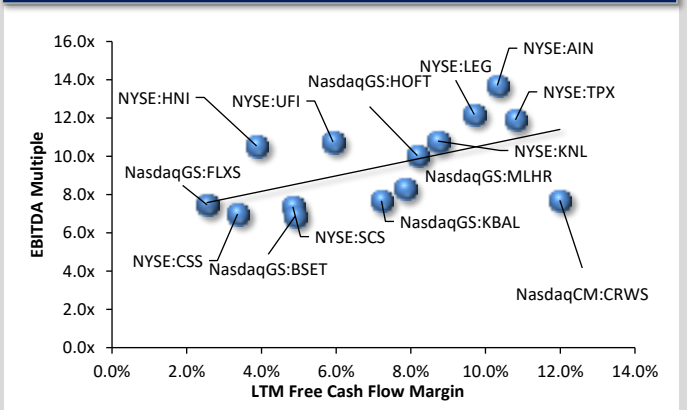
CCC = DIO + DRO + DPO

EBITDA Margin vs. Inventory Turn Ratio



Source: CapitalIQ and MHH

Free Cash Flow Margin vs. EBITDA Multiple



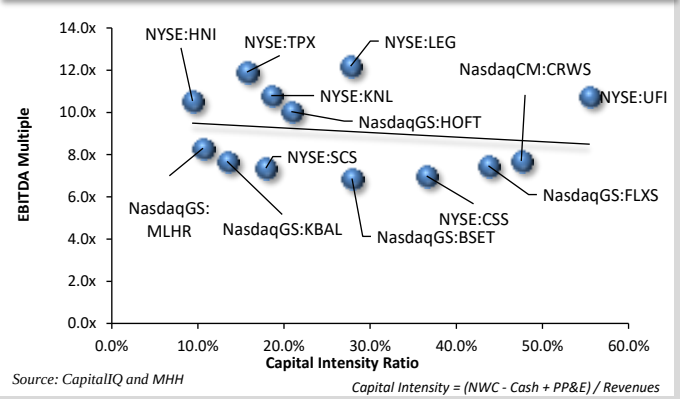
Source: CapitalIQ and MHH

FCF Margin = (EBITDA - Capex) / Rev

Valuation and Operating Performance Matrices (cont.)

Graphs adjusted to eliminate statistical outliers.

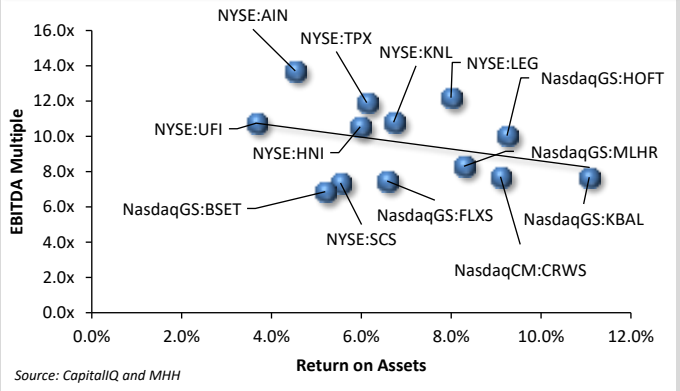
Capital Intensity vs. EBITDA Multiple



Source: CapitalIQ and MHH

Capital Intensity = (NWC - Cash + PP&E) / Revenues

Return on Assets vs. EBITDA Multiple



Source: CapitalIQ and MHH

Selected M&A Transactions: 2/1/19 - 2/28/19

Announced	Target	Target Description	Acquirer	Value
2/1/19	ScanCom International A/S	Manufactures and distributes outdoor furniture	Jysk A/S	ND
2/4/19	Muun GmbH	Manufactures and sells mattresses	Matrazzo GmbH	ND
2/4/19	Literie Valentin	Manufactures and sells home furnishing products	Societe Financiere Atlantic	ND
2/20/19	Conen Produkte Gmbh & Co. Kg	Designs, manufactures and distributes furniture and equipment	Halder Beteiligungsberatung GmbH	ND

ND – Not disclosed. Transaction values in millions.

Selected News Announcements

Albany International Corp. (NYSE:AIN) announced a quarterly dividend payable **April 5, 2019.**

Crown Crafts, Inc. (NasdaqCM:CRWS) announced a quarterly dividend payable **April 5, 2019.**

HNI Corporation (NYSE:HNI) announced a buyback plan of up to **2 million shares.**

Kimball International, Inc. (NasdaqGS:KBAL) announced a quarterly dividend payable **April 15, 2019.**

Kimball International, Inc. (NasdaqGS:KBAL) announced a share buyback plan of **2 million shares.**

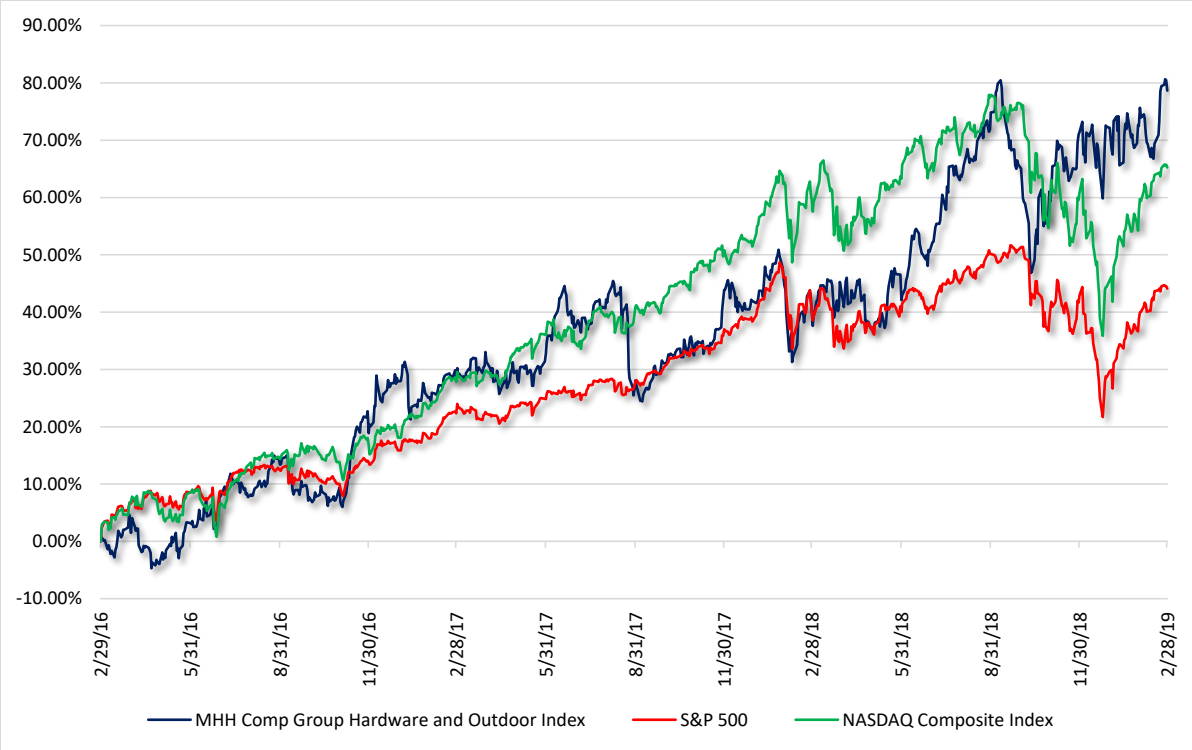
Knoll, Inc. (NYSE:KNL) announced a quarterly dividend payable **March 29, 2019.**

Leggett & Platt, Incorporated (NYSE:LEG) announced a quarterly dividend payable **April 15, 2019.**

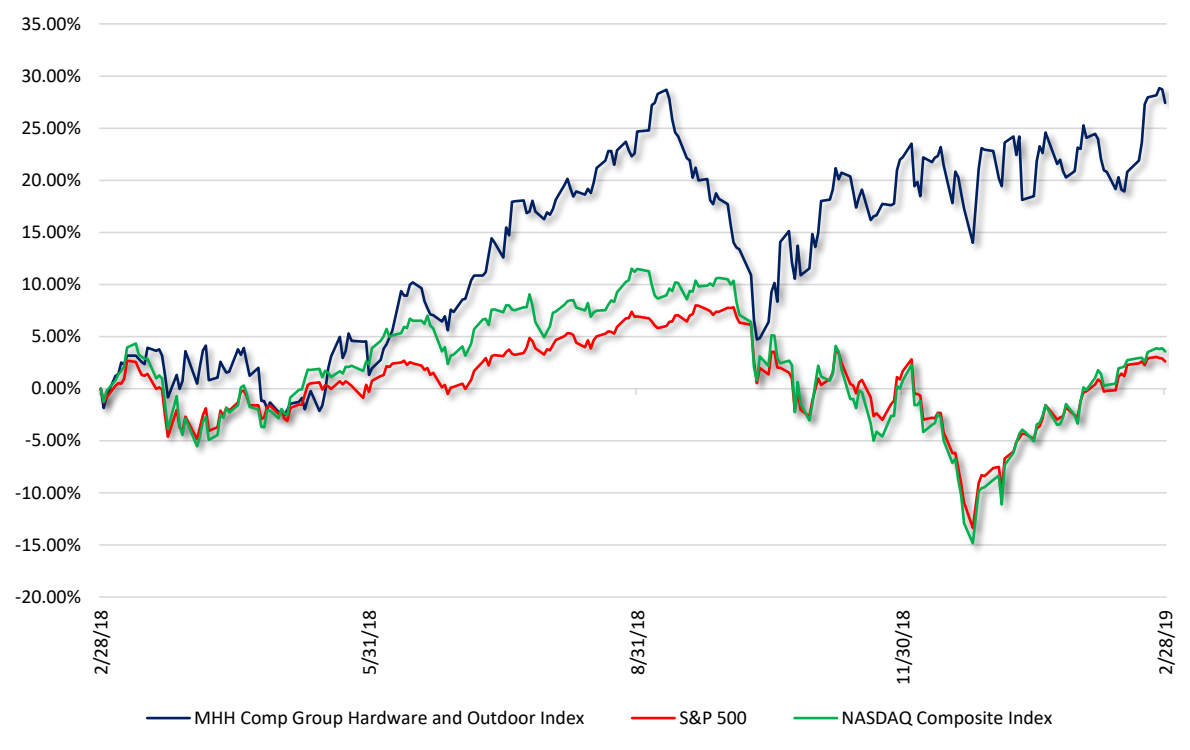
Unifi, Inc. (NYSE:UFI) announced a **shelf registration offering** of **$26.2 million**.

Comparative Index Performance (Three-year and One-year)

Last Three Years



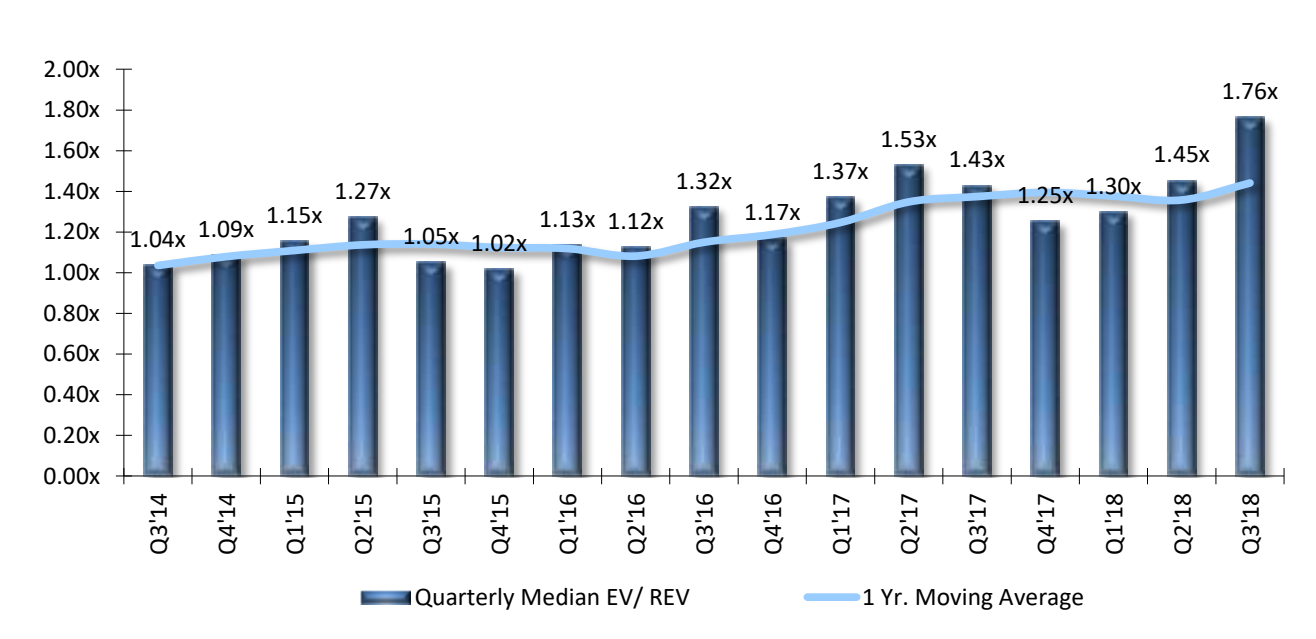
Last Twelve Months



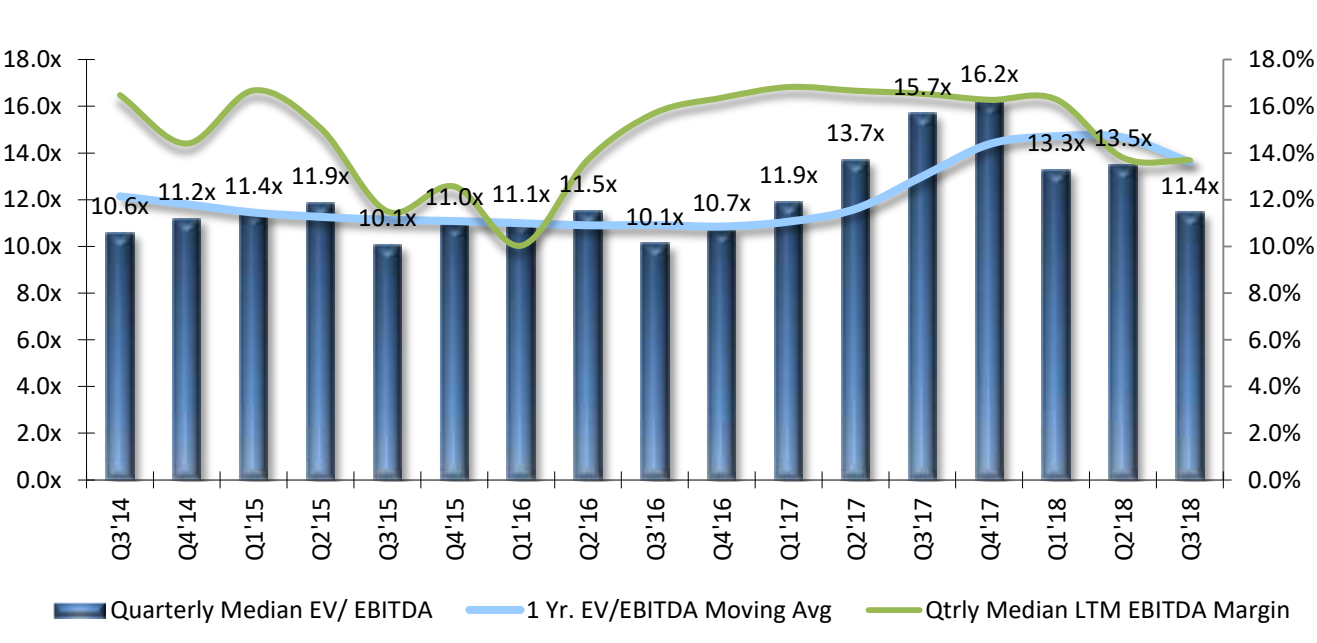
Source: CapitalIQ

Valuation Trend

Enterprise Value/LTM Revenue



Enterprise Value/LTM EBITDA

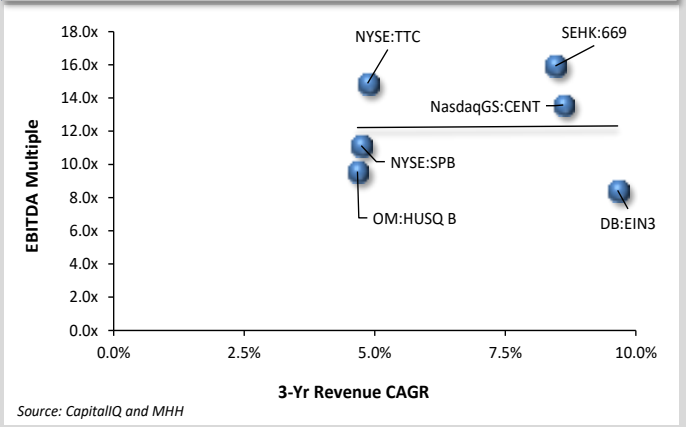


Source: CapitalIQ

Valuation and Operating Performance Matrices

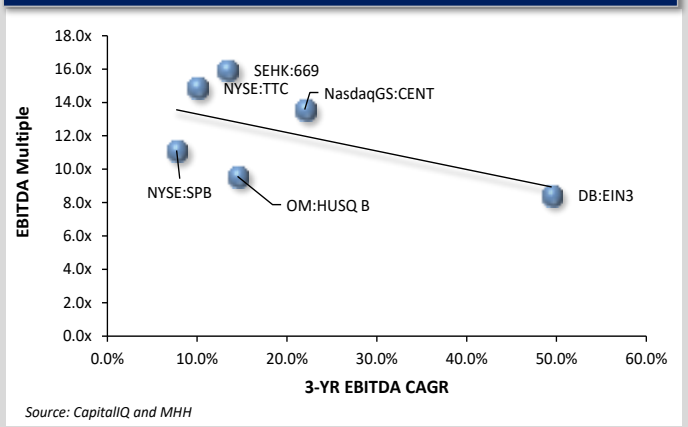
Graphs adjusted to eliminate statistical outliers.

3-Yr Revenue CAGR vs. EBITDA Multiple



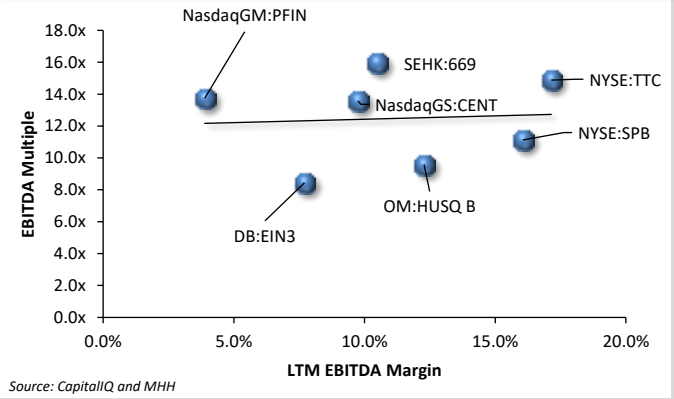
Source: CapitalIQ and MHH

3-Yr EBITDA CAGR vs. EBITDA Multiple



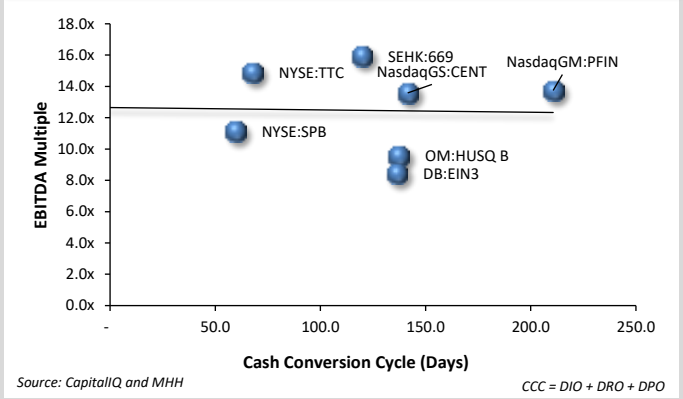
Source: CapitalIQ and MHH

EBITDA Margin vs. EBITDA Multiple



Source: CapitalIQ and MHH

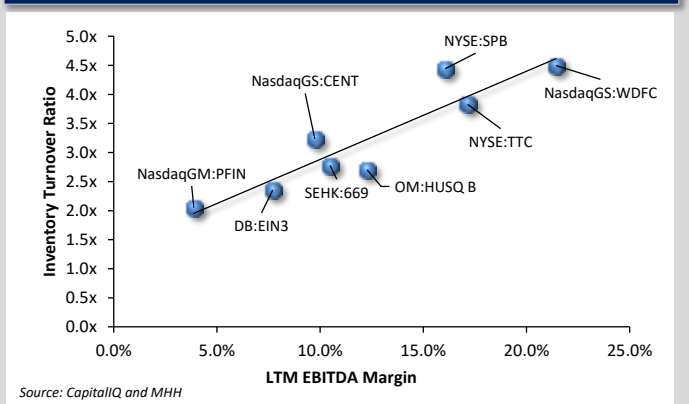
Cash Conversion Cycle vs. EBITDA Multiple



Source: CapitalIQ and MHH

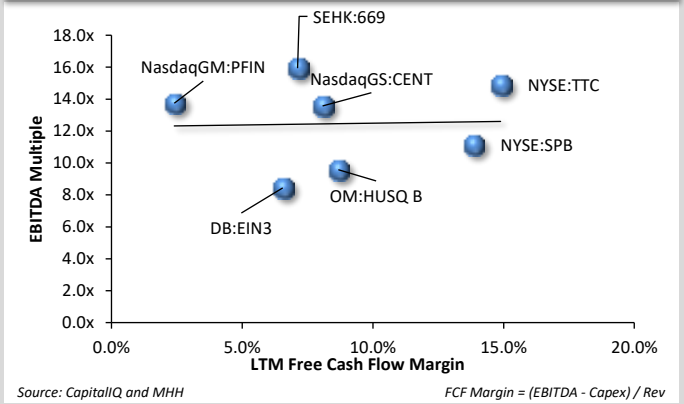
CCC = DIO + DRO + DPO

EBITDA Margin vs. Inventory Turn Ratio



Source: CapitalIQ and MHH

Free Cash Flow Margin vs. EBITDA Multiple



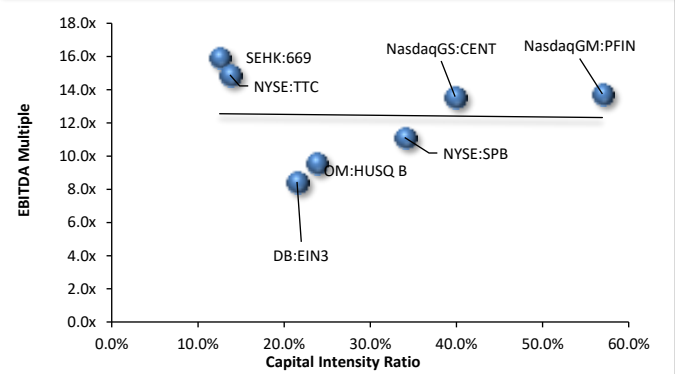
Source: CapitalIQ and MHH

FCF Margin = (EBITDA - Capex) / Rev

Valuation and Operating Performance Matrices (cont.)

Graphs adjusted to eliminate statistical outliers.

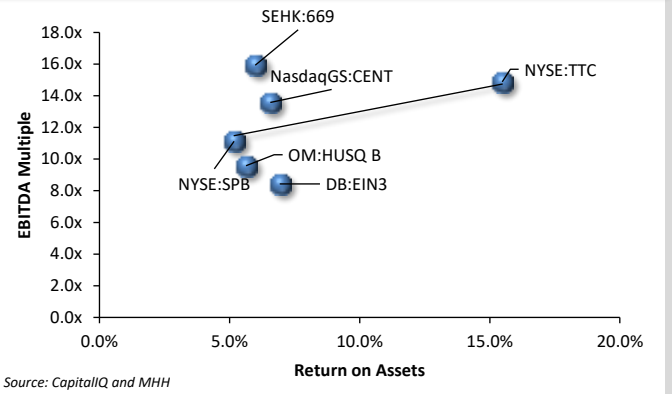
Capital Intensity vs. EBITDA Multiple



Source: CapitalIQ and MHH

Capital Intensity = (NWC - Cash + PP&E) / Revenues

Return on Assets vs. EBITDA Multiple



Source: CapitalIQ and MHH

Selected M&A Transactions: 2/1/19 - 2/28/19

Announced	Target	Target Description	Acquirer	Value
2/6/19	Arden Companies, Inc.	Designs, manufactures and markets outdoor cushions, furniture and décor	Central Garden & Pet Company (NasdaqGS:CENT)	ND

ND – Not disclosed. Transaction values in millions.

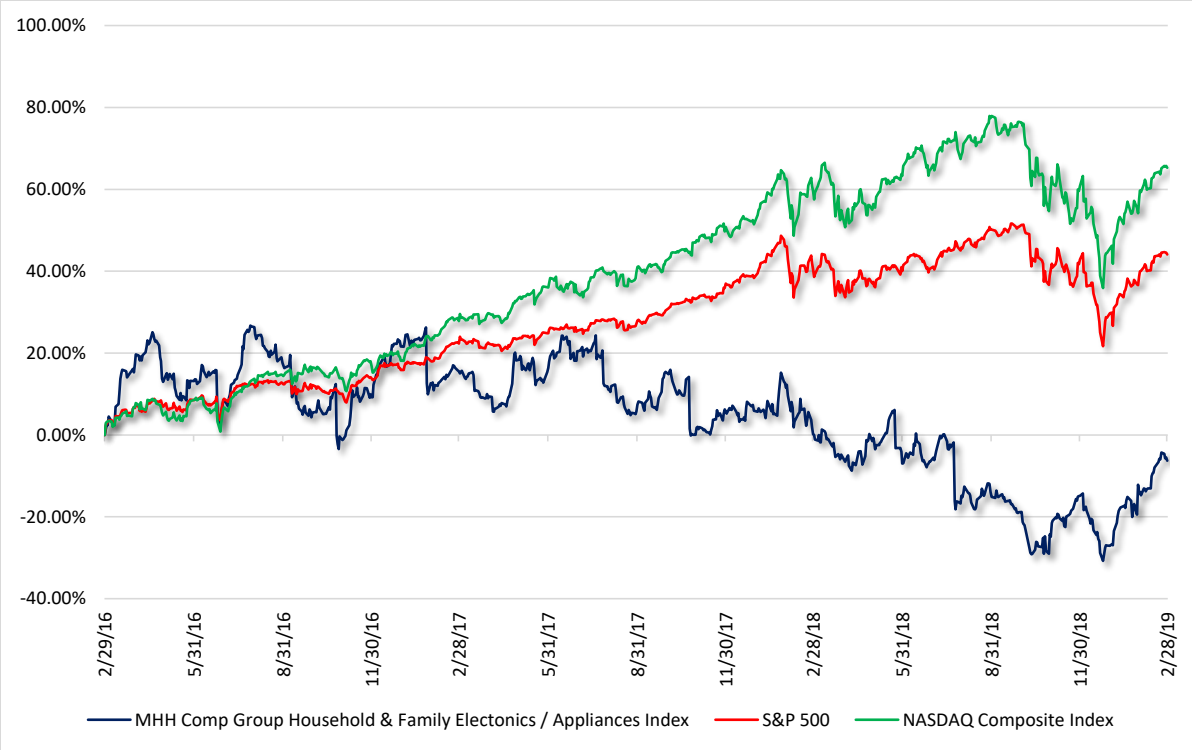
Selected News Announcements

Central Garden & Pet Company (NasdaqGS: CENT) announced the appointment of **Christopher Metz** to the **Board of Director**, effective immediately.

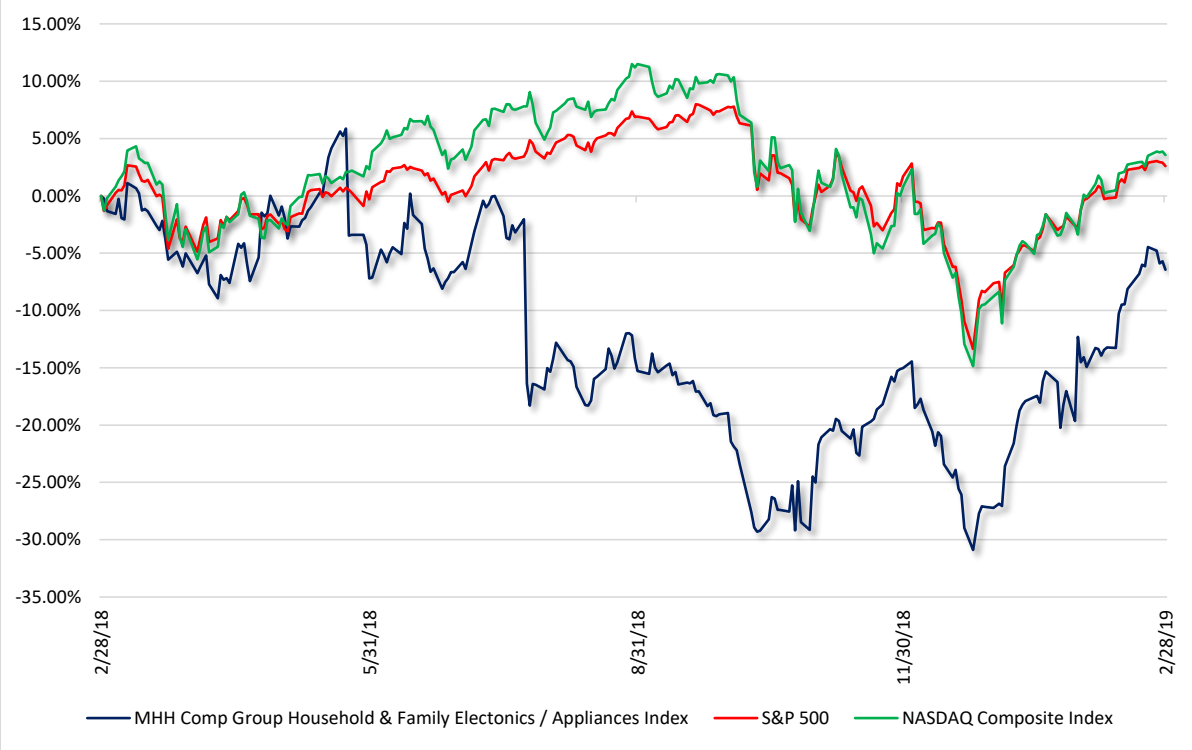
P&F Industries, Inc. (NasdaqGM:PFIN) announced a **share buyback program**.

Comparative Index Performance (Three-year and One-year)

Last Three Years



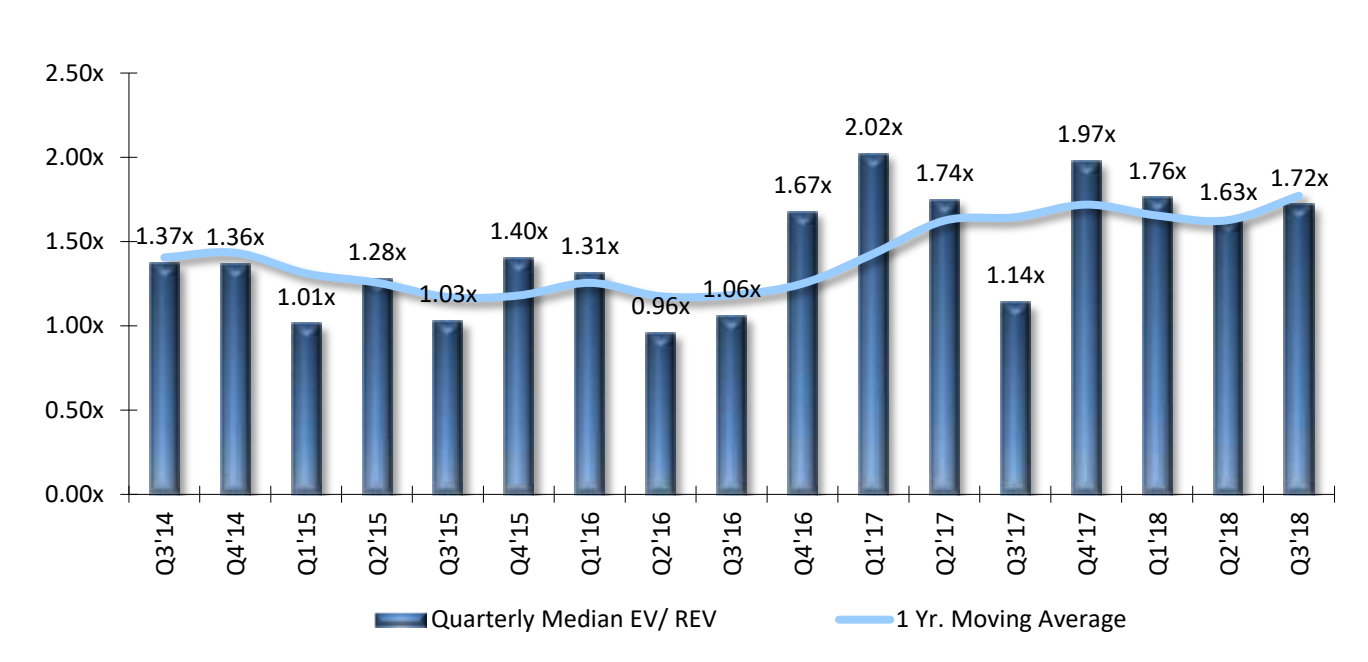
Last Twelve Months



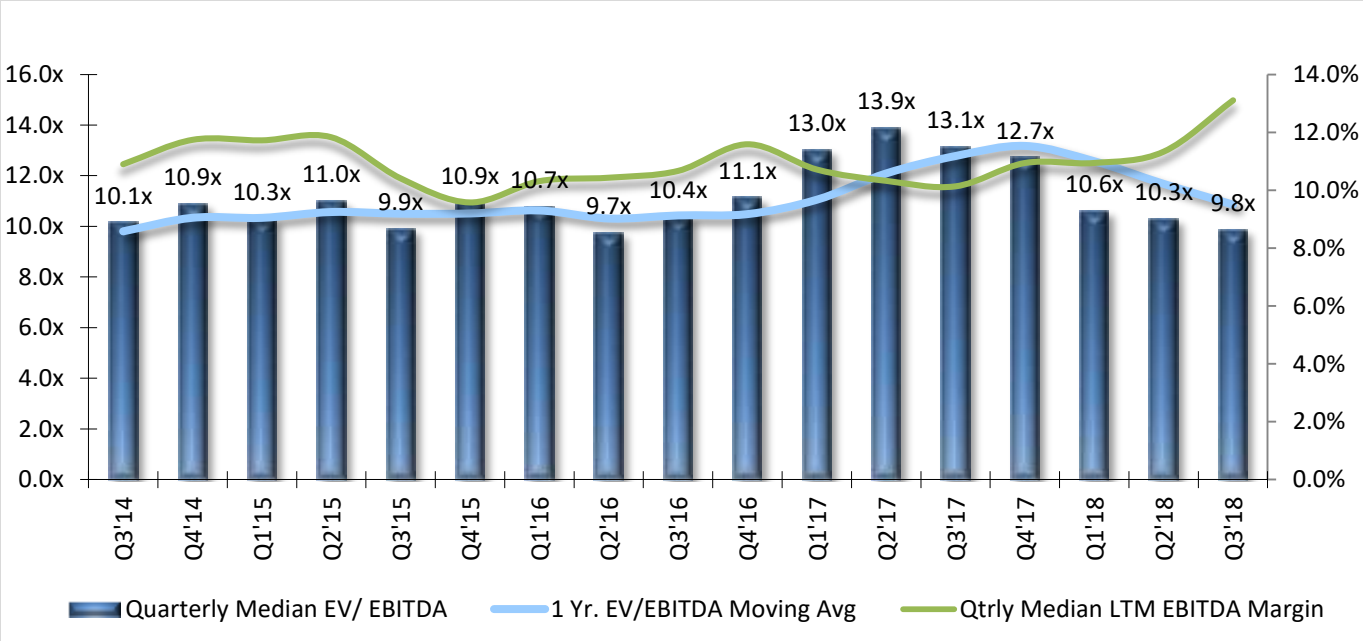
Source: CapitalIQ

Valuation Trend

Enterprise Value/LTM Revenue



Enterprise Value/LTM EBITDA

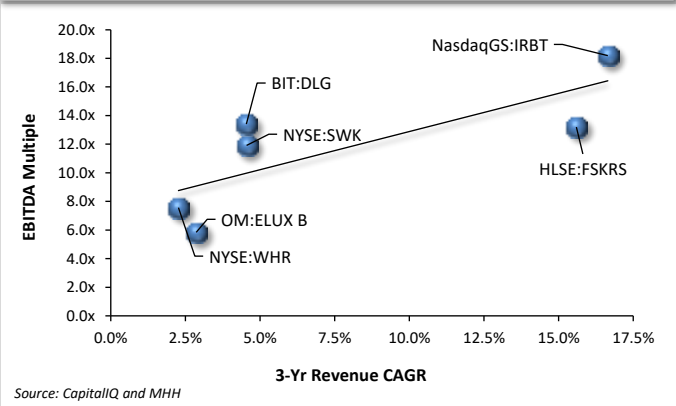


Source: CapitalIQ

Valuation and Operating Performance Matrices

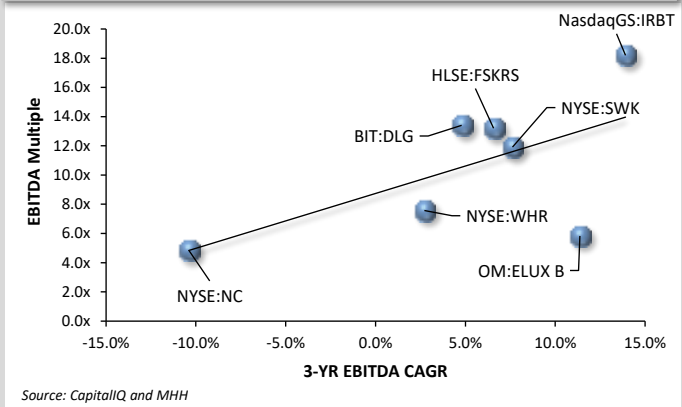
Graphs adjusted to eliminate statistical outliers.

3-Yr Revenue CAGR vs. EBITDA Multiple



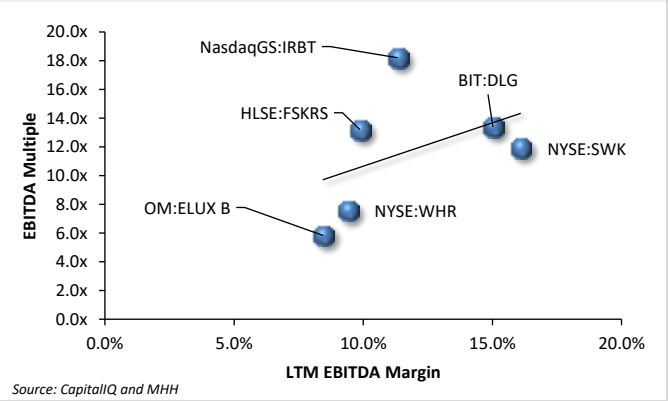
Source: CapitalIQ and MHH

3-Yr EBITDA CAGR vs. EBITDA Multiple



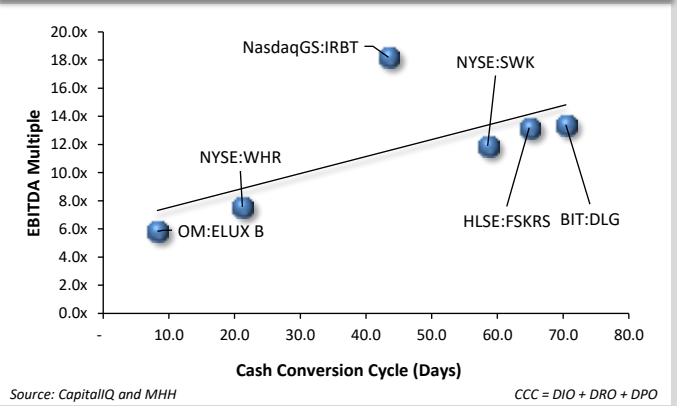
Source: CapitalIQ and MHH

EBITDA Margin vs. EBITDA Multiple



Source: CapitalIQ and MHH

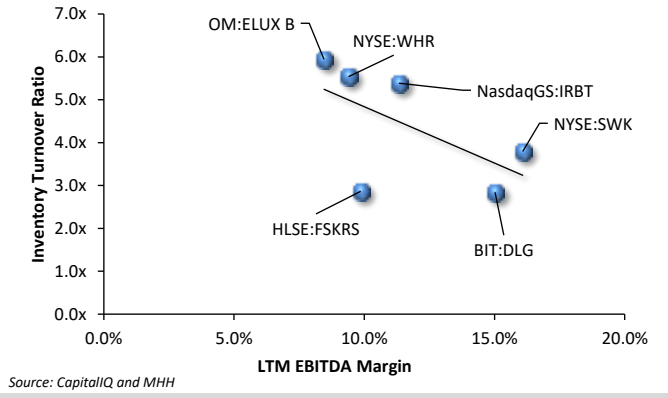
Cash Conversion Cycle vs. EBITDA Multiple



Source: CapitalIQ and MHH

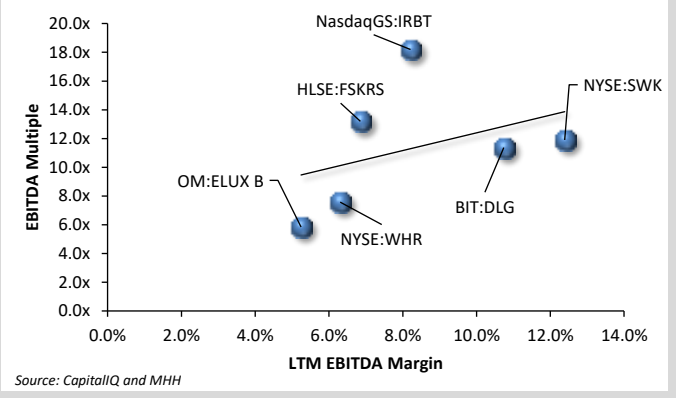
CCC = DIO + DRO + DPO

EBITDA Margin vs. Inventory Turn Ratio



Source: CapitalIQ and MHH

Free Cash Flow Margin vs. EBITDA Multiple

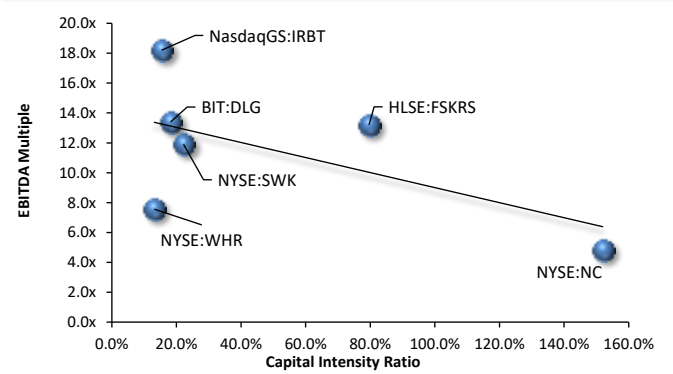


Source: CapitalIQ and MHH

Valuation and Operating Performance Matrices (cont.)

Graphs adjusted to eliminate statistical outliers.

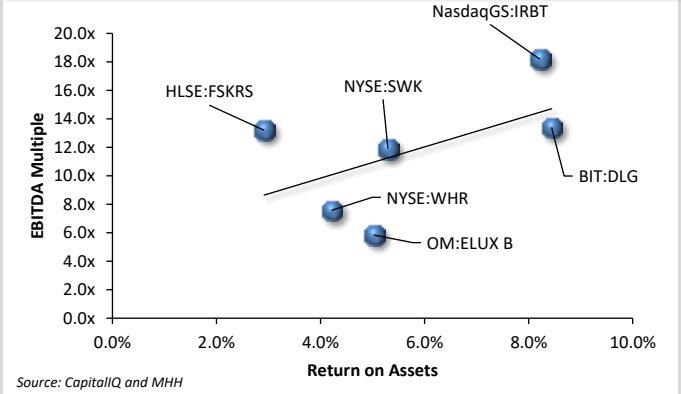
Capital Intensity vs. EBITDA Multiple



Source: CapitalIQ and MHH

Capital Intensity = (NWC - Cash + PP&E) / Revenues

Return on Assets vs. EBITDA Multiple



Source: CapitalIQ and MHH

Selected M&A Transactions: 2/1/19 - 2/28/19

No House Appliances Transaction Announcements for the month of February.

Selected News Announcements

AB Electrolux (publ) (OM: ELUX B) announced a dividend payable **April 17, 2019.**

Fiskars Oyj Abp (HLSE: FSKRS) announced a dividend payable **March 22, 2019**.

NACCO Industries, Inc. (NYSE: NC) announced a quarterly dividend payable **March 15, 2019**.

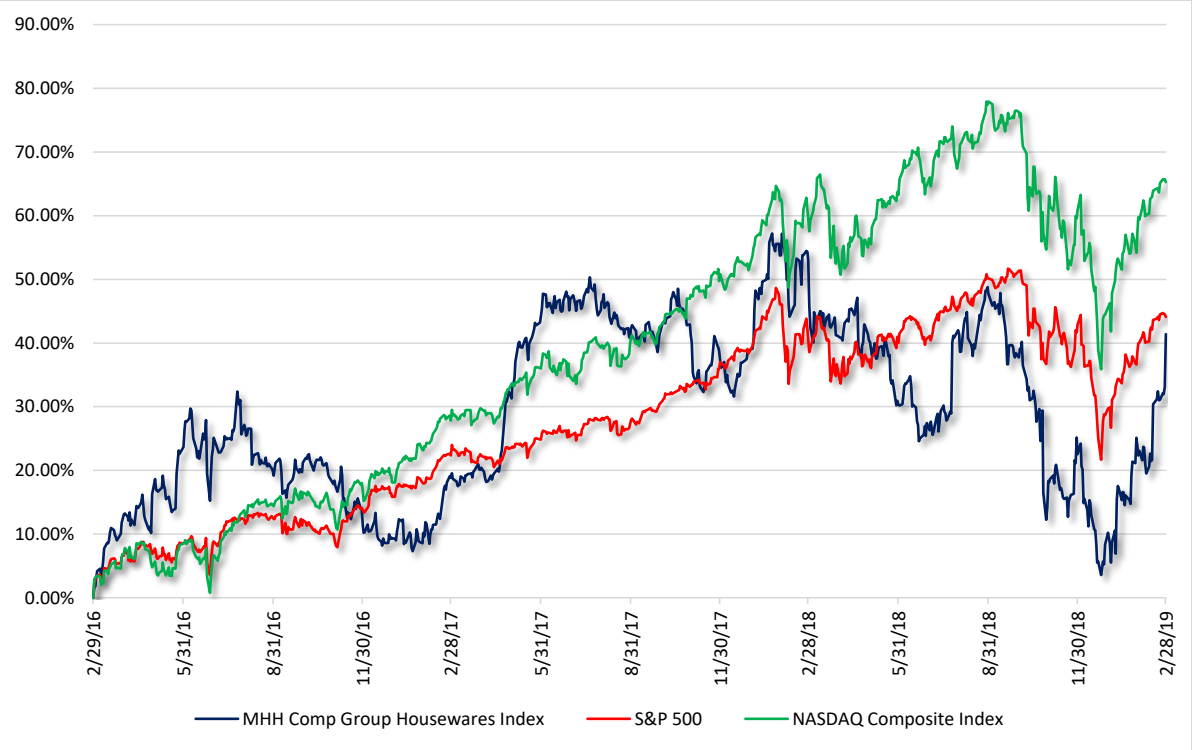
Stanley Black & Decker, Inc. (NYSE: SWK) announced a **fixed-income offering** of **$500 million**.

Whirlpool Corporation (NYSE: WHR) announced a **fixed-income offering** of **$692 million.**

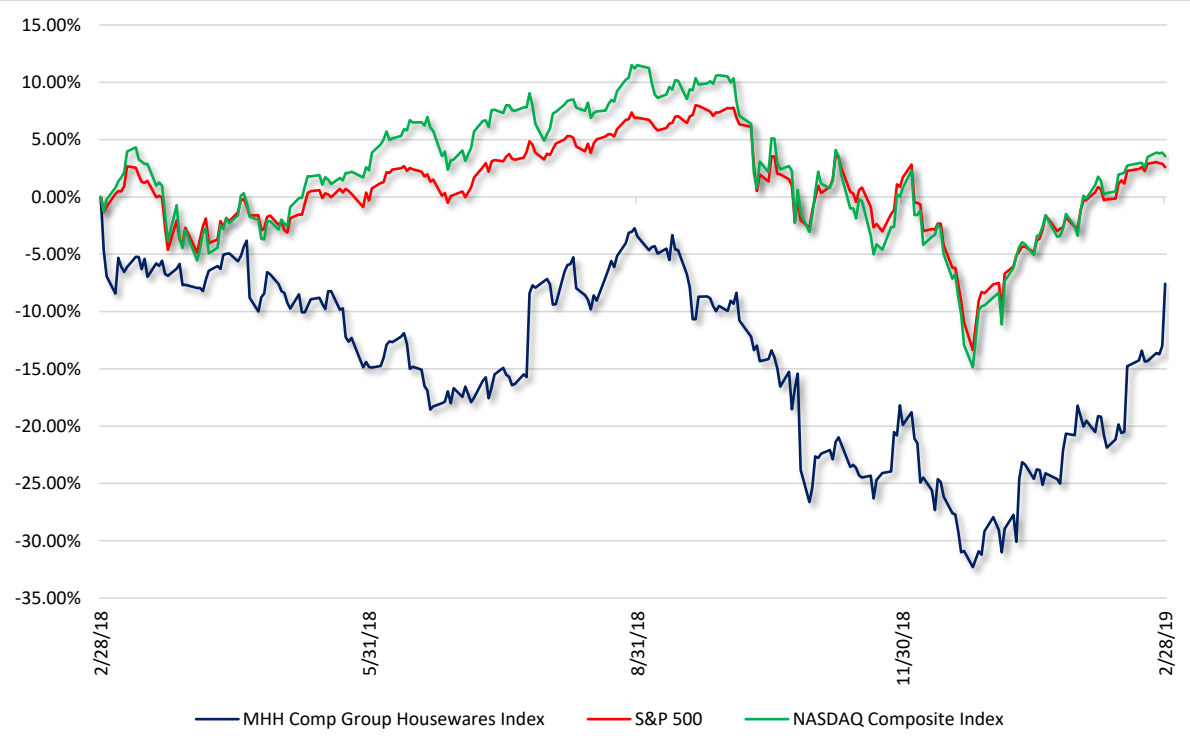
Whirlpool Corporation (NYSE: WHR) announced a quarterly dividend payable **March 15, 2019.**

Comparative Index Performance (Three-year and One-year)

Last Three Years



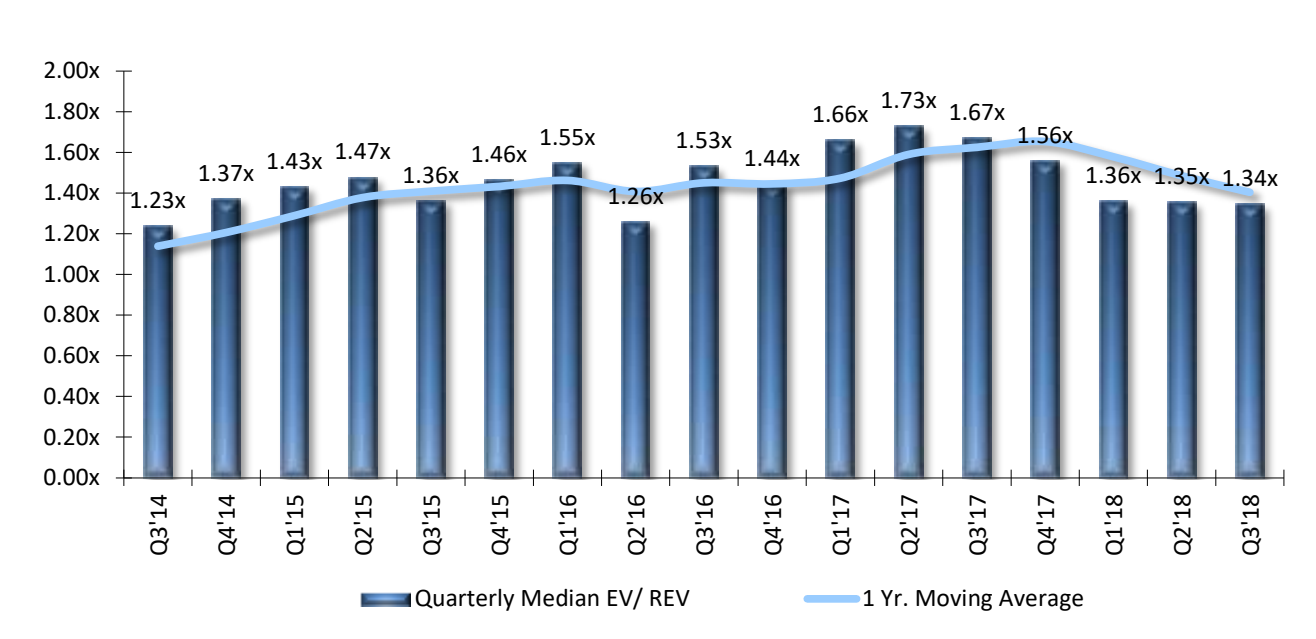
Last Twelve Months



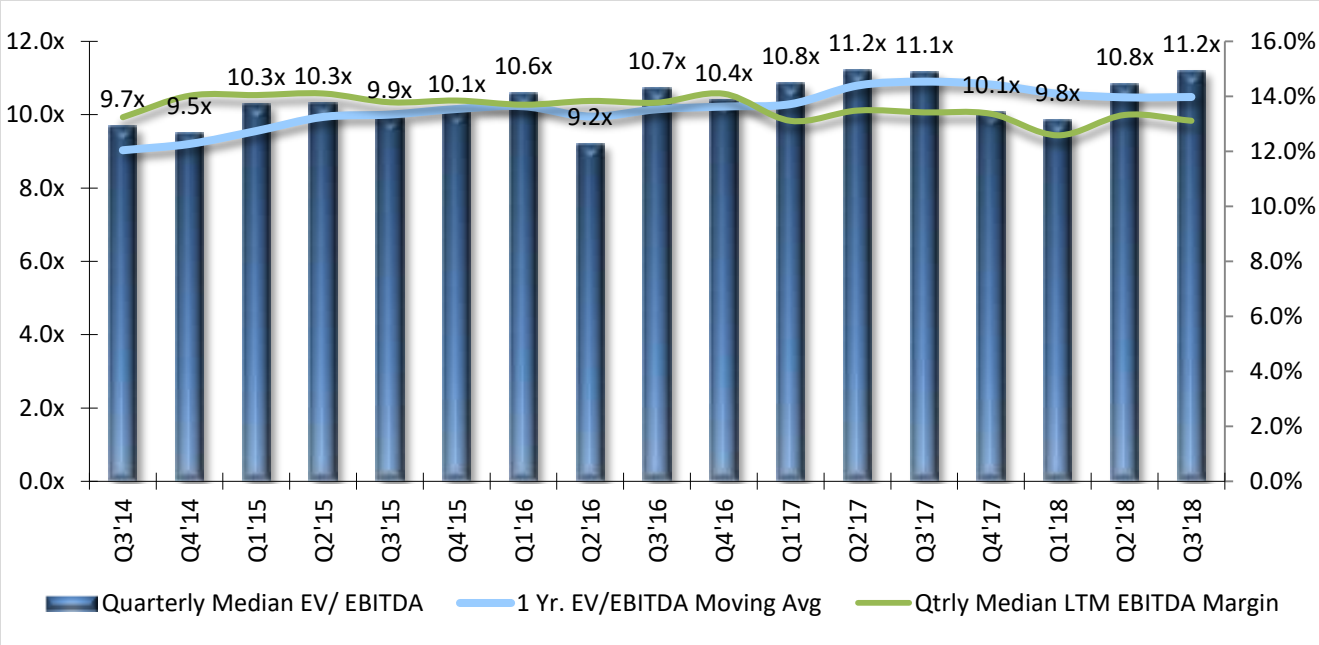
Source: CapitalIQ

Valuation Trend

Enterprise Value/LTM Revenue



Enterprise Value/LTM EBITDA

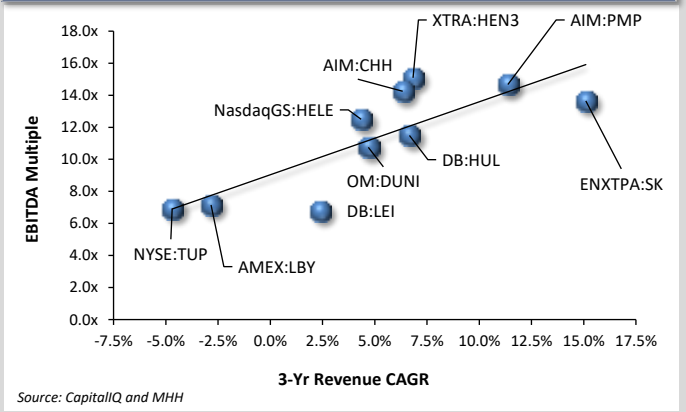


Source: CapitalIQ

Valuation and Operating Performance Matrices

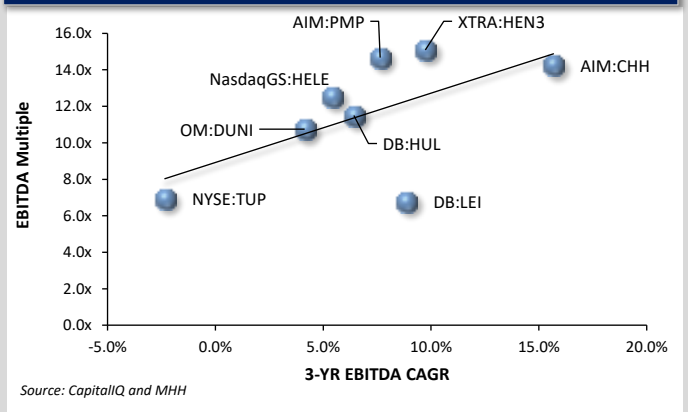
Graphs adjusted to eliminate statistical outliers.

3-Yr Revenue CAGR vs. EBITDA Multiple



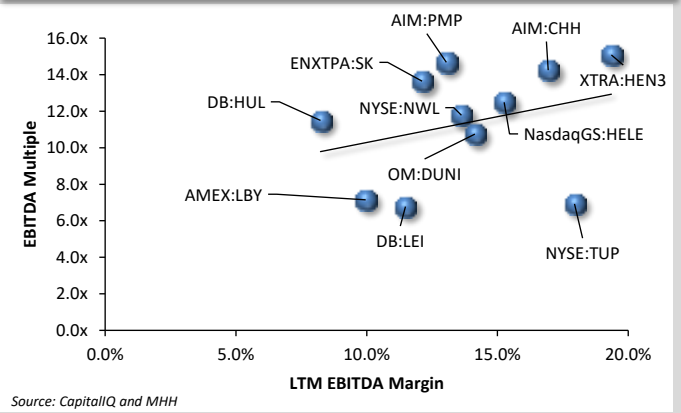
Source: CapitalIQ and MHH

3-Yr EBITDA CAGR vs. EBITDA Multiple



Source: CapitalIQ and MHH

EBITDA Margin vs. EBITDA Multiple



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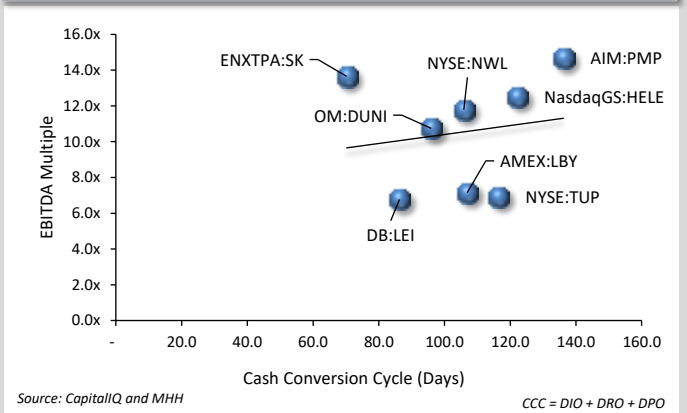
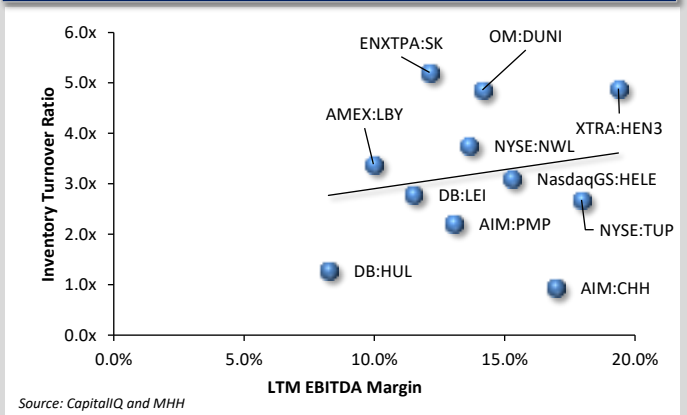
Cash Conversion Cycle vs. EBITDA Multiple



Source: CapitalIQ and MHH

CCC = DIO + DRO + DPO

EBITDA Margin vs. Inventory Turn Ratio



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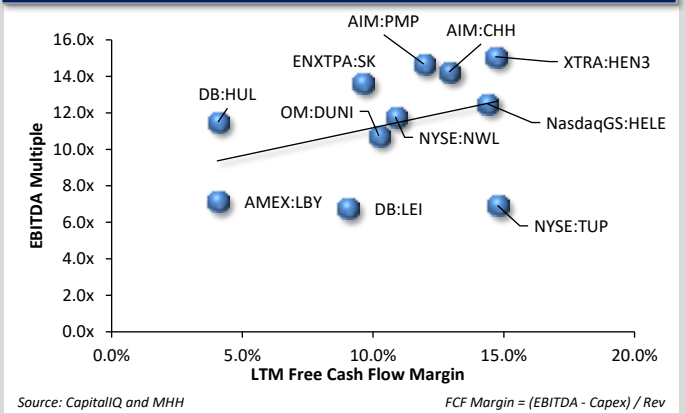
Free Cash Flow Margin vs. EBITDA Multiple



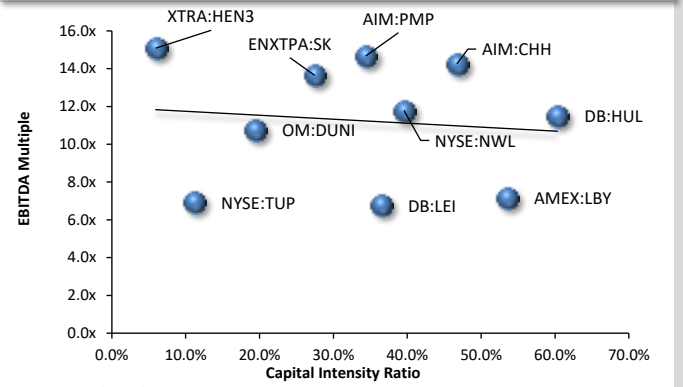
Source: CapitalIQ and MHH

FCF Margin = (EBITDA - Capex) / Rev

Valuation and Operating Performance Matrices (cont.)

Graphs adjusted to eliminate statistical outliers.

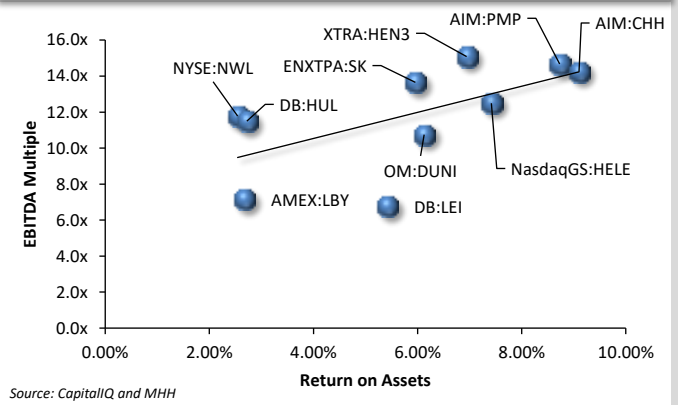
Capital Intensity vs. EBITDA Multiple



Source: CapitalIQ and MHH

Capital Intensity = (NWC - Cash + PP&E) / Revenues

Return on Assets vs. EBITDA Multiple



Source: CapitalIQ and MHH

Selected M&A Transactions: 2/1/19 - 2/28/19

Announced	Target	Target Description	Acquirer	Value
2/19/19	Wilbur Curtis Company, Inc.	Manufactures commercial coffee brewing equipment, iced tea brewing systems and specialty beverage dispensers	SEB SA (ENXTPA:SK)	ND
2/26/19	Rexair business of Newell Brands Inc	Rainbow cleaning system development and manufacturing operations	Rhone Capital, L.L.C.	ND

ND – Not disclosed. Transaction values in millions.

Selected News Announcements

Newell Brands Inc. (NasdaqGS: NWL) announced a quarterly dividend payable **March 15, 2019.**

SEB SA (ENXTPA:SK) announced a dividend payable **May 29, 2019**.

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- Advise buyers and sellers (public and private companies)
- Sale of businesses, strategic acquisitions, management buy-outs and industry build-ups

Raise Capital

- Equity (control and non-control)
- Mezzanine financing
- Senior and junior debt
- Typically raise capital from banks, finance companies, private investment funds and private equity groups

Financial Advisory Services

- Analysis of business strategies and options
- Fairness opinions
- Valuations

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