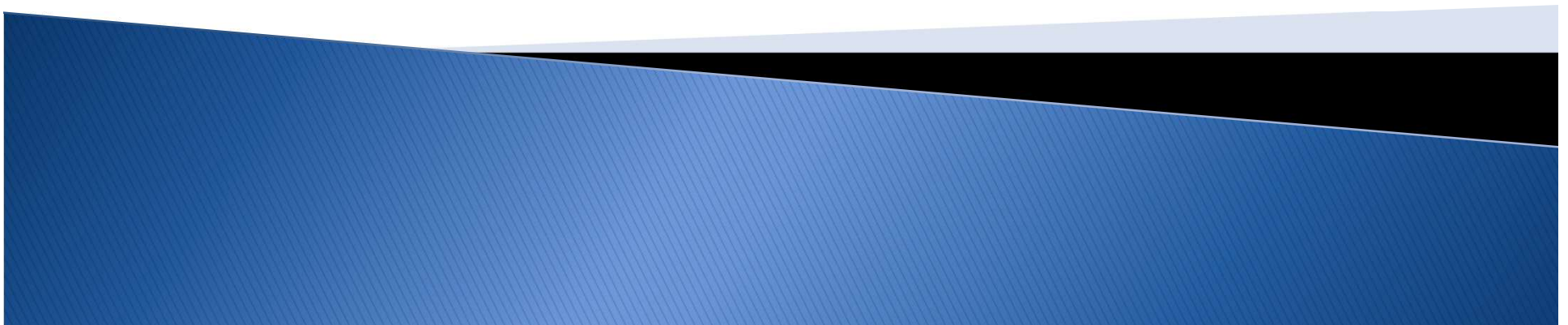


# PEAKSTONE

[www.peakstone.com](http://www.peakstone.com)

## Home Décor M&A Update

### March 2017



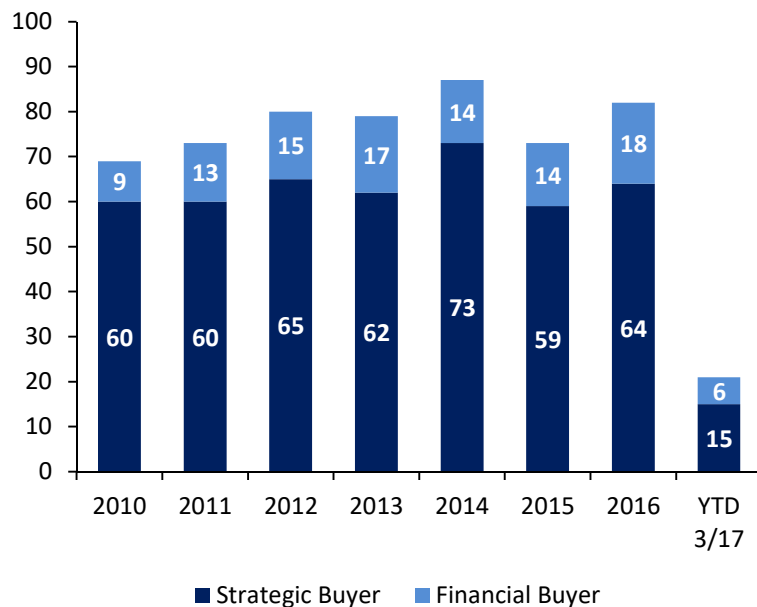
## Home Décor M&A Update

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- Home décor M&A continues to see strong activity. 2017 YTD transaction volume of 21 deals is on pace to exceed 2016 levels of 82 transactions.
- For the 2017 YTD period, strategic buyers accounted for 71% of the home décor M&A transactions with financial buyers making up the difference. During 2016, strategic buyers accounted for approximately 78% of the transactions.
- Peakstone home décor index has underperformed the S&P 500 over a three year period.
- Notable public 2016 & YTD 2017 transactions:
  - Newell Brands acquired Jarden Corp. for approximately \$19.0 billion.
  - Qingdao Haier acquired Haier US Appliance Solutions for approximately \$5.4 billion.
  - Steinhoff International Holdings acquired Mattress Firm Holding Corp. for approximately \$3.0 billion.
  - Vitro acquired PPG Industries for approximately \$750 million.
  - Hunter Douglas acquired Newell Rubbermaid's window covering business for approximately \$270 million.
  - Newell Brands acquired Smith Mountain Industries for approximately \$100 million.

# Home Décor – M&A Market Overview

U.S. Home Décor Transactions by Buyer Type

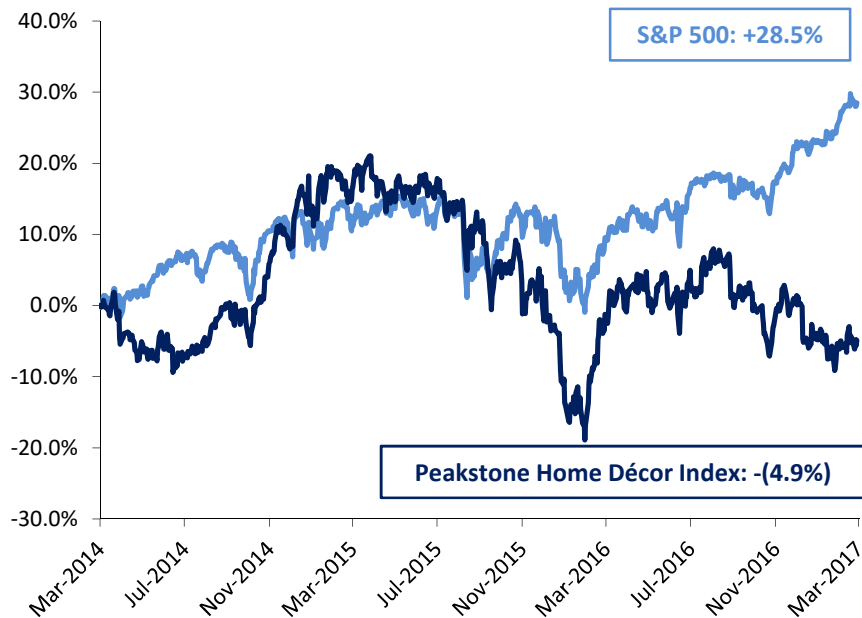


- Home Décor M&A continues to see strong activity.
- 2017 YTD transaction volume is on pace to exceed 2016 levels of 82 transactions.
- Strategic buyers continue to be the most active group of buyers.
- Many larger strategic players are seeking consolidation opportunities.
- Strategic buyers are often buying at higher multiples than financial buyers.

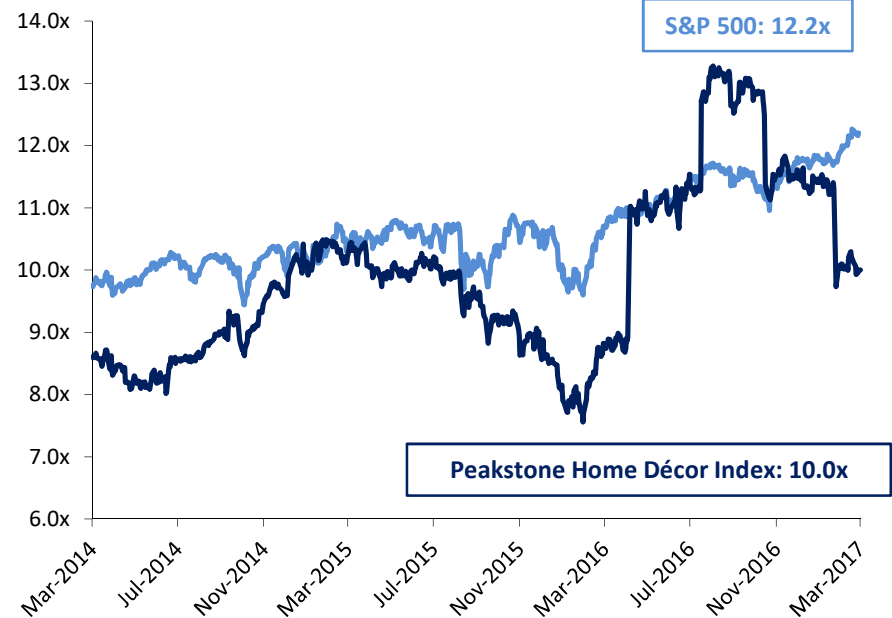
# Peakstone Home Décor Index - Trading Statistics

The home décor stock index has underperformed the S&P 500 over the last 3 years, while valuation trends have continued to increase with the broader market

Relative Stock Performance



Comparable Valuation Trends – Enterprise Value/EBITDA



**Peakstone Home Décor Index:** BBBY, ETH, HOME, KNL, LBY, MIK, NWL, OXM, PIR

Note: Indexes are weighted by market capitalization

Source: Capital IQ

## Selected Public Trading Comparables

### Peakstone Home Décor Index

(\$ in millions) Company Name	Market Cap	Enterprise Value	Enterprise Value/			Forward P/E Ratio	Gross Margin%	EBITDA Margin%
			Revenue	EBITDA	EBIT			
Newell Brands Inc. (NYSE:NWL)	\$23,411	\$34,774	2.6x	14.5x	17.8x	15.9x	36.8%	18.0%
Bed Bath & Beyond Inc. (NasdaqGS:BBBY)	\$5,864	\$6,883	0.6x	4.6x	5.7x	8.8x	37.6%	12.4%
The Michaels Companies, Inc. (NasdaqGS:MIK)	\$3,967	\$6,422	1.3x	8.0x	9.0x	10.0x	-	-
Knoll, Inc. (NYSE:KNL)	\$1,087	\$1,296	1.1x	8.2x	9.5x	13.4x	38.3%	13.6%
Oxford Industries, Inc. (NYSE:OXM)	\$897	\$1,034	1.0x	7.3x	10.2x	13.9x	56.6%	13.9%
At Home Group Inc. (NYSE:HOME)	\$880	\$1,273	1.8x	12.7x	19.3x	19.9x	32.2%	14.0%
Ethan Allen Interiors Inc. (NYSE:ETH)	\$785	\$768	1.0x	7.9x	10.0x	15.5x	55.9%	12.4%
Pier 1 Imports, Inc. (NYSE:PIR)	\$584	\$724	0.4x	6.5x	14.0x	14.4x	53.2%	6.0%
Libbey Inc. (AMEX:LBY)	\$290	\$639	0.8x	5.9x	10.7x	11.6x	22.1%	13.6%
<b>Median:</b>			<b>1.0x</b>	<b>7.9x</b>	<b>10.2x</b>	<b>13.9x</b>	<b>38.0%</b>	<b>13.6%</b>

As of March 8, 2017

## Selected Precedent M&A Transactions

Date	Target/Issuer	Size (\$mm)	TEV/EBITDA(x)	Buyers/Investors	Business Description [Target/Issuer]
02/16/2017	Kohler Interiors Group, Ltd.	\$30	-	Samson Holding Ltd. (SEHK:531)	Kohler Interiors Group, Ltd. manufactures furniture, accessories, and home furnishings. It sells its products through showrooms in North America, England, and France, and furniture dealer locations across the United States, Europe, Asia, and the Middle East.
02/01/2017	Chef Central Of Hartsdale, Inc.	\$2	-	Bed Bath & Beyond Inc. (NasdaqGS:BBBY)	Chef Central Of Hartsdale, Inc. owns and operates stores that sell kitchen products. It offers cookware sets, specialty cookware, stock pots and multipots, pots and pans, and roasting pans; cook tools, including cooking utensils, graters and zesters, timers and thermometers, canning and preserving products, cutting boards, colanders and strainers, and more; cutlery products, which include knife sets, cleaver and boning products, sharpeners, kitchen shears, chefs and utility knives, and more; and electric products, such as blenders, coffee grinders, mixers and accessories, specialty electrics, coffee and espresso makers, rice and slow cookers, and more.
01/05/2017	Sears Holdings Corporation, Craftsman	\$775	-	Stanley Black & Decker, Inc. (NYSE:SWK)	Sears Holdings Corporation, Craftsman comprises power and hand tools. The asset is located in the United States.
12/12/2016	Smith Mountain Industries, Inc.	\$100	-	Newell Brands Inc. (NYSE:NWL)	Smith Mountain Industries, Inc., doing business as Virginia Gift Brands, develops, manufactures, and markets fragrance delivery products for households in the United States. It offers candles; large diffusers, mini diffusers, reed diffuser refills, and spill proof diffusers; and sachets, home vent clips, car scents, gift sets and novelty, wax melts, and accessories. The company also provides gift sets and novelty. It offers its products online and through stores.
10/12/2016	Newell Brands Inc., Tool Business including Irwin, Hilmor and Lenox Brands	\$1,950	13.0x	Stanley Black & Decker, Inc. (NYSE:SWK)	Newell Brands Inc., Tool Business including Irwin, Hilmor and Lenox Brands comprises cutting, hand tool, and power tool accessories.
09/01/2016	Camp Chef, Inc.	\$74	-	Vista Outdoor Inc. (NYSE:VSTO)	Camp Chef, Inc. manufactures outdoor cooking instruments. It offers gas stoves/ovens, Dutch ovens, and fire pits/fire grills; food smokers that include chips and chunks, smoke vaults, and smoking accessories; carry bags and covers, including stove bags, barbecue grill bags, patio covers, accessory bags, and griddle bags; and cookware, such as cast iron cookware, griddles, pots and pans, seasonings, skilletts, and utensils.
08/08/2016	Aquasana, Inc.	\$87	-	A. O. Smith Corporation (NYSE:AOS)	Aquasana, Inc. designs, manufactures, and markets water filtration products. It offers whole house water filters, water softeners, drinking water filters, shower filters, replacement filters, foodservice water filtration products, clean water machines, water bottles, and water filter accessories.
08/08/2016	AquiSense Technologies LLC	\$9	-	Nikkiso America, Inc.	AquiSense Technologies LLC manufactures UV-C LED systems to disinfect water, air, and surfaces without the use of chemicals or Mercury. It offers PearlAqua, a UV-C LED system for water disinfection; PearlBeam, a collimating beam device; PearlAero, a UV-A LED based system for use in various applications that include UV curing, biological testing, counterfeit detection, and sanitation.

Source: Capital IQ

## Selected Precedent M&A Transactions (continued)

Date	Target/Issuer	Size (\$mm)	TEV/EBITDA(x)	Buyers/Investors	Business Description [Target/Issuer]
08/07/2016	Mattress Firm Holding Corp.	\$2,982	16.0x	Steinhoff International Holdings N.V. (JSE:SNH)	Mattress Firm Holding Corp., through its subsidiaries, operates as a specialty retailer of mattresses, and related products and accessories in the United States. It operates in two segments, Retail Operations and Franchise Operations. The company also operates an e-commerce Website.
07/21/2016	PPG Industries, Inc., Flat Glass facilities in US and Canada and PPG Canada Inc. (Calgary)	\$750	-	Vitro, S.A.B. de C.V. (BMV:VITRO A)	As of October 1, 2016, PPG Industries, Inc., Flat Glass facilities in US and Canada and PPG Canada Inc. (Calgary) was acquired by Vitro, S.A.B. de C.V.. PPG Architectural Finishes, Inc. and Trulite Glass & Aluminum Solutions, LLC represents the combined operations of PPG Architectural Finishes, Inc. and Trulite Glass & Aluminum Solutions, LLC in their sale to Vitro, S.A.B. de C.V. PPG Architectural Finishes, Inc. manufactures architectural and industrial products, sundries, and wall coverings.
07/18/2016	Taylor Brands, LLC	\$85	-	Battenfeld Technologies, Inc.	Taylor Brands, LLC manufactures, designs, and distributes stainless steel knives and accessories. Its products are used by outdoor enthusiasts, hunters, law enforcement, and fire safety professionals.
07/11/2016	The LANG Companies, Inc.	\$4	-	IG Design Group Americas Inc.	The LANG Companies, Inc. produces and supplies gift and specialty products, indoor and outdoor home décor, and sports licensed products, including greeting cards, calendars, drinkware, tableware, puzzles and games, and stationery.
06/24/2016	Coffee Kinetics LLC	\$1	-	Coffee Holding Co., Inc. (NasdaqCM:JVA)	Coffee Kinetics LLC, doing business as Sonofresco, manufactures commercial coffee roasters. The company offers roasting equipment, such as coffee roasters, advanced definition roasting controllers, venting options, and replacement parts; and green coffee beans for businesses or homes. It sells its products online. The company was founded in 1999 and is based in Burlington, Washington.
05/09/2016	Baby Tula LLC	\$82	6.3x	The ERGO Baby Carrier, Inc.	Baby Tula LLC manufactures and sells toddler carrier products. Its products include baby carriers and woven conversion carriers; ring slings; woven wraps; blankets; and accessories that include infant inserts, torbas, and replacements. The company offers its products online in the United States and internationally. The company was founded in 2009 and is based in San Diego, California.
04/27/2016	Baby Trend Inc.	\$94	-	Alpha Group (SZSE:002292)	Baby Trend Inc. manufactures juvenile products. The company offers car seats, strollers, joggers, travel systems, nursery centers, high chairs, diaper pails, walkers, bouncers, swing bouncers, bath tubs, potty training products, safety gates, playards, and various collections. It sells its products through in-store and online retailers in the United States and Canada. Baby Trend Inc. was incorporated in 1988 and is based in Ontario, California.
03/17/2016	Newell Rubbermaid Inc., Window Coverings Business	\$270	-	Hunter Douglas N.V. (ENXTAM:HDG)	As of July 1, 2016, Window Coverings Business was acquired by Hunter Douglas N.V. Newell Rubbermaid Inc., Window Coverings Business comprises window covering products' manufacturing facility and is located in the United States.

Source: Capital IQ

## Selected Precedent M&A Transactions (continued)

Date	Target/Issuer	Size (\$mm)	TEV/EBITDA(x)	Buyers/Investors	Business Description [Target/Issuer]
02/02/2016	Lamrite West, Inc.	\$150	-	The Michaels Companies, Inc. (NasdaqGS:MIK)	Lamrite West, Inc., doing business as Darice, Inc., engages in the manufacture and wholesale distribution of craft, floral, and art supplies to craft, mass market, party, toy, drug, and grocery stores. It provides craft basics, jewelry making products, scrapbooking, bridal products, floral design products, fine art supplies, kid's crafts, and licensed products.
01/15/2016	Haier US Appliance Solutions, Inc.	\$5,400	10.0x	Qingdao Haier Co., Ltd. (SHSE:600690)	Haier US Appliance Solutions, Inc., doing business as GE Appliances, manufactures and markets consumer durable appliances and lighting equipment. Its products include freezers, toaster, dishwashers, washing machines, dryers, microwave ovens, speed cooking ovens, food processor, room air conditioners, water filtration, and softening and heating systems.
01/14/2016	Kmart Anchored Center	\$17	-	Third Lake Capital, LLC	Kmart Anchored Center comprises a furniture retail store and is located in the United States.
01/06/2016	Home Meridian International, Inc.	\$100	-	Hooker Furniture Corporation (NasdaqGS:HOFI)	Home Meridian International, Inc. is engaged in the design, sourcing, production, and logistics of furniture. It offers accents, bars and barstools, beds, benches, bookcases, chairs, chests, China cabinets, display cabinets, desks, dining chairs, dining tables, dressers media products, mirrors, nightstands, occasional furniture, servers/sideboards, tables, home office furniture, beds-youth, and file cabinets; beds and headboards, chests and dressers, closets, and much more
12/14/2015	Jarden Corp.	\$19,031	20.0x	Newell Brands Inc. (NYSE:NWL)	Jarden Corporation manufactures, markets, & distributes consumer products worldwide. The company's products include air fresheners, brooms, brushes, buckets, children's card games, clothespins, soothers, sponges, storage organizers & workshop accessories, teats, toothpicks, travel sprays, window guards, air purifiers, fans, heaters, humidifiers & vacuum cleaning systems; clippers, trimmers, & other hair care products.
12/08/2015	Marquis Industries, Inc.	\$2	1.1x	Live Ventures Incorporated (NasdaqCM:LIVE)	Marquis Industries, Inc. manufactures and sells carpet yarns and residential carpets primarily in North America. It also sells vinyl and wood floorcoverings; and resells hard-surfaces. The company was incorporated in 1990 and is based in Chatsworth, Georgia. Marquis Industries, Inc. is a subsidiary of Live Ventures Incorporated.
12/07/2015	Perfect Fit Industries, LLC	\$36	-	Cross River, LLC	Perfect Fit Industries, LLC manufactures and markets bedding products. Its products include mattress pads and toppers, pillows, heated blankets and mattress pads, warming throws, down and down alternative products, and latex foam products.
11/30/2015	Double J-RD, LLC	\$4	-	Mattress Firm Holding Corp.	Double J-RD, LLC operates mattress specialty retail stores. The company was incorporated in 2010 and is based in San Antonio, Texas. As of November 17, 2015, Double J-RD, LLC operates as a subsidiary of Mattress Firm Holding Corp.

Source: Capital IQ



## Selected Precedent M&A Transactions (continued)

Date	Target/Issuer	Size (\$mm)	TEV/EBITDA(x)	Buyers/Investors	Business Description [Target/Issuer]
11/23/2015	PETCO Animal Supplies, Inc.	\$4,600	-	CVC Capital Partners Limited; Canada Pension Plan Investment Board	PETCO Animal Supplies, Inc. operates as a specialty retailer of pet food, supplies, and services. Its pet-related products include food, supplies, grooming products, toys, novelty items, and vitamins, as well as fishes, birds and other small animals, and veterinary supplies.
10/06/2015	American Furniture Manufacturing, Inc.	\$24	-	Bank of America Corporation, Asset Management Arm; Spring Creek LLC	American Furniture Manufacturing, Inc. manufactures upholstered wooden frame furniture. It offers stationary sofas, loveseats, chairs, and ottomans, as well as sectionals; motion sofas and loveseats; recliners; power sofas, loveseats, and sectionals, as well as power recliners; and accent tables.
08/31/2015	Blyth, Inc.	\$139	13.0x	The Carlyle Group LP (NasdaqGS:CG)	Blyth, Inc., together with its subsidiaries, operates as a direct to consumer marketing company in the United States, Canada, Mexico, Europe, and Australia. The company operates through two segments: Candles & Home Décor and Catalog & Internet.
08/31/2015	WII Components Inc.	\$369	12.9x	Quanex Building Products Corporation (NYSE:NX)	WII Components Inc., together with its subsidiaries, manufactures and sells wood kitchen and bath products. It offers hardwood products, including hardwood doors and components; and engineered wood products comprising rigid thermofoil doors and components, veneer raised panels, and wrapped profiles.
08/24/2015	Anna's Linens, Inc., 41 Store Leases	\$1	-	FP Stores, Inc.	As of October 29, 2015, 41 Store Leases of Anna's Linens, Inc. was acquired by FP Stores, Inc.. Anna's Linens, Inc., 41 Store Leases comprises lease for 41 home decor stores. The stores are located in the United States.
08/19/2015	The Beachcombers International Inc.	\$2	-	KB Howell Enterprises, LLC	The Beachcombers International Inc. retails gifts, home décor products, and souvenir products in the United States. It offers nautical items, wine accessories, picture frames, windchimes, nautical and tropical Christmas items, fun stuff, jewelry/sarongs/shoes, and casual living products. The company was founded in 1946 and is headquartered in North Fort Myers, Florida. As of August 19, 2015, The Beachcombers International Inc. operates as a subsidiary of KB Howell Enterprises.
08/12/2015	Dormeo North America, LLC	\$8	-	Sinomax-USA, Inc.	Dormeo North America, LLC manufactures mattresses and pillows. It serves customers through stores in the United States. The company was founded in 2012 and is based in Plano, Texas. Dormeo North America, LLC operates as a subsidiary of Studio Moderna d.o.o.
07/14/2015	Marquis Industries, Inc.	\$41	4.3x	Live Ventures Incorporated (NasdaqCM:LIVE)	Marquis Industries, Inc. manufactures and sells carpet yarns and residential carpets primarily in North America. It also sells vinyl and wood floorcoverings; and resells hard-surfaces. The company was incorporated in 1990 and is based in Chatsworth, Georgia. Marquis Industries, Inc. is a subsidiary of Live Ventures Incorporated.

Source: Capital IQ

## Contact Us

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Peakstone is an investment bank that specializes in mergers and acquisitions advisory and capital raising for middle market clients. Our team is comprised of senior investment banking professionals who have decades of experience and have executed hundreds of transactions totaling billions of dollars. For additional information, visit [www.peakstone.com](http://www.peakstone.com) or contact Jessica Sanchez at [jsanchez@peakstone.com](mailto:jsanchez@peakstone.com) or 312-204-7300.

