Applied Investment Management (AIM) Program

AIM Class of 2018 Equity Fund Reports
Fall 2017

Date: Friday, December 8th | ***Time:*** *10:00 – 10:50* a.m. | ***Location: AIM Research Room 488***

Student Presenter	Company Name	Ticker	Sector	Page
John Wagner	FirstCash, Inc.	FCFS	Financial Services	2
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These student presentations are an important element of the applied learning experience in the AIM program. The students conduct fundamental equity research and present their recommendations in written and oral format – with the goal of adding their stock to the AIM Equity Fund. Your comments and advice add considerably to their educational experience and is greatly appreciated. Each student will spend about 5-7 minutes presenting their formal recommendation, which is then followed by about 8-10 minutes of Q & A.

David S. Krause, PhD
Director, Applied Investment Management Program
Marquette University
College of Business Administration, Department of Finance
436 Straz Hall, PO Box 1881
Milwaukee, WI 53201-1881

mailto: AIM@marquette.edu

Website: MarquetteBuz/AIM AIM Blog: AIM Program Blog
Twitter: Marquette AIM Facebook: Marquette AIM

FirstCash, Inc. (FCFS)
December 8, 2017

John Wagner — Domestic Financial Services

FirstCash, Inc. (FCFS) operates retail-based pawn stores throughout the United States and Latin America. FCFS has placed emphasis on un-tapped regions of Latin America with recent penetration into this market as well as geographic areas in the United States with "unbanked" or "underbanked" Americans. FCFS has two reported segments: United States Operations (62% of FY 2016 sales) and Latin America Operations (38%). Both segments generate cash flow primarily from pawn and consumer loan operations collateralized by pledged personal property, pawn service fees, and the buying and selling of merchandise. FCFS was founded by John R. Payne in 1988 and is headquartered in Arlington, TX.

Price ($):	67
Price Target ($):	79.17
52WK H-L ($):	67.55 - 39.8
Market Cap (mil):	3,162
Insider Holdings	2.75%
Avg. Daily Vol (mil):	0.15
Yield (%):	1.2
Dividend ($):	0.80
ESG Rating	BB

Beta:	0.74
M-Term Rev. Gr Rate Est:	8.5%
M-Term EPS Gr Rate Est:	15.50%
Debt/Equity:	29.6
Debt/EBITDA (ttm):	1.61
WACC	6.42%
ROA (%):	5.12
ROE (%):	7.78
ROIC (%):	5.80

FY: Dec	12/31/2015	12/31/2016	12/31/2017	12/31/2018
Revenue (Mil)	704.60	1,088.38	1,708.75	1,806.15
% Growth	-1.16	54.47	57.00	5.70
Oper Inc	113.79	148.39	201.63	240.22
% Growth	-13.02	30.40	35.88	19.14
Op Margin	16.1	13.6	11.80	13.30
EPS	$2.34	$1.72	$2.30	$2.97
P/E (Cal)	17.5	27.3	22.5	19.5
P/B	2.5	1.6	2.03	1.96

Recommendation

FirstCash is the largest publicly traded pawn shop operator in the Americas with a market share of 8.9% in the US and 13.6% in LatAm. FCFS's closest pawn competitor holds a market share in the US of 4.1% and 4.9% in LatAm, with close to 50% of other pawn retailers commanding less than 0.5%. In both the US and LatAm, FirstCash has placed emphasis on visibility and attractiveness of their stores, placing them strategically in retail shopping centers or freestanding buildings with distinctive store design. FCFS has recently announced an incentive compensation plan to be implemented in Cash America stores, which focus more on profitability rather than sales. The US operations also recently integrated new technology into all their merged Cash America stores that will in turn, increase the loan-to-value ratio. This system will reference all previous transactions for the related item across the US and create a monetary value for it. With more accurate representation of the item value, stronger profit margins are expected with increased loan value. The LatAm operations has the best potential for growth with plans to continue store expansion in Mexico, as well as untapped regions in Guatemala, Colombia, and Peru with high underbanked populations. The gross profit margin will likely increase as pawn loan fees, which account for 54% of net revenue, have increased 14% in existing stores and 11% in new stores. Because of the high percentage of underbanked, store expansion, and focus on margin growth, the LatAm segment has a long, visible runway for ongoing growth. Through smaller acquisitions in the US and growing market share in LatAm, FCFS looks to become a monopoly in this fragmented market. Due to this, it is recommended that FirstCash, Inc. be added to the AIM Equity Fund with a target price of $79.17, representing an 18.16% upside. FCFS pays a quarterly dividend of $0.20, yielding 1.2%.

Investment Thesis

- **Latin America Segment Offers Attractive Growth.** 63% of the LatAm population has limited or no access to credit products and FCFS has placed emphasis on store growth in these areas. In Mexico alone, only 28% of the population have an account at a financial institution and 14% with a credit card, making penetration rates remarkably high. Since 2015, 88 stores have opened increasing revenue from 527M (MXN) to 688M. Pawn loan fees are currently averaging monthly interest of 12% and net revenue of 54%, with gross margins of 100%, and YoY growth of 21%. In a 5-year period of new store development, operating margins are historically around 26%, which will continue to add to margins in the future. Aged inventory is also at 11% in Cash America stores, which has plans to be down to 5%, reducing depreciation and increasing margins.

- **High Barriers to Entry.** Many of the current markets with established FCFS stores have licensing and zoning restrictions limiting the number of potential competitors from expansion or new development. In Texas, where FCFS has 414 stores, no licenses may be granted in cities with over 250,000 people. In states like NV, VA, and CO where FCFS has over 30 pawn shops, there are severe restrictions on the number of licenses issued. In the LatAm segment, FCFS has first-mover advantage and benefits from new regulations and reporting requirements. New store expansion also requires significant capital investment and requires a long-time horizon to pay back in full. Typically, FCFS has a payback period of 2.75 years because of its long-standing existence and leading-edge technology that no competitors currently have.
- **Strategic Management.** Currently, 7% of the consumers in the United States are unbanked and nearly 20% underbanked, with this number remaining constant since 2013. FCFS has placed emphasis on maintaining steady segment revenue in the United States Operations, while making smaller acquisitions with focus primarily on share buyback, dividends, and new technology storewide. CAGR revenue growth of 23% will continue to come primarily from the untapped regions of LatAm where larger acquisitions and store development will occur.

Valuation

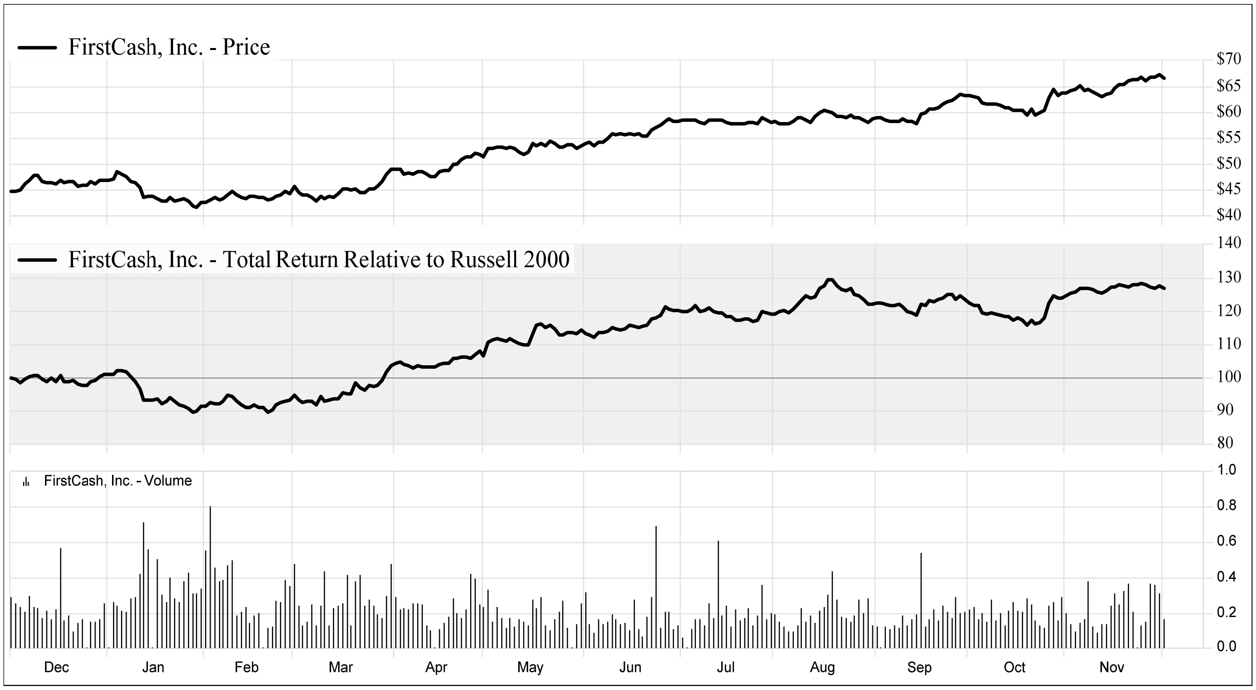
To reach an intrinsic value of $79.17, a 5-year discounted cash flow model and a NTM EV/EBITDA multiple model was used. A 5-year discounted cash flow was used with a terminal growth rate of 2.25% and a WACC of 6.42%. This resulted in a target price of $82.87. An average 5-year EV/EBITDA of 12.15x and FE EBITDA of $270.45M yielded a value of $70.53. A sensitivity analysis of ±0.25% on both the WACC and perpetual growth rate resulted in a price range of $65.60-102.17. Weighing these 70/30, an intrinsic value of $79.17 was reached, representing an 18.16% upside. FCFS pays a quarterly dividend of $0.20, yielding 1.2%.

Risks

- **Regulation in the U.S. and Latin America.** If regulations increase regarding pawn shop lending, or more credit becomes available in the United States to subprime consumer because of deregulation with traditional lending, consumer base for pawnshops could decrease.
- **Currency Exposure.** LatAm revenue accounts for a large portion of FCFS revenue and they are subject to translation exposure associated with the consolidation of financial statements. If the value of Mexican peso or Guatemalan quetzales weakens, it could adversely affect earnings and share price of the company.
- **Synergy Outcome from Cash America Merger.** Because of the Cash America merger, FCFS has expected cost savings of $45M in overhead, and significant revenue increase. If the outcome of the merger does not goes as planned, the price of FCFS could decrease.

Management

Daniel R. Feehan is Chairman at FirstCash, Inc. and a Member at World Presidents' Organization. Previously, Mr. Feehan served as CEO of Cash America for 15 years as well as President and COO for 10 years. He was Executive Chairman of Cash America up until the merger with First Cash Financial Services, Inc. Rick L. Wessel serves as Vice Chairman and CEO at FirstCash, Inc. and is on the Board of Directors. Mr. Wessel served as Chairman, President, and CEO of First Cash Financial Services, Inc. prior to the merger.



Peer Valuation

Name	Ticker	Market Cap	P/E	P/B	EV/EBITDA	Div Yld
FirstCash, Inc.	FCFS	3,143	28.46	2.15	11.16	1.16
Rent-A-Center Inc	RCII	613	21.10	2.58	6.61	2.78
World Acceptance Corporat	WRLD	734	11.43	1.51	2.71	0.00
EZCORP, Inc. Class A	EZPW	622	20.51	0.99	8.17	0.00
OneMain Holdings, Inc.	OMF	3,530	20.65	1.09	6.23	0.00
Enova International Inc	ENVA	495	16.09	1.81	7.19	0.00
Peer Averages		1,199	18.0	1.60	6.42	0.6

Source: FactSet

Peer Fundamentals

Name	Ticker	Market Cap (mil)	ROE	ROA	ROIC	Debt/Equity
FirstCash, Inc.	FCFS	3,143	6.39	4.15	4.63	31
Rent-A-Center Inc	RCII	613	-28.61	-5.88	-8.72	273
World Acceptance Corporation	WRLD	734	17.26	9.07	9.67	64
EZCORP, Inc. Class A	EZPW	622	5.36	3.36	3.69	43
OneMain Holdings, Inc.	OMF	3,530	7.39	1.09	1.16	455
Enova International Inc	ENVA	495	15.46	3.72	4.19	270
Peer Averages		1,199	7.39	3.36	3.69	221.2

Source: FactSet

Hain Celestial Group, Inc. (HAIN)
December 8, 2017

Louisa Steinhafel | Consumer Staples

Hain Celestial Group, INC. (NASDAQ: HAIN) produces and distributes organic and natural "better-for-you" products with operations located in North America, Europe and India. With health and wellness as one of their core tenets, they are committed to sustainable and environmentally sound business practices and manufacturing processes. HAIN sells their products in more than 80 countries worldwide through specialty and natural food distributors, natural foods stores, supermarkets, mass-market and e-commerce retailers, drug and convenience stores, and food service channels. Their well-known brands include, but are not limited to, Celestial Seasonings, Ella's Kitchen, Earth's Best, Terra, Sensible Portions, Health Valley and Garden of Eatin. HAIN primarily sells their products in the categories of grocery, poultry/protein, snacks, personal care and tea. They operate both nationally and internationally in one segment, Organic and Natural Products. HAIN has four main operational segments: US, UK, Hain Pure Protein, and Rest of World. HAIN was founded by Irwin David Simon on May 19, 1993 and is headquartered in Lake Success, NY.

				FY: Dec	06/30/2016	06/30/2017	06/30/2018	06/30/2019
Price ($):	42.11	Beta:	1.02					
Price Target ($):	41.85	M-Term Rev. Gr Rate Est:	-2.7%	Revenue (Mil)	2,885.37	2,853.11	3,024.30	3,205.75
52WK H-L ($):	45.61 - 31.01	M-Term EPS Gr Rate Est:	10.4%	% Growth	10.57%	-1.12%	6.00%	6.00%
Market Cap (mil):	4,415	Debt/Equity:	43.3	Oper Inc	150.40	110.80	174.35	197.43
Insider Holdings	2.51%	Debt/EBITDA (ttm):	3.14	% Growth	-35.71%	-26.31%	57.35%	13.24%
Avg. Daily Vol (mil):	1.2	WACC	6.50	Op Margin	5.21%	3.88%	5.77%	6.16%
Yield (%):	0.0	ROA (%):	2.62	EPS*	0.46	0.65	0.90	1.27
ESG Rating		ROE (%):	4.61	P/E (Cal)	108.15	59.72	115.70	81.78
		ROIC (%):	3.16	FCF/Share (Cal)	-0.38	1.24	0.45	1.51

Recommendation

HAIN is currently the last remaining publicly traded pure-play organic food company. According to a TechSci Research report, the global organic food market is projected to grow at a CAGR of 14% from 2016-2021 due to increased consumer awareness over the health benefits of going organic. HAIN offers a diverse set of organic and natural products in all channels of distribution. From 2012-2015, their sales growth each year was at a rate of 20% or higher. Much of this growth can be attributed to their business strategy of acquiring companies and brands that are intended to promote future growth. As of December 4, 2017, HAIN acquired Clarks UK Ltd., a natural sweeteners company that is expected to be accretive to Hain in FY19. In 2016 and 2017, HAIN's sales growth was significantly reduced to 10.5% and -1% due to corrections that had to be made to their sales after an inventory realignment as well as the change in foreign currency exchange rates. Following a 2016 voluntary accounting probe by the SEC into their revenue recognition, HAIN was not guilty of any major improprieties. HAIN's most recent quarterly earnings reported 4% growth in net sales and foreign exchange rates resulted in a less than 1% reduction. HAIN is optimistic about continued solid growth throughout the year and their ability to recover from the decrease in sales that resulted from 2015 and 2016. Lastly, with many packaged food companies looking to increase their exposure to organics and HAIN being the last publicly traded pure-play organic food company, there is a possibility that they may be acquired. For those reasons, it is recommended that Hain Celestial Group be added to the AIM Equity Fund with a price target of $56.07, which represents a $33.15% upside.

Investment Thesis

- **Amazon Acquiring Whole Foods.** This acquisition has created a great opportunity for HAIN considering Amazon is one of their fastest-growing customers and Whole Foods is their largest customer. The CEO of HAIN, Simon Irwin, is optomistic about the acquisition. He stated that he believes that with Whole Foods reduced prices, more consumers will be driven to buy HAIN brands, fueling future growth. It also creates the opportunity for their products to become more accesable and mainstream, allowing them to reach a broader consumer base. Already, 54 million

Amazon subscribers have joined a Whole Foods loyalty program that HAIN expects to drive increased in-store traffic. Whole Foods has cited Arrowhead Mills, one of HAIN's brands, as one of the top food trends in 2018 in their recent global newsletter.

- **Project Terra.** With over 20 different brands, HAIN has launched Project Terra, an initiative aimed at finding the company's growth opportunities, while also simplifying the business and locating cost saving opportunities. Their goal for this year is to save $100 million by the end of 2017. The money that they save is being reinvested in brand marketing and to offset higher freight and commodity costs. During this last quarter, 35% of HAIN's net income was directly related to improvements made by Project Terra and is expected to continue to provide incremental cash flow growth through margin improvement into future years.
- **Healthy Living.** Consumers are using organic products more than ever before. Organic food sales in 2016 capped $40 billion and now accounts for more than 5.3% of total food sales in the U.S. The global market for health and wellness offerings reached $686 billion in 2016 with expected growth at a 3.5% CAGR by 2021. With continued initiatives towards growth and household penetration, HAIN can advance their position in the organic food and household products industry by capitalizing on consumer's desire for "A Healthier Way of Life".

Valuation

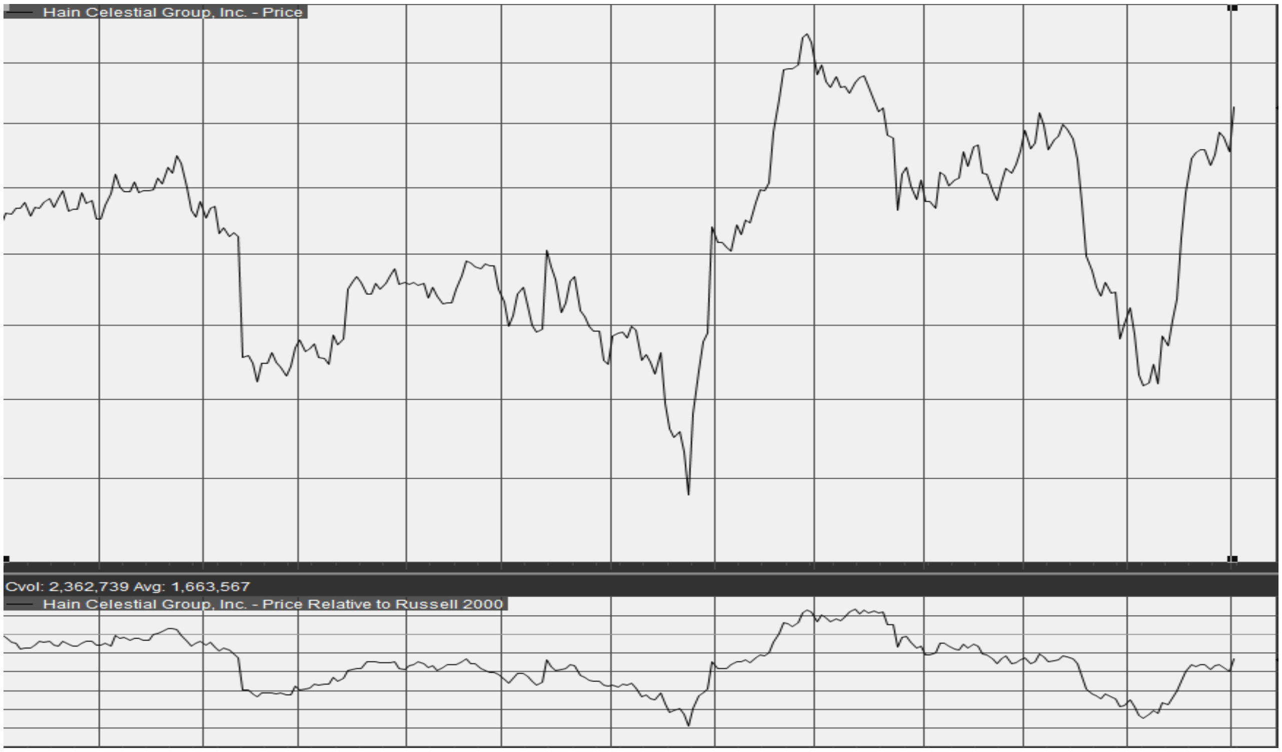
In order to reach an intrinsic value for HAIN, a five year DCF model was constructed. Using a terminal growth rate of 3%, WACC of 6.49%, an intrinsic value of $19.99 was reached. Additionally, a P/E multiple valuation was conducted using NTM EPS of $1.81, a comparables average P/E of 27.85, and HAIN's 5-year historical average P/E which resulted in a valuation of $79.16. Finally, an EV/EBITDA multiple valuation was calculated. Using the a similar blended comparables and historical average of 17.27x and NTM EBITDA of $429.04M, the multiple resulted in a valuation of $66.71. By weighting the three valuation models 60/20/20, a price target of $41.17 was reached, which yields a 3.22% downside. HAIN does not pay any dividends.

Risks

- **Amazon Acquiring Whole Foods.** Despite this acquitions potential to benefit HAIN, if they do not see the sales growth they have predicted, their margins may take a significant hit.
- **A Highly Competitive Market.** HAIN operates in the highly competitve food industry, with numerous brands and limited shelf space, the competition is intense which has the potential to reduce overall sales or to derail their market position. The importance of product quality, brand loyality, price, brand recogonition, product innovation, availability, taste and promotional acitivity are vital to survival.
- **Stringent Regulation.** HAIN operates in a heavily regulated environment by agencies such as the Food and Drug Administration, Environmental Protection Agency, Federal Trade Commission and Department of Commerce. Additionally, they have to comply with certain health and saftey regulations layed out by the Occupational Saftey and Health Act. Failure to comply may result in a decline in business and profiability or potential litigation.
- **2016 Accounting Probe and it's Long Term Effect.** HAIN was trading at $53 before they announced the delay of their fourth-quarter earnings in 2016. Their stock plunged the following day to $39.35. It is crucial that HAIN work to irridicate investor fear. They need to work hard to continue to show growth to investors in order to prove that they have moved past this event.

Management

Irwin David Simon is the President, CEO and founder of HAIN. James M. Langrock is the CFO and EVP as of June 23, 2017. He received his undergraduate degree from Saint Mary's University. James was previously CFO and EVP at Monster Worldwide, Inc., VP-Finance-Enterprise Mobility Business at Motorola, Inc., and Chief Accounting Officer at Symbol Technologies, Inc. He received his undergraduate degree from James Madison University and an MBA from Hofstra University.



Peer Valuation

Name	Ticker	Market Cap (mil)	P/S	P/E	EV/EBITDA	P/B
Hain Celestial Group, Inc.	HAIN	4,415	1.54	56.49	21.17	2.50
Sprouts Farmers Markets, Ir	SFM	3,148	0.72	24.39	10.90	5.11
United Natural Foods, Inc.	UNFI	2,429	0.26	18.67	7.21	1.44
Amplify Snack Brands Inc	BETR	424	1.11	36.80	15.48	4.75
Lifeway Foods, Inc.	LWAY	162	1.33	84.08	20.24	3.33
J. M. Smucker Company	SJM	13,132	1.78	23.36	11.71	1.87
Peer Averages		1,541	1	37.5	13.10989	3.3

Source: Bloomberg

Peer Fundamentals

Name	Ticker	Revenues	ROE	ROA	Debt/Equity	Est 5 yr NI growth
Hain Celestial Group, Inc.	HAIN	2,853	4.0	2.3	43.80	2
Sprouts Farmers Markets, Inc.	SFM	4,046	16.6	7.9	57.18	23
United Natural Foods, Inc.	UNFI	9,274	8.1	4.5	22.93	6
Amplify Snack Brands Inc	BETR	271	76.9	4.3	1,145.07	-25
Lifeway Foods, Inc.	LWAY	162	7.4	5.3	14.72	-26
Peer Averages		3,438	27.3	5.5	309.97	-5.7

Source: Bloomberg

Hooker Furniture Corporation (HOFT)

December 8, 2017

Riddhi Vakil — Domestic Consumer Discretionary

Hooker Furniture Corporation (NASDAQ: HOFT) is a designer, marketer, and importer for home furnishings that distributes in the residential, hospitality and contract markets. They are ranked among the nation's top five largest publicly traded furniture sources. It operates through four different segments: Home Meridian (59.7% of total revenue), Hooker Casegoods (24.5%), Upholstery (14.2%), and All Other (1.6%). The company obtains 98% of revenue domestically and 2% internationally. Their customer base includes independent furniture stores, specialty retailers, department stores, catalog and internet merchants, and national and regional chains. Hooker Furniture Corporation was founded in 1924, and is headquartered in Martinsville, Virginia.

Price:	$50.95
Price Target:	$61.13
52WK H-L ($):	$51.60-$28.10
Market Cap (Mill):	$574.84
Insider Holding:	2.60%
Avg. Daily Vol:	55,618
Dividend ($):	$0.42
Yield (%):	1.00%
ESG Rating:	BBB

Beta:	0.99
WACC:	6.85%
M-Term Rev. Gr Rate Est:	8.00%
M-Term EPS Gr Rate Est:	10.91%
Debt/Equity:	24.04%
Debt/EBITDA:	0.98
ROA:	10.10%
ROE:	14.20%
ROIC:	9.60%

FY: Jan.	2016A	2017A	2018E	2019E
Revenue (Mil):	$247.00	$577.22	$637.83	$711.18
% Growth:	1.08%	133.69%	10.50%	11.50%
Operating Income:	$25.46	$40.42	$49.11	$51.20
Operating Margin:	10.31%	7.00%	7.70%	7.20%
EPS:	$1.49	$2.18	$2.75	$2.87
FCF/Share:	$1.74	$2.48	$2.60	$2.91
P/E:	19.30	15.20	18.53	17.75
EV/EBITDA:	20.87	12.24	9.94	9.55

Source: FactSet

Recommendation

The US housing market crash in 2008 devastated sales and margins for many furniture retail and manufacturing companies. In 2009, the industry experienced their lowest total sales in a decade. Since then there has been a gradual rise back into positive growth; however, home furnishings store sales have not yet reached their pre-recession peak. Typically, when the economic situation is favorable, the consumer discretionary sector experiences a rise in demand, helping to support the furniture business. HOFT has had positive net sales growth - along with positive net income growth - for the past five years, with net sales growing at a 21% CAGR and net income growing at a 38% CAGR. As HOFT is part of the retail industry, recent retail data indicates that small and mid-level companies are stealing market share from the bigger companies. As of right now, Hooker has an industry share of about 2.5%, making them a small to mid-level business. In November, Amazon announced the release of two furniture brands, which caused HOFT's share price to drop by over 8%. Since then, HOFT's share price has fully recovered in large part because of their competitive edge. They have used their recent acquisitions to enter new and expanding channels of distribution, while also creating different sales teams to control and optimize their marketing channels. HOFT has set itself apart by operating in different segments of the furniture market. They have segments that sell low-end and high-end, luxury furniture, with another segment representing sales to senior/assisted living services and 4-5 star hotels. The average growth rate of EPS over the past 3 years (2015-17) was 44.24%, while their competitors' average growth rate was 26.38%. In 2016, industry sales experienced a 29% YoY growth, while HOFT had growth of 134% in FY17. With HOFT's ability to compete in multiple segments since the Great Recession, generate substantial revenue growth, and to place a focus on emerging channels, it is recommended that HOFT be added to the AIM Equity Fund with a price target of $61.13, representing an upside of 20%.

Investment Thesis

- **Growth through Acquisitions.** In the beginning of fiscal year 2017, HOFT acquired Home Meridian International, Inc. for $106 million, and has also made an announcement for the acquisition of Shenandoah Furniture on October 31, 2017 for $40 million. The Home Meridian segment has more than doubled net sales in one year and has contributed greatly to the 56% increase in net income. Certain legacy Hooker Furniture businesses had unexpected sales declines and the Home Meridian segment sales stabilized the declining sales and offered new growth opportunities. As of Q2 FY17, this segment increased by 20% compared to last year. Management has said in the Q2 FY18 earnings call that Shenandoah Furniture has shown positive, consistent growth in the past year, with $40 million in net sales in 2016. And future growth should achieve a steady 5-10% increase.

- **Market Trends Support Demand.** The furniture industry is dependent upon the overall strength of the economy. The US unemployment rate is at 4.1%, the lowest it has been in over a decade, indicating that consumers likely have access to more disposable income. Real median household income of $59,039, has been the highest it has been in the past 10 years and is expected to grow by about 2% annually. The stock market has reached record highs and consumer confidence is strong. Existing home sales have increased from under 4 million units in 2009 to close to 6 million units in 2017 – and continued growth is forecast.
- **Expansion into New Emerging Channels.** The furniture industry has changing consumer tastes and channels in which they shop and HOFT has been changing to meet these consumer demands. Their recent acquisitions have helped them to expand into new channels that offer growth opportunities for the company. Shenandoah Furniture is a profitable company focused on a winning channel of distribution in lifestyle specialty furniture, something HOFT has been underrepresented in the past. Additionally, Home Meridian International has helped the firm expand into e-commerce, warehouse membership clubs, and contract channels.

Valuation

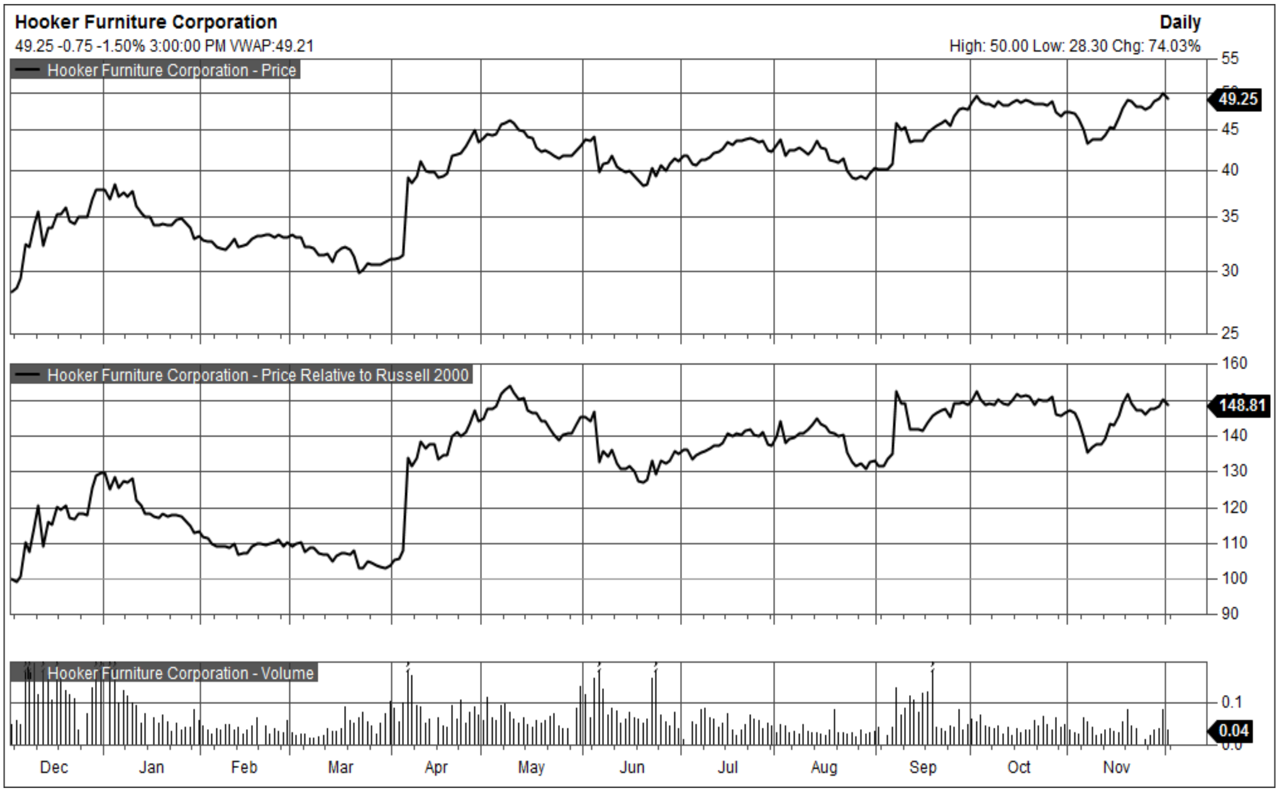
In order to reach an intrinsic value for HOFT, a five year DCF model was constructed. Using a terminal growth rate of 2.00% and a WACC of 6.85%, an intrinsic value of $67.45 was reached. A sensitivity analysis on the terminal growth rate and WACC ranged from $54.81-$88.39. Additionally, a P/E multiple valuation was calculated. Using a 2018E EPS of $2.75 and utilizing a blended average P/E multiple of 22.48x, resulted in an intrinsic value of $61.83. Finally, an EV/EBITDA multiple valuation was conducted using a blended average EV/EBITDA multiple of 10.52x, resulting in an intrinsic value of $52.00. By weighing the three models 40/30/30, a price target of $61.13 was reached, resulting in a 19.98% upside. HOFT pays a $0.42 dividend, yielding 1.00%.

Risks

- **Volatility to Market Movements.** Being involved in the distribution of furnishings exposes them to the retail business. Since 2010, retail volatility has increased by about 250%. With e-commerce giant, Amazon, entering the furniture industry, HOFT faces risk of decreasing market share.
- **Limitations from Acquisition Debt.** HOFT obtained 60 million dollars in term loans to acquire Home Meridian, Inc. Rising interest rates could decrease net income, also decreasing the amount of capital expenditures available. This can prohibit them from pursuing strategic opportunities, putting them at a competitive disadvantage.
- **Disruption in Supply from Offshore Suppliers.** Much of HOFT's future growth is projected through their increase in order backlogs, and they rely heavily on foreign suppliers for most of their products. Their top five suppliers in Vietnam and China account for over half of the FY17 import purchases. A disruption in the supply chain could negatively affect their ability to fill customer orders in a timely manner which could decrease sales and earnings. For precaution, HOFT has sufficient inventory in the domestic warehouses to cover demand for several months.

Management

Paul B. Toms, Jr. has served as the Chairman and CEO since December 2000 and has been Director of Hooker Furniture since 1993. He also serves as Director of Yahoo! Inc. With over 30 years of experience in accounting, Paul A. Huckfeldt serves as the CFO, SVP-Accounting and Head-Investor Relations.



Source: Factset

Name	Ticker	Market Cap (Mil)	P/S	P/E	EV/EBITDA	P/B
Hooker Furniture Corporatio	HOFT	$574.84	0.90	18.53	9.94	2.70
Ethan Allen Interiors	ETH	$806.15	1.10	22.79	9.68	2.01
At Home Group Inc.	HOME	$1,680.00	2.10	25.80	19.55	3.00
La-Z-Boy	LZB	$1,580.00	1.00	19.02	8.26	2.60
Flexsteel Industries	FLXS	$412.36	0.90	18.50	7.35	1.70
Bassett Furniture Inds	BSET	$392.31	0.90	26.30	7.75	2.2
Peer Averages		$974.16	1.20	22.48	10.52	2.30

Source: FactSet

Name	Ticker	Revenues	ROE	ROA	Debt/Equity	Est. 5 Yr. NI Growth
Hooker Furniture Corp.	HOFT	$577.22	14.20	10.10	24.04	456.74
Ethan Allen Interiors	ETH	$763.00	9.10	6.30	3.60	-39.50
At Home Group Inc.	HOME	$765.60	6.00	2.30	79.40	-
La-Z-Boy	LZB	$1,520.00	15.00	10.10	0.10	90.70
Flexsteel Industries	FLXS	$468.80	10.80	9.20	-	85.90
Bassett Furniture Inds	BSET	$432.00	8.80	5.50	3.90	75.4
Peer Averages		$789.88	9.94	6.68	21.75	53.13

Source: FactSet