



COMPANY UPDATE / ESTIMATE CHANGE

Key Metrics

LABL - NASDAQ - as of	8/7/17	\$79.50
Price Target		--
52-Week Range	\$63.05 -	\$88.25
Shares Outstanding (mm)		17.0
Market Cap. (\$mm)		\$1,349.7
1-Mo. Average Daily Volume		85,594
Institutional Ownership		78.3%
Net Debt/Total Capital	Q4'17	54.4%
ROE	TTM	16.0%
Book Value / Share	Q1'18	\$24.08
Price / Book Value		3.3x
Dividend Yield		0.3%
Adj EBITDA Margin	TTM	17.3%

EPS Fiscal Year 3/31

	Prior	Current	Prior	Current
	2017A	2018E	2018E	2019E
1Q	*\$0.95	--	\$0.86	A --
2Q	*\$0.99	\$1.13	\$1.15	--
3Q	*\$0.70	\$0.77	\$0.83	--
4Q	*\$0.98	\$1.09	\$1.07	--
Year	\$3.61	\$3.82	\$3.91	\$4.33
P/E	22.0x		20.3x	18.0x

* adjusted for special items

Revenue (\$mm)

	Prior	Current	Prior	Current
	2017A	2018E	2018E	2019E
1Q	\$236.5	--	\$245.4	A --
2Q	\$232.1	\$247.9	\$253.0	--
3Q	\$210.7	\$229.1	\$236.5	--
4Q	\$244.0	\$417.1	\$413.7	--
Year	\$923.3	\$1,140.0	\$1,146.0	\$1,675

Company Description: *Cincinnati, OH-based Multi-Color Corp, established in 1916, is a leader in global label solutions supporting prominent brands selling a range of home & personal care, wine & spirit, food & beverage, and specialty consumer products. LABL serves brand owners across 6 continents. Multi-Color employs ~4600 associates across 46 operations globally, and trades on the NASDAQ under 'LABL'.*

Industrials

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Multi-Color Corporation

LABL – NASDAQ – Neutral – 3

Down Fiscal Q1'18 for LABL, but as Expected; Reiterating Neutral Rating.

- LABL reported fiscal Q1'18 (April-June) adjusted EPS of \$0.86 versus \$0.95 in the year-ago period. Results exceeded both our target for \$0.83 and consensus at \$0.81; the company guided to \$0.80 in mid-July, but a discrete tax item provided a \$0.05 boost.
- Revenue grew 2.5% in Q1 to \$242.4M. This fell about 100 basis points short of our model on a destocking item with management citing a +9% organic growth rate in the month of July (month 1 of Q2). Acquisitions pushed consolidated sales higher by 3% in the first quarter.
- Core (non-GAAP) SG & A expense was 9.4% of sales in Q1, down 10bps yr/yr; gross margin at 20.4% was the primary driver of lower yr/yr EPS, but extraordinary retooling costs and timing issues are not likely to repeat.
- LABL announced the purchase of GEMA Etiketten this morning; the Germany-based wine and spirits label maker will add TTM sales of ~\$28MM. The company also announced the divestiture of its 60% interest in an Asian venture sporting TTM sales of ~\$10MM.
- The noted deals have no bearing on the prior-announced \$1B+ agreement to acquire Constantia Labels, which is still suggested to close in fiscal Q3. Our model currently reflects a January 1, 2018, closing date (fiscal Q4). (see **Additional Discussion on page 2 for recap**)
- LABL reiterated expectations for fiscal 2018 sales growth +3% and core EPS of \$4.00. Reflecting upside to Q1, recent M&A, and a few tweaks based on call commentary, our 2018E EPS rises to \$3.91, but still sits a tad below guidance. Our 2019E EPS rises in tandem to \$4.41, but remains sensitive to the Constantia deal.
- We are reiterating our Neutral rating. Not much changes for us following first quarter results that were effectively pre-announced last month, and we see fairly balanced near-term risk/reward at current levels. We still like the Constantia purchase as a multi-year catalyst/ investment thesis point, but expect investors might see a better entry point, particularly given the leverage involved.

**Note Important Disclosures on Pages 7-8.
Note Analyst Certification on Page 7.**

ADDITIONAL DISCUSSION—P&G RELATIONSHIP

We estimate Procter & Gamble accounted for ~\$157MM of LABL's sales in fiscal 2017, up from ~\$148MM and ~\$146MM in fiscals 2016 and 2015, respectively. We continue to view the P&G relationship as a good proxy for LABL, but remind investors that the Constantia transaction will substantially dilute the importance of P&G to consolidated financials. Bringing down key customer risk is attractive, in our view (P&G should shade to ~10% of pro forma sales versus 17%-18%), but having said that, diluting P&G's impact dampens one of our longer-standing thesis points.

ADDITIONAL DISCUSSION—CONSTANTIA FLEXIBLES RECAP

On the morning of Monday, July 17, Multi-Color Corp. announced a definitive agreement to acquire the Labels Division of Constantia Flexibles for roughly \$1.3B. Constantia Flexibles is set to receive 3.4MM newly issued LABL shares (assigned a value of \$75) and become a major shareholder (>16%); we estimate cash consideration of \$1.05B, funded by debt. When the deal was announced in mid-July, LABL management guided to pro forma net debt-to-EBITDA of about 5x post-closing, which was not updated on the conference call this morning and we expect remains a reasonable assumption.

Mike Henry, EVP and Head of Constantia Labels, is to become CEO of Multi-Color, with Constantia assuming two Board seats; Nigel Vincombe is slated to retain his position as Executive Chairman. Constantia Labels' euro-centric footprint and strong presence in Food & Beverage is suggested to mesh well with LABL's current positions in the US and addressing the Home & Personal Care and Wine & Spirits end markets. Synergies are suggested to be less than 2% of acquired revenues, meaning we expect this strategic rationale was paramount to this transaction; management noted that very little plant consolidation would need to take place, particularly over the first couple of years.

As noted in our opening bullet points, we model this transaction to close on January 1, 2018, which is a slightly less aggressive timetable than management is suggesting in noting a fiscal Q3 (October—December) closing remains. We will update our model as necessary when the transaction becomes effective. Our view toward rationale is unchanged, and we look forward to a company with seemingly more balanced positioning across product groups and geographies.

SUITABILITY

We assign LABL a suitability rating of '3.' A complete description of our suitability scale is on page 7. Small-cap status, a narrow product focus (consumer labels), reasonable but modestly aggressive leverage and a reliance on roll-up acquisitions push LABL below our more conservative ratings. A strong history of execution and a long history of operations, along with leading market positions in some technologies and entrenched positions with several major customers, keep LABL well above our most aggressive '4' rating.

CONSIDERATIONS AND RISKS

Multi-Color Corporation generates >40% of its sales internationally, and we expect most of its acquisitions moving forward to occur outside of the United States. Changes in the status quo regarding globalization, free capital flow and/or free trade could materially and negatively impact LABL.

Multi-Color was found by their external auditors to have material flaws in internal reporting controls during the FY 2014 auditing process. After changing accounting firms, LABL's new auditors reiterated this position following the FY 2015 auditing process, although the situation was remedied during the FY 2016 auditing process. Nonetheless, not-yet-discovered issues that may be derivative of the inadequate controls represent a potential risk factor. With Q2'16 results, management noted a 'step function' increase in accounting/compliance costs.

LABL has been an active acquirer in recent years, and is remaining such with the \$1.3B planned acquisition of Constantia Labels. We believe a portion of investor expectations are tied to M&A, both announced and not-yet-announced. Failure to effectively integrate any potential purchase and/or overpayment for assets could result in asset impairments and a reduced capital position. Expected cost synergies and the ability to execute on the organic strategy for acquired assets may never materialize.

The prior noted Constantia Labels will nearly double the scope of Multi-Color, funded primarily with debt.

Tangible book value is negative for LABL.

LABL generates a significant portion of its revenue from Procter & Gamble (~17% as of FY 2016); a deterioration of this relationship could have a material adverse effect on the company. Similarly, many of Multi-Color's clients are large global consumer products firms, and while no customer outside of PG marks >10% of revenue, we expect several other major firms represent a material portion of business for LABL.

Consolidation throughout the packaged food, wine & spirits, household products and soft beverage industries represents a two-fold risk factor, in our view. Acquisition of a client by a non-client could result in a loss of business, while consolidation could also lead to a client base with greater negotiating leverage.

LABL is expected to provide high quality labels and solutions under time constraints. An inability to deliver on commitments could result in the loss of business or inability to secure future new business.

Multi-Color's labels are typically applied to consumer products, a severe pullback in consumer consumption of either staple or discretionary goods could negatively impact the firm. We believe management has little ability to compel consumption of products carrying their labels.

Our Suitability rating is 3 on a 1-to-4 scale (1 = most conservative, 4 = most aggressive)

Additional information is available upon request.

Prices of other stocks mentioned: Procter & Gamble (PG--\$91.44, Long-term Buy, \$104)

Multi-Color Corp (LABL)

(\$'s in thousands)	march '15	march '16	Jun '16	Sept '16	Dec '16		march '17	Jun '17	Sept '17	Dec '17		march '18	march '19
Income Statement Analysis	FY'15	FY'16	Q1'17	Q2'17	Q3'17	Q4'17	FY'17	Q1'18	Q2'18E	Q3'18E	Q4'18E	FY'18E	FY'19E
Revenues	\$ 810,772	\$ 870,825	\$ 236,494	\$ 232,140	\$ 210,658	\$ 244,003	\$ 923,295	\$ 242,440	\$ 252,970	\$ 236,450	\$ 413,740	\$ 1,145,600	\$ 1,692,000
Cost of Revenues	637,498	689,199	184,401	182,187	169,441	190,457	726,486	192,983	197,823	188,687	325,613	905,110	1,337,690
Gross Profit	173,274	181,626	52,093	49,953	41,217	53,546	196,809	49,457	55,147	47,763	88,127	240,490	354,310
%	21.4%	20.9%	22.0%	21.5%	19.6%	21.9%	21.3%	20.4%	21.8%	20.2%	21.3%	21.0%	20.9%
Selling, G & A Expense	68,012	81,998	22,654	19,736	20,408	22,124	84,922	23,589	20,520	21,090	37,190	102,389	149,880
%	8.4%	9.4%	9.6%	8.5%	9.7%	9.1%	9.2%	9.7%	8.1%	8.9%	9.0%	8.9%	8.9%
Facility Closure Expense	7,399	5,200	157	57	393	314	921	34					
Loss on Legal Settlement	-	-	-	-	-	-	-	-					
Goodwill Impairment	951	-	-	-	-	-	-	-					
Operating Inc.	96,912	94,428	29,282	30,160	20,416	31,108	110,966	25,834	34,627	26,673	50,937	138,101	204,430
%	12.0%	10.8%	12.4%	13.0%	9.7%	12.7%	12.0%	10.7%	13.7%	11.3%	12.3%	12.1%	12.1%
Interest (Expense)	(26,386)	(25,751)	(6,456)	(6,521)	(6,141)	(6,370)	(25,488)	(6,335)	(6,325)	(6,280)	(19,308)	(38,248)	(76,075)
Other Income / (Expense)	346	(1,867)	270	290	1,125	1,050	2,735	(1,199)	290	243	200	(466)	(470)
Pre Tax Inc.	70,872	66,810	23,096	23,929	15,400	25,788	88,213	18,300	28,592	20,636	31,829	99,388	127,885
Income Tax (Expense)	(25,156)	(18,981)	(7,186)	(7,395)	(3,205)	(9,062)	(26,848)	(4,158)	(8,864)	(6,397)	(9,867)	(29,290)	(37,090)
Tax Rate	35.5%	28.4%	31.1%	30.9%	20.8%	35.1%	30.4%	22.7%	31.0%	31.0%	31.0%	29.5%	29.0%
Net Income	45,716	47,829	15,910	16,534	12,195	16,726	61,365	14,142	19,729	14,239	21,962	70,098	90,795
Less: (NI)/Loss Attrib to non-CI	0	(90)	(105)	(191)	(69)	(4)	(369)	(36)	0	0	0	(36)	0
Net Income att to LABL (ctd ops)	45,716	47,739	15,805	16,343	12,126	16,722	60,996	14,106	19,729	14,239	21,962	70,062	90,795
%	5.6%	5.5%	6.7%	7.0%	5.8%	6.9%	6.6%	5.8%	7.8%	6.0%	5.3%	6.1%	5.4%
Shares Out.	16,877	16,952	16,961	17,008	17,039	17,065	17,024	17,152	17,157	17,162	20,567	18,010	20,580
Diluted EPS (cont'd ops)	\$ 2.71	\$ 2.82	\$ 0.93	\$ 0.96	\$ 0.71	\$ 0.98	\$ 3.58	\$ 0.82	\$ 1.15	\$ 0.83	\$ 1.07	\$ 3.87	\$ 4.41
Integration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acquisition	\$ 0.09	\$ 0.22	\$ 0.01	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.06	\$ 0.04	\$ -	\$ -	\$ -	\$ -	\$ -
Supplemental Purch Adj	\$ -	\$ -	\$ -	\$ -	\$ (0.05)	\$ -	\$ (0.05)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Currency Re-Pat	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plant Close/Consolidation	\$ 0.27	\$ 0.22	\$ 0.01	\$ 0.00	\$ 0.02	\$ 0.01	\$ 0.04	\$ 0.00	\$ -	\$ -	\$ -	\$ -	\$ -
Inventory Purch Accounting	\$ -	\$ 0.02	\$ -	\$ 0.01	\$ -	\$ 0.01	\$ 0.02	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Goodwill Impairment	\$ 0.06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other, Severance, Gain on Sale	\$ 0.07	\$ -	\$ -	\$ -	\$ -	\$ (0.04)	\$ (0.04)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Release of Foreign Valuation	\$ -	\$ (0.06)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uncertain Tax Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted EPS (cont'd ops)	\$ 3.20	\$ 3.22	\$ 0.95	\$ 0.99	\$ 0.70	\$ 0.98	\$ 3.61	\$ 0.86	\$ 1.15	\$ 0.83	\$ 1.07	\$ 3.91	\$ 4.41
EPS from disc ops													
Dividends Paid	\$ 0.200	\$ 0.200	\$ 0.050	\$ 0.050	\$ 0.050	\$ 0.050	\$ 0.200	\$ 0.050	\$ 0.050	\$ 0.050	\$ 0.050	\$ 0.200	\$ 0.200
Rate of Change Analysis													
Revenue	14.8%	7.4%	8.5%	5.6%	2.2%	7.4%	6.0%	2.5%	9.0%	12.2%	69.6%	24.1%	47.7%
Operating Income	61.2%	-2.6%	12.3%	6.8%	17.4%	36.9%	17.5%	-11.8%	14.8%	30.6%	63.7%	24.5%	48.0%
Adj Core Op Income--(non-GAAP)	38.6%	-3.0%	4.7%	4.5%	7.0%	20.7%	9.1%	-9.6%	13.0%	25.9%	59.5%	22.7%	47.0%
EPS--Adj if necessary	49.5%	0.7%	5.2%	6.3%	3.4%	39.6%	12.2%	-9.7%	16.5%	18.9%	9.1%	8.1%	12.9%
Adj EBITDA	28.6%	-0.4%	7.4%	5.2%	7.8%	14.0%	8.5%	-1.3%	13.4%	22.7%	44.3%	19.4%	84.7%
Working Capital	-5.3%	2.1%	8.2%	2.8%	-1.2%	-0.4%	-0.4%	-6.5%	0.5%	13.6%	88.1%	88.1%	15.0%
Inventory	-0.4%	9.1%	6.3%	-0.6%	-1.1%	4.6%	4.6%	2.5%	9.0%	12.2%	69.6%	69.6%	6.1%
								*Guiding to \$0.80				*Model Jan 1 closing of Constantia Flexibles	*EPS guide \$4.50 *could be 4-5% org gr w/Constantia

Source: Company reports and Hilliard Lyons estimates

Multi-Color Corp (LABL)

Summary Cash Flow	FY15	FY16	Q1'17	Q2'17	Q3'17	Q4'17	FY17	Q1'18E	Q2'18E	Q3'18E	Q4'18E	FY18E	FY19E
Net Income--Ct'd Ops to LABL	45,716	47,739	15,805	16,343	12,126	16,722	60,996	14,106	19,729	14,239	21,962	70,062	90,795
D & A	43,569	46,165	12,299	12,541	12,117	12,613	49,570	14,590	14,340	14,200	13,350	56,480	154,980
Major Impairments / (Gain)	951	1,874	-	(278)	(151)	(628)	(1,057)	-	-	-	-	-	-
Share-base Compensation	1,970	2,982	919	763	763	597	3,042	500	500	500	500	2,000	2,000
Deferred Income Tax	6,944	2,343	27	(62)	(370)	(2,533)	(2,938)	1,500	1,500	1,500	1,500	6,000	6,000
(Increase) Decrease in Wrk Cap	4,772	(1,780)	(13,188)	(1,367)	4,635	10,265	345	(7,042)	(8,383)	(7,945)	(52,663)	(76,033)	(24,316)
Operating CF	103,922	99,323	15,862	27,940	29,120	37,036	109,958	23,654	27,686	22,494	(15,351)	58,509	229,459
Cap Ex	(29,153)	(34,892)	(10,021)	(8,091)	(15,943)	(12,091)	(46,146)	(10,300)	(12,000)	(13,500)	(13,000)	(48,800)	(60,000)
Acquisitions, net of cash acq	(31,240)	(103,245)	(3,123)	(8,246)	-	(17,470)	(28,839)	0	0	(10,000)	(1,045,000)	(1,055,000)	(44,300)
Divestitures	471	3,105	32	646	606	66	1,350	-	-	-	-	-	-
Dividends	(3,302)	(3,351)	(1,337)	(844)	(849)	(846)	(3,876)	(860)	(860)	(860)	(1,030)	(3,610)	(4,120)
Free Cash Flow	40,698	(39,060)	1,413	11,405	12,934	6,695	32,447	12,494	14,826	(1,866)	(1,074,381)	(1,048,902)	121,039
FCF / Share	\$ 2.41	\$ (2.30)	\$ 0.08	\$ 0.67	\$ 0.76	\$ 0.39	\$ 1.91	\$ 0.73	\$ 0.86	\$ (0.11)	\$ (52.24)	\$ (58.24)	\$ 5.88
FCF as % of NI	89.0%	-81.8%					53.2%					-1497.1%	133.3%
FCF Yield--@ yr-end price	3.5%	-4.3%					2.7%					-73.3%	7.4%
LoC Borrowing / (Repmnts)	96,077	53,339	(3,070)	(11,103)	(7,906)	(4,972)	(27,051)	(1,000)	(1,000)	(8,000)	1,000	(9,000)	(89,000)
LTD Borrowing	251,896	823	-	38	2,054	64	2,156	-	-	-	1,045,000	1,045,000	-
LTD (Repmnts)	(367,868)	(9,165)	(357)	(4,239)	(840)	(1,136)	(6,572)	(800)	(800)	(800)	(800)	(3,200)	(3,200)
Special Deferred Pmts	(10,916)	(1,141)	-	(1,784)	-	-	(1,784)	-	-	-	-	-	-
Stock Sale Proceeds / (Repurch)	2,019	2,706	1,012	1,263	300	167	2,742	400	400	400	400	1,600	1,600
Net C.F.	11,906	7,502	(1,002)	(4,420)	6,542	818	1,938	11,094	13,426	(10,266)	(28,781)	(14,502)	30,439
Net CF--Disc Ops													
Reported EBITDA	140,481	140,593	41,581	42,701	32,533	43,721	160,536	40,424	48,967	40,873	64,287	194,581	359,410
Adj EBITDA (Adj Op Inc + D&A)	150,696	150,108	41,904	43,174	33,298	44,544	162,920	41,364	48,967	40,873	64,287	194,581	359,410
TTM Adj EBITDA Margin	18.6%	17.2%	17.2%	17.2%	17.4%	17.6%	17.6%	17.5%	17.7%	18.0%	17.1%	17.1%	21.2%

Source: Company reports and Hilliard Lyons estimates

Summary Balance Sheet	FY'15	FY'16	Q1'17	Q2'17	Q3'17	Q4'17	FY'17	Q1'18p	Q2'18E	Q3'18E	Q4'18E	FY'18E	FY'19E
Cash and Equivalents	18,049	27,709	28,349	27,750	25,268	25,229	25,229	30,000	43,426	33,160	4,379	4,379	34,823
A/R	111,092	134,920	137,080	133,651	119,901	141,211	141,211	140,615	145,711	133,831	223,833	223,833	237,418
Inventory	56,067	61,191	64,480	62,805	62,522	63,995	63,995	66,101	68,441	70,177	108,512	108,512	115,098
Other Current Assets	22,764	26,370	18,446	23,320	27,426	23,311	23,311	26,035	23,786	27,975	23,777	23,777	24,253
Total Current Assets	207,972	250,190	248,355	247,526	235,117	253,746	253,746	262,751	281,363	265,142	360,501	360,501	411,592
Net PP&E	190,078	221,295	218,329	227,315	231,493	247,261	247,261	242,971	240,631	244,931	699,581	699,581	626,751
Goodwill	368,221	422,009	414,261	410,688	397,012	412,550	412,550	412,550	412,550	416,550	1,131,550	1,131,550	1,149,270
Intangible Assets	145,023	169,146	163,058	172,571	163,734	169,220	169,220	169,220	169,220	170,220	300,220	300,220	304,650
Other Non-Current Assets	16,077	15,426	9,592	9,385	8,997	9,213	9,213	30,502	31,112	31,734	32,369	32,369	35,037
Total Assets	927,371	1,078,066	1,053,595	1,067,485	1,036,353	1,091,990	1,091,990	1,117,994	1,134,876	1,128,577	2,524,221	2,524,221	2,527,300
CP of LT Debt	2,947	1,573	3,537	1,808	1,870	2,093	2,093	124	124	124	124	124	116
A/P	62,228	82,958	77,520	73,708	75,828	88,475	88,475	83,642	88,034	80,393	140,672	140,672	136,044
Accrued Exp & Othr	42,846	52,894	42,669	44,884	37,472	53,758	53,758	55,783	45,782	38,221	54,833	54,833	55,930
Total Current Liabilities	108,021	137,425	123,726	120,400	115,170	144,326	144,326	139,549	133,815	118,614	195,505	195,505	191,973
Long-Term Debt	455,583	512,706	499,370	490,534	482,380	479,408	479,408	478,145	477,145	469,145	1,520,145	1,520,145	1,431,153
Deferred Inc Tax	59,677	65,798	64,996	68,911	67,257	65,761	65,761	67,261	68,761	70,261	71,761	71,761	77,761
Other LT Liabilities	14,617	19,505	16,076	21,686	18,514	20,675	20,675	17,159	22,120	18,884	21,089	21,089	21,510
Total Liabilities	637,898	735,434	704,168	701,531	683,321	710,170	710,170	702,114	701,841	676,905	1,808,499	1,808,499	1,722,398
Shareholders' Equity	289,473	338,992	346,245	362,626	350,251	378,951	378,951	413,011	430,167	448,803	712,853	712,853	802,033
Noncontrolling Interest	-	3,640	3,182	3,328	2,781	2,869	2,869	2,869	2,869	2,869	2,869	2,869	2,869
Book Value	\$ 17.15	\$ 20.02	\$ 20.41	\$ 21.32	\$ 20.56	\$ 22.21	\$ 22.21	\$ 24.08	\$ 25.07	\$ 26.15	\$ 34.66	\$ 34.66	\$ 38.96
Tangible Book Value	\$ (13.26)	\$ (14.89)	\$ (13.62)	\$ (12.97)	\$ (12.35)	\$ (11.89)	\$ (11.89)	\$ (9.84)	\$ (8.84)	\$ (8.04)	\$ (34.95)	\$ (34.95)	\$ (31.66)
Current Ratio	1.9x	1.8x	2.0x	2.1x	2.0x	1.8x	1.8x	1.9x	2.1x	2.2x	1.8x	1.8x	2.1x
Net LT Debt / Total Cap	60.2%	58.6%	57.4%	55.8%	56.4%	54.3%	54.3%	51.9%	50.0%	49.1%	67.9%	67.9%	63.4%
Net Total Debt / Total Cap	60.3%	58.7%	57.6%	55.9%	56.5%	54.4%	54.4%	51.9%	50.0%	49.1%	67.9%	67.9%	63.4%
Gross Debt / TTM Adj EBITDA	3.0x	3.4x	3.3x	3.2x	3.1x	3.0x	3.0x	2.9x	2.8x	2.7x	7.8x	7.8x	4.0x
TTM ROE--unadjusted	15.2%	15.3%	15.5%	15.0%	15.3%	17.2%	17.2%	16.0%	16.2%	16.0%	14.7%	14.7%	12.0%

Source: Company reports and Hilliard Lyons estimates

Analyst Certification

I, Spencer E Joyce, CFA, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject company(ies) and its (their) securities. I also certify that I have not been, am not, and will not be receiving direct or indirect compensation in exchange for expressing the specific recommendation(s) in this report.

Important Disclosures

Hilliard Lyons' analysts receive bonus compensation based on Hilliard Lyons' profitability. They do not receive direct payments from investment banking activity.

Investment Ratings

Buy - We believe the stock has significant total return potential in the coming 12 months.

Long-term Buy - We believe the stock is an above average holding in its sector, and expect solid returns to be realized over a longer time frame than our Buy rated issues, typically 2-3 years.

Neutral - We believe the stock is an average holding in its sector, is currently fully valued, and may be used as a source of funds if better opportunities arise.

Underperform - We believe the stock is vulnerable to a price set back in the next 12 months.

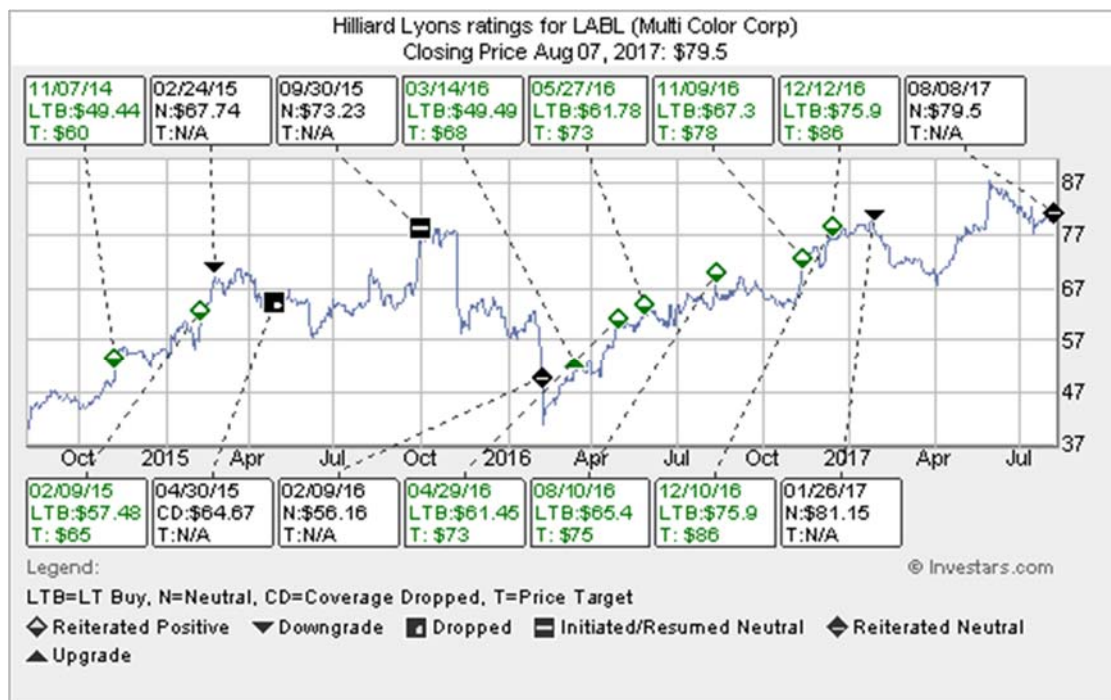
Suitability Ratings

1 - A large cap, core holding with a solid history

2 - A historically secure company which could be cyclical, has a shorter history than a "1" or is subject to event driven setbacks

3 - An above average risk/reward ratio could be due to small size, lack of product diversity, sporadic earnings or high leverage

4 - Speculative, due to small size, inconsistent profitability, erratic revenue, volatility, low trading volume or a narrow customer or product base



Rating	Hilliard Lyons Recommended Issues		Investment Banking Provided in Past 12 Mo.	
	# of Stocks Covered	% of Stocks Covered	Banking	No Banking
Buy	36	29%	14%	86%
Hold/Neutral	79	63%	5%	95%
Sell	10	8%	0%	100%

As of 7 July 2017

Other Disclosures

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