



## COMPANY UPDATE / ESTIMATE CHANGE

### Key Metrics

LABL - NASDAQ - as of	5/26/17	\$78.50
Price Target		--
52-Week Range	\$59.34 -	\$81.20
Shares Outstanding (mm)		16.9
Market Cap. (\$mm)		\$1,330.3
1-Mo. Average Daily Volume		65,064
Institutional Ownership		92.5%
Net Debt/Total Capital	Q4'17	54.5%
ROE	TTM	17.1%
Book Value / Share	Q4'17	\$22.37
Price / Book Value		3.5x
Dividend Yield		0.3%
Adj EBITDA Margin	TTM	17.5%

### EPS Fiscal Year 3/31

		Prior	Current	Prior	Current
	2017A	2018E	2018E	2019E	2019E
1Q	*\$0.95	--	\$0.98	--	--
2Q	*\$0.99	--	\$1.12	--	--
3Q	*\$0.70	--	\$0.77	--	--
4Q	*\$0.98	--	\$1.14	--	--
Year	\$3.61	\$3.78	\$4.01	\$4.20	\$4.41
P/E	21.7x		19.6x		17.8x

\* adjusted for special items

### Revenue (\$mm)

		Prior	Current	Prior	Current
	2017A	2018E	2018E	2019E	2019E
1Q	\$236.5	--	\$244.5	--	--
2Q	\$232.1	--	\$254.6	--	--
3Q	\$210.7	--	\$235.0	--	--
4Q	\$244.0	--	\$263.4	--	--
Year	\$923.3	\$966	\$995.5	\$1,032	\$1,060

**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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May 30, 2017

## Multi-Color Corporation

LABL – NASDAQ – Neutral – 3

### Strong Fiscal Q4'17; Reiterating Neutral Rating.

- LABL reported fiscal Q4'17 (January-March) adjusted EPS of \$0.98 versus \$0.70 in the year-ago period. Results exceeded both our target for \$0.83 and consensus at \$0.85. In an almost uniformly strong quarter, revenue growth was boosted by improved margins; the other income/expense line contributed +\$0.12 to EPS yr/yr. FY 2017 adjusted EPS grew 12.2% to \$3.61, a rise of \$0.39.
- Revenue grew 7.4% and 6.0% in Q4 and during the full fiscal year 2017, respectively. Acquisitions pushed consolidated sales higher by 5% during the full year, although organic concerns pushed topline higher by 5% in Q4. FX weighed on sales by ~1.5% in fiscal 2017.
- Core (non-GAAP) SG & A expense slipped 1.3% in Q4, leading to +7.0% growth in the full year. LABL has settled into SG & A marking ~9% of sales, a run rate we view as sustainable. Adjusted gross margin was 21.4% in FY'17, and is suggested to improve further in 2018.
- LABL noted '3%-to-5%' organic revenue growth potential in fiscal 2018 in its press release, but cited 3% as more of a base case on its call this morning. EPS are expected to grow about \$0.40 in FY 2018, with acquisitions providing some upside optionality.
- Management cited the potential to see larger M&A transactions in fiscal 2018 (defined as revenue impact >\$100MM), despite noting purchase multiples remain high. Our model assumes \$30MM of 'unfunded' acquisition revenue, but risk as mostly to the upside.
- Our 2018/2019 EPS estimates rise substantially at this juncture, with higher conviction that SG & A growth can level off and slightly higher revenue forecasts in deference to guidance. Our estimates fall basically in line with LABL's target for '\$0.40 per year of EPS accretion.'
- We are reiterating our Neutral rating. The fourth quarter was really a nice bounce back from a disappointing Q3, in our view; however, LABL is a stock we prefer to accumulate during periods of weaker sentiment.

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

**ADDITIONAL DISCUSSION—Q4/FY 2017 RESULTS & FORWARD OUTLOOK**

In stark contrast to our commentary exiting LABL's December quarter, we are quite impressed with Multi-Color Corp.'s fiscal Q4. The most impressive piece for us is organic sales growth of 5%, which represents a high point for the company since Q3'15. Management noted the timing of the Easter holiday (falls in April, so fiscal Q1'18) played a role in driving the figure, and thus marks a headwind for the first quarter; however, we still see a first real impressive organic quarter since the LABL started rolling out of a large beer relationship in early-fiscal 2016.

On par with our view on revenue, we are pleased with margin performance to close out the year, particularly core SG & A expense growth that averaged basically zero across fiscal 2H'17. Over recent years, Multi-Color has made substantial improvements to many of its corporate functions and procedures, though entering fiscal 2018 we believe the recent step function higher in the operating cost base is complete. This is not wholly unexpected, with LABL having guided to SG & A expense of ~9% of sales for some time now (was 7.6% in 2014, 8.2% in fiscal 2015); we believe the 9.1% read in the recently completed fiscal 2017 could mark a top.

No acquisitions have been announced or closed since LABL executed a couple of small transactions in January, but management was fairly aggressive, by our interpretation, in discussing the pipeline for the upcoming year. Specifically, the team emphasized 'larger' deals more often than on some other recent calls (defined by LABL as annualized revenue of \$100M+). Due in part to market valuations we see no guarantee of a major acquisition this year; however, we believe there is some read through value in the enterprise feeling comfortable enough to again approach a larger more complicated transaction.

**ADDITIONAL DISCUSSION—P&G RELATIONSHIP**

Once LABL files its 10-K we will be able to estimate the size and growth of the Procter & Gamble relationship in fiscal 2017, which accounted for sales of ~\$148MM and ~\$146MM in fiscals 2016 and 2015, respectively. In response to our query on the conference call this morning, management relayed positive sentiment regarding the current status of the relationship, adding that much of fiscal 2018's outsized Cap Ex budget is dedicated to growing alongside P&G. We remain diligent in tracking this relationship, which remains both an important growth driver for LABL, in our view, and a reasonable gauge of overall execution and market relevance for Multi-Color.

**ADDITIONAL DISCUSSION—FINAL THOUGHTS**

A volatile stock, we do not believe investors should be compelled to chase the stock on the heels of results today (LABL up ~8% intraday). Although EPS were a nice beat versus consensus, about \$0.12 of growth over Q4'16 is attributable to other income, and some of the organic strength in Q4'17 is likely to come at the expense of Q1'18; net, we see headline EPS growth of 39.6% in Q4'17 as not necessarily indicative of the run rate we should expect entering fiscal 2018, which in our view, brings a layer of risk to the stock near-term. Also, as noted in our opening bullet points, we interpret the revenue guide to have been qualified a bit in comments on the call this morning.

Having said that, LABL more/less held its growth expectations intact (including 2018E EPS of ~\$4.00), and we still see a long runway for growth based on core thesis points. We await a more compelling entry point.

**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 we believe a portion of investor expectations regarding future growth are tied to an expectation for future deals. Failure to effectively integrate potential purchases 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 not materialize, and could cause Multi-Color to fall short of investor expectations.

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--\$87.25, 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	Q3'16	Q4'17	FY'17	Q1'18E	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	\$ 243,520	\$ 253,570	\$ 235,020	\$ 263,400	\$ 995,510	\$ 1,060,300
Cost of Revenues	637,498	689,199	184,401	182,187	169,441	190,457	726,486	189,459	198,292	188,016	205,715	781,480	832,400
Gross Profit	173,274	181,626	52,093	49,953	41,217	53,546	196,809	54,061	55,278	47,004	57,685	214,030	227,900
%	21.4%	20.9%	22.0%	21.5%	19.6%	21.9%	21.3%	22.2%	21.8%	20.0%	21.9%	21.5%	21.5%
Selling, G & A Expense	68,012	81,998	22,654	19,736	20,408	22,124	84,922	23,380	20,980	21,620	23,040	89,020	93,490
%	8.4%	9.4%	9.6%	8.5%	9.7%	9.1%	9.2%	9.6%	8.3%	9.2%	8.7%	8.9%	8.8%
Facility Closure Expense	7,399	5,200	157	57	393	314	921						
Loss on Legal Settlement	-	-	-	-	-	-	-						
Goodwill Impairment	951	-	-	-	-	-	-						
Operating Inc.	96,912	94,428	29,282	30,160	20,416	31,108	110,966	30,681	34,298	25,384	34,645	125,010	134,410
%	12.0%	10.8%	12.4%	13.0%	9.7%	12.7%	12.0%	12.6%	13.5%	10.8%	13.2%	12.6%	12.7%
Interest (Expense)	(26,386)	(25,751)	(6,456)	(6,521)	(6,141)	(6,370)	(25,488)	(6,365)	(6,355)	(6,310)	(6,220)	(25,250)	(24,650)
Other Income / (Expense)	346	(1,867)	270	290	1,125	1,050	2,735	270	290	243	200	1,003	1,000
Pre Tax Inc.	70,872	66,810	23,096	23,929	15,400	25,788	88,213	24,586	28,233	19,317	28,625	100,763	110,760
Income Tax (Expense)	(25,156)	(18,981)	(7,186)	(7,395)	(3,205)	(9,062)	(26,848)	(7,868)	(9,035)	(6,181)	(9,160)	(32,240)	(35,440)
Tax Rate	35.5%	28.4%	31.1%	30.9%	20.8%	35.1%	30.4%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%
Net Income	45,716	47,829	15,910	16,534	12,195	16,726	61,365	16,719	19,199	13,136	19,465	68,523	75,320
Less: (NI)/Loss Attrib to non-CI	0	(90)	(105)	(191)	(69)	(4)	(369)	0	0	0	0	0	0
Net Income att to LABL (ctd ops)	45,716	47,739	15,805	16,343	12,126	16,722	60,996	16,719	19,199	13,136	19,465	68,523	75,320
%	5.6%	5.5%	6.7%	7.0%	5.8%	6.9%	6.6%	6.9%	7.6%	5.6%	7.4%	6.9%	7.1%
Shares Out.	16,877	16,952	16,961	17,008	17,039	17,065	17,024	17,070	17,075	17,080	17,085	17,078	17,098
Diluted EPS (cont'd ops)	\$ 2.71	\$ 2.82	\$ 0.93	\$ 0.96	\$ 0.71	\$ 0.98	\$ 3.58	\$ 0.98	\$ 1.12	\$ 0.77	\$ 1.14	\$ 4.01	\$ 4.41
Integration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acquisition	\$ 0.09	\$ 0.22	\$ 0.01	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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	\$ 0.98	\$ 1.12	\$ 0.77	\$ 1.14	\$ 4.01	\$ 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%	3.0%	9.2%	11.6%	7.9%	7.8%	6.5%
Operating Income	61.2%	-2.6%	12.3%	6.8%	17.4%	36.9%	17.5%	4.8%	13.7%	24.3%	11.4%	12.7%	7.5%
Adj Core Op Income--(non-GAAP)	38.6%	-3.0%	4.7%	4.5%	7.0%	20.7%	9.1%	3.6%	12.0%	19.8%	8.5%	10.3%	7.5%
EPS--Adj if necessary	49.5%	0.7%	5.2%	6.3%	3.4%	39.6%	12.2%	2.9%	13.9%	10.2%	16.5%	11.0%	9.8%
Adj EBITDA	28.6%	-0.4%	7.4%	5.2%	7.8%	10.9%	6.7%	6.0%	11.4%	18.2%	12.5%	12.8%	6.0%
Working Capital	-5.3%	2.1%	8.2%	2.8%	-1.2%	-0.7%	-0.7%	-1.2%	-1.0%	15.4%	5.6%	5.6%	8.5%
Inventory	-0.4%	9.1%	6.3%	-0.6%	-1.1%	7.4%	7.4%	3.0%	9.2%	11.6%	7.9%	7.9%	6.5%
												*EPS Guide for \$4.00	

Source: Company reports and Hilliard Lyons estimates

**Multi-Color Corp (LABL)**

Summary Cash Flow	FY'15	FY'16	Q1'17	Q2'17	Q3'17	Q4'17E	FY'17E	Q1'18E	Q2'18E	Q3'18E	Q4'18E	FY'18E	FY'19E
Net Income--Ct'd Ops to LABL	45,716	47,739	15,805	16,343	12,126	16,722	60,996	16,719	19,199	13,136	19,465	68,523	75,320
D & A	43,569	46,165	12,299	12,541	12,117	12,200	49,157	13,730	13,800	13,960	14,090	55,580	56,970
Major Impairments / (Gain)	951	1,874	-	(278)	(151)	0	(429)	0	0	0	0	0	0
Share-base Compensation	1,970	2,982	919	763	763	500	2,945	500	500	500	500	2,000	2,000
Deferred Income Tax	6,944	2,343	27	(62)	(370)	1,500	1,095	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	10,488	568	(12,537)	(1,620)	(11,224)	20,584	(4,797)	(7,718)
Operating CF	103,922	99,323	15,862	27,940	29,120	41,410	114,332	19,912	33,379	17,872	56,139	127,306	132,572
Cap Ex	(29,153)	(34,892)	(10,021)	(8,091)	(15,943)	(12,100)	(46,160)	(10,000)	(11,500)	(11,500)	(11,000)	(44,000)	(39,000)
Acquisitions, net of cash acq	(31,240)	(103,245)	(3,123)	(8,246)	-	(2,500)	(13,870)	(10,000)	(10,000)	(10,000)	(10,000)	(40,000)	(44,300)
Divestitures	471	3,105	32	646	606		1,280					0	0
Dividends	(3,302)	(3,351)	(1,337)	(844)	(849)		(3,030)					0	0
Free Cash Flow	40,698	(39,060)	1,413	11,405	12,934	26,810	52,552	(88)	11,879	(3,628)	35,139	43,306	49,272
FCF / Share	\$ 2.41	\$ (2.30)	\$ 0.08	\$ 0.67	\$ 0.76	\$ 1.57	\$ 3.09	\$ (0.01)	\$ 0.70	\$ (0.21)	\$ 2.06	\$ 2.54	\$ 2.88
FCF as % of NI	89.0%	-81.8%					86.2%					63.2%	65.4%
FCF Yield--@ yr-end price	3.5%	-4.3%					3.9%					3.2%	3.7%
LoC Borrowing / (Repmnts)	96,077	53,339	(3,070)	(11,103)	(7,906)	(1,000)	(23,079)	(1,000)	(1,000)	(8,000)	(10,000)	(20,000)	(20,000)
LTD Borrowing	251,896	823	-	38	2,054	0	2,092	0	0	0	0	0	0
LTD (Repmnts)	(367,868)	(9,165)	(357)	(4,239)	(840)	(800)	(6,236)	(800)	(800)	(800)	(800)	(3,200)	(3,200)
Special Deferred Pmts	(10,916)	(1,141)	-	(1,784)	-	0	(1,784)	0	0	0	0	0	0
Stock Sale Proceeds / (Repurch)	2,019	2,706	1,012	1,263	300	400	2,975	400	400	400	400	1,600	1,600
Net C.F.	11,906	7,502	(1,002)	(4,420)	6,542	25,410	26,520	(1,488)	10,479	(12,028)	24,739	21,706	27,672
Net CF--Disc Ops													
Reported EBITDA	140,481	140,593	41,581	42,701	32,533	43,308	160,123	44,411	48,098	39,344	48,735	180,590	191,380
Adj EBITDA (Adj Op Inc + D&A)	150,696	150,108	41,904	43,174	33,298	43,308	160,123	44,411	48,098	39,344	48,735	180,590	191,380
TTM Adj EBITDA Margin	18.6%	17.2%	17.2%	17.2%	17.4%	17.5%	17.5%	17.6%	17.8%	17.9%	18.1%	18.1%	18.1%

Source: Company reports and Hilliard Lyons estimates

Summary Balance Sheet	FY'15	FY'16	Q1'17	Q2'17	Q3'17	Q4'17E	FY'17E	Q1'18E	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	23,741	34,219	22,191	46,930	46,930	74,601
A/R	111,092	134,920	137,080	133,651	119,901	132,006	132,006	141,242	146,056	133,021	142,499	142,499	151,761
Inventory	56,067	61,191	64,480	62,805	62,522	65,747	65,747	66,396	68,603	69,752	70,974	70,974	75,587
Other Current Assets	22,764	26,370	18,446	23,320	27,426	30,764	30,764	18,815	23,786	27,975	31,379	31,379	32,007
Total Current Assets	207,972	250,190	248,355	247,526	235,117	253,746	253,746	250,193	272,665	252,939	291,782	291,782	333,957
Net PP&E	190,078	221,295	218,329	227,315	231,493	232,643	232,643	233,913	236,613	239,153	241,063	241,063	245,243
Goodwill	368,221	422,009	414,261	410,688	397,012	398,012	398,012	402,012	406,012	410,012	414,012	414,012	431,732
Intangible Assets	145,023	169,146	163,058	172,571	163,734	163,984	163,984	164,984	165,984	166,984	167,984	167,984	172,414
Other Non-Current Assets	16,077	15,426	9,592	9,385	8,997	43,605	43,605	44,477	45,367	46,274	47,199	47,199	51,090
Total Assets	927,371	1,078,066	1,053,595	1,067,485	1,036,353	1,091,990	1,091,990	1,095,579	1,126,641	1,115,362	1,162,041	1,162,041	1,234,436
CP of LT Debt	2,947	1,573	3,537	1,808	1,870	1,870	1,870	124	124	124	124	124	116
A/P	62,228	82,958	77,520	73,708	75,828	75,641	75,641	84,014	88,242	79,907	81,654	81,654	86,961
Accrued Exp & Othr	42,846	52,894	42,669	44,884	37,472	66,815	66,815	43,522	45,782	38,221	68,151	68,151	69,514
Total Current Liabilities	108,021	137,425	123,726	120,400	115,170	144,326	144,326	127,537	134,024	118,128	149,805	149,805	156,476
Long-Term Debt	455,583	512,706	499,370	490,534	482,380	481,504	481,504	480,574	479,574	471,574	461,574	461,574	441,582
Deferred Inc Tax	59,677	65,798	64,996	68,911	67,257	68,757	68,757	70,257	71,757	73,257	74,757	74,757	80,757
Other LT Liabilities	14,617	19,505	16,076	21,686	18,514	15,583	15,583	16,398	22,120	18,884	15,895	15,895	16,213
Total Liabilities	637,898	735,434	704,168	701,531	683,321	710,170	710,170	694,765	707,475	681,844	702,031	702,031	695,027
Shareholders' Equity	289,473	338,992	346,245	362,626	350,251	381,820	381,820	400,814	419,166	433,519	460,010	460,010	539,409
Noncontrolling Interest	-	3,640	3,182	3,328	2,781	-	0	0	0	0	0	0	0
Book Value	\$ 17.15	\$ 20.02	\$ 20.41	\$ 21.32	\$ 20.56	\$ 22.37	\$ 22.37	\$ 23.48	\$ 24.55	\$ 25.38	\$ 26.92	\$ 26.92	\$ 31.53
Tangible Book Value	\$ (13.26)	\$ (14.89)	\$ (13.62)	\$ (12.97)	\$ (12.35)	\$ (10.56)	\$ (10.56)	\$ (9.74)	\$ (8.95)	\$ (8.40)	\$ (7.14)	\$ (7.14)	\$ (3.78)
Current Ratio	1.9x	1.8x	2.0x	2.1x	2.0x	1.8x	1.8x	2.0x	2.0x	2.1x	1.9x	1.9x	2.1x
Net LT Debt / Total Cap	60.2%	58.6%	57.4%	55.8%	56.4%	54.4%	54.4%	53.3%	51.5%	50.9%	47.4%	47.4%	40.5%
Net Total Debt / Total Cap	60.3%	58.7%	57.6%	55.9%	56.5%	54.5%	54.5%	53.3%	51.5%	50.9%	47.4%	47.4%	40.5%
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	2.6x	2.6x	2.3x
TTM ROE—unadjusted	15.2%	15.3%	15.5%	15.0%	15.3%	17.1%	17.1%	16.8%	16.9%	16.6%	16.4%	16.4%	15.2%

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.

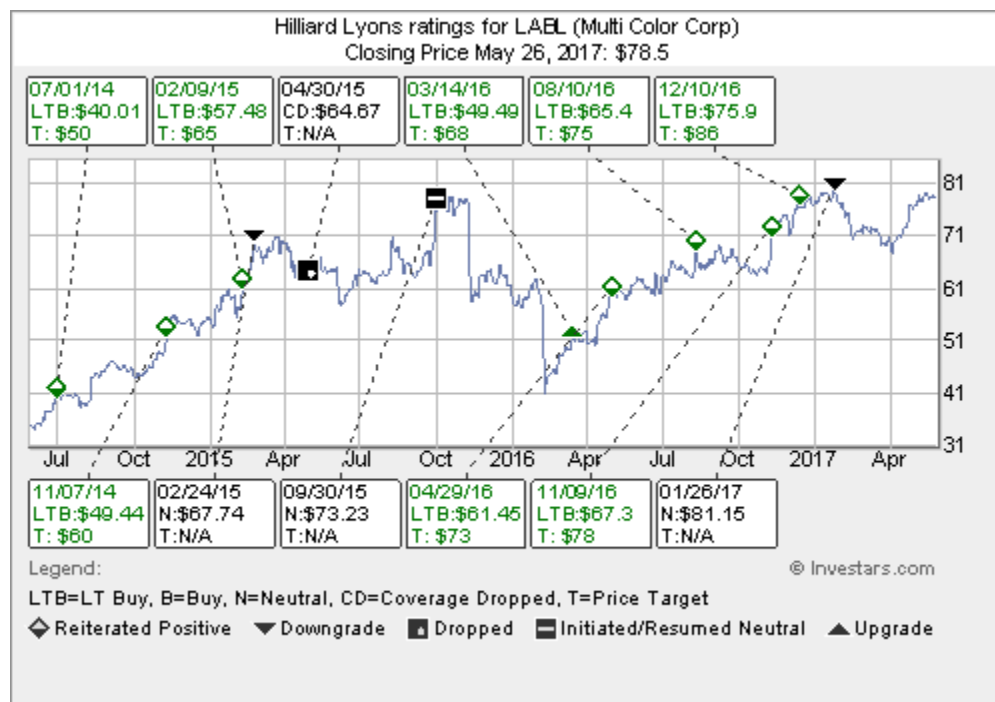
**Suitability Ratings**

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



Hilliard Lyons Recommended Issues			Investment Banking Provided in Past 12 Mo.	
Rating	# of Stocks Covered	% of Stocks Covered	Banking	No Banking
Buy	32	26%	13%	88%
Hold/Neutral	79	64%	8%	92%
Sell	12	10%	0%	100%

As of 8 May 2017

### Other Disclosures

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