



COMPANY UPDATE / ESTIMATE CHANGE

Key Metrics

LABL - NASDAQ - as of	2/5/18	\$71.95
Price Target		\$105.00
52-Week Range	\$63.05 -	\$89.70
Shares Outstanding (mm)		20.4
Market Cap. (\$mm)		\$1,470.7
1-Mo. Average Daily Volume		96,211
Institutional Ownership		65.9%
Net Debt/Total Capital	Q3'18	68.1%
ROE	TTM	14.5%
Book Value / Share	Q3'18	\$36.92
Price / Book Value		1.9x
Dividend Yield		0.3%
Adj EBITDA Margin	TTM	16.6%

EPS Fiscal Year 3/31

		Prior	Current	Prior	Current
	2017A	2018E	2018E	2019E	2019E
1Q	*\$0.95	--	*\$0.86	A --	--
2Q	*\$0.99	--	*\$1.06	A --	--
3Q	*\$0.70	--	*\$0.72	A --	--
4Q	*\$0.98	\$1.14	\$1.01	--	--
Year	\$3.61	\$3.83	\$3.64	\$4.51	\$4.32
P/E	19.9x		19.8x		16.7x

* adjusted for special items

Revenue (\$mm)

		Prior	Current	Prior	Current
	2017A	2018E	2018E	2019E	2019E
1Q	\$236.5	--	\$245.4	A --	--
2Q	\$232.1	--	\$256.0	A --	--
3Q	\$210.7	--	\$352.7	A --	--
4Q	\$244.0	\$417.5	\$422.5	--	--
Year	\$923.3	\$1,251	\$1,274	\$1,681	\$1,711

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 – Long-term Buy – 3

Growing Pains in Q3'18 at LABL, but Thesis Intact; Reiterating Long-term Buy Rating.

- LABL reported fiscal Q3'18 (October-December) adjusted (core) EPS of \$0.72 versus \$0.70 in the year-ago period; results fell short of both our target at \$0.77 and consensus at \$0.73. Revenue growth was offset by reduced margins and 14% greater shares outstanding, all largely attributable to the Constantia acquisition.
- GAAP EPS were \$1.06 versus \$0.98, but include (most materially) \$1.62 from tax items in the US and Belgium.
- Revenue grew 67.4% in Q3 to \$352.7. This was 820 basis points ahead of our model, although we expected some degree of variability as we work Constantia into trailing results. Full quarter organic growth of 7% was nonetheless robust, and FX contributed +3%.
- Core (non-GAAP) SG&A expense was 8.4% of sales in Q3, down 110bps yr/yr. Core gross margin at 17.7% slipped 190 bps yr/yr, partially on mix shift due to M&A, driving most of the downside to our EPS estimate.
- As a reminder, LABL closed its \$1B+ agreement to acquire Constantia Labels on Halloween. The purchase hit financial statements about in line with our model; leverage metrics are above normalized levels, but we are comfortable with the balance sheet, which should de-lever through fiscal '19 in lieu of additional M&A.
- LABL suggested the prior low-end of '18 EPS guidance (\$3.80) might be difficult to attain, but suggested the ultimate accretion outlook for Constantia remains intact, as seemingly does a constructive organic narrative.
- Our 2018E/2019E EPS both slide \$0.19 to \$3.64/\$4.32; the latter mostly as we move LABL's effective tax rate to 27% (from 25.5%) in fiscal 2019.
- We are reiterating our Long-term Buy rating and 2-year \$105 price target. We always knew timing could drive uncertainty during our investment time horizon, but this fits our preference for accumulating the oft-volatile stock during periods of uncertainty. At our target, LABL would trade just under 10x on an EV/EBITDA basis, based on our 2019 model year, which is slightly below average over the past several years.

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

ADDITIONAL DISCUSSION—P&G RELATIONSHIP

We estimate Procter & Gamble accounted for ~\$43.5MM of LABL's **fiscal Q2'18** sales, up from ~\$41.8MM and ~\$37.5MM in fiscal Q2'17 and Q2'16, respectively. We believe the relationship posted a high-water mark during the noted quarter. We will be able to attain the approximate P&G contribution for the most recently reported quarter once Multi-Color files its 10-Q; in the interim however, we have a hard time seeing how the relationship could have materially deteriorated given fiscal Q3'18 organic growth of 7%. We continue to view the P&G relationship as a good proxy for LABL's performance, although the read through value becomes diluted post-Constantia.

ADDITIONAL DISCUSSION—CONSTANTIA FLEXIBLES RECAP

As noted in our bullet points, Multi-Color Corp. completed its ~\$1.3B acquisition of the Labels Division of Constantia Flexibles 10/31/17. Initial results from a sales standpoint were well ahead of our model, although ultimate impact to net income was offset by greater shares outstanding and margin compression from a mix of lasting (i.e. mix shift) and hopefully fleeting (i.e. integration) items. Although dilution will remain a headwind over the next four reported quarters, we are pleased to see the share count more/less come in line with our prior model.

We will have more exacting figures once the 10-Q is filed and we have access to the full balance sheet, but management indicated pro forma leverage of about 5x (net debt-to-EBITDA) exiting December, which again falls in line with our prior expectations. Under normal circumstances, LABL targets a ceiling for this debt metric of 4x, although we are comfortable with the rationale for temporarily violating this parameter; based on our cash flow model and a stated desire to reduce leverage at the expense of near-term M&A, we believe LABL could be back to 4x by the end of fiscal 2019 (just over one year from now).

ADDITIONAL DISCUSSION—FINAL THOUGHTS

We are not necessarily surprised to see LABL trade lower in today's session, but with longer-term guidance for Constantia intact, and initial reads on the balance sheet in line with our expectations, we see the unfolding decline as strengthening our view toward longer-term risk/reward. Current leverage is high, but much of it is at fixed rates, and we expect the de-levering process to be soon; organic performance in Q3 was good, in our view, which we believe bodes well as we move into calendar 2018.

We continue to refrain from being overly aggressive in trying to 'time' moves in LABL, but we are comfortable reiterating our Long-term Buy rating, and suggest the dip on today's reported quarter marks what we view as an attractive long-term 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 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 2017); 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--\$81.06, Long-term Buy, \$106)

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	Q2'18	Q3'18	Q4'18E	FY'18E	FY'19E
Revenues	\$ 810,772	\$ 870,825	\$ 236,494	\$ 232,140	\$ 210,658	\$ 244,003	\$ 923,295	\$ 242,440	\$ 256,034	\$ 352,699	\$ 422,540	\$ 1,273,710	\$ 1,711,230
Cost of Revenues	637,498	689,199	184,401	182,187	169,441	190,457	726,486	192,983	204,260	295,397	333,807	1,026,450	1,354,790
Gross Profit	173,274	181,626	52,093	49,953	41,217	53,546	196,809	49,457	51,774	57,302	88,733	247,260	356,440
%	21.4%	20.9%	22.0%	21.5%	19.6%	21.9%	21.3%	20.4%	20.2%	16.2%	21.0%	19.4%	20.8%
Selling, G & A Expense	68,012	81,998	22,654	19,736	20,408	22,124	84,922	23,589	25,200	41,519	36,770	127,078	147,450
%	8.4%	9.4%	9.6%	8.5%	9.7%	9.1%	9.2%	9.7%	9.8%	11.8%	8.7%	10.0%	8.6%
Facility Closure Expense	7,399	5,200	157	57	393	314	921	34	95	761			
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	26,479	15,022	51,963	120,182	208,990
%	12.0%	10.8%	12.4%	13.0%	9.7%	12.7%	12.0%	10.7%	10.3%	4.3%	12.3%	9.4%	12.2%
Interest (Expense)	(26,386)	(25,751)	(6,456)	(6,521)	(6,141)	(6,370)	(25,488)	(6,335)	(6,669)	(21,624)	(22,088)	(56,716)	(87,197)
Other Income / (Expense)	346	(1,867)	270	290	1,125	1,050	2,735	(1,199)	2,676	(9,702)	200	(8,025)	(600)
Pre Tax Inc.	70,872	66,810	23,096	23,929	15,400	25,788	88,213	18,300	22,486	(16,304)	30,075	55,441	121,193
Income Tax (Expense)	(25,156)	(18,981)	(7,186)	(7,395)	(3,205)	(9,062)	(26,848)	(4,158)	(7,296)	36,815	(9,474)	15,890	(32,720)
Tax Rate	35.5%	28.4%	31.1%	30.9%	20.8%	35.1%	30.4%	22.7%	32.4%	225.8%	31.5%	-28.7%	27.0%
Net Income	45,716	47,829	15,910	16,534	12,195	16,726	61,365	14,142	15,190	20,511	20,602	71,331	88,473
Less: (NI)/Loss Attrib to non-CI	0	(90)	(105)	(191)	(69)	(4)	(369)	(36)	-	21.00	0	(15)	0
Net Income att to LABL (ctd ops)	45,716	47,739	15,805	16,343	12,126	16,722	60,996	14,106	15,190	20,532	20,602	71,316	88,473
%	5.6%	5.5%	6.7%	7.0%	5.8%	6.9%	6.6%	5.8%	5.9%	5.8%	4.9%	5.6%	5.2%
Shares Out.	16,877	16,952	16,961	17,008	17,039	17,065	17,024	17,152	17,177	19,446	20,472	18,562	20,485
Diluted EPS (cont'd ops)	\$ 2.71	\$ 2.82	\$ 0.93	\$ 0.96	\$ 0.71	\$ 0.98	\$ 3.58	\$ 0.82	\$ 0.88	\$ 1.06	\$ 1.01	\$ 3.77	\$ 4.32
Acquisition & Integration	\$ 0.09	\$ 0.22	\$ 0.01	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.06	\$ 0.04	\$ 0.24	\$ 0.52			
Supplemental Purch Adj	\$ -	\$ -	\$ -	\$ -	\$ (0.05)	\$ -	\$ (0.05)	\$ -	\$ -	\$ -			
Legal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Plant Close/Consolidation	\$ 0.27	\$ 0.22	\$ 0.01	\$ 0.00	\$ 0.02	\$ 0.01	\$ 0.04	\$ 0.00	\$ 0.00	\$ 0.03			
Inventory Purch Accounting	\$ -	\$ 0.02	\$ -	\$ 0.01	\$ -	\$ 0.01	\$ 0.02	\$ -	\$ 0.02	\$ 0.18			
Goodwill Impairment	\$ 0.06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Other, Severance, P/L on Sale, Hedge	\$ 0.07	\$ -	\$ -	\$ -	\$ -	\$ (0.04)	\$ (0.04)	\$ -	\$ (0.08)	\$ 0.55			
Release of Foreign Valuation	\$ -	\$ (0.06)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Uncertain Tax Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0.79)			
T CJA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0.83)			
Adjusted EPS (cont'd ops)	\$ 3.20	\$ 3.22	\$ 0.95	\$ 0.99	\$ 0.70	\$ 0.98	\$ 3.61	\$ 0.86	\$ 1.06	\$ 0.71	\$ 1.01	\$ 3.64	\$ 4.32
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%	10.3%	67.4%	73.2%	38.0%	34.4%
Operating Income	61.2%	-2.6%	12.3%	6.8%	17.4%	36.9%	17.5%	-11.8%	-12.2%	-26.4%	67.0%	8.3%	73.9%
Adj Core Op Income--(non-GAAP)	38.6%	-3.0%	4.7%	4.5%	7.0%	20.7%	9.1%	-9.6%	1.6%	54.9%	62.7%	26.6%	45.6%
EPS--Adj if necessary	50.9%	0.7%	5.2%	6.3%	3.4%	39.6%	12.2%	-9.7%	7.7%	1.9%	2.9%	0.7%	18.6%
Adj EBITDA	28.6%	-0.4%	7.4%	5.2%	6.4%	14.0%	8.5%	-6.3%	0.6%	65.0%	96.6%	18.2%	86.6%
Working Capital	-5.3%	2.1%	8.2%	2.8%	-1.2%	-0.4%	-0.4%	0.0%	16.4%	111.3%	95.6%	95.6%	11.0%
Inventory	-0.4%	9.1%	6.3%	-0.6%	-1.1%	4.6%	4.6%	9.2%	18.1%	67.4%	73.2%	73.2%	5.0%

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	Q1'18	Q2'18	Q3'18p	Q4'18E	FY18E	FY19E
Net Income--C'd Ops to LABL	45,716	47,739	15,805	16,343	12,126	16,722	60,996	14,106	15,190	20,532	20,602	71,316	88,473
D & A	43,569	46,165	12,299	12,541	12,117	12,613	49,570	12,500	12,341	11,890	35,630	72,361	150,350
Major Impairments / (Gain)	951	1,874	-	(278)	(151)	(628)	(1,057)	-	0	-	-	-	-
Share-base Compensation	1,970	2,982	919	763	763	597	3,042	910	887	500	500	2,797	2,000
Deferred Income Tax	6,944	2,343	27	(62)	(370)	(2,533)	(2,938)	191	2,008	1,500	1,500	5,199	6,000
(Increase) Decrease in Wrk Cap	4,772	(1,780)	(13,188)	(1,367)	4,635	10,265	345	(13,557)	(17,918)	(86,231)	35,219	(82,487)	(18,611)
Operating CF	103,922	99,323	15,862	27,940	29,120	37,036	109,958	14,150	12,508	(51,809)	93,451	69,186	228,212
Cap Ex	(29,153)	(34,892)	(10,021)	(8,091)	(15,943)	(12,091)	(46,146)	(10,272)	(15,990)	(17,000)	(23,000)	(66,260)	(60,000)
Acquisitions, net of cash acq	(31,240)	(103,245)	(3,123)	(8,246)	-	(17,470)	(28,839)	-	(21,383)	(1,045,000)	0	(1,066,380)	(19,300)
Divestitures	471	3,105	32	646	606	66	1,350	195	3,425	-	-	3,620.00	-
Dividends	(3,302)	(3,351)	(1,337)	(844)	(849)	(846)	(3,876)	(1,126)	(851)	(970)	(1,020)	(3,967)	(4,080)
Free Cash Flow	40,698	(39,060)	1,413	11,405	12,934	6,695	32,447	2,947	(22,291)	(1,114,779)	69,431	(1,063,801)	144,832
FCF / Share	\$ 2.41	\$ (2.30)	\$ 0.08	\$ 0.67	\$ 0.76	\$ 0.39	\$ 1.91	\$ 0.17	\$ (1.30)	\$ (57.33)	\$ 3.39	\$ (57.31)	\$ 7.07
FCF as % of NI	89.0%	-81.8%					53.2%					-1491.7%	163.7%
FCF Yield--@ yr-end price	3.5%	-4.3%					2.7%					-79.7%	9.8%
LoC Borrowing / (Repmnts)	96,077	53,339	(3,070)	(11,103)	(7,906)	(4,972)	(27,051)	(4,740)	15,917	(37,000)	1,000	(24,823)	(89,000)
LTD Borrowing	251,896	823	-	38	2,054	64	2,156	-	0	1,145,000	0	1,145,000	-
LTD (Repmnts)	(367,868)	(9,165)	(357)	(4,239)	(840)	(1,136)	(6,572)	(706)	(772)	(800)	(800)	(3,078)	(3,200)
Special Deferred Pmts	(10,916)	(1,141)	-	(1,784)	-	-	(1,784)	-	0	-	-	-	-
Stock Sale Proceeds / (Repurch)	2,019	2,706	1,012	1,263	300	167	2,742	1,080	1,352	400	400	3,232	1,600
Net C.F.	11,906	7,502	(1,002)	(4,420)	6,542	818	1,938	(1,419)	(5,794)	(7,179)	70,031	56,530	54,232
Net CF--Disc Ops													
Reported EBITDA	140,481	140,593	41,581	42,701	32,533	43,721	160,536	38,334	38,820	26,912	87,593	192,543	359,340
Adj EBITDA (Adj Op Inc + D&A)	150,696	150,108	41,904	43,174	32,875	44,544	162,920	39,274	43,450	54,247	87,593	192,543	359,340
TTM Adj EBITDA Margin	18.6%	17.2%	17.2%	17.2%	17.3%	17.6%	17.6%	17.2%	16.8%	16.6%	17.6%	17.6%	21.0%

Source: Company reports and Hilliard Lyons estimates

Summary Balance Sheet	FY'15	FY'16	Q1'17	Q2'17	Q3'17	Q4'17	FY'17	Q1'18	Q2'18	Q3'18p	Q4'18E	FY'18E	FY'19E
Cash and Equivalents	18,049	27,709	28,349	27,750	25,268	25,229	25,229	25,891	35,628	80,000	150,031	150,031	204,258
A/R	111,092	134,920	137,080	133,651	119,901	141,211	141,211	144,759	152,363	199,628	228,594	228,594	240,128
Inventory	56,067	61,191	64,480	62,805	62,522	63,995	63,995	70,418	74,147	104,679	110,820	110,820	116,412
Other Current Assets	22,764	26,370	18,446	23,320	27,426	23,311	23,311	21,683	42,424	192,725	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	304,562	577,032	513,222	513,222	585,051
Net PP&E	190,078	221,295	218,329	227,315	231,493	247,261	247,261	256,060	264,248	791,858	868,478	868,478	787,778
Goodwill	368,221	422,009	414,261	410,688	397,012	412,550	412,550	420,406	434,725	852,725	992,975	992,975	1,000,695
Intangible Assets	145,023	169,146	163,058	172,571	163,734	169,220	169,220	170,244	179,300	283,800	309,300	309,300	311,230
Other Non-Current Assets	16,077	15,426	9,592	9,385	8,997	9,213	9,213	8,533	8,861	342,957	349,816	349,816	378,652
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	1,191,696	2,848,372	3,033,791	3,033,791	3,063,406
CP of LT Debt	2,947	1,573	3,537	1,808	1,870	2,093	2,093	2,530	4,076	4,076	4,076	4,076	116
A/P	62,228	82,958	77,520	73,708	75,828	88,475	88,475	87,933	95,900	119,918	143,664	143,664	137,597
Accrued Exp & Othr	42,846	52,894	42,669	44,884	37,472	53,758	53,758	49,086	55,275	173,124	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	155,251	297,118	198,497	198,497	193,526
Long-Term Debt	455,583	512,706	499,370	490,534	482,380	479,408	479,408	474,659	494,473	1,607,906	1,608,906	1,608,906	1,517,606
Deferred Inc Tax	59,677	65,798	64,996	68,911	67,257	65,761	65,761	67,473	66,609	68,100	69,600	69,600	75,600
Other LT Liabilities	14,617	19,505	16,076	21,686	18,514	20,675	20,675	20,433	39,309	157,214	21,089	21,089	21,510
Total Liabilities	637,898	735,434	704,168	701,531	683,321	710,170	710,170	702,114	755,642	2,130,338	1,898,091	1,898,091	1,808,243
Shareholders' Equity	289,473	338,992	346,245	362,626	350,251	378,951	378,951	413,320	436,054	718,034	1,135,700	1,135,700	1,255,164
Noncontrolling Interest	-	3,640	3,182	3,328	2,781	2,869	2,869	2,560	0	0	0	0	0
Book Value	\$ 17.15	\$ 20.02	\$ 20.41	\$ 21.32	\$ 20.56	\$ 22.21	\$ 22.21	\$ 24.10	\$ 25.39	\$ 36.92	\$ 55.48	\$ 55.48	\$ 61.25
Tangible Book Value	\$ (13.26)	\$ (14.89)	\$ (13.62)	\$ (12.97)	\$ (12.35)	\$ (11.89)	\$ (11.89)	\$ (10.34)	\$ (10.36)	\$ (21.52)	\$ (8.14)	\$ (8.14)	\$ (2.77)
Current Ratio	1.9x	1.8x	2.0x	2.1x	2.0x	1.8x	1.8x	1.9x	2.0x	1.9x	2.6x	2.6x	3.0x
Net LT Debt / Total Cap	60.2%	58.6%	57.4%	55.8%	56.4%	54.3%	54.3%	51.9%	51.3%	68.0%	56.2%	56.2%	51.1%
Net Total Debt / Total Cap	60.3%	58.7%	57.6%	55.9%	56.5%	54.4%	54.4%	52.0%	51.5%	68.1%	56.3%	56.3%	51.1%
Gross Debt / TTM Adj EBITDA	3.0x	3.4x	3.3x	3.2x	3.1x	3.0x	3.0x	3.0x	3.1x	8.9x	7.2x	7.2x	4.2x
TTM ROE--unadjusted	15.2%	15.3%	15.5%	15.0%	15.3%	17.2%	17.2%	16.0%	15.0%	14.5%	11.4%	11.4%	7.6%

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.

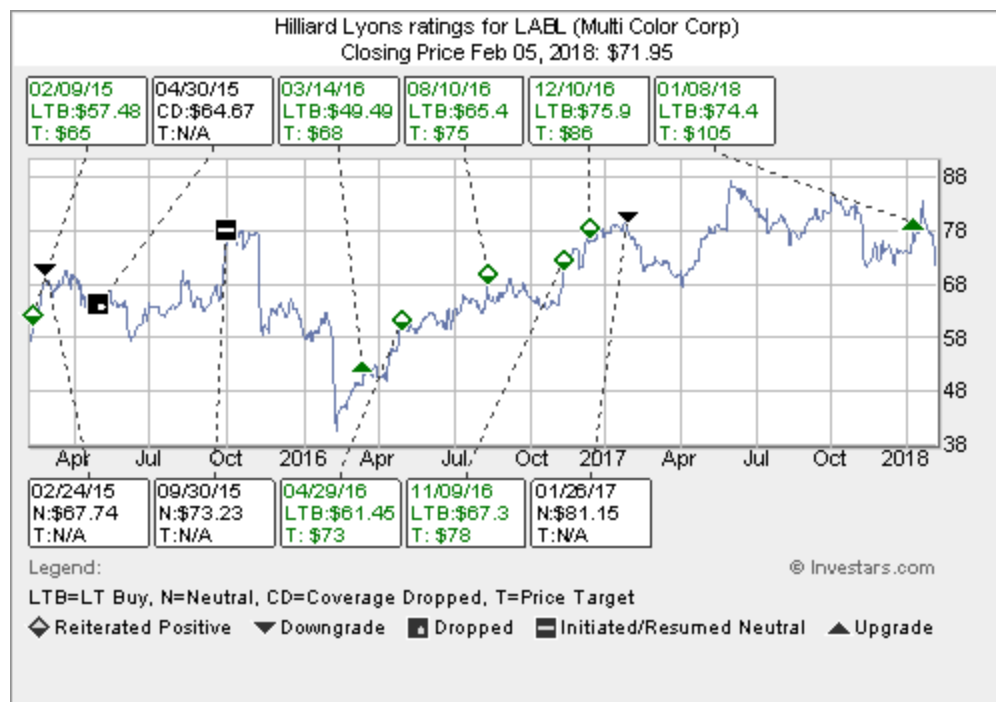
Suitability Ratings

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	31	28%	10%	90%
Hold/Neutral	75	67%	9%	91%
Sell	6	5%	0%	100%

As of 8 January 2018

Other Disclosures

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