

A great place to grow



Q1'2017

KPMG Corporate Finance LLC

Leisure & Wellness

M&A Newsletter

Leisure & Wellness (L&W) M&A Quarterly

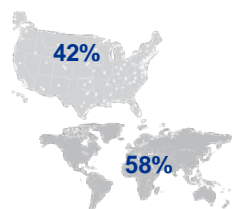
Leisure & Wellness M&A

After a record-breaking final quarter of 2016, M&A deal making in Q1 2017 remained somewhat muted. The number of deals globally fell by 10% to 10,327 deals when compared to 11,419 deals during the same quarter last year. However, disclosed deal value was almost at par with Q1 2016, reflecting a rise in big-ticket deals.

In line with the overall M&A trend, L&W deal flow globally witnessed a slowdown in Q1 2017 compared to the enthusiastic deal making seen in the last quarter of 2016. However, on Y-o-Y basis, deal volume was at par with Q1 2016 and deal value decreased by 13%. The U.S. L&W industry, which represents almost half of the global deal count, rests on fertile ground. Some of the key factors influencing the industry include, positive macro demographics driven by millennials and baby boomers, increased spending by parents on premium baby products in an endeavor to buy the best for their children, and strong innovation pipelines within the sub-sectors.



The L&W industry witnessed 198 announced transactions in Q1'17, down by 9% from 218 transactions witnessed in Q4'16.



Deal activity in the U.S. decreased by 10%, with 83 deals in Q1'17, compared to 92 deals in Q4'16. The U.S. contributed 42% to the global deal volume in Q1'17, in line with Q4'16.

Growth in the **Baby Products**

space is expected to propel from the ongoing innovation and premiumization trends. With parents adopting the quality over quantity approach, they are increasingly preferring premium product offerings from boutique companies and are turning away from industry behemoths. As a response to this shift, industry giants are either revamping their baby product lines or are acquiring these small niche players. Also, with rapid product introductions, building a strong brand portfolio is becoming imperative for companies to differentiate themselves in the market. Notable and recognizable brands are attracting investor interest; this is reflected in Carter's Feb'17 acquisition of Skip Hop, a leading manufacturer of baby products.



Deal activity in the **Personal Care** sector remained vibrant, with 20 announced deals in the quarter. 'Active Beauty' is becoming a buzz word in the personal care segment, driving significant innovation and investment in the space. Recognizing the potential growth opportunities, companies are entering/expanding their presence in this category, either through R&D or by way of acquisitions. For example, L'Oréal recently added three new U.S. brands, CeraVe, AcneFree, and AMBI, to its Active Cosmetics Division, thereby doubling the size of the division. Similarly in Dec. 16, Tarte Cosmetics, a New York based subsidiary of KOSÉ Corporation, launched a new active beauty 'Athleisure' collection targeting active females.



The **Toys and Games** sub-sector is expected to continue witnessing strong growth in its outdoor category, primarily driven by a surge in the demand for toys and games that encourage an active lifestyle for kids. This trend is in line with the overall health and wellness trend spanning across a number of industries. While some of the industry players are launching new products that offer more active play, others are resorting to M&A to cash in on this high growth market opportunity. For example, PlayCore, a leading provider of playground and recreation products, continued its acquisition spree with the purchase of Playcraft Systems, APC Brands, Inc. and Words of Wow in Q1'17.



The **Recreational Products**⁽¹⁾

space saw 18 announced deals in Q1'17 compared to 25 in Q4'16. Among its various segments, Hydroflight sports and recreation industry, which is currently valued at ~\$200M, is emerging into an attractive market niche and is garnering significant interest from investors. For example, FlyDive, a leading manufacturer of recreational hydroflight products acquired two large industry players in Q1'17. These acquisitions resulted in the creation of the first hydroflight conglomerate and enhancing of FlyDive's capabilities to better serve dealers, rental operators, customers, and athletes throughout the industry. The company aims to aggressively pursue M&A as a part of its long-term strategic growth plan.



Sources: Capital IQ and other publicly available information.

(1) Recreational Products sub-sector includes sporting goods, gym equipment, and other recreational goods.

Global Baby Products Market Overview

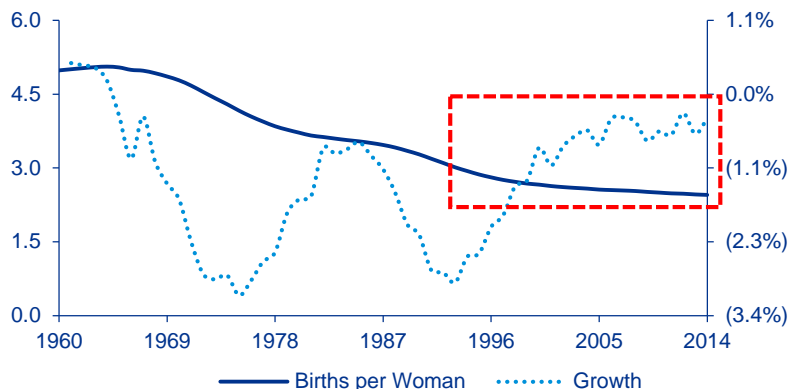
The Global Baby Products market is trending up, benefiting from positive demographics and consumer trends across both developed and developing markets

- The demand for baby products is primarily driven by income levels, family size, awareness about safety and hygiene, and the spending habits of parents
- The market is witnessing a surge in demand across economies worldwide
 - Increasing birthrate, improving economic conditions, and rapid urbanization in emerging economies of the Asia Pacific region are fueling the demand for baby products
 - The market in the developed economies of North America and Europe is primarily profiting from rising spending capabilities
- Improvements in consumer confidence, which tends to correlate with fertility, is a positive for the baby products market
- The increasing average age of mothers and rising number of women in the workforce is expected to favor the shift towards more spending on discretionary categories within the baby products market
- The industry is also benefiting from changing consumer trends, including:
 - **Increasing online sales**, with internet expanding beyond being an informational tool to one of the fastest growing retail channels across all regions
 - **Increasing Premiumization**, driven by stronger purchasing power and increased desire for baby products that provide specialized, enhanced or exclusive benefits

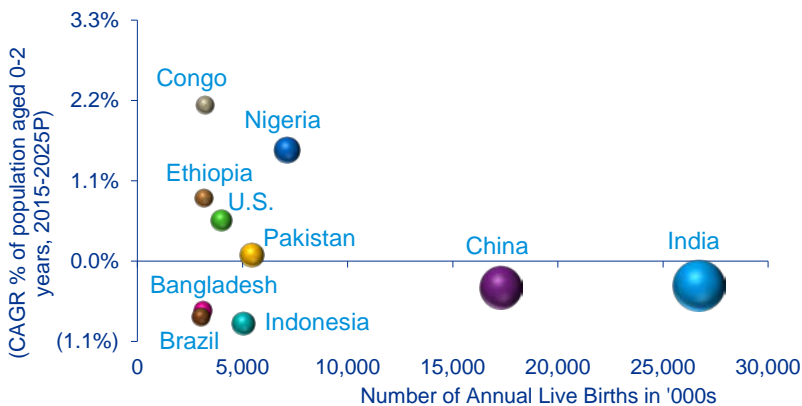
Rising Consumer Confidence Index ⁽¹⁾



Stabilizing Global Births per Woman



Increasing Infant Population⁽²⁾



Sources: Euromonitor and other publicly available sources.

Note: (1) OECD consumer confidence index.

(2) Size of the bubble indicates population aged 0-2 years.

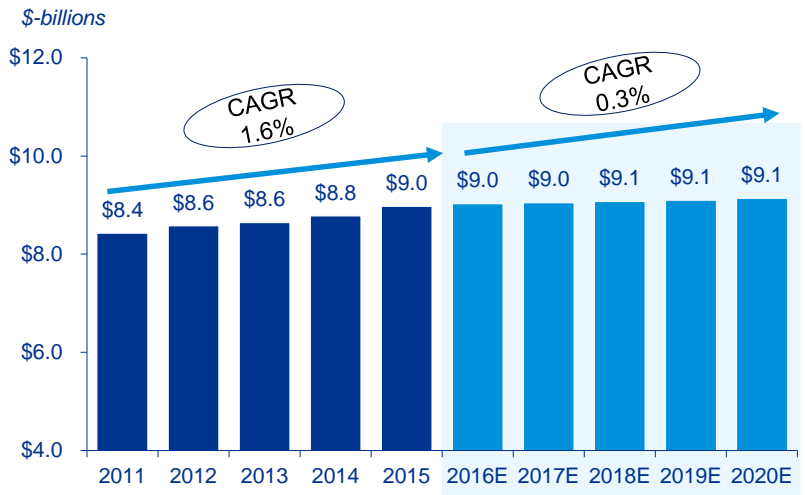
U.S. Baby Products Market Overview (1/2)

Baby Soft Goods

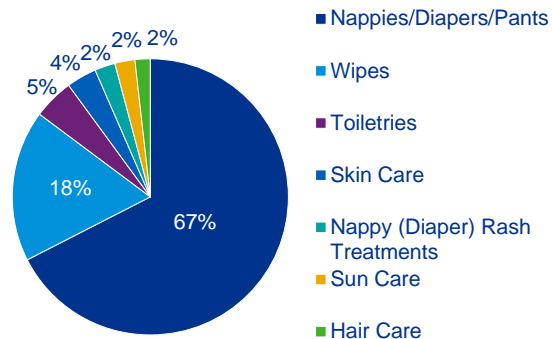
The U.S. Baby Products market is profiting from an increasing number of Americans that are choosing to have children in light of the improved outlook for the economy

- The baby soft goods market offerings broadly consists of a range of bath and body care products, wipes, nappies/diapers/pants, and other such items
- With the strengthening of the economy and falling fuel prices, consumers are increasingly spending more on personal care products including baby care
 - In addition to these macro economic factors, several new product launches and advertising campaigns for baby care products are enabling industry growth
- Within the various product categories, nappies/diapers/pants remained the largest category, followed by wipes
- Similar to the adult personal care market, the baby soft goods market is gradually shifting towards premium brands as industry players are increasingly focusing on capitalizing this growing niche
- With the premiumization trend gaining traction, mass players are losing their market share to premium naturally positioned smaller players
- Large players seeking to regain their market shares are relaunching their baby products line, whereas others looking to enter this attractive space are seeking acquisitions
 - In April 2016, Johnson & Johnson announced a plan to relaunch its baby brand in response to millennials opting for organic alternatives
 - In July 2016, SC Johnson acquired Babygenics to enter this attractive niche market

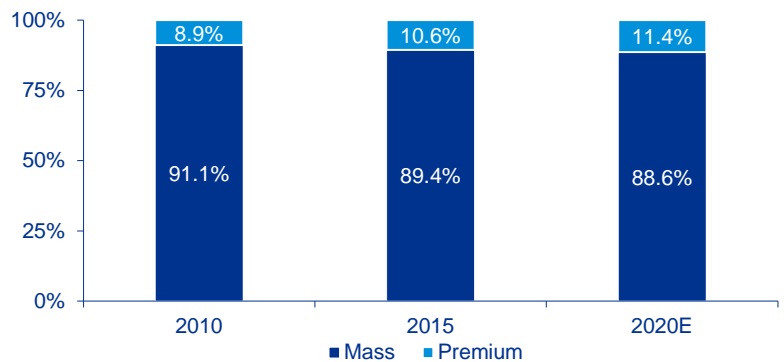
Historical and Projected Revenue Trend (1)



Market Segmentation (2015)



Increasing Premiumization (2)



Sources: Euromonitor and other publicly available sources.

Note: (1) 2016: Actual data for Nappies/Diapers/Pants and estimated data for other categories.

(2) Reflects breakup for only bath and body care products.

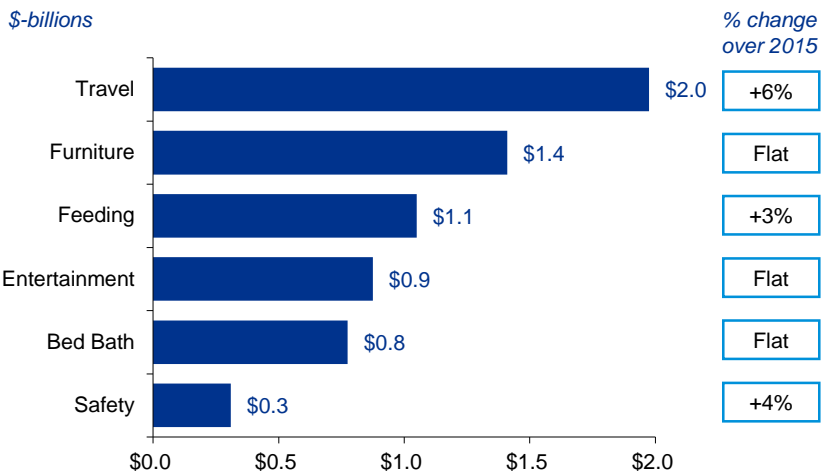
U.S. Baby Products Market Overview (2/2)

Baby Durable Goods

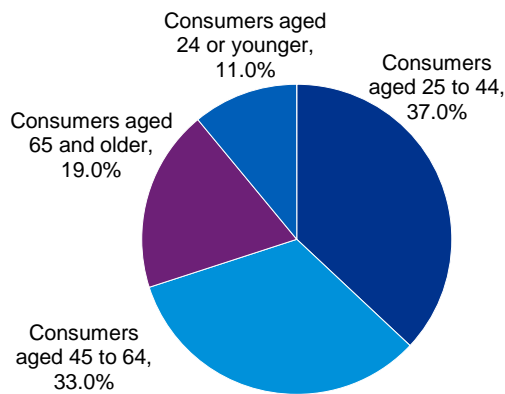
- The Durable Baby Products market primarily offers hard goods such as car seats, strollers, cribs, feeding products, and other such items
- In addition to the increased consumer spending, growth in the durable baby products market is driven by the perception of necessity among new parents for these products
- Rising concerns about the safety and well being of their children are driving parents to seek innovation and variety in the products they purchase, with cost not being one of the key determining factors
- This trend was reflected in the category gains witnessed over 2015
 - Car seats, which represented 52% of the largest product category called "Travel", experienced a healthy 10% growth over the previous year
 - "Safety", the smallest category, which offers products like baby gates etc., experienced one of the highest gains at 4%
- Parents of newborn children are the primary drivers of demand for baby durable products
 - With the increase in the average age of first time parents, consumers in the age group of 25 to 44 represent the largest market segment, followed by consumers in the age group of 45 to 64 which comprises wealthier, older parents and grandparents
- Industry players are increasingly focusing on the quality and branding of these products to generate higher sales and build customer loyalty
 - With the market being highly competitive, companies with recognizable, reliable, and strong brands are likely to fetch premiums when being acquired by companies planning to strengthen their portfolio

U.S. Durable Baby Products Market – Revenue Segmentation

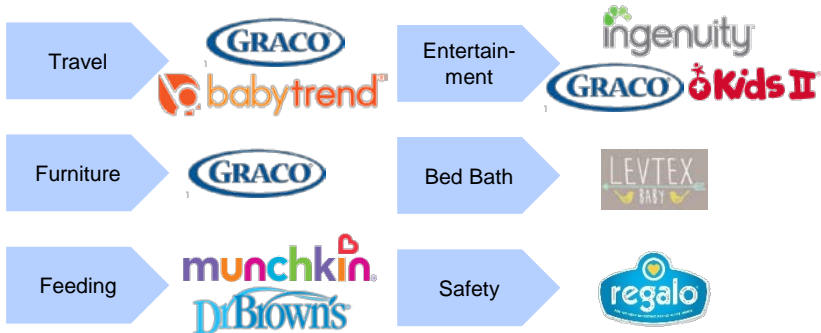
The U.S. durable baby products market is estimated to be around \$6.4 billion in 2016



Segmentation – By Consumer Age Group (2016)



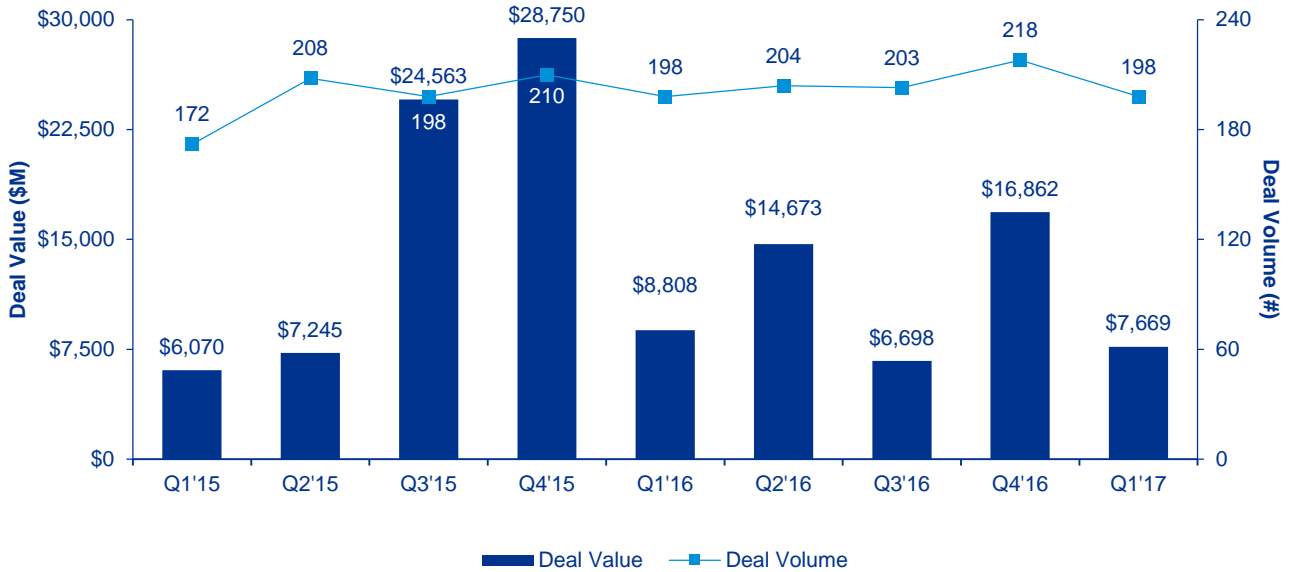
Biggest Growth Driving Brands – By Category



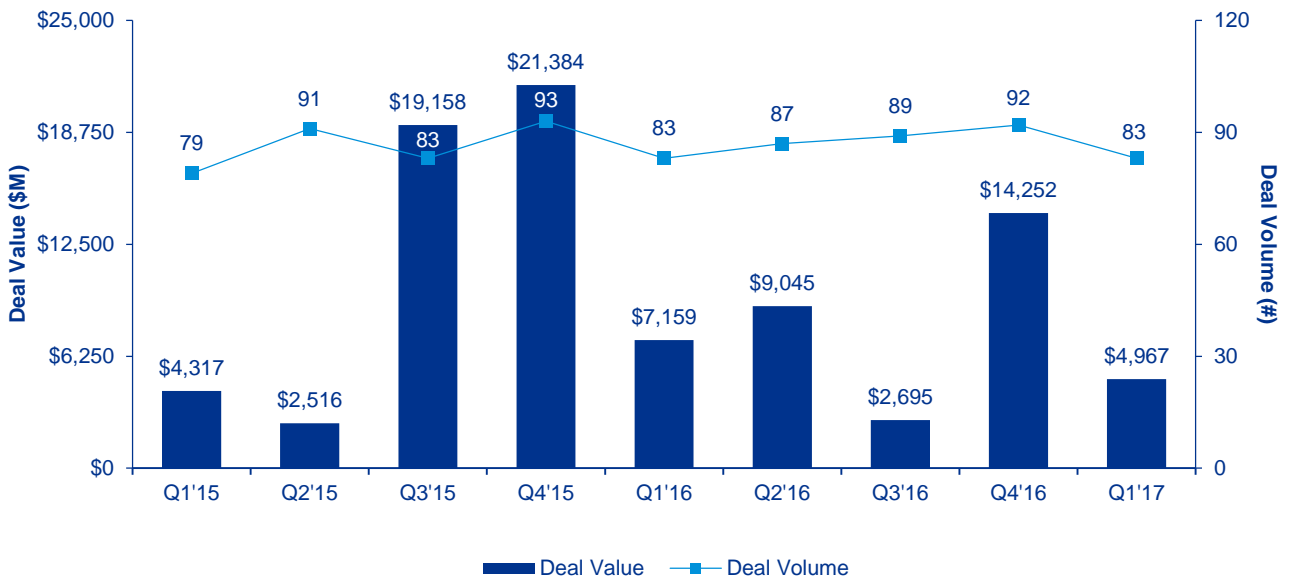
Sources: NPD, Mintel, and other publicly available sources.

Global and U.S. M&A deal volume

Global Leisure & Wellness Sector M&A Trend Q1'15 – Q1'17 ⁽¹⁾



U.S. Leisure & Wellness Sector M&A Trend Q1'15 – Q1'17 ⁽¹⁾

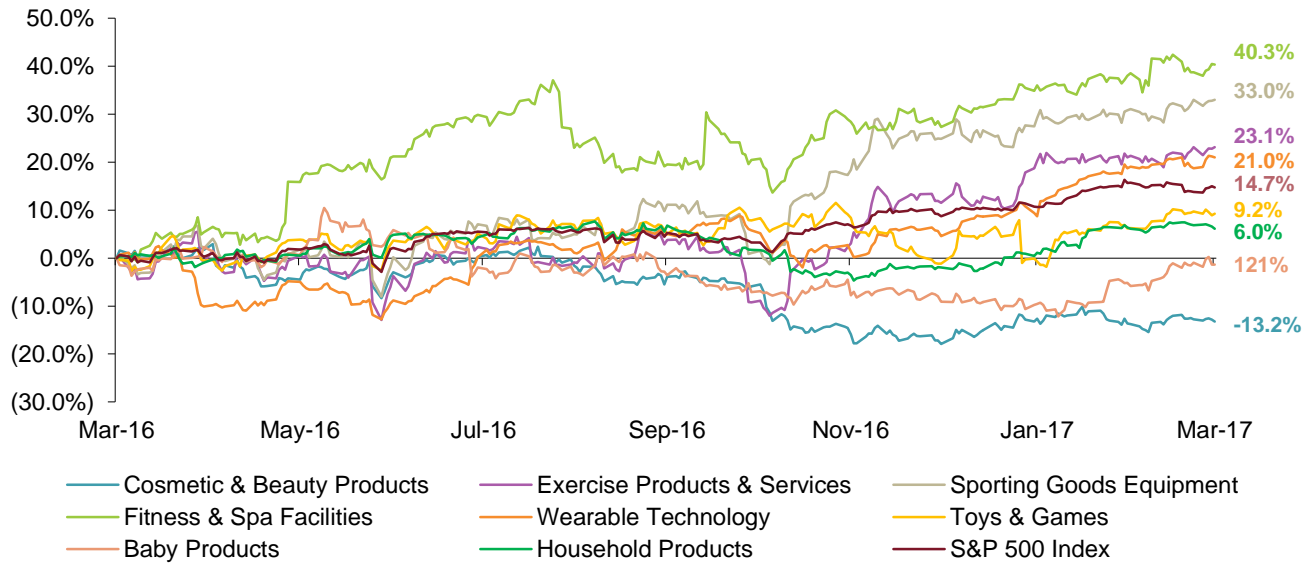


Source: Capital IQ as of March 31, 2017.

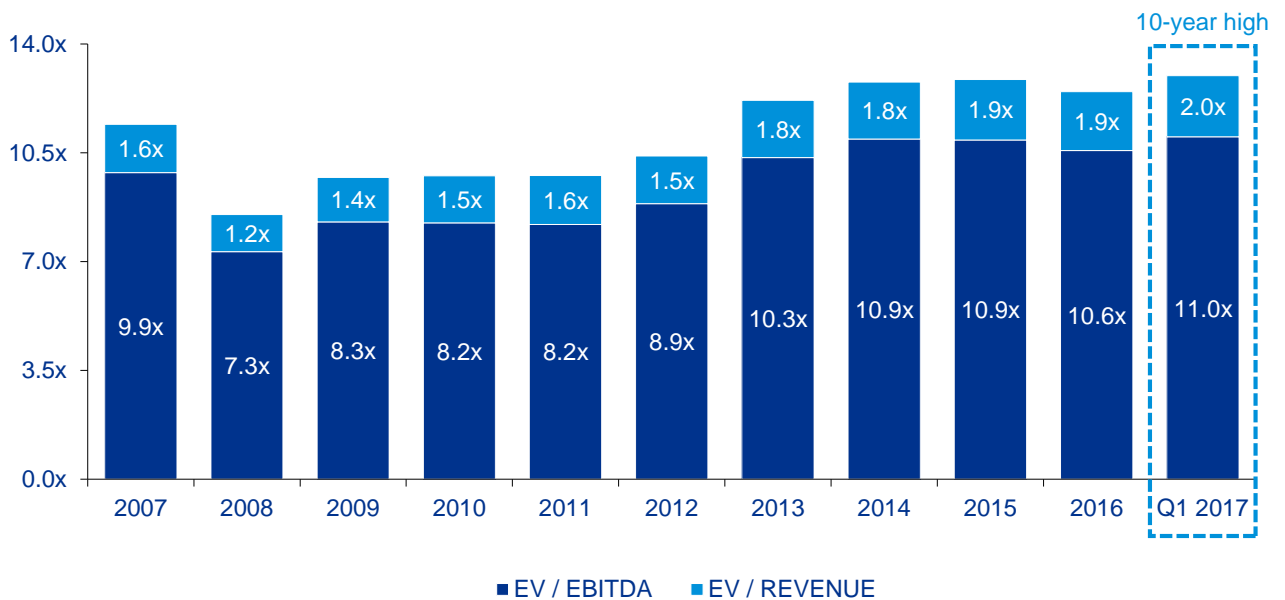
(1) M&A analysis based on deals announced during the respective periods. Deal value represents aggregate deal value for disclosed transactions for the time periods noted on the above graphs.

Stock valuations

Leisure & Wellness Sector Relative Stock Price Performance Trend ⁽¹⁾



Leisure & Wellness Sector Trading Multiple Valuation Trend ⁽¹⁾



Source: Capital IQ as of March 31, 2017.

(1) The Leisure & Wellness stock price performance and valuation trend are based on internally originated lists of representative public companies within the sub-sectors. The list of public companies selected in each sub-sector can be found on pages 11-13.

Recently Completed Transactions

Selected Q1'17 Transaction Summaries

| | |
|---|---|
| Amer Sports Corporation | March 29, 2017: Finland based Amer Sports, a sporting goods company, acquired Armada, the U.S. free-skiing iconic brand, for \$4.1 million, of which \$2.5 million was paid in cash. The transaction represents a revenue multiple of 0.4x. Amer Sports will integrate Armada into its Winter Sports Equipment business unit. The acquisition aids in Amer Sports's efforts to accelerate its presence in the U.S. market, where Armada has a solid presence. Management expects the acquisition to be synergistic due to an existing joint manufacturing collaboration with Armada. |
| <i>Acquired</i> | |
| Armada Skis | |
| Carter's, Inc. | February 23, 2017: Carter's Inc., one of the largest branded marketers of baby apparels in the U.S. and Canada, acquired Skip Hop Inc., a manufacturer of baby care bags, toys, and accessories, from Fireman Capital Partners for a total cash price of ~\$150 million. Skip Hop products are distributed in over 5,000 stores in the U.S. and more than 60 countries. The merger will enhance Carter's long track record of success through Skip Hop's complementary product portfolio and strong sales channels. |
| <i>Acquired</i> | |
| Skip Hop, Inc. | |
| Textron Inc. | January 25, 2017: Textron Inc., acquired Arctic Cat, a recreational vehicle brand manufacturing all-terrain vehicles, side-by-sides, and snowmobiles, in a cash transaction valued at ~\$247 million, plus the assumption of all the company's debt. Post acquisition, Arctic Cat will become a part of Textron's Specialized Vehicles business, maintaining its strong Arctic Cat brand along with its current manufacturing, distribution, and operational facilities, while focusing on amplifying the business. The transaction is expected to strengthen Textron's Specialized Vehicles business by expanding its portfolio and enhancing its distribution capabilities. The transaction is expected to better position the combined businesses to be a powersports industry leader. Textron acquired Arctic Cat shares at an offer price of \$18.50 per share, representing a 41.3% premium on the January 24, 2017 closing price per share. |
| <i>Acquired</i> | |
| Arctic Cat Inc. | |
| Church & Dwight Co., Inc. | January 20, 2017: Church & Dwight, a marketer of household, personal care, and specialty products acquired hair care brand, Viviscal, from Lifes2Good Holdings for ~\$160 million. Viviscal is a non-drug hair care supplement brand sold mainly in the U.S. and the U.K. with annual 2016 sales of approximately \$44 million. The brand is complementary to Church & Dwight's global BATISTE dry shampoo and TOPPIK hair care business. Church & Dwight intends to continue aggressively acquiring more complementary and similar brands in the coming future. |
| <i>Acquired</i> | |
| Viviscal Ltd. | |
| L'Oréal | January 10, 2017: To reshape its consumer product portfolio, Valeant Pharmaceuticals entered into an agreement to sell its CeraVe, AcneFree, and AMBI skincare brands to L'Oréal for \$1.3 billion in cash, representing a revenue multiple of 7.7x. These brands offer a broad range of skin care products including cleansers, moisturizers, sunscreens, healing ointments, baby care, and acne treatments. The acquisition complements L'Oréal's brand portfolio, deepens its relationships with health professionals, and strengthens its position in the North American region. The acquired brands will become a part of L'Oréal's Active Cosmetics Division in the U.S. and are expected to nearly double the division's revenue. |
| <i>Acquired</i> | |
| Valeant Pharmaceuticals Skin Care Brands | |
| High Ridge Brands | January 03, 2017: High Ridge Brands, a Stamford, CT based personal care consumer products company acquired Dr. Fresh, a provider of oral care products. Dr. Fresh's leading portfolio includes manual and power toothbrushes, travel kits, and rinse and floss items for all ages. The products are sold under the Firefly, REACH, Dr. Fresh, Binaca, and Dazzling White brands. Dr. Fresh has strong sales channels primarily in North America and Europe. The acquisition will extend High Ridge Brands' portfolio into the oral care category and broaden its global distribution platform. The transaction is the first add-on acquisition for High Ridge Brands, post its acquisition by private equity firm Clayton, Dubilier & Rice from Brynwood Partners in 2016. |
| <i>Acquired</i> | |
| Dr. Fresh | |

Q1'17 M&A Transactions

| Selected recent leisure & wellness M&A transactions (US\$ in millions) | | | | | | |
|---|---|------------------------------------|--------------------------|--------------------------------|-------------|------------|
| Ann. date | Target | Buyer | Sub-sector | Implied Enterprise Value (TEV) | TEV/revenue | TEV/EBITDA |
| 3/31/2017 | HealthRidge Fitness Center LLC | Genesis Health Club, Inc. | Fitness & Spa Facilities | - | - | - |
| 3/30/2017 | Larry Paul Tanning Company | Sun Factory Tanning Inc. | Fitness & Spa Facilities | - | - | - |
| 3/29/2017 | Armada Skis, Inc. | Amer Sports Corporation | Recreational Products | \$4.1 | 0.4x | - |
| 3/29/2017 | BellaVita Group LLC | Youngevity International, Inc. | Personal Care | - | - | - |
| 3/29/2017 | Running Belt Max Company | Coal Hill Capital Inc. | Recreational Products | - | - | - |
| 3/29/2017 | Big Bear Fitness Corporation | Danko's All American Fitness, Inc. | Fitness & Spa Facilities | - | - | - |
| 3/16/2017 | EarthScents Natural Cleaning | Evergreen Brands, ulc | Household Products | - | - | - |
| 3/9/2017 | Aquaflly | FlyDive, Inc. | Recreational Products | - | - | - |
| 3/7/2017 | Krauss Craft, Inc. / Playcraft Systems | PlayCore Holdings, Inc. | Toys & Games | - | - | - |
| 3/1/2017 | SwimLabs & Rehab, Inc. | Streamline Brands | Fitness & Spa Facilities | - | - | - |
| 2/23/2017 | Skip Hop, Inc. | Carter's, Inc. | Baby Products | \$150.0 | 1.7x | - |
| 2/15/2017 | Victus Sports, LLC | Marucci Sports LLC | Recreational Products | - | - | - |
| 2/14/2017 | Aerkomm Inc., Prior to Reverse Merger with Aircom Pacific, Inc. | Aerkomm Inc. | Baby Products | - | - | - |
| 2/10/2017 | Deer Crossing Archery LLC | Private Investor | Recreational Products | - | - | - |
| 2/3/2017 | Felt Bicycles | Rossignol Group | Recreational Products | - | - | - |

Source: Capital IQ.

Q1'17 M&A Transactions (continued)

| Selected recent leisure & wellness M&A transactions (US\$ in millions) | | | | | | |
|---|--|---|-----------------------|--------------------------------|-------------|------------|
| Ann. date | Target | Buyer | Sub-sector | Implied Enterprise Value (TEV) | TEV/revenue | TEV/EBITDA |
| 2/2/2017 | Revolution Cycles, Inc. | Trek Bicycle Corporation | Recreational Products | - | - | - |
| 2/1/2017 | Spill Magic, Inc. | Acme United Corporation | Household Products | \$7.2 | 1.1x | 5.1x |
| 1/31/2017 | APC Brands, Inc. | PlayCore Holdings, Inc. | Toys & Games | - | - | - |
| 1/25/2017 | Arctic Cat Inc. | Textron Specialized Vehicles Inc. | Recreational Products | \$314.9 | 0.6x | NM |
| 1/20/2017 | Viviscal Ltd. | Church & Dwight Co., Inc. | Personal Care | \$160.7 | 3.6x | - |
| 1/19/2017 | Kwik Tek, Inc. | Falconhead Capital, LLC; M3 Outdoor Investments LLC | Recreational Products | - | - | - |
| 1/18/2017 | Alpha Moda Lab, Inc. | Shiseido Americas Corporation | Personal Care | - | - | - |
| 1/18/2017 | David Moffat Enterprises, PASS THE PIGS | Winning Moves Games, Inc. | Toys & Games | - | - | - |
| 1/12/2017 | Jetpack Enterprises, LLC | FlyDive, Inc. | Recreational Products | - | - | - |
| 1/10/2017 | Yunique, LLC | Foundation, LLC | Personal Care | - | - | - |
| 1/10/2017 | Gared Holdings, LLC | Gen Cap America, Inc. | Recreational Products | - | - | - |
| 1/10/2017 | Valeant Pharmaceuticals International, Inc., Skincare Brands CeraVe, AcneFree and Ambi | L'Oréal S.A. | Personal Care | \$1,300.0 | 7.7x | - |
| 1/9/2017 | Marlow Sports Inc. | BSN Sports, Inc. | Recreational Products | - | - | - |
| 1/9/2017 | Jim Fletcher Archery Aids, Inc. | Bear Archery, INC. | Recreational Products | - | - | - |
| 1/3/2017 | Dr. Fresh LLC | High Ridge Brands Co. | Personal Care | - | - | - |

Source: Capital IQ.

Q1'17 Public Comps

Leisure & Wellness Performance Summary by Sub-sector (\$M, except per share data)

Selected public leisure & wellness companies

(US\$ in millions, except per share amounts)

| Company name | Market cap | Enterprise value ⁽¹⁾ | Share price ⁽²⁾ | % Of 52-Wk high | Last Twelve Months (LTM) | | | | Enterprise value | |
|--|------------|---------------------------------|----------------------------|-----------------|--------------------------|----------------|-----------------------|---------------|------------------|------------|
| | | | | | Revenue | Revenue growth | EBITDA ⁽³⁾ | EBITDA margin | NTM revenue | NTM EBITDA |
| Cosmetic & Beauty Products | | | | | | | | | | |
| The Estée Lauder Companies Inc. | \$31,067 | \$33,413 | \$84.79 | 87.0% | \$11,376 | 2.8% | \$2,197 | 19.3% | 2.8x | 14.0x |
| Coty Inc. | 13,545 | 19,101 | 18.13 | 57.4% | 5,403 | 26.4% | 822 | 15.2% | 2.2x | 12.3x |
| Herbalife Ltd. | 5,412 | 6,016 | 58.14 | 80.5% | 4,488 | 0.4% | 527 | 11.7% | 1.3x | 8.8x |
| Edgewell Personal Care Company | 4,200 | 5,480 | 73.14 | 83.1% | 2,352 | (1.1%) | 438 | 18.6% | 2.3x | 11.9x |
| Nu Skin Enterprises, Inc. | 2,934 | 2,981 | 55.54 | 84.1% | 2,208 | (1.7%) | 335 | 15.2% | 1.3x | 8.5x |
| Sally Beauty Holdings, Inc. | 2,929 | 4,619 | 20.44 | 62.4% | 3,954 | 2.2% | 588 | 14.9% | 1.1x | 7.3x |
| Avon Products, Inc. | 1,933 | 3,617 | 4.40 | 63.2% | 5,718 | (7.2%) | 453 | 7.9% | 0.6x | 6.7x |
| Revlon, Inc. | 1,463 | 3,969 | 27.85 | 73.4% | 2,334 | 21.9% | 355 | 15.2% | NA | NA |
| Inter Parfums, Inc. | 1,138 | 957 | 36.55 | 95.7% | 521 | 11.2% | 67 | 12.9% | 1.9x | 12.6x |
| Natural Health Trends Corp. | 326 | 200 | 28.90 | 74.1% | 288 | 8.6% | 65 | 22.4% | NA | NA |
| Nature's Sunshine Products, Inc. | 189 | 164 | 10.00 | 60.8% | 341 | 5.1% | 16 | 4.8% | NA | NA |
| Lifevantage Corporation | 76 | 72 | 5.37 | 33.6% | 213 | 13.4% | 12 | 5.7% | NA | NA |
| Mannatech, Incorporated | 44 | 18 | 16.40 | 68.9% | 180 | 0.0% | 3 | 1.7% | NA | NA |
| CCA Industries, Inc. | 22 | 25 | 3.15 | 78.9% | 19 | (14.7%) | 3 | 14.6% | NA | NA |
| Reliv International, Inc. | 10 | 9 | 5.32 | 42.5% | 46 | (12.1%) | 0 | 1.0% | NA | NA |
| <i>Cosmetic & Beauty Products Mean</i> | | | | 69.7% | | 3.7% | | 12.1% | 1.7x | 10.3x |
| <i>Cosmetic & Beauty Products Median</i> | | | | 73.4% | | 2.2% | | 14.6% | 1.6x | 10.3x |
| Exercise Products & Services | | | | | | | | | | |
| Brunswick Corporation | \$5,479 | \$5,463 | \$61.20 | 99.1% | \$4,489 | 9.3% | \$584 | 13.0% | 1.1x | 8.2x |
| Nautilus, Inc. | 560 | 545 | 18.25 | 73.0% | 406 | 20.9% | 62 | 15.2% | 1.3x | 8.5x |
| Escalade, Incorporated | 185 | 209 | 12.90 | 87.8% | 164 | 4.6% | 19 | 11.4% | 1.2x | 10.0x |
| <i>Exercise Products & Services Mean</i> | | | | 86.6% | | 11.6% | | 13.2% | 1.2x | 8.9x |
| <i>Exercise Products & Services Median</i> | | | | 87.8% | | 9.3% | | 13.0% | 1.2x | 8.5x |
| Sporting Goods Equipment | | | | | | | | | | |
| Brunswick Corporation | \$5,479 | \$5,463 | \$61.20 | 99.1% | \$4,489 | 9.3% | \$584 | 13.0% | 1.1x | 8.2x |
| Fox Factory Holding Corp | 1,068 | 1,099 | 28.70 | 95.2% | 403 | 9.9% | 63 | 15.6% | 2.5x | 14.1x |
| Callaway Golf Company | 1,047 | 933 | 11.07 | 88.1% | 871 | 3.2% | 60 | 6.9% | 1.0x | 15.1x |
| Malibu Boats, Inc. | 400 | 430 | 22.45 | 97.8% | 265 | 8.9% | 45 | 17.1% | 1.5x | 7.9x |
| Marine Products Corporation | 380 | 373 | 10.87 | 73.1% | 241 | 16.6% | 25 | 10.2% | 1.4x | 11.7x |
| Johnson Outdoors Inc. | 358 | 319 | 36.50 | 80.5% | 442 | (0.6%) | 41 | 9.2% | 0.7x | 6.9x |
| Escalade, Incorporated | 185 | 209 | 12.90 | 87.8% | 164 | 4.6% | 19 | 11.4% | 1.2x | 10.0x |
| Black Diamond, Inc. | 164 | 91 | 5.45 | 79.6% | 148 | (4.6%) | (3) | NM | 0.6x | 18.5x |
| <i>Sporting Goods Equipment Mean</i> | | | | 87.6% | | 5.9% | | 11.9% | 1.3x | 11.5x |
| <i>Sporting Goods Equipment Median</i> | | | | 87.9% | | 6.8% | | 11.4% | 1.2x | 10.8x |

Q1'17 Public Comps (continued)

Leisure & Wellness Performance Summary by Sub-sector (\$M, except per share data)

Selected public leisure & wellness companies

(US\$ in millions, except per share amounts)

| Company name | Market cap | Enterprise value ⁽¹⁾ | Share price ⁽²⁾ | % Of 52-Wk high | Last Twelve Months (LTM) | | | | Enterprise value | |
|--|------------|---------------------------------|----------------------------|-----------------|--------------------------|----------------|-----------------------|---------------|------------------|------------|
| | | | | | Revenue | Revenue growth | EBITDA ⁽³⁾ | EBITDA margin | NTM revenue | NTM EBITDA |
| Fitness & Spa Facilities | | | | | | | | | | |
| Ulta Beauty, Inc. | \$17,722 | \$17,307 | \$285.23 | 98.6% | \$4,855 | 23.7% | \$868 | 17.9% | 3.0x | 16.5x |
| Planet Fitness, Inc. | 1,198 | 1,867 | 19.27 | 76.8% | 378 | 14.4% | 96 | 25.5% | 4.3x | 10.3x |
| ClubCorp Holdings, Inc. | 1,055 | 2,057 | 16.05 | 91.2% | 1,095 | 2.7% | 210 | 19.2% | 1.8x | 8.0x |
| Regis Corporation | 541 | 506 | 11.72 | 72.7% | 1,745 | (4.0%) | 88 | 5.0% | NA | NA |
| Town Sports International Holdings, Inc. | 95 | 247 | 3.55 | 84.5% | 397 | (6.5%) | 40 | 10.0% | 0.6x | 6.0x |
| <i>Fitness & Spa Facilities Mean</i> | | | | 84.8% | | 6.1% | | 15.5% | 2.4x | 10.2x |
| <i>Fitness & Spa Facilities Median</i> | | | | 84.5% | | 2.7% | | 17.9% | 2.4x | 9.1x |
| Wearable Technology | | | | | | | | | | |
| Apple Inc. | \$753,718 | \$780,960 | \$143.66 | 99.4% | \$218,118 | (7.2%) | \$69,750 | 32.0% | 3.4x | 10.7x |
| Alphabet Inc. | 579,858 | 497,460 | 847.80 | 97.0% | 90,272 | 20.4% | 29,860 | 33.1% | 4.7x | 11.6x |
| Sony Corporation | 42,643 | 38,042 | 33.78 | 99.3% | 64,443 | (8.5%) | 4,499 | 7.0% | 0.6x | 5.5x |
| Garmin Ltd. | 9,638 | 8,524 | 51.11 | 91.0% | 3,019 | 7.0% | 710 | 23.5% | 2.8x | 12.1x |
| Under Armour, Inc. | 8,348 | 8,916 | 19.78 | 41.3% | 4,825 | 21.8% | 562 | 11.7% | 1.7x | 18.0x |
| Fitbit, Inc. | 1,344 | 638 | 5.92 | 31.4% | 2,169 | 16.8% | (54) | NM | 0.4x | NM |
| GoPro, Inc. | 1,236 | 1,018 | 8.70 | 49.2% | 1,185 | (26.8%) | (287) | NM | 0.8x | 33.1x |
| <i>Wearable Technology Mean</i> | | | | 72.6% | | 3.4% | | 21.4% | 2.0x | 15.2x |
| <i>Wearable Technology Median</i> | | | | 91.0% | | 7.0% | | 23.5% | 1.7x | 11.8x |
| Baby Products | | | | | | | | | | |
| Carter's, Inc. | \$4,360 | \$4,641 | \$89.80 | 79.8% | \$3,199 | 6.1% | \$502 | 15.7% | 1.4x | 8.8x |
| Pigeon Corporation | 3,818 | 3,600 | 31.88 | 96.5% | 839 | 2.6% | 161 | 19.2% | 3.9x | 19.6x |
| Dorel Industries Inc. | 774 | 1,202 | 23.80 | 77.6% | 2,603 | (3.0%) | 141 | 5.4% | 0.4x | 6.5x |
| Goodbaby International Holdings Limited | 541 | 602 | 0.49 | 76.9% | 804 | (10.3%) | 44 | 5.4% | 0.7x | 7.9x |
| Crown Crafts, Inc. | 83 | 68 | 8.23 | 80.3% | 74 | (13.6%) | 11 | 14.3% | 0.9x | 7.0x |
| Summer Infant, Inc. | 35 | 83 | 1.90 | 77.9% | 194 | (5.6%) | 5 | 2.7% | 0.4x | 8.0x |
| <i>Baby Products Mean</i> | | | | 81.5% | | (3.9%) | | 10.5% | 1.3x | 9.6x |
| <i>Baby Products Median</i> | | | | 78.8% | | (4.3%) | | 9.9% | 0.8x | 7.9x |
| Toys & Games | | | | | | | | | | |
| Hasbro, Inc. | \$12,407 | \$12,845 | \$99.82 | 98.8% | \$5,020 | 12.9% | \$994 | 19.8% | 2.4x | 12.3x |
| Mattel, Inc. | 8,770 | 10,227 | 25.61 | 73.7% | 5,323 | (5.8%) | 739 | 13.9% | 1.8x | 10.3x |
| BANDAI NAMCO Holdings Inc. | 6,560 | 4,910 | 29.87 | 93.9% | 5,220 | 4.8% | 723 | 13.9% | 0.9x | 6.1x |
| Spin Master Corp. | 2,950 | 3,010 | 29.03 | 98.6% | 1,154 | 31.3% | 172 | 14.9% | 2.3x | 12.8x |
| TOMY Company, Ltd. | 868 | 1,151 | 9.98 | 84.8% | 1,428 | 3.8% | 136 | 9.6% | 0.7x | NA |
| China Healthwise Holdings Limited | 151 | 115 | 0.03 | 51.4% | 45 | 0.4% | (7) | NM | NA | NA |
| JAKKS Pacific, Inc. | 127 | 254 | 5.50 | 56.4% | 707 | (5.2%) | 40 | 5.7% | 0.4x | 5.6x |
| <i>Toys & Games Mean</i> | | | | 79.7% | | 6.0% | | 12.9% | 1.4x | 9.4x |
| <i>Toys & Games Median</i> | | | | 84.8% | | 3.8% | | 13.9% | 1.3x | 10.3x |

Q1'17 Public Comps (continued)

Leisure & Wellness Performance Summary by Sub-sector (\$M, except per share data)

Selected public leisure & wellness companies

(US\$ in millions, except per share amounts)

| Company name | Market cap | Enterprise value ⁽¹⁾ | Share price ⁽²⁾ | % Of 52-Wk high | Last Twelve Months (LTM) | | | | Enterprise value | |
|----------------------------------|------------|---------------------------------|----------------------------|-----------------|--------------------------|----------------|-----------------------|---------------|------------------|------------|
| | | | | | Revenue | Revenue growth | EBITDA ⁽³⁾ | EBITDA margin | NTM revenue | NTM EBITDA |
| Household Products | | | | | | | | | | |
| The Procter & Gamble Company | \$229,699 | \$246,736 | \$89.85 | 97.7% | \$65,231 | (2.5%) | \$17,666 | 27.1% | 3.8x | 14.1x |
| Reckitt Benckiser Group plc | 63,923 | 65,807 | 91.24 | 93.6% | 12,212 | 11.5% | 3,625 | 29.7% | 4.7x | 15.7x |
| Henkel AG & Co. KGaA | 51,293 | 53,780 | 128.16 | 97.5% | 19,755 | 3.5% | 3,747 | 19.0% | 2.5x | 12.3x |
| Kimberly-Clark Corporation | 46,827 | 53,534 | 131.63 | 94.8% | 18,202 | (2.1%) | 4,023 | 22.1% | 2.9x | 12.8x |
| Kao Corporation | 26,489 | 24,894 | 54.74 | 96.9% | 12,485 | (1.0%) | 2,065 | 16.5% | 1.9x | 10.8x |
| Newell Brands Inc. | 22,755 | 34,082 | 47.17 | 85.1% | 13,264 | 124.2% | 2,392 | 18.0% | 2.3x | 12.3x |
| The Clorox Company | 17,294 | 19,429 | 134.83 | 96.0% | 5,875 | 3.2% | 1,216 | 20.7% | 3.2x | 14.6x |
| Church & Dwight Co., Inc. | 12,669 | 13,601 | 49.87 | 92.9% | 3,493 | 2.9% | 837 | 24.0% | 3.8x | 15.5x |
| Spectrum Brands Holdings, Inc. | 8,177 | 11,690 | 139.01 | 97.1% | 5,033 | 4.0% | 900 | 17.9% | 2.3x | 11.7x |
| Tupperware Brands Corporation | 3,178 | 3,797 | 62.72 | 93.8% | 2,213 | (3.1%) | 378 | 17.1% | 1.7x | 9.0x |
| Helen of Troy Limited | 2,542 | 3,090 | 94.20 | 88.7% | 1,546 | 0.6% | 214 | 13.9% | 2.0x | 12.6x |
| Tempur Sealy International, Inc. | 2,504 | 4,326 | 46.46 | 56.4% | 3,127 | (0.8%) | 483 | 15.5% | 1.5x | 10.5x |
| Central Garden & Pet Company | 1,814 | 2,203 | 37.07 | 98.1% | 1,889 | 10.9% | 186 | 9.8% | 1.1x | 11.9x |
| WD-40 Company | 1,538 | 1,571 | 108.95 | 87.2% | 379 | 2.1% | 78 | 20.6% | 3.9x | 18.9x |
| Select Comfort Corporation | 1,065 | 1,053 | 24.79 | 87.5% | 1,311 | 8.0% | 134 | 10.2% | 0.8x | 7.2x |
| <i>Household Products Mean</i> | | | | 90.9% | | 10.8% | | 18.8% | 2.6x | 12.7x |
| <i>Household Products Median</i> | | | | 93.8% | | 2.9% | | 18.0% | 2.3x | 12.3x |

Source: Capital IQ.

All figures in US\$; where applicable, converted at rates as of March 31, 2017.

(1) As shown, Enterprise Value defined as Market Capitalization plus Preferred Stock and Net Debt.

(2) Closing share prices as of March 31, 2017.

(3) EBITDA reduced to account for minority interest expense.

Selected Recent Transactions*

| | | | | | |
|--|---|--|---|--|---|
|  <p>Tolema, Inc.</p> <p>acted as financial advisor to Tolema, Inc. on its recapitalization by Vopne Capital</p> |  <p>Full Swing Golf, Inc.</p> <p>acted as financial advisor to Full Swing Golf on its recapitalization by North Castle Partners and Topgolf</p> |  <p>Club16 and She's FIT!</p> <p>acted as financial advisor to Club16 and She's FIT! on its sale to Founders Advantage Capital</p> |  <p>Tontine</p> <p>acted as financial advisor to Tontine on its sale to John Cotton Group</p> |  <p>Vango</p> <p>acted as financial advisor to Vango on its sale to Growth Capital Partners</p> |  <p>Go Outdoors</p> <p>acted as financial advisor to Go Outdoors Limited on its sale to JD Sports</p> |
|--|---|--|---|--|---|

* Represents the Deal Advisory practices of KPMG International's network of independent member firms.

KPMG Corporate Finance¹ is a leading global M&A advisor in the Middle Market

| 2007-2016 | | No. of deals | 2016 YTD December | | No. of deals |
|-----------|--------------------|--------------|-------------------|--------------------|--------------|
| 1 | KPMG ¹ | 4,039 | 1 | KPMG ¹ | 433 |
| 2 | PwC | 3,874 | 2 | PwC | 372 |
| 3 | Goldman Sachs & Co | 3,681 | 3 | Rothschild & Co | 367 |
| 4 | Morgan Stanley | 3,457 | 4 | Goldman Sachs & Co | 357 |
| 5 | JP Morgan | 3,212 | 5 | JP Morgan | 333 |

¹ Represents the global Corporate Finance practices of KPMG International's network of independent member firms.

Source: Thomson Reuters SDC; Middle market is defined as transactions less than US\$500 million.

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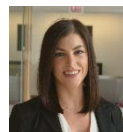
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* Represents the global Corporate Finance practices of KPMG International's network of independent member firms

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