

REFINITIV

DELTA REPORT

10-Q

HVT - HAVERTY FURNITURE COMPANI

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 277

■ CHANGES	127
■ DELETIONS	86
■ ADDITIONS	64

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

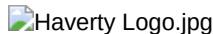
(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the quarterly period ended **September 30, 2023** **March 31, 2024**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the transition period from ___ to ___

Commission file number: 1-14445



HAVERTY FURNITURE COMPANIES, INC.

(Exact name of registrant as specified in its charter)

Maryland

58-0281900

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

780 Johnson Ferry Road, Suite 800
Atlanta, Georgia

30342

(Address of principal executive offices)

(Zip Code)

(404) 443-2900

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	HVT	NYSE
Class A Common Stock	HVTA	NYSE

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer
Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No x

The numbers of shares outstanding of the registrant's two classes of \$1 par value common stock as of **November 1, 2023** **May 3, 2024**, were: Common Stock – **14,987,128**; **14,960,842**; Class A Common Stock – **1,281,395**; **1,275,395**.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

HAVERTY FURNITURE COMPANIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In thousands)	(In thousands)	September 30, 2023		December 31, 2023		March 31, 2024 (In thousands)	December 31, 2023
		2023	2022	2023	2022		
Assets	Assets						
Assets	Assets						
Current assets	Current assets						
Current assets							
Current assets							
Cash and cash equivalents							
Cash and cash equivalents							
Cash and cash equivalents	Cash and cash equivalents	\$134,303	\$123,126				
Restricted cash and cash equivalents	Restricted cash and cash equivalents	7,049	6,804				
Inventories	Inventories	102,334	118,333				
Prepaid expenses	Prepaid expenses	12,782	9,707				
Other current assets	Other current assets	14,463	18,283				
Total current assets	Total current assets	270,931	276,253				
Property and equipment, net	Property and equipment, net	170,263	137,475				
Right-of-use lease assets	Right-of-use lease assets	205,257	207,390				
Deferred income taxes	Deferred income taxes	17,886	15,501				
Other assets	Other assets	12,344	12,430				
Total assets	Total assets	\$676,681	\$649,049				
Liabilities and Stockholders' Equity	Liabilities and Stockholders' Equity						
Current liabilities	Current liabilities						
Current liabilities							
Current liabilities							
Accounts payable							
Accounts payable							
Accounts payable	Accounts payable	\$21,121	\$23,345				
Customer deposits	Customer deposits	46,308	47,969				
Accrued liabilities	Accrued liabilities	45,596	48,676				
Current lease liabilities	Current lease liabilities	38,381	34,442				
Total current liabilities	Total current liabilities	151,406	154,432				
Noncurrent lease liabilities	Noncurrent lease liabilities	182,298	186,845				
Other liabilities	Other liabilities	26,561	18,373				

Total liabilities	Total liabilities	360,265	359,650
Stockholders' equity	Stockholders' equity		
Stockholders' equity			
Capital Stock, par value \$1 per share			
Capital Stock, par value \$1 per share			
Capital Stock, par value \$1 per share	Capital Stock, par value \$1 per share		
Preferred Stock, Authorized – 1,000 shares; Issued: None	Preferred Stock, Authorized – 1,000 shares; Issued: None		
Common Stock, Authorized – 50,000 shares; Issued: 2023 – 30,220; 2022 – 30,006	30,220	30,006	
Convertible Class A Common Stock, Authorized – 15,000 shares; Issued: 2023 – 1,804; 2022 – 1,806	1,804	1,806	
Preferred Stock, Authorized – 1,000 shares; Issued: None			
Preferred Stock, Authorized – 1,000 shares; Issued: None			
Common Stock, Authorized – 50,000 shares; Issued: 2024 – 30,316; 2023 – 30,220			
Convertible Class A Common Stock, Authorized – 15,000 shares; Issued: 2024 – 1,798; 2023 – 1,804			
Additional paid-in capital	Additional paid-in capital	111,491	108,706
Retained earnings	Retained earnings	425,410	398,393
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(756)	(756)
Less treasury stock at cost – Common Stock (2023 – 15,233 and 2022 – 15,140 shares) and Convertible Class A Common Stock (2023 and 2022 – 522 shares)	(251,753)	(248,756)	
Less treasury stock at cost – Common Stock (2024 – 15,355 and 2023 – 15,355 shares) and Convertible Class A Common Stock (2024 and 2023 – 522 shares)			
Total stockholders' equity	Total stockholders' equity	316,416	289,399
Total liabilities and stockholders' equity	Total liabilities and stockholders' equity	\$676,681	\$649,049

See notes to these condensed consolidated financial statements.

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HAVERTY FURNITURE COMPANIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

(In thousands, except per share data)	(In thousands, except per share data)	Three Months Ended		Nine Months Ended September 30,	
		September 30, 2023	September 30, 2022	2023	2022
(In thousands, except per share data)					
2024					
2024					

Net sales						
Net sales						
Net sales	Net sales	\$ 220,347	\$ 274,495	\$ 651,389	\$ 766,658	
Cost of goods sold	Cost of goods sold	86,349	117,775	259,712	322,368	
Cost of goods sold						
Cost of goods sold						
Gross profit						
Gross profit						
Gross profit	Gross profit	133,998	156,720	391,677	444,290	
Expenses:	Expenses:					
Expenses:						
Expenses:						
Selling, general and administrative	Selling, general and administrative	112,729	124,534	341,106	357,816	
Other expense, net		55	58	64	176	
Selling, general and administrative						
Selling, general and administrative						
Other expense (income), net						
Other expense (income), net						
Other expense (income), net						
Total expenses						
Total expenses						
Total expenses	Total expenses	112,784	124,592	341,170	357,992	
Income before interest and income taxes	Income before interest and income taxes	21,214	32,128	50,507	86,298	
Income before interest and income taxes						
Income before interest and income taxes						
Interest income, net						
Interest income, net						
Interest income, net	Interest income, net	1,719	481	3,701	699	
Income before income taxes	Income before income taxes	22,933	32,609	54,208	86,997	
Income before income taxes						
Income before income taxes						
Income tax expense	Income tax expense	5,779	8,058	12,891	21,377	
Income tax expense						
Income tax expense						
Net income						
Net income						
Net income	Net income	\$ 17,154	\$ 24,551	\$ 41,317	\$ 65,620	
Other comprehensive income	Other comprehensive income					
Adjustments related to retirement plans; net of tax expense of \$14 and \$41 in 2022						

Other comprehensive income								
Other comprehensive income								
Comprehensive income								
Comprehensive income								
Comprehensive income	Comprehensive income	\$ 17,154	\$ 24,592	\$ 41,317	\$ 65,742			
Basic earnings per share:	Basic earnings per share:							
Basic earnings per share:								
Basic earnings per share:								
Common Stock	Common Stock	\$ 1.05	\$ 1.51	\$ 2.55	\$ 3.96			
Common Stock								
Common Stock								
Class A Common Stock								
Class A Common Stock								
Class A Common Stock	Class A Common Stock	\$ 1.00	\$ 1.43	\$ 2.41	\$ 3.75			
Diluted earnings per share:	Diluted earnings per share:							
Diluted earnings per share:								
Diluted earnings per share:								
Common Stock	Common Stock	\$ 1.02	\$ 1.46	\$ 2.46	\$ 3.83			
Common Stock								
Common Stock								
Class A Common Stock								
Class A Common Stock								
Class A Common Stock	Class A Common Stock	\$ 0.98	\$ 1.40	\$ 2.36	\$ 3.66			
Cash dividends per share:	Cash dividends per share:							
Cash dividends per share:								
Cash dividends per share:								
Cash dividends per share:								
Common Stock								
Common Stock								
Common Stock	Common Stock	\$ 0.30	\$ 0.28	\$ 0.88	\$ 0.81			
Class A Common Stock	Class A Common Stock	\$ 0.28	\$ 0.26	\$ 0.82	\$ 0.75			
Class A Common Stock								
Class A Common Stock								

See notes to these condensed consolidated financial statements.

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HAVERTY FURNITURE COMPANIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(In thousands)	(In thousands)	Nine Months Ended	(In thousands)	Three Months Ended
		September 30,		March 31,

		2023	2022			2024	2023
		2024					
Cash Flows from	Cash Flows from						
Operating Activities:	Operating Activities:						
Net income	Net income	\$ 41,317	\$ 65,620				
Net income							
Net income							
Adjustments to	Adjustments to						
reconcile net	reconcile net						
income to net	income to net						
cash	cash						
provided by	provided by						
operating	operating						
activities:	activities:						
Depreciation and amortization	Depreciation and amortization						
Depreciation	Depreciation						
and	and						
amortization	amortization	13,827	12,744				
Share-based	Share-based						
compensation	compensation						
expense	expense	6,199	6,032				
Other	Other	(1,337)	(450)				
Changes in	Changes in						
operating	operating						
assets and	assets and						
liabilities:	liabilities:						
Inventories	Inventories						
Inventories	Inventories	15,999	(25,284)				
Customer	Customer						
deposits	deposits	(1,661)	(19,151)				
Other assets	Other assets						
and liabilities	and liabilities	10,546	(7,318)				
Accounts	Accounts						
payable and	payable and						
accrued	accrued						
liabilities	liabilities	(5,516)	6,007				
Net cash	Net cash						
provided	provided						
by	by						
operating	operating						
activities	activities	79,374	38,200				
Cash Flows from	Cash Flows from						
Investing Activities:	Investing Activities:						
Cash Flows from	Cash Flows from						
Investing Activities:	Investing Activities:						
Cash Flows from	Cash Flows from						
Investing Activities:	Investing Activities:						
Cash Flows from	Cash Flows from						
Investing Activities:	Investing Activities:						

Capital expenditures			
Capital expenditures			
Capital expenditures	Capital expenditures	(46,428)	(22,109)
Proceeds from sale of land, property and equipment	Proceeds from sale of land, property and equipment	53	66
Net cash used in investing activities	Net cash used in investing activities	(46,375)	(22,043)
Cash Flows from Financing Activities:			
Cash Flows from Financing Activities:			
Cash Flows from Financing Activities:	Cash Flows from Financing Activities:		
Dividends paid	Dividends paid	(14,301)	(13,366)
Common stock repurchased		(3,194)	(29,998)
Dividends paid			
Dividends paid			
Taxes on vested restricted shares			
Taxes on vested restricted shares			
Taxes on vested restricted shares	Taxes on vested restricted shares	(4,082)	(1,676)
Net cash used in financing activities	Net cash used in financing activities	(21,577)	(45,040)
Increase (decrease) in cash, cash equivalents and restricted cash equivalents during the period		11,422	(28,883)
Decrease in cash, cash equivalents and restricted cash equivalents during the period			
Decrease in cash, cash equivalents and restricted cash equivalents during the period			
Decrease in cash, cash equivalents and restricted cash equivalents during the period			
Cash, cash equivalents and restricted cash equivalents at beginning of period	Cash, cash equivalents and restricted cash equivalents at beginning of period	129,930	172,862

Cash, cash equivalents and restricted cash equivalents at end of period	Cash, cash equivalents and restricted cash equivalents at end of period	\$141,352	\$143,979
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See notes to these condensed consolidated financial statements.

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HAVERTY FURNITURE COMPANIES, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

NOTE A - Business and Basis of Presentation

Haverty Furniture Companies, Inc. ("Havertys," "the Company," "we," "our," or "us") is a retailer of a broad line of residential furniture in the middle to upper-middle price ranges. We operate all of our stores using the Havertys brand and do not franchise our concept. We operate within a single reportable segment. The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and, therefore, do not include all information and footnotes required by United States of America generally accepted accounting principles ("U.S. GAAP") for complete financial statements. The Company believes that the disclosures made are adequate to make the information not misleading. The financial statements include the accounts of the Company and its wholly owned subsidiary. All significant intercompany accounts and transactions have been eliminated in consolidation. We believe all adjustments, normal and recurring in nature, considered necessary for a fair presentation have been included. We suggest that these condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and accompanying footnotes included in our latest Annual Report on Form 10-K.

The preparation of interim condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities, and reported amounts of revenue and expenses. Actual results could differ from those estimates.

The Company is subject to various claims and legal proceedings covering a wide range of matters, including with respect to product liability and personal injury claims, that arise in the ordinary course of its business activities. We currently have no pending claims or legal proceedings that we believe would be reasonably likely to have a material adverse effect on our financial condition, results of operations or cash flows. However, there can be no assurance that either future litigation or an unfavorable outcome in existing claims will not have a material impact on our business, reputation, financial position, cash flows or results of operations.

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NOTE B – Stockholders' Equity

The following outlines the changes in each caption of stockholders' equity for the current and comparative periods period and the dividends per share for each class of shares.

For the three months ended **September 30, 2023** **March 31, 2024**:

(in thousands)	Common Stock	Class A Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total
Balances at June 30, 2023	\$ 30,218	\$ 1,806	\$ 109,731	\$ 413,143	\$ (756)	\$ (248,559)	\$ 305,583
Net income				17,154			17,154
Dividends declared:							
Common Stock, \$0.30 per share				(4,527)			(4,527)
Class A Common Stock, \$0.28 per share				(360)			(360)
Class A conversion	2	(2)					—
Acquisition of treasury stock					(3,194)		(3,194)
Amortization of restricted stock			1,760				1,760

Balances at September 30, 2023	\$ 30,220	\$ 1,804	\$ 111,491	\$ 425,410	\$ (756)	\$ (251,753)	\$ 316,416
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For the nine months ended September 30, 2023:

	Accumulated						Accumulated						
	Class A		Additional		Other		Class A		Additional		Other		
	Common	Common	Paid-In	Retained	Comprehensive	Treasury	(in	Common	Common	Paid-In	Retained	Comprehensive	Treasury
	(in thousands)	(in thousands)	Stock	Stock	Capital	Earnings	Stock	Total	(in	Stock	Stock	Capital	Earnings
Balances at December													
31, 2022	\$ 30,006	\$ 1,806	\$ 108,706	\$ 398,393	\$ (756)	\$ (248,756)	\$ 289,399						
Balances at													
December													
31, 2023													
Net income	Net income						41,317						
Dividends	Dividends												
declared:	declared:												
Common Stock, \$0.88													
per share													
Common Stock, \$0.82 per share													
Common Stock, \$0.30													
per share													
Common Stock, \$0.30													
per share													
Common Stock, \$0.30													
per share													
Class A	Common												
Stock,													
\$0.28 per													
share													
Class A	Class A												
conversion	conversion												
	2			(2)									
Acquisition of treasury													
stock													
							(3,194)						
Restricted stock													
issuances													
Restricted stock													
issuances													
Restricted	Restricted												
stock	stock												
issuances	issuances												
	212			(4,294)									
Amortization	Amortization												
of restricted	of restricted												
stock	stock												
				6,199									
Directors' Compensation													
Plan													
				880									
Balances at September													
30, 2023	\$ 30,220	\$ 1,804	\$ 111,491	\$ 425,410	\$ (756)	\$ (251,753)	\$ 316,416						
Balances at March 31,													
2024													
Balances at March 31,													
2024													

Balances at March 31,
2024

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For the three months ended **September 30, 2022** **March 31, 2023**:

(in thousands)	Class A		Additional		Retained		Accumulated Other		Treasury		Total
	Common Stock	Common Stock	Paid-In Capital	Earnings	Comprehensive Loss	Stock					
Balances at June 30, 2022	\$ 30,006	\$ 1,806	\$ 105,674	\$ 375,234	\$ (2,212)	\$ (243,782)					\$ 266,726
Net income				24,551							24,551
Dividends declared:											
Common Stock, \$0.28 per share				(4,214)							(4,214)
Class A Common Stock, \$0.26 per share				(334)							(334)
Acquisition of treasury stock											(4,997)
Amortization of restricted stock			1,836								1,836
Other comprehensive income					41						41
Balances at September 30, 2022	<u>\$ 30,006</u>	<u>\$ 1,806</u>	<u>\$ 107,510</u>	<u>\$ 395,237</u>	<u>\$ (2,171)</u>	<u>\$ (248,779)</u>					<u>\$ 283,609</u>

For the nine months ended **September 30, 2022**:

(in thousands)	Class A		Additional		Retained		Accumulated Other		Treasury		Total
	Common Stock	Common Stock	Paid-In Capital	Earnings	Comprehensive Loss	Stock					
Balances at December 31, 2021	\$ 29,907	\$ 1,809	\$ 102,572	\$ 342,983	\$ (2,293)	\$ (219,008)					\$ 255,970
Net income				65,620							65,620
Dividends declared:											
Common Stock, \$0.81 per share				(12,403)							(12,403)
Class A Common Stock, \$0.75 per share				(963)							(963)
Class A conversion	3	(3)									—
Acquisition of treasury stock											(29,998)
Restricted stock issuances	96		(1,778)								(1,682)
Amortization of restricted stock			6,032								6,032
Directors' Compensation Plan			684								227
Other comprehensive income					122						122
Balances at September 30, 2022	<u>\$ 30,006</u>	<u>\$ 1,806</u>	<u>\$ 107,510</u>	<u>\$ 395,237</u>	<u>\$ (2,171)</u>	<u>\$ (248,779)</u>					<u>\$ 283,609</u>

(in thousands)	Class A		Additional		Retained		Accumulated Other		Treasury		Total
	Common Stock	Common Stock	Paid-In Capital	Earnings	Comprehensive Loss	Stock					
Balances at December 31, 2022	\$ 30,006	\$ 1,806	\$ 108,706	\$ 398,393	\$ (756)	\$ (248,756)					\$ 289,399
Net income				12,372							12,372
Dividends declared:											

Common Stock, \$0.28 per share		(4,194)		(4,194)
Class A Common Stock, \$0.26 per share		(334)		(334)
Restricted stock issuances	116	(2,904)		(2,788)
Amortization of restricted stock		1,957		1,957
Balances at March 31, 2023	\$ 30,122	\$ 1,806	\$ 107,759	\$ 406,237
	<u>\$ 30,122</u>	<u>\$ 1,806</u>	<u>\$ 107,759</u>	<u>\$ 406,237</u>
				\$ (756)
				\$ (248,756)
				\$ 296,412

NOTE C – Interim LIFO Calculations

Inventories are measured using the last-in, first-out (LIFO) method of valuation using an annual LIFO index. Accordingly, interim LIFO calculations must necessarily be based on management's estimates of the components of the calculation including year-end inventory levels and the expected rate of inflation or

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deflation for the year. Since these estimates may be affected by factors beyond management's control, interim results are subject to change based upon the final year-end LIFO inventory valuation.

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NOTE D – Fair Value of Financial Instruments

The fair values of our cash and cash equivalents, restricted cash and cash equivalents, accounts payable and customer deposits approximate their carrying values due to their short-term nature. The assets related to our self-directed, non-qualified deferred compensation plans for certain executives and employees are valued using quoted market prices multiplied by the number of shares held, a Level 1 valuation technique.

NOTE E – Credit Agreement

We have an \$80.0 million revolving credit facility (the "Credit Agreement") secured primarily by our inventory and maturing on October 24, 2027. Availability fluctuates based on a borrowing base calculation reduced by outstanding letters of credit.

At **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, there were no outstanding borrowings under the Credit Agreement. The borrowing base was **\$150.6 million** **\$121.1 million** at **September 30, 2023** **March 31, 2024** and there were no outstanding letters of credit and, accordingly, net availability was \$80.0 million.

NOTE F – Revenues

We recognize revenue from merchandise sales and related service fees, net of expected returns and sales tax, at the time the merchandise is delivered to the customer. We record customer deposits when payments are received in advance of the delivery of merchandise. Such deposits totaled **\$46.3 million** **\$40.9 million** and **\$48.0 million** **\$35.8 million** at **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, respectively. Of the customer deposit liabilities at **December 31, 2022** **December 31, 2023**, approximately **\$0.5 million** **\$2.3 million** have not been recognized through net sales in the **nine** **three** months ended **September 30, 2023** **March 31, 2024**.

The following table presents our revenues disaggregated by each major product category and service:

(In thousands)	Three Months Ended September 30,				Nine Months Ended September 30,			
	2023		2022		2023		2022	
	Net Sales	% of Net Sales	Net Sales	% of Net Sales	Net Sales	% of Net Sales	Net Sales	% of Net Sales
2024								

		2024											
		2024											
	Net Sales												
	Net Sales												
	Net Sales												
Merchandise:													
Merchandise:													
Merchandise:	Merchandise:												
Case Goods	Case Goods												
Case Goods													
Case Goods													
Bedroom Furniture													
Bedroom Furniture													
Bedroom Furniture	Bedroom Furniture												
Furniture	Furniture	\$ 33,702	15.3 %	\$ 46,068	16.8 %	\$ 102,184	15.7 %	\$ 118,953	15.5 %				
Dining Room Furniture	Dining Room Furniture												
Furniture	Furniture	25,272	11.5	31,793	11.6	73,809	11.3	82,971	10.8				
Dining Room Furniture	Dining Room Furniture												
Occasional Furniture	Occasional Furniture	17,227	7.8	23,874	8.7	52,736	8.1	60,881	7.9				
		76,201	34.6	101,735	37.1	228,729	35.1	262,805	34.3				
Occasional Furniture	Occasional Furniture												
Occasional Furniture													
		59,085											
		59,085											
Upholstery	Upholstery												
Upholstery	Upholstery												
Upholstery	Upholstery	93,559	42.5	112,682	41.1	275,978	42.4	333,507	43.5				
Mattresses	Mattresses	20,407	9.3	22,646	8.3	57,805	8.9	64,389	8.4				
Mattresses	Mattresses												
Accessories and Other (1)	Accessories and Other (1)	30,180	13.7	37,432	13.6	88,877	13.6	105,957	13.8				
		\$ 220,347	100.0 %	\$ 274,495	100.0 %	\$ 651,389	100.0 %	\$ 766,658	100.0 %				
Accessories and Other (1)	Accessories and Other (1)												
		\$		\$		\$		\$					
		==		==		==		==					
		\$		\$		\$		\$					
		==		==		==		==					

(1) Includes delivery charges and product protection.

NOTE G – Leases

We have operating leases for retail stores, offices, warehouses, and certain equipment. Our leases have remaining lease terms of 1 year to **12** **11** years, some of which include options to extend the leases for up to 20 years. We determine if an arrangement is or contains a lease at lease inception. Our leases do not have any residual value guarantees or any restrictions or covenants imposed by lessors. We have lease agreements for real estate with lease and non-lease components, which are accounted for separately.

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Certain of our lease agreements for retail stores include variable lease payments, generally based on sales volume. The variable portions of payments are not included in the initial measurement of the right-of-use asset or lease liability due to uncertainty of the payment amount and are recorded as lease expense in the period incurred. Certain of our equipment lease agreements include variable lease costs, generally based on usage of the underlying asset (mileage, fuel, etc.). The variable portions of payments are not included in the

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initial measurement of the right-of-use asset or lease liability due to uncertainty of the payment amount and are recorded in the period incurred.

At March 31, 2024, we had entered into two leases for additional retail locations which had not yet commenced.

Lease expense is charged to selling, general and administrative expenses. Components of lease expense were as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Operating lease cost			Three Months Ended March 31,	
Operating lease cost			Three Months Ended March 31,	
Operating lease cost	Operating lease cost	\$ 12,404	\$ 11,517	\$ 36,506
Variable lease cost	Variable lease cost	1,443	1,706	4,562
Variable lease cost			Three Months Ended March 31,	
Variable lease cost			2024	
Total lease expense	Total lease expense	\$ 13,847	\$ 13,223	\$ 41,068
Total lease expense			2024	
Total lease expense				\$ 40,413

In May 2023, we purchased our Florida distribution center for approximately \$28.0 million and entered into an early termination agreement of a retail location lease in exchange for approximately \$3.0 million. This purchase and lease modification decreased our right of use assets and lease liabilities by approximately \$16.0 million.

Supplemental cash flow information related to leases is as follows (in thousands):

Nine Months Ended
September 30,

		2023	2022	
	Three Months Ended March 31,			Three Months Ended
	2024			March 31,
Cash paid for amounts included in the measurement of lease liabilities:	Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases				
Operating cash flows from operating leases				
Operating cash flows from operating leases	Operating cash flows from operating leases	\$ 33,945	\$ 29,601	
Right-of-use assets obtained in exchange for lease obligations:	Right-of-use assets obtained in exchange for lease obligations:			
Operating leases	Operating leases	\$ 43,934	\$ 22,231	
Operating leases				
Operating leases				

NOTE H – Income Taxes

Our effective tax rate for the **nine** **three** months ended **September 30, 2023** **March 31, 2024** and **2022** **2023** was **23.8%** **25.1%** and **24.6%** **19.9%**, respectively. The primary difference in the effective rate and the statutory rate was due to state income taxes and the impact from vested stock awards.

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NOTE I – Stock-Based Compensation Plans

As more fully discussed in Note 12 of the notes to the consolidated financial statements in our **2022** **2023** Annual Report on Form 10-K, we have awards outstanding for Common Stock under stock-based employee compensation plans.

The following table summarizes our award activity during the **nine** **three** months ended **September 30, 2023** **March 31, 2024**:

	Service-Based		Performance-Based			
	Restricted Stock		Restricted Stock			
	Awards		Awards			
	Weighted-Average		Weighted-Average			
	Shares or Award		Shares or Award			
	Units (#)	Price (\$)	Units (#)	Price (\$)		
Outstanding at December 31, 2022	237,302	\$ 28.16	436,647	\$ 26.56		
	Service-Based		Service-Based		Performance-Based	
	Restricted Stock Awards		Restricted Stock Awards		Restricted Stock Awards	
			Weighted-Average		Weighted-Average	
	Shares or Units (#)		Award Price (\$)		Shares or Units (#)	
			Award Price (\$)			
Outstanding at December 31, 2023						
Granted/Issued	Granted/Issued	175,498	33.06	106,557	33.08	
Awards vested or rights exercised ⁽¹⁾	Awards vested or rights exercised ⁽¹⁾					
		(146,610)	27.07	(188,980)	20.42	
Forfeited	Forfeited	(16,535)	30.84	(3,069)	32.75	

Additional units earned due to performance	Additional units earned due to performance	—	—	3,752	28.86
Outstanding at September 30, 2023	249,655	\$ 32.08	354,907	\$ 31.76	
Outstanding at March 31, 2024					
Restricted units expected to vest	Restricted units expected to vest	249,655	\$ 32.08	330,826	\$ 31.66

(1) Includes shares repurchased from employees for employee's tax liability.

The total fair value of service-based restricted stock awards that vested during the nine months ended September 30, 2023 was approximately \$3.7 million. The aggregate intrinsic value of outstanding service-based restricted stock awards was approximately \$7.2 million \$14.0 million at September 30, 2023 March 31, 2024. The restrictions on the service-based awards generally lapse or vest annually, primarily over one-year and three-year periods.

The total fair value of performance-based restricted stock awards that vested during the nine three months ended September 30, 2023 March 31, 2024 was approximately \$7.1 million \$4.9 million. The aggregate intrinsic value of outstanding performance awards at September 30, 2023 March 31, 2024 expected to vest was approximately \$9.5 million \$9.4 million. The performance awards are based on one-year performance periods but cliff vest in approximately three years from grant date.

The compensation for all awards is charged to selling, general and administrative expenses over the respective grants' vesting periods, primarily on a straight-line basis. The amount charged was approximately \$6.2 million \$2.6 and \$6.0 million \$2.0 million for the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. Forfeitures are recognized as they occur. As of September 30, 2023 March 31, 2024, the total compensation cost related to unvested equity awards was approximately \$7.9 million \$12.7 million and is expected to be recognized over a weighted-average period of two years.

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NOTE J – Earnings Per Share

We report our earnings per share using the two-class method. The income per share for each class of common stock is calculated assuming 100% of our earnings are distributed as dividends to each class of common stock based on the contractual rights of the classes.

The Common Stock of the Company has a preferential dividend rate of at least 105% of the dividend paid on the Class A Common Stock. Holders of the Class A Common Stock have greater voting rights which include voting as a separate class for the election of up to 75% of the total number of directors whereas holders of the Common Stock vote as a separate class for the election of at least 25% of the total number of directors. On all other matters subject to shareholder vote, holders of the Class A Common Stock have ten votes per share as opposed to holders of the Common Stock receiving one vote per share. Class A Common Stock may be converted at any time on a one-for-one basis into Common Stock at the option of the holder of the Class A Common Stock.

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Three Months Ended				
March 31,				
Three Months Ended				
March 31,				
2024				
2024				
Numerator:				
Numerator:				
Numerator:	Numerator:			
Common:	Common:			
Common:	Common:			
Common:	Common:			

Distributed earnings							
Distributed earnings							
Distributed earnings	Distributed earnings		\$ 4,527	\$ 4,214	\$ 13,249	\$ 12,403	
Undistributed earnings	Undistributed earnings		11,349	18,498	24,982	48,398	
Undistributed earnings							
Undistributed earnings							
Basic							
Basic							
Basic	Basic		15,876	22,712	38,231	60,801	
Class A Common earnings	Class A Common earnings		1,278	1,839	3,086	4,819	
Class A Common earnings							
Class A Common earnings							
Diluted							
Diluted							
Diluted	Diluted		\$ 17,154	\$ 24,551	\$ 41,317	\$ 65,620	
Class A Common:	Class A Common:						
Class A Common:							
Class A Common:							
Distributed earnings							
Distributed earnings							
Distributed earnings	Distributed earnings		\$ 360	\$ 334	\$ 1,051	\$ 963	
Undistributed earnings	Undistributed earnings		918	1,505	2,035	3,856	
Undistributed earnings			\$ 1,278	\$ 1,839	\$ 3,086	\$ 4,819	
Undistributed earnings							
Undistributed earnings							
Denominator:							
Denominator:							
Denominator:	Denominator:						
Common:	Common:						
Common:							
Common:							
Weighted average shares outstanding - basic							
Weighted average shares outstanding - basic							
Weighted average shares outstanding - basic	Weighted average shares outstanding - basic		15,071	15,015	15,008	15,347	
Assumed conversion of Class A Common Stock	Assumed conversion of Class A Common Stock		1,282	1,283	1,283	1,284	
Assumed conversion of Class A Common Stock							
Assumed conversion of Class A Common Stock							
Dilutive options, awards and common stock equivalents	Dilutive options, awards and common stock equivalents		483	518	498	507	
Dilutive options, awards and common stock equivalents							
Dilutive options, awards and common stock equivalents							

Total weighted-average diluted Common Stock							
Total weighted-average diluted Common Stock							
Total weighted-average diluted Common Stock	Total weighted-average diluted Common Stock		16,836	16,816	16,789	17,138	
Class A Common:	Class A Common:						
Class A Common:							
Class A Common:							
Weighted average shares outstanding							
Weighted average shares outstanding							
Weighted average shares outstanding	Weighted average shares outstanding		1,282	1,283	1,283	1,284	
Basic earnings per share:	Basic earnings per share:						
Basic earnings per share:							
Basic earnings per share:							
Common Stock	Common Stock		\$ 1.05	\$ 1.51	\$ 2.55	\$ 3.96	
Common Stock							
Common Stock							
Class A Common Stock							
Class A Common Stock							
Class A Common Stock	Class A Common Stock		\$ 1.00	\$ 1.43	\$ 2.41	\$ 3.75	
Diluted earnings per share:	Diluted earnings per share:						
Diluted earnings per share:							
Diluted earnings per share:							
Common Stock							
Common Stock							
Common Stock	Common Stock		\$ 1.02	\$ 1.46	\$ 2.46	\$ 3.83	
Class A Common Stock	Class A Common Stock		\$ 0.98	\$ 1.40	\$ 2.36	\$ 3.66	
Class A Common Stock							
Class A Common Stock							

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NOTE K - Subsequent Dividend Declaration

On May 1, 2024, our board of directors declared a quarterly cash dividend of \$0.32 on our common stock and \$0.30 on our Class A common stock (aggregating approximately \$5.2 million), payable on June 14, 2024 to stockholders of record on May 24, 2024.

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The following discussion should be read in conjunction with the unaudited condensed consolidated financial statements and accompanying notes contained herein and with the audited consolidated financial statements, accompanying notes, related information and Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 ("Form 10-K").

Forward-Looking Statements

Statements in this Quarterly Report on Form 10-Q (the "Form 10-Q") and the schedules hereto that are not purely historical facts or that necessarily depend on future events, including statements about our estimates, expectations, beliefs, intentions, projections or strategies for the future, may be "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Readers are cautioned not to place undue reliance on forward-looking statements. In addition, oral statements made by our directors, officers, and employees to the investor and analyst communities, media representatives and others, depending upon their nature, may also constitute forward-looking statements. All forward-looking statements are based upon currently available information and the Company's current assumptions, expectations, and projections about future events. Forward-looking statements are by nature inherently uncertain and involve risks and uncertainties that could cause actual results to differ materially from historical experience or our present expectations. Known material risk factors applicable to us that could cause our actual results to differ from these forward-looking statements are described in "Item 1A. Risk Factors" of our Form 10-K and in the subsequent reports we file with the Securities and Exchange Commission. Consequently, all forward-looking statements in this report are qualified by the factors, risks and uncertainties contained therein. All forward-looking statements speak only as of the date made, and we undertake no obligation to publicly update or revise any forward-looking statements to reflect events or circumstances that may arise after the date of this report except as required by law.

Net Sales

Our sales are generated by customer purchases of home furnishings. Revenue is recognized upon delivery to the customer. Comparable-store or "comp-store" sales is a measure which indicates the performance of our existing stores and website by comparing the growth in sales in store and online for a particular month over the corresponding month in the prior year. Stores are considered non-comparable if they were not open during the corresponding month in the prior year or if the selling square footage has been changed significantly. The method we use to compute comp-store sales may not be the same method used by other retailers. We record our sales when the merchandise is delivered to the customer. We also track "written sales" and "written comp-store sales," which represent customer orders prior to delivery. As a retailer, comp-store sales and written comp-store sales are an indicator of relative customer spending and store performance. Comp-store sales, total written sales and written comp-store sales are intended only as supplemental information and none are substitutes for net sales presented in accordance with U.S. GAAP.

The following table outlines our sales and comp-store sales increases and decreases for the periods indicated:

Period	2023						2022					
	Net Sales			Comp-Store Sales			Net Sales			Comp-Store Sales		
	Total	%	\$	%	\$	%	Total	%	\$	%	\$	%
Period	Dollars	Change	Change	Change	Change	Change	Dollars	Change	Change	Change	Change	Change
Q1	\$ 224.8	(5.9)%	\$ (14.2)	(6.7)%	\$ (16.0)	(1.0)%	\$ 238.9	1.0 %	\$ 2.5	0.2 %	\$ 0.4	
Q2	\$ 206.3	(18.5)%	\$ (46.9)	(19.1)%	\$ (48.0)	1.3 %	\$ 253.2	1.3 %	\$ 3.2	1.1 %	\$ 2.7	
Q3	\$ 220.3	(19.7)%	\$ (54.1)	(20.7)%	\$ (56.5)	5.4 %	\$ 274.5	5.4 %	\$ 14.1	6.3 %	\$ 16.2	
YTD Q3	\$ 651.4	(15.0)%	\$ (115.2)	(15.8)%	\$ (120.5)	2.7 %	\$ 766.7	2.7 %	\$ 19.8	2.6 %	\$ 19.3	

Period	2024						2023					
	Net Sales			Comp-Store Sales			Net Sales			Comp-Store Sales		
	Total	%	\$	%	\$	%	Total	%	\$	%	\$	%
Period	Dollars	Change	Change	Change	Change	Change	Dollars	Change	Change	Change	Change	Change
Q1	\$ 184.0	(18.1)%	\$ (40.8)	(18.5)%	\$ (41.4)	(5.9)%	\$ 224.8	(14.2)	(6.7)%	(16.0)	(1.0)%	

Total sales for the **third** first quarter of **2023** 2024 decreased **\$54.1 million** \$40.8 million, or **19.7%** 18.1%, compared to the same period in **2022** 2023. Our comp-store sales decreased **20.7%** 18.5% or **\$56.5 million** \$41.4 million, in the **third** first quarter of **2023** 2024 compared to the same period in **2022** 2023.

Continued inflationary pressures **stock market volatility**, and **rising interest rates**, all of which economic uncertainty has had a negative effect on discretionary **spending**, **impacted sales** spending. Demand for home furnishings rose rapidly during the **third** COVID years as consumers redecorated their homes and outfitted home offices, pulling forward sales that are now normalizing. Rising interest rates have also exacerbated the small supply of homes available for sale and further weakened the housing market, which has a negative impact on demand for furniture. Written business for the **first** quarter of **2023** 2024 compared to the **first** quarter of **2023** was down 12.6% and written comp-store sales were down 13.0%.

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for the third quarter of 2023 compared to the third quarter of 2022 was down 11.5% and written comp-store sales were down 12.6%.

Our free in-home design service is being used by more customers and accordingly, our average ticket has increased. Designers helped drive 29.0% 32.3% of our total written business for the third first quarter of 2023 2024 compared to 25.2% 26.0% for the same period in 2022, and average ticket increased 4.3% for the respective periods. 2023.

Gross Profit

Gross profit for the third first quarter of 2023 2024 was 60.8% 60.3%, up 370 120 basis points compared to the prior year period of 57.1% 59.1%. The increase is primarily due to reductions in freight product selection and product costs. The change in the LIFO reserve generated a positive impact on gross profit of \$2.3 million for the third quarter of 2023 compared to a negative impact of \$2.5 million for the same period in 2022, merchandising mix.

We expect annual gross profit margins for 2023 2024 will be 60.0% to 60.2% 60.5%. Gross profit margins fluctuate quarter to quarter in relation to This is a 50 basis points increase from our promotional cadence. Our estimated gross profit margins are previous estimate based on our current merchandise mix and anticipated changes in product and freight costs and their impact on our LIFO reserve. Gross profit margins fluctuate quarter to quarter in relation to our promotional cadence.

Substantially all of our occupancy and home delivery costs are included in selling, general and administrative expenses ("SG&A"), as are a portion of our warehousing expenses. Accordingly, our gross profit may not be comparable to those entities that include these costs in cost of goods sold.

Selling, General and Administrative Expenses

Our SG&A costs as a percent of sales for the third first quarter of 2023 2024 were 51.1% 59.4% versus 45.4% 52.7% for the same period in 2022. 2023 largely as a result of decreased sales. SG&A dollars decreased \$11.8 million \$9.0 million, or 9.5% 7.6%, for the third first quarter of 2023 2024 compared to the same prior year period. The change is driven by lower costs in selling expense of \$4.8 million, warehouse and delivery costs of \$3.2 million, advertising expense of \$2.1 million, and a decrease in administrative advertising costs of \$1.6 million \$0.6 million.

We classify our SG&A expenses as either variable or fixed and discretionary. Our variable expenses include the costs in the selling and delivery categories and certain warehouse and distribution expenses, as these amounts will generally move in tandem with our level of sales. The remaining categories and expenses for occupancy, advertising, and administrative costs are classified as fixed and discretionary because these costs do not fluctuate with sales.

The following table outlines our SG&A expenses by classification:

		Three Months Ended September 30,				Nine Months Ended September 30,			
		2023		2022		2023		2022	
(In thousands)	(In thousands)	\$	% of Net Sales	\$	% of Net Sales	\$	% of Net Sales	\$	% of Net Sales
	2024								
	2024								
	2024								
	\$								
	\$								
	\$								
Variable									
Variable									
Variable	Variable	\$ 42,344	19.2 %	\$ 50,228	18.3 %	\$ 128,208	19.7 %	\$ 140,566	18.3 %
Fixed and discretionary	Fixed and discretionary	\$ 70,385	31.9 %	\$ 74,306	27.1 %	\$ 212,898	32.7 %	\$ 217,250	28.3 %
		\$ 112,729	51.1 %	\$ 124,534	45.4 %	\$ 341,106	52.4 %	\$ 357,816	46.6 %
Fixed and discretionary									
Fixed and discretionary									
		\$		\$		\$		\$	
		==		==		==		==	
		\$		\$		\$		\$	
		==		==		==		==	
		\$		\$		\$		\$	
		==		==		==		==	

The variable expenses in dollars were **higher** **lower** in the **third** **first** quarter of **2023** **2024** compared to the same period in **2022**, **2023**, primarily due to the **increase** **decrease** in commission expense and third-party credit costs partly offset by a reduction in warehouse labor costs.

Fixed and discretionary expenses were impacted in the **third** **first** quarter of **2023** **2024** primarily by decreases in advertising expenses, warehouse costs, and administrative costs expenses compared to the prior year quarter.

Our variable expenses within SG&A for the full year of **2023** **2024** are anticipated to be **19.6%** **19.9%** to **19.8%** **20.2%**. Fixed and discretionary expenses are expected to be approximately **\$286.0** **\$290.0** to **\$288.0** million **\$292.0** million for the full year of **2023**, **2024**, a decrease of **\$5.0** million from our previous guidance based on changes in our marketing spend and warehouse and delivery other costs.

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Liquidity and Capital Resources

Cash and Cash Equivalents at End of Year

At **September 30, 2023** **March 31, 2024**, we had **\$134.3 million** **\$111.8 million** in cash and cash equivalents, and **\$7.0 million** **\$6.0 million** in restricted cash equivalents. We believe that our current cash position, cash flow generated from operations, funds available from our credit agreement, and access to the long-term debt capital markets should be sufficient for our

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operating requirements and to enable us to fund our capital expenditures, dividend payments, and lease obligations through the next several years. In addition, we believe we have the ability to obtain alternative sources of financing, financing, if needed.

Long-Term Debt

In October 2022, we entered into the Fourth Amendment to our Amended and Restated Credit Agreement (as amended, the "Credit Agreement") with Truist Bank. The Credit Agreement, which matures October 24, 2027, provides for a \$80.0 million revolving credit facility. The borrowing base at **September 30, 2023** **March 31, 2024** was **\$150.6 million** **\$121.1 million** and the net availability was \$80.0 million.

Leases

We lease a portion of our real estate, including our stores, distribution centers, and store support space, pursuant to operating leases.

Share Repurchases

In August 2022, our board of directors authorized \$25.0 million under a share repurchase program. During the three months ended September 30, 2023, we purchased 104,221 shares of common stock for approximately \$3.2 million. The balance on the current authorization for purchases was approximately \$16.8 million at September 30, 2023.

The timing, manner and number of shares repurchased in future periods will depend on a variety of factors, including, but not limited to, the level of cash balances, credit availability, financial performance, general business conditions, the market price of the Company's stock and the availability of alternative investment opportunities.

Cash Flows Summary

Operating Activities. Cash flow generated from operations provides us with a significant source of liquidity. Our operating cash flows result primarily from cash received from our customers, offset by cash payments we make for products and services, employee compensation, operations, and occupancy costs.

Cash provided by or used in operating activities is also subject to changes in working capital. Working capital at any specific point in time is subject to many variables, including seasonality, inventory selection, the timing of cash receipts and payments, and vendor payment terms.

Net cash provided by operating activities was **\$79.4 million** **\$3.1 million** in the first **nine** **three** months of **2023** **2024** compared to **\$38.2 million** **\$11.1 million** during the same period in **2022**, **2023**. This difference resulted primarily from changes in working capital and a decrease in net income. Working capital was impacted by a reduction in more normalized levels of inventories and customer deposits in 2024, as compared against the reduction of the backlog was reduced in 2023 and the timing of vendor payments, compared against higher inventories an increase in 2022, other liabilities.

Investing Activities. Cash used in investing activities increased decreased by **\$24.3** **0.3** million in the first **nine** **three** months of **2023** **2024** compared to the first **nine** **three** months of **2022**, **2023**, due to higher capital expenditure spend, including the purchase of our Lakeland, Florida distribution facility. spend.

Financing Activities. Cash used in financing activities decreased by \$23.5 million in the first nine months of 2023 compared to the first nine months of 2022, primarily due to \$30.0 million of share repurchases lower shares withheld for taxes in 2022 and \$3.2 million in 2024 compared to 2023.

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Store Plans and Capital Expenditures

Location or Market	Opening Quarter	
	Actual or Planned	Category
Durham, NC	Q-1-23	Open
Atlanta, GA	Q-3-23	Closure - Outlet
Charlotte, NC	Q-4-23	Open
Dayton, OH	Q-4-23	Open
Dallas, TX	Q-4-23	Closure
Richmond, VA	Q-4-23	Open - Outlet
Memphis, TN	Q-1-24	Open
Pine Bluff, AR	Q-1-24	Closure
Destin, FL	Q-2-24	Open
Tampa, FL	Q-2-24 Q-3-24	Open
Miami, FL	Q-2-24 Q-3-24	Open
Houston, TX	Q-4-24	Open

Assuming the new stores open and existing stores close as planned, the above activity and other changes should be expected to increase net selling space in 2023 at the end of 2024 by approximately 0.6% 3.4% over net selling space in 2022. In July 2023, we secured at the leases for four locations from the bankruptcy end of Bed Bath & Beyond and we expect these stores will open in the first half of 2024. 2023.

We acquired our Lakeland, Florida distribution facility for approximately \$28.2 million in May 2023. We previously owned the facility prior to selling it to the landlord in May 2020 in a sale leaseback transaction. Total capital expenditures for the full year of 2023 2024 are estimated to be \$55.0 million \$32.0 million depending on the timing of spending for our capital projects.

Critical Accounting Estimates

Critical accounting estimates are those that we believe are both significant and that require us to make difficult, subjective or complex judgments, often because we need to estimate the effect of inherently uncertain matters. We base our estimates and judgments on historical experiences and various other factors that we believe to be appropriate under the circumstances. Actual results may differ from these estimates,

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and we might obtain different estimates if we used different assumptions or conditions. We reviewed our accounting estimates, and none were deemed to be considered critical for the accounting periods presented in our Form 10-K. We had no significant changes in those accounting estimates since our last annual report.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

For quantitative and qualitative disclosures about market risk, see "Item 7A. Quantitative and Qualitative Disclosures About Market Risk," of our Form 10-K. Our exposure to market risk has not changed materially since December 31, 2022 December 31, 2023.

Item 4. Controls and Procedures

As of the end of the period covered by this report, an evaluation was performed under the supervision and with the participation of our management, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on that evaluation, our management, including the CEO and CFO, concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report and provide reasonable assurance that information required to be disclosed in the reports the Company files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to our management, including the CEO and CFO, as appropriate, to allow timely decisions regarding disclosure.

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There have been no changes in the Company's internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Exchange Act Rule 13a-15 that occurred during the Company's fiscal quarter ended September 30, 2023 March 31, 2024 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. We have reviewed our financial reporting process to provide reasonable assurance that we could report our financial results accurately and timely, and we will continue to evaluate the impact of any related changes to our internal control over financial reporting.

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PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Information regarding legal proceedings is described under the subheading "Business and Basis of Presentation" in Note A of the Notes to the Condensed Consolidated Financial Statements set forth in this Form 10-Q.

Item 1A. Risk Factors

"Item 1A. Risk Factors" in our Form 10-K includes a discussion of our known material risk factors. There have been no material changes from the risk factors described in our Form 10-K.

Item 2. Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchases of Equity Securities

The board of directors has authorized management, at its discretion, to purchase and retire limited amounts of our Common Stock and Class A Common Stock. A program was initially approved by the board on November 3, 1986. On August 5, 2022, the board authorized additional amounts under such stock repurchase program. The stock repurchase program has no expiration date but may be terminated by our board at any time.

The following table presents information with respect to our repurchase. There were no repurchases of Haverty's common stock during the third first quarter of 2023:

				(c)		(d)	
		(a)		Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs		Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	
		Shares Purchased		Paid Per Share		Programs	
		Purchased				Programs	
July 1 - July 31		—	\$ —	—	\$ —	—	\$ 20,008,000
August 1 - August 31		—	\$ —	—	\$ —	—	\$ 20,008,000
September 1 - September 30		104,221	\$ 30.64	104,221	\$ 104,221	104,221	\$ 16,814,000
Total		104,221				104,221	

2024. As of March 31, 2024, the approximate dollar value of shares that may yet be purchased under the program was \$13.1 million.

Item 5. Other Information

During the three months ended **September 30, 2023** **March 31, 2024**, none of our directors or officers adopted, modified or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

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Item 6. Exhibits

(a) Exhibits

The exhibits listed below are filed with or incorporated by reference into this report (those filed with this report are denoted by an asterisk). Unless otherwise indicated, the exhibit number of documents incorporated by reference corresponds to the exhibit number in the referenced documents.

Exhibit Number	Description of Exhibit (Commission File No. 1-14445)
3.1	Articles of Amendment and Restatement of the Charter of Haverty Furniture Companies, Inc. effective May 26, 2006 (Exhibit 3.1 to our Second Quarter 2006 Form 10-Q).
3.2	By-laws of Haverty Furniture Companies, Inc. as amended and restated effective February 24, 2023 (Exhibit 3.2 to our Annual Report on Form 10-K for the fiscal year ended December 31, 2022).
*31.1	Certification of Chief Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended.
*31.2	Certification of Chief Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended.
**32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350.
101	The following financial statements from Haverty Furniture Companies, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 March 31, 2024 , formatted in inline XBRL, include: (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Comprehensive Income, (iii) Condensed Consolidated Statements of Cash Flows and (iv) the Notes to Condensed Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).

* Filed herewith.

** Furnished herewith.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

HAVERTY FURNITURE COMPANIES, INC.
(Registrant)

Date: **November 3, 2023** **May 7, 2024**

By: _____ **/s/ Clarence H. Smith**

Clarence H. Smith
Chairman of the Board
and Chief Executive Officer
(principal executive officer)

By: _____ **/s/ Richard B. Hare**

Richard B. Hare
Executive Vice President and
Chief Financial Officer
(principal financial and accounting officer)

Exhibit 31.1

I, Clarence H. Smith, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended **September 30, 2023** **March 31, 2024** of Haverty Furniture Companies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2023 May 7, 2024

/s/ Clarence H. Smith

Clarence H. Smith
Chairman of the Board and
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

I, Richard B. Hare, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended September 30, 2023 March 31, 2024 of Haverty Furniture Companies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2023 May 7, 2024

/s/ Richard B. Hare

Richard B. Hare
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Haverty Furniture Companies, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2023 March 31, 2024 (the "Report"), I, Clarence H. Smith, Chairman of the Board and Chief Executive Officer of the Company, and I, Richard B. Hare, Executive Vice President and Chief Financial Officer of the Company, each certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 3, 2023 May 7, 2024

/s/ Clarence H. Smith

Clarence H. Smith
Chairman of the Board and
Chief Executive Officer
(Principal Executive Officer)

/s/ Richard B. Hare

Richard B. Hare
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

A signed original of this written statement required by Section 906 has been provided to Haverty Furniture Companies, Inc. and will be retained by Haverty Furniture Companies, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

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