

**RESEARCH UPDATE**
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**Market Statistics** in USD

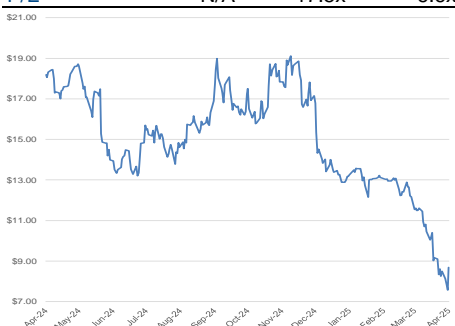
Price	\$ 8.69
52 week Range	\$7.34 - \$19.79
Daily Vol (3-mo. average)	71,107
Market Cap (M)	\$ 91.5
Enterprise Value (M)	\$ 155.5
Shares Outstanding: (M)	10.5
Float (M)	9.6
Public Ownership	18.9%
Institutional Ownership	78.7%

**Financial Summary** in USD

Cash (M)	\$ 6.3
Cash/Share	\$ 0.60
Debt (M)	\$ 70.3
Equity (M)	\$ 204.4
Equity/Share	\$ 19.40

**FYE: Jan 2025 2026E 2027E**
*(all figures in M, expect per share information)*

Rev	\$ 397.5	\$ 410.1	\$ 435.3
Chng%	-8%	3%	6%
EBIT	\$ (15.2)	\$ 7.9	\$ 18.4
Net Income	\$ (12.5)	\$ 5.2	\$ 13.8
EPS	\$ (1.19)	\$ 0.50	\$ 1.31
EV/Revenue	0.4x	0.4x	0.4x
EV/EBIT	N/A	19.6x	8.4x
P/E	N/A	17.5x	6.6x


**COMPANY DESCRIPTION**

Hooker Furnishings is a designer, marketer, and importer of Casegoods (wooden and metal furniture), leather furniture, fabric-upholstered furniture, and outdoor furniture for the residential, hospitality and contract markets. Hooker was originally founded as a casegoods company by Clyde Hooker, Sr. in 1924. Clyde Hooker, Jr. took the helm as CEO in 1960, leading Hooker for 40 years. The Company began trading on the NASDAQ in 2002 under the symbol "HOFT", after a leveraged employee stock ownership plan (ESOP) required it to register with the SEC. The Company is one of five publicly traded furniture companies.

**HOOKER FURNISHINGS CORPORATION (NASDAQ: HOFT)**
**Company Update**

**Quarterly Results:** HOFT reported revenue, operating income, and adj EPS of \$104.5M, (\$2.7)M, and (\$0.22), respectively. This compares to our/consensus estimates of \$101.6M/\$101.2M, \$3.5M/\$2.6M, and \$0.21/\$0.16. It is noted that revenues were slightly above consensus estimates and posted a 7.9% y/y gain. The gain was primarily attributed to the increased operating days in 4Q25 compared to 4Q24. Despite the macro headwinds, HOFT reported consolidated GPM of 23.3%, an increase of 30bps q/q. The macroeconomic and furniture retail environment remains challenging, with varying interest rates, maintained housing shortage, and elevated home prices contributing to a prolonged downturn. Despite this, the company is focusing on controllable factors to position itself for future growth. As HOFT looks through the current market turbulence it has reached the goal of reducing fixed costs by 10%, or approximately \$10.0M. Additionally, the Company has targeted an additional \$10.0M in cost savings through the Savannah warehouse exit and additional initiatives. Full realization of these savings are expected by FY27.

**Capital Allocation:** HOFT maintains its commitment to being a consistent dividend payer by distributing \$0.23 per share for an annualized rate of \$0.92 per share, equivalent to a 12.2% dividend yield. This was flat since the prior quarter and equal to a 4.4% increase from the same quarter last year. To fund capital allocation priorities HOFT ended the quarter with \$6.3M in cash. Cash decreased both sequentially and year over year as HOFT did a strategic inventory build in the quarter and saw increased accounts receivable. We believe this inventory build puts the Company in a strong position given the significant uncertainty in the current market environment.

**Strengthening Balance Sheet:** Despite macro headwinds, the Company has taken impressive steps to normalize its balance sheet and liquidity position over the last year. This is highlighted by the reduction in the Company's debt levels over the last 4 quarters and strategic increase in inventory levels. Over FY25 the Company reduced debt levels from \$76.3M to \$70.3M.

**Backlog:** HOFT reported a backlog of ~\$52.6M, a decrease from \$71.8M in 4Q24. Despite this sequential decrease in order backlog which can largely be attributed to strong throughput, backlogs are still elevated from pre-pandemic levels. While the macro environment is hard to predict at the moment, we are encouraged by the rightsizing of the Company's operations, leading to a more streamlined supply chain. The combination of improved warehousing in Vietnam and exiting the Savannah warehouse allows HOFT to decrease lead times from months to weeks, helping to control the backlog. We believe this increased throughput and decreased lead times will give HOFT a speed advantage once the macro environment settles.

**Valuation:** We use a Dividend Discount Model, DCF Model and EV/EBIT comp analysis to guide our valuation. Our Dividend Discount Model arrives at a valuation range of \$17.40 to \$21.47 with a mid-point of \$19.23. Our DCF analysis produces a valuation range of \$14.90 to \$18.26 with a mid-point of \$16.42. Our EV/EBIT valuation results in a range of \$14.22 to \$17.34 with a mid-point of \$15.78. Lastly, HOFT pays one of the highest dividend yield of the comp set.

## Summary of Quarterly Results

## Exhibit 1: Quarterly Results vs. Model and Y/Y Change

	4Q25 results		Notes
	Reported	Model	
<b>Total revenues</b>	<b>104.5</b>	<b>101.6</b>	Revenues ahead of expectations
Cost of sales	78.1	76.5	
<b>Gross (loss) profit</b>	<b>26.4</b>	<b>25.1</b>	Margins were strong in the quarter, well within HOFT targets
<b>Gross margin</b>	<b>25.3%</b>	<b>24.7%</b>	
Corporate Expenses	25.2	20.7	
D&A	0.9	0.9	
Total opex	26.1	21.6	Operating expenses ahead of our expectations due to restructuring costs
<b>Operating Profit</b>	<b>(2.7)</b>	<b>3.5</b>	
<b>Operating margin</b>	<b>-2.5%</b>	<b>3.4%</b>	Operating margin below our expectations
<b>Net Income</b>	<b>(2.3)</b>	<b>2.2</b>	
<b>Net Income margin</b>	<b>-2.2%</b>	<b>2.1%</b>	Net income below estimates due to weaker than expected margins
<b>EPS</b>	<b>\$ (0.22)</b>	<b>\$ 0.21</b>	

	Y/Y Change		Notes
	4Q25	4Q24	
<b>Total revenues</b>	<b>104.5</b>	<b>96.8</b>	
Cost of sales	78.1	71.6	
<b>Gross (loss) profit</b>	<b>26.4</b>	<b>25.2</b>	Margins weakened from lower absorption, however, remained relatively strong above 20%
<b>Gross margin</b>	<b>25.3%</b>	<b>26.0%</b>	
Corporate Expenses	25.2	22.5	
D&A	0.9	0.9	
Total opex	26.1	23.4	
<b>Operating Profit</b>	<b>(2.7)</b>	<b>0.3</b>	
<b>Operating margin</b>	<b>-2.5%</b>	<b>0.4%</b>	Restructuring costs significantly impacted OPM in the quarter
<b>Net Income</b>	<b>(2.3)</b>	<b>0.6</b>	
<b>Net Income margin</b>	<b>-2.2%</b>	<b>0.6%</b>	
<b>EPS</b>	<b>\$ (0.22)</b>	<b>\$ 0.06</b>	

Source: Company Reports; Stonegate Capital Markets

## Valuation Summary

To help frame our valuation we use a combination of a dividend discount model, comparative analysis, and discounted cash flow analysis.

Our DCF analysis relies on a range of discount rates between 9.25% and 9.75% with a midpoint of 9.50%. This arrives at a valuation range of \$14.90 to \$18.26 with a mid-point of \$16.42.

### Sensitivity Analysis:

Discount rate	Terminal Growth Rates					
		1.0%	1.5%	2.0%	2.5%	3.0%
	9.00%	\$16.44	\$17.26	\$18.19	\$19.28	\$20.54
9.25%	\$15.66	\$16.42	\$17.27	\$18.26	\$19.40	
9.50%	\$14.94	\$15.63	\$16.42	\$17.31	\$18.35	
9.75%	\$14.26	\$14.90	\$15.61	\$16.43	\$17.37	
10.00%	\$13.62	\$14.20	\$14.86	\$15.61	\$16.47	

Comparative Analysis  
(all figures in M, except per share information)

Company Name	Symbol	Price <sup>(1)</sup>	Mrkt Cap	EV	Div Yield	BV/Share	EV/Revenue <sup>(2,3)</sup>			EV/EBIT <sup>(2,3)</sup>			P/E <sup>(2,3)</sup>			
							2024	2025E	2026E	2024	2025E	2026E	2024	2025E	2026E	
Flexsteel Industries, Inc.	FLXS	\$ 32.70	\$ 172.3	\$ 226.3	2.1%	\$ 30.72	0.80x	0.51x	N/A	15.0x	8.4x	N/A	14.2x	9.8x	N/A	
The Lovesac Company	LOVE	\$ 20.06	\$ 296.8	\$ 396.0	0.0%	\$ 14.63	0.71x	0.55x	0.52x	35.6x	16.1x	12.9x	31.7x	14.9x	10.7x	
Bassett Furniture Industries, Incorporated	BSET	\$ 18.70	\$ 162.8	\$ 207.9	4.3%	\$ 19.19	0.51x	0.63x	0.61x	(19.8x)	25.7x	16.0x	(12.5x)	23.8x	15.2x	
La-Z-Boy Incorporated	LZB	\$ 38.46	\$ 1,588.0	\$ 1,757.4	2.3%	\$ 24.66	0.95x	0.82x	0.79x	12.7x	10.4x	9.4x	14.7x	12.2x	11.0x	
Mohawk Industries, Inc.	MHK	\$ 102.69	\$ 6,419.7	\$ 8,386.9	0.0%	\$ 120.63	0.89x	0.78x	0.76x	12.0x	10.5x	8.9x	14.6x	10.8x	9.0x	
Average						1.7%	\$ 41.97	0.77x	0.66x	0.67x	11.1x	14.2x	11.8x	12.5x	14.3x	11.5x
Median						2.1%	\$ 24.66	0.80x	0.63x	0.68x	12.7x	10.5x	11.1x	14.6x	12.2x	10.8x
Hooker Furnishings Corporation	HOFT	\$ 8.69	\$ 91.5	\$ 155.5	10.6%	\$ 19.37	0.51x	0.39x	0.36x	(16.7)x	321.7x	9.5x	(15.4)x	N/A	7.5x	

(1) Previous day's closing price

(2) Estimates are from Capital IQ

(3) Forward estimates as of calendar year

Source: Company reports, CapitalIQ, Stonegate Capital Partners

We are using an EV/EBIT framework to inform our HOFT valuation. Currently HOFT is trading at a CY26 EV/EBIT of 9.5x compared to comps at an average of 11.8x. Historically, comps have traded above 14.0x, which we rely on due to the recent volatility in the Home Furnishing industry. We are using our CY26 expected EBIT, and an EV/EBIT range of 13.0x to 15.0x with a midpoint of 14.0x which moves HOFT closer to historical comps. We believe this is reasonable given the continued strengthening of the Company's balance sheet and the outlook for the industry. This arrives at a valuation range of \$14.22 to \$17.34 with a mid-point of \$15.78.

	EV/EBIT		
<b>CY 2026 E</b>	<b>13.00x</b>	<b>14.00x</b>	<b>15.00x</b>
Adj EBIT	16.4	16.4	16.4
TEV	213.7	230.2	246.6
Cash	6.3	6.3	6.3
Debt	70.3	70.3	70.3
Mrkt Cap	149.7	166.2	182.6
S/O	10.5	10.5	10.5
<b>Price</b>	<b>\$ 14.22</b>	<b>\$ 15.78</b>	<b>\$ 17.34</b>

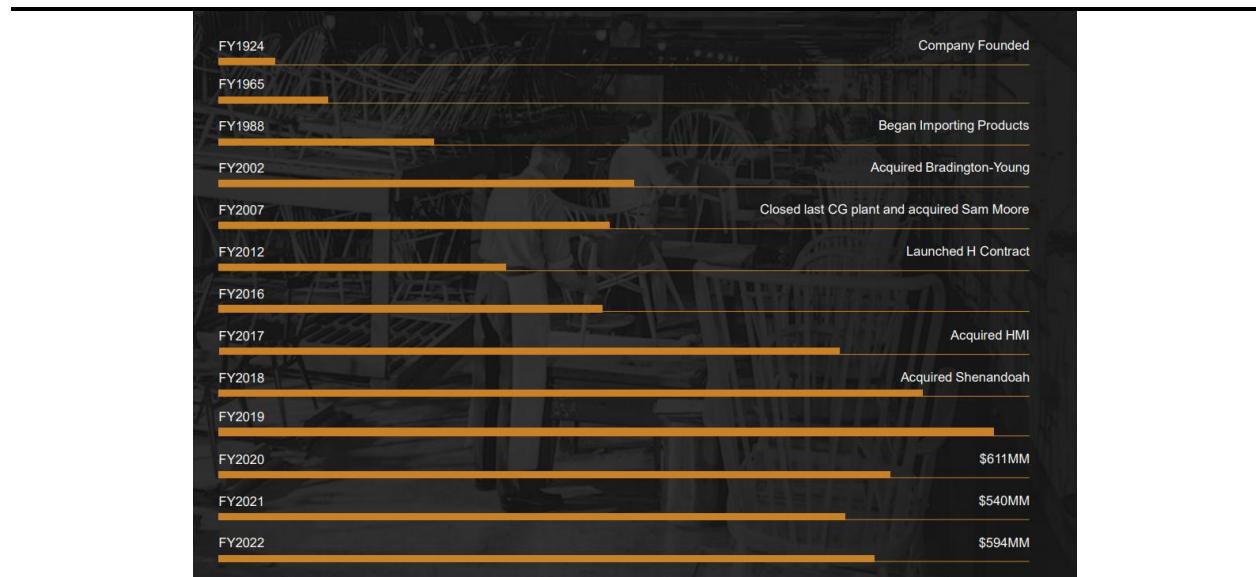
We are also using a Dividend Discount Model to guide our valuation. We believe that due to the strong dividend yield that HOFT has shown this valuation method is useful. Our Dividend Discount Model uses a dividend growth rate range of 4% to 5% on the last dividend, annualized, which is conservative considering the Company's 3-year dividend CAGR of 4.8% but strikes a balance with our long term DCF growth rate of 5.0%. We also apply similar discount rates used in the DCF model. This arrives at a valuation range of \$17.40 to \$21.47 with a mid-point of \$19.23.

Dividend Discount Model									
<b>Last Dividend, Annualized</b>	<b>\$ 0.92</b>			<b>\$ 0.92</b>			<b>\$ 0.92</b>		
Applied Dividend Growth Rate	4.0%			4.5%			5.0%		
Forward Dividend Rate	\$ 0.96			\$ 0.96			\$ 0.97		
Discount Rate	10.00%	9.50%	9.00%	10.00%	9.50%	9.00%	10.00%	9.50%	9.00%
Growth Rate	4.0%	4.0%	4.0%	4.5%	4.5%	4.5%	5.0%	5.0%	5.0%
Price	<b>\$ 15.95</b>	<b>\$ 17.40</b>	<b>\$ 19.14</b>	<b>\$ 17.48</b>	<b>\$ 19.23</b>	<b>\$ 21.36</b>	<b>\$ 19.32</b>	<b>\$ 21.47</b>	<b>\$ 24.15</b>

## Business Overview

Hooker Furnishings (“Hooker” or “The Company”) is a designer, marketer, and importer of Casegoods (wooden and metal furniture), leather furniture, fabric-upholstered furniture, and outdoor furniture for the residential, hospitality and contract markets. Hooker was originally founded as a casegoods company by Clyde Hooker, Sr. in 1924. Clyde Hooker, Jr. took the helm as CEO in 1960, leading Hooker for 40 years. The Company began trading on the NASDAQ in 2002 under the symbol “HOFT”, after a leveraged employee stock ownership plan (ESOP) required it to register with the SEC. The Company is one of five publicly traded furniture companies.

### Exhibit 1: Company History



Source: Company Presentation

The Company has a wide and diverse customer base with only one customer being responsible for more than 6% of consolidated sales in fiscal year 2025. Hooker sells its brands through various retailers such as independent furniture stores and national retail chains, department stores, catalog resellers, interior designers, and e-commerce retail chains amongst others. Hooker’s customers include reputable names like BAER’S FURNITURE CO., Berkshire Hathaway Inc., Macy’s, Inc., and Wayfair.

### Exhibit 2: Product Distribution Channels



Source: Company Presentation

Hooker was an early adopter of importing furniture goods, sourcing its products from foreign manufacturers for over 3 decades. Imported casegoods and upholstered furniture accounted for 65.6% of sales at the end of fiscal year 2025. Asian countries such as China and Vietnam are historically Hooker’s predominate importers, however the Company is beginning to diversify to other countries including Malaysia, Mexico, and India. The diversification is important to counter economic and political constraints referring to the 25% tariff on furniture and furniture components imported into the U.S. from China that was instituted in 2019 and the current uncertainty in the market.

### Business Segments

Hooker operates in three primary segments: Hooker Branded, Home Meridian (HMI), and Domestic Upholstery as well as All Other which encompasses the Company’s smaller brands. Hooker offers good to best quality product lines at medium to upper price points.

#### Exhibit 3: Hooker’s Brands



Source: Company Presentation

### Hooker Branded Segment

The Hooker Branded segment includes two businesses, Hooker Casegoods and Hooker Upholstery. Hooker is the 2<sup>nd</sup> largest casegoods supplier in the U.S. Casegoods is comprised of wood design categories covering home entertainment, home office, accent, dining, and bedroom furniture sold under the Hooker Furniture brand at upper-medium price points. Hooker Upholstery offers imported upholstered furniture targeted at the upper-medium price range. Upholstery presents HOFT with more upside, as upholstery has a shorter life cycle than casegoods and thus needs to be replaced more frequently. Hooker Branded generated \$41.4 million in sales in 4Q25, accounting for 39.7% of consolidated sales compared to 38.9% last year.

### Home Meridian Segment (HMI)

Hooker acquired Home Meridian in February 2016 for a total of \$106.3 million. The segment’s brands include Pulaski Furniture, Samuel Lawrence Furniture (SLF), Samuel Lawrence Hospitality (SLH), and Prime Resources International (PRI). HMI focuses primarily on medium level price points that are sold to large distributors like Haverty’s and Macy’s. The segment generated approximately \$35.3 million in sales in 3Q25, representing 33.8% of consolidated sales compared to 30.0% in the previous year.

As a result of low profitability and unnecessarily high-risk, management decided to liquidate ACH and other obsolete inventories at the end of fiscal year 2023. Hooker transitioned to focus on the segment's core competencies of the Pulaski, SLF, SLH, and PRI businesses.

### Domestic Upholstery Segment

Hooker's domestic upholstery segments offer brands such as Bradington-Young, HF Custom (previously Sam Moore Furniture), Shenandoah Furniture, and Sunset West. This segment's products are at the upper end of quality and pricing. They are made to order and ship quickly after production but are raw material intensive.

The 2022 acquisition of Sunset West, an outdoor brand, allowed further penetration in the west coast and showed synergies with Hooker's salesforce. Sunset West has maintained its position as a growth driver for the segment, which four consecutive quarters of order growth.

Domestic Upholstery generated \$26.3 million in sales in 4Q25, accounting for 25.2% of consolidated revenues compared to 29.2% last year.

### All Other:

Hooker's All Other segment comprises of the H Contract product and Lifestyle Brands. The segment customers are primarily senior living facilities, with an expansion focus on bringing in country clubs and other facilities that require commercial furniture that look residential. All Other generated \$1.4 million in sales in 3Q25, accounting for 1.3% of consolidated sales, increasing from 1.9% last year.

### Growth Strategy

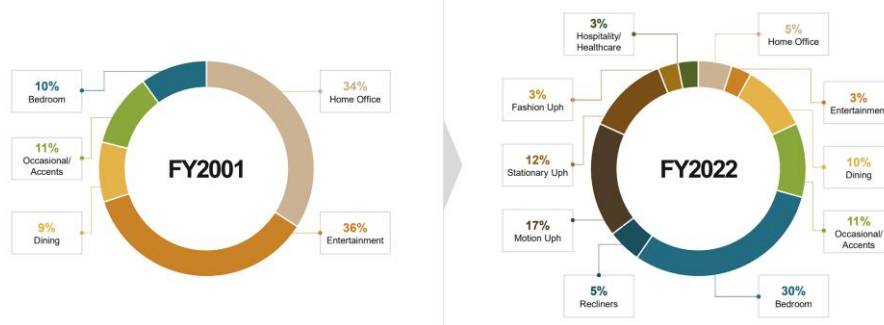
In order to increase market share and grow the business, management developed key organic and inorganic growth initiatives. The initiatives include acquisitions, opening showrooms, and utilizing Ecommerce.

Hooker has a history of making acquisitions to increase market share and expand into new markets. Hooker made its first acquisition in 2002 when it acquired Bradington-Young, a high end upholster of upscale motion and stationary leather furniture. This was followed by the acquisitions of Sam Moore in 2007, Home Meridian in 2016, and Shenandoah Furniture in 2017. More recently, Hooker acquired Sunset West, an outdoor furniture manufacturer, in February 2022. Management is confident in Sunset West's contributions going forward, maintaining that the business will offer Hooker double digit organic growth going forward. Most recently the Company purchased BOBO Intriguing objects, an Atlanta-based lighting, décor, and accents designer. Aside from HMI's ongoing liquidation, Hooker's acquisitions have helped the Company generate strong and sustainable growth.

Hooker operates three showrooms in Atlanta, Georgia, High Point, North Carolina, and Las Vegas, Nevada. Hooker opened its High Point showroom at the April High Point Market, doubling its attendance from the previous year. In July 2023, Hooker debuted a 6,500 square foot showroom that will be operated year-round. The showrooms expand the Company's total addressable market and increase brand visibility. Efficiently operating the showrooms and strategically opening new ones will be key to growth going forward.

Most recently, the Company has entered into a licensing deal with Margaritaville that includes indoor and outdoor home furnishings for the residential, hospitality, and commercial markets. We believe this agreement opens up significant white space for HOFT, and gives the Company one more diversified market to operate in. We expect to see results from this deal in FY26.

**Exhibit 4: Hooker’s Expansion**



Source: Company Presentation

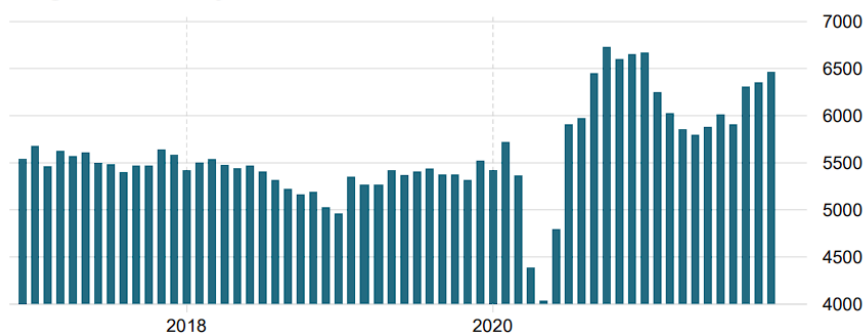
Over the last decade Hooker has prioritized Ecommerce using the internet and social media to increase its market breadth. Buying furniture online has grown in the industry, increasing over 15% per year and accelerated by Covid. HOFT has concentrated on this channel with eight business units actively engaging in pure-play ecommerce. HOFT will benefit from utilizing ecommerce as a tool connect with consumers, especially from the Gen X and Millennials demographics, and Gen Z in the future.

**Market Overview**

The Furniture industry is highly fragmented with over 1,000 independent players. Competitors include La-Z-Boy Incorporated along with a number of private companies for the Casegoods segment and Ashley Furniture Industries, Ethan Allen Interiors Inc., and Bassett Furniture, Inc. for the upholstery segment. Furniture demand is seasonal with contracted sales typically happening in Q1, resulting from shipping lags and stronger sales in the previous quarter. Demand is also reliant on housing trends. An increase in housing sales, shown in Exhibit 5, helps bolster the demand as homeowners look to furnish their houses. Consumers replacing old furniture during the pandemic and the explosion of the U.S. housing market that followed helped the industry recover sales volumes.

**Exhibit 5: Housing Trends**

Existing Home Sales by Month



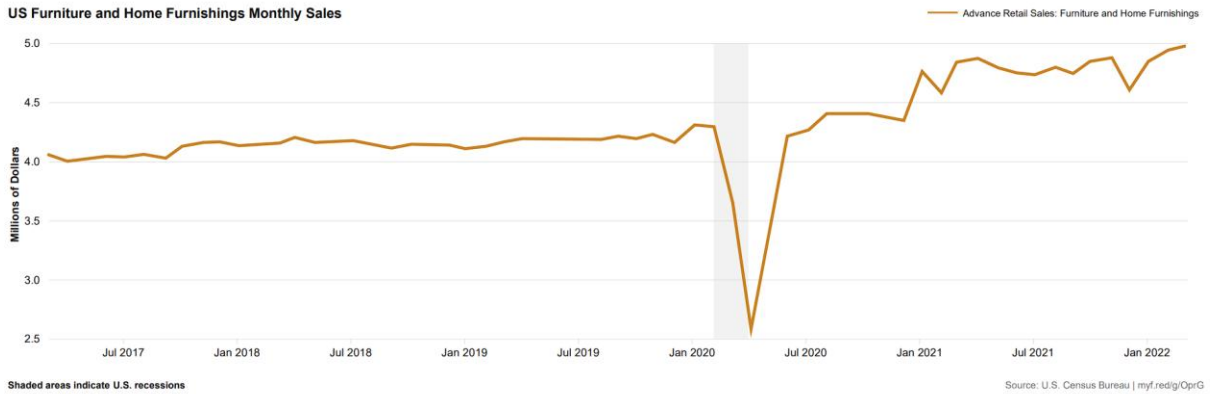
Source: Tradingeconomics.com | National Association of Realtors

Source: Company Presentation

The Covid-19 pandemic had a significant impact on the U.S. furniture and home furnishing industry. Factory closures in Asia and halted demand followed by supply disruptions slowed business. Exhibit 6 illustrates the shock the pandemic had on the industry. Lockdowns in Asia impacted imports,

decreasing inventory levels of furniture sellers. Hooker initially suffered but sales began to rebound as the pandemic subsided. The Company is now in the process of diversifying its supplier base away from China to Malaysia, Mexico, and India with the current supplier base being primarily located in Vietnam. The diversification is crucial for HOFT to be more resistant to economic shocks and political constraints going forward.

**Exhibit 6: Impact of Covid**



Source: Company Presentation

## Risks

As with any investment, there are certain risks associated with HOFT's operations as well as with the surrounding economic and regulatory environments common to the furniture industry and operating with foreign suppliers.

**Competitive Industry** – HOFT operates in a highly competitive industry with an abundance of players, some of which are larger than the Company. Should the Company fail to expand its customer base or lose its current customers, the business will suffer. An overall decrease in the demand for furniture can increase competition and shrink HOFT's market share.

**Customer Concentration** – Hooker's top five customers made up approximately 24% of consolidated sales in fiscal year 2025. The loss of any of their largest customers could lead to a significant reduction in revenues. Moreover, a failure to attract new customers could impede the Company's growing market share. Alternatively, HOFT is also at risk of its retailers bypassing it by sourcing directly from non-U.S. suppliers.

**Supplier Concentration** – The majority of HOFT's products are sourced from factories in China and Vietnam, whose imports make up approximately 89% of the Company's import purchases in fiscal year 2024. Labor shortages and governmental regulations could disrupt HOFT's supply chain and interfere with its ability to meet customer demand. Health related shutdowns and tariffs are such hurdles HOFT could face.

**Volatile Housing Market** – The business is notably reliant on the health of the housing market. Fluctuations in existing home sales and new housing starts could lead to volatile sales volumes and earnings for HOFT. Existing home sales have steadily declined in 2023, which could adversely impact HOFT's demand going forward.

Discounted Cash Flow

<b>Hooker Furnishings Corporation</b>														
<b>Discounted Cash Flow Model</b>														
<i>(in \$M, except per share)</i>														
Estimates:	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E	Terminal Value
Revenue	433.2	397.5	410.1	435.3	478.9	524.4	568.9	608.8	648.3	687.2	726.8	766.7	805.1	
Opearting Income	12.4	(18.2)	5.3	15.8	16.8	18.4	19.9	21.3	22.7	24.1	25.4	26.8	28.2	
Less: Taxes (benefit)	2.6	(3.9)	1.5	3.9	3.4	3.7	4.0	4.3	4.5	4.8	5.1	5.4	5.6	
NOPAT	9.8	(14.3)	3.8	11.9	13.4	14.7	15.9	17.0	18.2	19.2	20.3	21.5	22.5	
Plus: Depreciation & Amortization	9.0	9.2	6.9	7.0	6.7	6.8	6.8	6.7	6.5	6.5	6.9	7.3	7.6	
Plus: Changes in WC	13.9	22.2	(0.4)	(0.4)	(0.5)	(0.5)	(0.6)	(0.6)	(0.6)	(0.7)	(0.7)	(0.8)	(0.8)	
Less: Capex	(6.8)	(3.2)	(3.1)	(3.3)	(3.8)	(4.2)	(4.6)	(4.9)	(3.9)	(4.1)	(4.4)	(4.6)	(4.8)	
Free Cash Flow	25.8	13.9	7.2	15.2	15.8	16.8	17.6	18.3	20.1	21.0	22.2	23.4	24.6	333.9
Discount period - months			12	24	36	48	60	72	84	96	108	120	132	
Discount period - years			1.0	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	
Discount factor			0.91	0.83	0.76	0.70	0.64	0.58	0.53	0.48	0.44	0.40	0.37	
PV of FCF			6.6	12.7	12.0	11.7	11.2	10.6	10.6	10.1	9.8	9.4	9.0	123.1
<b>Growth rate assumptions:</b>														
Revenue		-8.3%	3.2%	6.2%	10.0%	9.5%	8.5%	7.0%	6.5%	6.0%	5.8%	5.5%	5.0%	
Operating Income		-247.5%	-129.2%	197.2%	6.0%	9.5%	8.5%	7.0%	6.5%	6.0%	5.8%	5.5%	5.0%	
Free Cash Flow		-46.1%	-47.9%	109.6%	4.0%	6.2%	5.1%	3.5%	10.1%	4.3%	5.8%	5.5%	5.0%	
<b>Margin assumptions:</b>														
Operating Income	2.9%	-4.6%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
D&A as a % of sales	2.1%	2.3%	1.7%	1.6%	1.4%	1.3%	1.2%	1.1%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Taxes	20.8%	21.5%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Changes in WC	3.2%	5.6%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%
Capex as a % of sales	-1.6%	-0.8%	-0.8%	-0.8%	-0.8%	-0.8%	-0.8%	-0.8%	-0.6%	-0.6%	-0.6%	-0.6%	-0.6%	-0.6%
<b>Valuation:</b>														
Shares outstanding	10.5													
PV of FCF	113.9													
PV of Terminal Value	123.1													
Enterprise Value	236.9													
less: Net Debt	64.0													
Estimated Total Value:	172.9													
<b>Est Equity Value/share:</b>	<b>\$16.42</b>													
Price	\$8.69													

<b>Sensitivity Analysis:</b>						
		<b>Terminal Growth Rates</b>				
		1.0%	1.5%	2.0%	2.5%	3.0%
<b>Discount rate</b>	9.00%	\$16.44	\$17.26	\$18.19	\$19.28	\$20.54
	9.25%	\$15.66	\$16.42	\$17.27	\$18.26	\$19.40
	9.50%	\$14.94	\$15.63	\$16.42	\$17.31	\$18.35
	9.75%	\$14.26	\$14.90	\$15.61	\$16.43	\$17.37
	10.00%	\$13.62	\$14.20	\$14.86	\$15.61	\$16.47

Source: Company Reports; Stonegate Capital Markets

Balance Sheet

Hooker Furnishings Corporation Consolidated Balance Sheets (\$M) Fiscal Year End: January																				
ASSETS	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Q1 Apr-22	Q2 Jul-22	Q3 Oct-22	Q4 Jan-23	FY 2023	Q1 Apr-23	Q2 Jul-23	Q3 Oct-23	Q4 Jan-24	FY 2024	Q1 Apr-24	Q2 Jul-24	Q3 Oct-24	Q4 Jan-25	FY 2025
Cash and Cash Equivalents	30.9	11.4	36.0	65.8	69.4	10.1	11.7	6.5	19.0	19.0	31.0	50.0	39.8	43.2	43.2	40.9	42.1	20.4	6.3	6.3
Income Tax Recoverable	-	-	0.8	-	4.4	5.1	3.6	2.0	3.1	3.1	3.0	3.0	3.1	3.0	3.0	2.5	1.9	3.0	0.5	0.5
Inventories	84.5	105.2	92.8	70.2	75.0	107.7	131.1	133.9	96.7	96.7	73.2	63.4	65.2	61.8	61.8	56.6	57.1	51.8	70.8	70.8
Accounts Receivables	92.8	112.6	87.7	83.3	73.7	83.0	81.7	76.0	62.1	62.1	54.5	39.4	59.1	51.3	51.3	49.6	44.0	66.5	58.2	58.2
Insurance Proceeds Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid Expenses and Other Assets	5.3	5.7	4.7	4.4	5.2	8.2	9.0	7.9	6.4	6.4	7.6	7.4	5.9	5.5	5.5	7.3	9.3	9.0	5.4	5.4
<b>Total Current Assets</b>	<b>213.5</b>	<b>234.9</b>	<b>222.0</b>	<b>223.7</b>	<b>227.7</b>	<b>214.1</b>	<b>237.0</b>	<b>226.4</b>	<b>187.3</b>	<b>187.3</b>	<b>169.2</b>	<b>163.2</b>	<b>173.0</b>	<b>164.8</b>	<b>164.8</b>	<b>156.9</b>	<b>154.3</b>	<b>150.7</b>	<b>141.1</b>	<b>141.1</b>
Operating Lease Right-of-use Assets	-	-	39.5	34.6	51.9	52.7	54.7	52.5	68.9	68.9	66.8	58.6	54.2	50.8	50.8	49.2	48.0	47.4	45.6	45.6
Property, Plant and Equipment, Net	29.2	29.5	29.9	26.8	28.1	27.6	27.6	27.7	27.0	27.0	29.1	28.4	29.1	29.1	29.1	28.9	28.4	28.5	28.2	28.2
Deferred Taxes	3.3	4.5	2.9	14.2	11.6	9.8	9.8	9.9	14.5	14.5	14.2	14.0	12.0	12.0	12.0	13.3	14.0	15.6	16.1	16.1
Goodwill	40.1	40.1	40.1	0.5	0.5	15.5	15.6	15.0	15.0	15.0	15.0	15.1	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
Intangible Assets	38.1	35.8	33.4	26.2	23.9	34.4	33.5	32.7	31.8	31.8	30.9	30.5	29.5	28.6	28.6	27.7	29.4	23.9	22.1	22.1
Other Assets	2.2	1.2	1.1	0.9	4.5	5.8	7.1	8.5	9.7	9.7	11.0	12.3	13.4	14.7	14.7	15.7	16.6	16.7	16.6	16.6
Cash Surrender Value of Life Insurance Policies	23.6	23.8	24.9	25.4	26.5	27.2	27.3	27.6	27.6	27.6	27.9	28.1	28.3	28.5	28.5	28.7	26.8	29.0	29.2	29.2
<b>Total Assets</b>	<b>350.1</b>	<b>369.7</b>	<b>393.7</b>	<b>352.3</b>	<b>374.6</b>	<b>387.1</b>	<b>412.6</b>	<b>400.3</b>	<b>381.7</b>	<b>381.7</b>	<b>364.1</b>	<b>350.1</b>	<b>354.5</b>	<b>343.6</b>	<b>343.6</b>	<b>335.5</b>	<b>332.4</b>	<b>326.9</b>	<b>313.9</b>	<b>313.9</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>																				
Trade Accounts Payable	32.7	40.8	25.5	32.2	30.9	42.3	36.6	30.3	16.1	16.1	16.0	14.1	23.3	16.5	16.5	18.6	19.9	23.2	20.0	20.0
Other Accrued Expenses	2.9	3.6	4.2	3.4	4.3	2.4	3.0	3.7	7.4	7.4	2.7	2.3	3.1	3.3	3.3	2.4	2.2	2.8	2.9	2.9
Accrued Salaries, Wages and Benefits	9.2	8.0	4.9	7.1	7.1	5.3	5.7	8.1	9.3	9.3	5.7	6.4	6.7	7.4	7.4	5.6	6.1	6.9	3.9	3.9
Current Portion of Long-term Debt	7.5	5.8	5.8	-	-	-	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	22.5	22.2	21.9	-	-
Current Portion of Operating Lease Liabilities	-	-	6.3	6.7	7.5	7.4	7.3	6.9	7.3	7.3	7.4	8.3	7.0	7.0	7.0	7.1	7.3	7.6	7.5	7.5
Accrued Income Taxes	3.7	3.2	-	0.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.0
Customer Deposits	4.3	3.0	3.4	4.3	7.1	9.5	10.4	9.1	8.5	8.5	6.6	6.9	5.0	5.9	5.9	6.6	8.7	5.8	5.7	5.7
Legal Contingency	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>60.3</b>	<b>64.4</b>	<b>50.1</b>	<b>54.1</b>	<b>56.9</b>	<b>67.0</b>	<b>64.4</b>	<b>59.5</b>	<b>50.0</b>	<b>50.0</b>	<b>39.8</b>	<b>39.4</b>	<b>46.6</b>	<b>41.4</b>	<b>41.4</b>	<b>62.9</b>	<b>66.5</b>	<b>68.3</b>	<b>40.0</b>	<b>40.0</b>
Long-term Debt	45.8	29.6	24.3	-	-	-	23.6	23.2	22.9	22.9	22.5	22.2	21.8	21.5	21.5	-	-	-	21.7	21.7
Operating Lease Liabilities	-	-	33.8	29.4	46.6	47.3	49.5	47.5	63.8	63.8	61.9	54.2	49.7	46.4	46.4	44.9	43.5	42.8	41.1	41.1
Pension Plan	2.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Compensation	11.2	11.5	11.4	11.2	9.9	9.8	9.6	9.4	8.2	8.2	8.0	7.9	7.7	7.4	7.4	7.3	7.1	7.0	6.8	6.8
Other Liabilities	0.9	1.0	-	-	-	0.8	0.8	1.0	0.8	0.8	0.9	0.9	0.9	0.9	0.9	0.9	0.9	-	-	-
<b>Total Liabilities</b>	<b>120.6</b>	<b>106.5</b>	<b>119.6</b>	<b>94.8</b>	<b>113.4</b>	<b>124.8</b>	<b>147.8</b>	<b>140.7</b>	<b>145.7</b>	<b>145.7</b>	<b>133.0</b>	<b>124.4</b>	<b>126.7</b>	<b>117.6</b>	<b>117.6</b>	<b>115.9</b>	<b>117.1</b>	<b>118.1</b>	<b>109.6</b>	<b>109.6</b>
Common Stock	49.0	49.5	51.6	53.3	53.3	53.6	53.9	51.9	50.8	50.8	50.1	49.6	49.5	49.5	49.5	49.7	50.0	50.0	50.5	50.5
Retained Earnings	180.1	213.4	223.3	205.0	207.9	208.7	211.0	207.7	184.4	184.4	180.2	175.3	177.6	175.7	175.7	169.2	164.7	158.1	153.3	153.3
Accumulated Other Comprehensive Income	0.4	0.2	(0.7)	(0.8)	(0.1)	(0.1)	(0.0)	(0.0)	0.9	0.9	0.8	0.8	0.7	0.7	0.7	0.7	0.6	0.6	0.6	0.6
<b>Total Consolidated Equity</b>	<b>229.5</b>	<b>263.2</b>	<b>274.1</b>	<b>257.5</b>	<b>261.1</b>	<b>262.3</b>	<b>264.8</b>	<b>259.6</b>	<b>236.0</b>	<b>236.0</b>	<b>231.0</b>	<b>225.7</b>	<b>227.8</b>	<b>226.0</b>	<b>226.0</b>	<b>219.6</b>	<b>215.3</b>	<b>208.8</b>	<b>204.4</b>	<b>204.4</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>350.1</b>	<b>369.7</b>	<b>393.7</b>	<b>352.3</b>	<b>374.6</b>	<b>387.1</b>	<b>412.6</b>	<b>400.3</b>	<b>381.7</b>	<b>381.7</b>	<b>364.1</b>	<b>350.1</b>	<b>354.5</b>	<b>343.6</b>	<b>343.6</b>	<b>335.5</b>	<b>332.4</b>	<b>326.9</b>	<b>313.9</b>	<b>313.9</b>
<b>Liquidity</b>																				
Current Ratio	3.5x	3.6x	4.4x	4.1x	4.0x	3.2x	3.7x	3.8x	3.7x	3.7x	4.3x	4.1x	3.7x	4.0x	4.0x	2.5x	2.3x	2.2x	3.5x	3.5x
Quick Ratio	1.1x	1.2x	1.1x	1.6x	1.3x	0.9x	0.7x	0.7x	0.6x	0.6x	0.7x	0.8x	181.0x	178.4x	178.4x	0.9x	0.8x	175.7x	172.4x	172.4x
Working Capital (\$M)	153.2	170.5	171.8	169.6	170.8	147.1	172.6	166.9	137.3	137.3	129.5	123.8	126.4	123.4	123.4	94.0	87.9	82.40	101.15	101.15
<b>Leverage</b>																				
Net Debt to Equity	0.10x	0.09x	0.12x	-0.12x	-0.06x	0.17x	0.26x	0.28x	0.32x	0.32x	0.27x	0.16x	0.18x	0.15x	0.15x	0.15x	0.14x	0.25x	0.31x	0.31x
Net Debt to Capital	0.06x	0.06x	0.09x	-0.08x	-0.04x	0.12x	0.17x	0.18x	0.20x	0.20x	0.17x	0.10x	0.11x	0.10x	0.10x	0.10x	0.09x	0.16x	0.20x	0.20x
<b>Capital Usage- Annualized</b>																				
A/R Turns	3.7x	6.7x	5.7x	2.1x	2.4x	2.1x	1.6x	1.7x	8.6x	3.3x	2.6x	3.2x	2.7x	10.6x	3.9x	1.9x	2.5x	1.8x	6.9x	3.8x
Days Sales Outstanding	98.6	54.1	63.9	177.7	151.5	176.0	225.3	213.5	42.5	109.5	139.2	113.1	136.9	34.5	93.1	188.2	146.2	208.4	52.5	96.5
A/P Turnover	3.0x	3.0x	3.3x	3.0x	4.1x	3.6x	2.9x	3.5x	21.1x	5.0x	7.6x	8.0x	5.4x	23.2x	5.8x	4.2x	4.3x	3.3x	14.9x	4.1x
Days Payable Outstanding	123.0	121.0	110.0	122.5	89.1	102.1	127.0	104.9	17.3	72.8	48.0	45.9	67.2	15.8	63.3	86.0	84.6	110.0	24.4	89.5

Source: Company Reports, Stonegate Capital Partners

Income Statement

Hooker Furnishings Corporation Consolidated Statements of Income (in \$M, except per share amounts) Fiscal Year End: January																						
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Q1 Apr-24	Q2 Jul-24	Q3 Oct-24	Q4 Jan-25	FY 2025	Q1 E Apr-25	Q2 E Jul-25	Q3 E Oct-25	Q4 E Jan-26	FY 2026E	Q1 E Apr-26	Q2 E Jul-26	Q3 E Oct-26	Q4 E Jan-27	FY 2027E
Revenues	\$ 620.6	\$ 683.5	\$ 610.8	\$ 540.1	\$ 593.6	\$ 583.1	\$ 433.2	\$ 93.6	\$ 95.1	\$ 104.4	\$ 104.5	\$ 397.5	\$ 92.6	\$ 95.6	\$ 109.6	\$ 112.3	\$ 410.1	\$ 98.2	\$ 101.8	\$ 116.0	\$ 119.4	\$ 435.3
<b>Total Revenues</b>	<b>620.6</b>	<b>683.5</b>	<b>610.8</b>	<b>540.1</b>	<b>593.6</b>	<b>583.1</b>	<b>433.2</b>	<b>93.6</b>	<b>95.1</b>	<b>104.4</b>	<b>104.5</b>	<b>397.5</b>	<b>92.6</b>	<b>95.6</b>	<b>109.6</b>	<b>112.3</b>	<b>410.1</b>	<b>98.2</b>	<b>101.8</b>	<b>116.0</b>	<b>119.4</b>	<b>435.3</b>
Operating Expenses:																						
Cost of Sales	485.8	536.0	496.9	427.3	490.0	460.7	323.1	74.4	74.2	80.3	78.1	306.9	72.2	73.6	82.6	85.7	314.0	76.6	78.2	87.6	91.5	333.8
Inventory Valuation Expense	-	-	-	-	2.0	29.1	1.5	-	-	-	2.1	2.1	-	-	-	-	-	-	-	-	-	-
<b>Gross Profit</b>	<b>134.8</b>	<b>147.5</b>	<b>114.0</b>	<b>112.7</b>	<b>101.7</b>	<b>93.3</b>	<b>108.7</b>	<b>19.2</b>	<b>20.9</b>	<b>24.0</b>	<b>24.3</b>	<b>88.5</b>	<b>20.5</b>	<b>22.0</b>	<b>27.0</b>	<b>26.6</b>	<b>96.0</b>	<b>21.6</b>	<b>23.6</b>	<b>28.4</b>	<b>27.9</b>	<b>101.5</b>
Selling, General, and Expenses	87.3	91.9	88.9	80.4	84.5	95.8	92.7	23.5	23.1	28.4	25.2	100.2	22.0	22.0	21.8	21.2	87.0	21.0	20.5	20.0	20.5	82.0
Intangible Asset Amortization	2.1	2.4	2.4	2.4	2.4	3.5	3.7	0.9	0.9	0.9	0.9	3.7	0.9	0.9	0.9	0.9	3.7	0.9	0.9	0.9	0.9	3.7
Trade Name Impairment Charges	-	-	-	4.8	-	0.0	-	-	-	2.0	0.9	2.8	-	-	-	-	-	-	-	-	-	-
Goodwill Impairment Charges	-	-	-	39.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>89.4</b>	<b>94.3</b>	<b>91.3</b>	<b>127.1</b>	<b>86.9</b>	<b>99.3</b>	<b>96.3</b>	<b>24.4</b>	<b>24.1</b>	<b>31.3</b>	<b>27.0</b>	<b>106.7</b>	<b>22.9</b>	<b>22.9</b>	<b>22.7</b>	<b>22.1</b>	<b>90.7</b>	<b>21.9</b>	<b>21.4</b>	<b>20.9</b>	<b>21.4</b>	<b>85.7</b>
<b>Operating Income</b>	<b>45.5</b>	<b>53.2</b>	<b>22.7</b>	<b>(14.4)</b>	<b>14.8</b>	<b>(6.0)</b>	<b>12.4</b>	<b>(5.2)</b>	<b>(3.1)</b>	<b>(7.3)</b>	<b>(2.7)</b>	<b>(18.2)</b>	<b>(2.5)</b>	<b>(0.9)</b>	<b>4.2</b>	<b>4.5</b>	<b>5.3</b>	<b>(0.3)</b>	<b>2.2</b>	<b>7.5</b>	<b>6.5</b>	<b>15.8</b>
Other Income/(Expense)	1.6	(0.1)	0.5	0.3	0.4	0.4	1.7	0.6	1.5	0.6	0.4	3.1	0.7	0.7	0.7	0.7	2.6	0.7	0.7	0.7	0.7	2.6
Interest Expense	1.2	1.5	1.2	0.5	0.1	0.5	1.6	0.4	0.2	0.3	0.4	1.3	0.3	0.3	0.3	0.3	1.2	0.2	0.2	0.2	0.2	0.8
<b>Profit Before Taxes</b>	<b>45.8</b>	<b>51.6</b>	<b>21.9</b>	<b>(14.6)</b>	<b>15.1</b>	<b>(6.1)</b>	<b>12.4</b>	<b>(4.9)</b>	<b>(1.9)</b>	<b>(7.0)</b>	<b>(2.7)</b>	<b>(16.4)</b>	<b>(2.1)</b>	<b>(0.6)</b>	<b>4.6</b>	<b>4.9</b>	<b>6.7</b>	<b>0.1</b>	<b>2.6</b>	<b>8.0</b>	<b>6.9</b>	<b>17.6</b>
Provision for Income Tax	17.5	11.7	4.8	(4.1)	3.4	(1.8)	2.6	(0.8)	0.1	(2.8)	(0.4)	(3.9)	(0.5)	(0.1)	1.0	1.1	1.5	0.0	0.6	1.8	1.5	3.9
<b>Net Income</b>	<b>28.3</b>	<b>39.9</b>	<b>17.1</b>	<b>(10.4)</b>	<b>11.7</b>	<b>(4.3)</b>	<b>9.9</b>	<b>(4.1)</b>	<b>(2.0)</b>	<b>(4.1)</b>	<b>(2.3)</b>	<b>(12.5)</b>	<b>(1.7)</b>	<b>(0.5)</b>	<b>3.6</b>	<b>3.8</b>	<b>5.2</b>	<b>0.1</b>	<b>2.1</b>	<b>6.2</b>	<b>5.4</b>	<b>13.8</b>
<b>Basic EPS</b>	<b>\$ 2.43</b>	<b>\$ 3.39</b>	<b>\$ 1.45</b>	<b>\$ (0.88)</b>	<b>\$ 0.99</b>	<b>\$ (0.37)</b>	<b>\$ 0.91</b>	<b>\$ (0.39)</b>	<b>\$ (0.19)</b>	<b>\$ (0.39)</b>	<b>\$ (0.22)</b>	<b>\$ (1.19)</b>	<b>\$ (0.16)</b>	<b>\$ (0.05)</b>	<b>\$ 0.34</b>	<b>\$ 0.36</b>	<b>\$ 0.50</b>	<b>\$ 0.01</b>	<b>\$ 0.20</b>	<b>\$ 0.59</b>	<b>\$ 0.51</b>	<b>\$ 1.31</b>
<b>Diluted EPS</b>	<b>\$ 2.43</b>	<b>\$ 3.39</b>	<b>\$ 1.45</b>	<b>\$ (0.88)</b>	<b>\$ 0.98</b>	<b>\$ (0.37)</b>	<b>\$ 0.91</b>	<b>\$ (0.39)</b>	<b>\$ (0.19)</b>	<b>\$ (0.39)</b>	<b>\$ (0.22)</b>	<b>\$ (1.19)</b>	<b>\$ (0.16)</b>	<b>\$ (0.05)</b>	<b>\$ 0.34</b>	<b>\$ 0.36</b>	<b>\$ 0.50</b>	<b>\$ 0.01</b>	<b>\$ 0.20</b>	<b>\$ 0.59</b>	<b>\$ 0.51</b>	<b>\$ 1.31</b>
WTD Shares Out - Basic	11.6	11.8	11.8	11.8	11.9	11.6	10.7	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5
WTD Shares Out - Diluted	11.6	11.8	11.8	11.8	12.0	11.6	10.8	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5
<b>Margin Analysis</b>																						
Gross Margin	21.7%	21.6%	18.7%	20.9%	17.1%	16.0%	25.1%	20.5%	22.0%	23.0%	23.3%	22.3%	22.1%	23.0%	24.6%	23.7%	23.4%	22.0%	23.2%	24.5%	23.4%	23.3%
Operating Margin	7.3%	7.8%	3.7%	-2.7%	2.5%	-1.0%	2.9%	-5.5%	-3.3%	-7.0%	-2.5%	-4.6%	-2.6%	-1.0%	3.9%	4.0%	1.3%	-0.3%	2.1%	6.5%	5.4%	3.6%
EBITDA Margin	7.8%	7.7%	3.9%	-2.3%	3.0%	-0.5%	3.7%	-4.0%	0.4%	-5.5%	-1.7%	-2.7%	-1.0%	0.7%	5.4%	5.5%	2.9%	1.5%	3.9%	8.1%	7.0%	5.3%
Pre-Tax Margin	7.4%	7.5%	3.6%	-2.7%	2.5%	-1.1%	2.9%	-5.2%	-2.0%	-6.7%	-2.6%	-4.1%	-2.3%	-0.6%	4.2%	4.3%	1.6%	0.1%	2.6%	6.9%	5.8%	4.1%
Net Income Margin	4.6%	5.8%	2.8%	-1.9%	2.0%	-0.7%	2.3%	-4.4%	-2.1%	-4.0%	-2.2%	-3.1%	-1.8%	-0.5%	3.3%	3.4%	1.3%	0.1%	2.0%	5.4%	4.5%	3.2%
Tax Rate	38.3%	22.7%	22.1%	28.4%	22.4%	29.9%	20.7%	16.6%	-4.6%	40.7%	13.1%	23.9%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%
<b>Growth Rate Y/Y</b>																						
Total Revenue	#REF!	10.1%	-10.6%	-11.6%	9.9%	-1.8%	-25.7%	-23.2%	-2.8%	-10.7%	7.9%	-8.3%	-1.0%	0.5%	5.0%	7.5%	3.2%	6.0%	6.5%	5.9%	6.3%	6.2%
Total cost of revenues	#REF!	5.5%	-3.2%	39.3%	-31.7%	14.4%	-3.0%	-5.9%	9.1%	25.4%	15.3%	10.8%	-6.0%	-4.8%	-27.4%	-18.0%	-15.0%	-4.4%	-6.5%	-7.9%	-3.2%	-5.5%
Operating Income	#REF!	17.0%	-57.3%	-163.3%	-203.3%	-140.7%	-304.4%	-361.8%	-347.4%	-182.8%	-880.9%	-247.5%	-52.6%	-69.9%	-158.3%	-269.1%	-129.2%	-86.9%	-330.7%	77.1%	43.8%	197.2%
Pre-Tax Income	#REF!	12.7%	-57.5%	-166.4%	-203.7%	-140.7%	-302.3%	-365.0%	-291.2%	-176.9%	-591.6%	-232.0%	-56.5%	-67.3%	-165.8%	-281.2%	-140.8%	-105.1%	-531.6%	73.6%	42.8%	163.2%
Net Income	#REF!	41.1%	-57.2%	-161.0%	-212.4%	-136.8%	-328.8%	-382.1%	-348.5%	-158.7%	-493.4%	-226.8%	-59.3%	-75.6%	-186.6%	-262.6%	-141.8%	-105.1%	-531.6%	73.6%	42.8%	163.2%

Source: Company Reports, Stonegate Capital Partners estimates

Statement of Cash Flows

Hooker Furnishings Corporation Consolidated Cash Flow Statements (\$M) Fiscal Year End: January																				
CASH FLOW	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Q1 Apr-22	Q2 Jul-22	Q3 Oct-22	Q4 Jan-23	FY 2023	Q1 Apr-23	Q2 Jul-23	Q3 Oct-23	Q4 Jan-24	FY 2024	Q1 Apr-24	Q2 Jul-24	Q3 Oct-24	Q4 Jan-25	FY 2025
<b>Operating Activities</b>																				
Net Income	28.3	39.9	17.1	(10.4)	11.7	3.2	5.5	4.8	(17.9)	(4.3)	1.5	0.8	7.0	0.6	9.9	(4.1)	(2.0)	(4.1)	(2.3)	(12.5)
Inventory Valuation Expense	-	-	-	0.5	3.4	-	-	-	28.8	28.8	-	-	-	1.8	1.8	-	-	-	-	0.6
Depreciation and Amortization	6.6	7.4	7.1	6.8	7.8	2.3	2.1	2.2	2.3	8.8	2.1	2.2	2.3	2.3	9.0	2.3	2.3	2.3	2.3	9.2
Deferred Income Tax Expense	3.5	(1.9)	(1.2)	(10.8)	1.8	1.8	0.0	(0.2)	(4.8)	(3.2)	0.3	0.2	2.1	(0.1)	2.5	(1.3)	(0.6)	(1.6)	(0.5)	(4.0)
Deferred Income Tax Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.0	0.9
Noncash Restricted Stock and Performance Awards	1.2	1.3	1.3	1.7	(0.0)	0.4	0.5	0.5	(0.1)	1.2	0.4	0.7	0.6	0.0	1.7	0.2	0.2	0.1	0.4	1.0
Provision for Doubtful Accounts and Sales Allowances	(0.5)	(0.8)	(0.4)	4.7	0.0	(0.3)	(1.2)	(2.3)	0.2	(3.7)	0.0	(0.5)	0.2	(0.5)	(0.7)	(0.4)	0.1	0.6	3.1	3.3
Gain on Life Insurance Policies	(0.6)	(0.7)	(0.8)	(1.2)	(1.0)	(0.6)	(0.0)	(0.2)	(0.4)	(1.2)	(0.6)	(0.1)	(0.1)	(0.2)	(1.0)	(0.9)	(0.7)	0.5	(0.2)	(1.2)
Loss on Sales of Assets	0.6	(0.1)	(0.3)	-	(0.0)	-	-	-	0.1	0.1	-	0.0	(0.0)	0.0	0.0	-	(0.0)	-	0.0	-
Trade Accounts Receivable	2.9	(18.0)	25.3	(0.3)	9.5	(7.4)	2.5	7.9	13.8	16.8	7.6	15.6	(19.8)	8.2	11.6	2.1	5.5	(8.4)	(9.5)	(10.2)
Inventories	(6.8)	(21.3)	12.4	22.1	(8.3)	(30.1)	(23.4)	(2.9)	8.5	(47.8)	23.5	11.6	(1.8)	1.5	34.8	5.2	(0.5)	(9.4)	(4.9)	(9.6)
Income Tax Recoverable	-	-	(0.8)	0.8	(4.4)	(0.8)	1.5	1.6	(1.1)	1.3	0.1	(0.0)	(0.0)	0.1	0.1	0.5	0.6	(1.1)	2.5	2.5
Prepaid Expenses and Other Assets	(1.1)	0.3	(0.6)	0.5	(4.4)	(4.1)	(2.0)	0.3	0.2	(5.7)	(2.1)	(1.4)	0.1	(1.7)	(5.1)	(2.2)	(4.0)	(0.2)	3.4	(3.0)
Trade Accounts Payable	(4.6)	8.1	(15.3)	6.7	(1.3)	10.5	(5.8)	(6.2)	(14.3)	(15.8)	(0.2)	(1.8)	9.2	(7.0)	0.2	2.1	1.3	3.3	(3.4)	3.4
Accrued Income Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0
Accrued Salaries, Wages, and Benefits	0.1	(1.6)	(3.1)	2.2	0.1	(1.8)	0.3	2.4	1.2	2.1	(3.5)	0.7	0.3	0.7	(1.9)	(1.8)	0.4	0.9	(3.1)	(3.5)
Customer Deposits	(0.3)	(1.3)	0.3	0.9	2.9	(0.9)	0.9	(1.3)	(0.6)	(1.9)	(1.9)	1.7	(3.2)	0.9	(2.6)	0.7	2.1	(2.9)	(0.1)	(0.3)
Operating Lease Assets and Liabilities	-	-	0.3	0.9	0.7	(0.2)	0.0	(0.1)	0.2	(0.1)	0.3	0.1	-	0.1	0.4	0.1	0.1	0.1	0.0	0.4
Other Accrued Expenses	(0.4)	1.2	0.1	(0.9)	0.9	(1.8)	0.5	0.9	3.6	3.3	(4.7)	(0.4)	0.8	0.1	(4.3)	(0.8)	(1.1)	0.5	0.2	(1.1)
Deferred Compensation	(1.2)	(2.8)	(0.0)	(0.3)	(0.3)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	(0.2)	(0.2)	(0.2)	(0.3)	(0.9)	(0.2)	(0.2)	(0.2)	(0.2)	(0.8)
Goodwill and Intangible Asset Impairment Charge	-	-	-	44.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Cash flow generated/(absorbed) from operating Activities</b>	<b>27.7</b>	<b>9.7</b>	<b>41.4</b>	<b>68.3</b>	<b>19.2</b>	<b>(30.0)</b>	<b>(18.5)</b>	<b>7.3</b>	<b>19.4</b>	<b>(21.7)</b>	<b>22.4</b>	<b>29.1</b>	<b>(2.6)</b>	<b>6.7</b>	<b>55.5</b>	<b>1.5</b>	<b>3.8</b>	<b>(17.6)</b>	<b>(10.7)</b>	<b>(23.0)</b>
<b>Investing Activities</b>																				
Acquisitions	(32.8)	-	-	-	-	(25.9)	-	-	0.6	(25.3)	-	(2.4)	-	-	(2.4)	-	-	-	-	-
Purchases of Property and Equipment	(3.2)	(5.2)	(5.1)	(1.2)	(6.7)	(0.8)	(1.1)	(1.5)	(0.7)	(4.2)	(3.2)	(0.8)	(1.8)	(1.1)	(6.8)	(0.8)	(0.6)	(1.2)	(0.6)	(3.2)
Proceeds from Sale of Property and Equipment	0.0	0.0	0.0	-	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Premiums Paid on Life Insurance Policies	(0.7)	(0.7)	(0.6)	(0.6)	(0.6)	(0.1)	(0.3)	(0.1)	(0.0)	(0.5)	(0.1)	(0.2)	(0.1)	(0.0)	(0.4)	(0.1)	(0.2)	(0.1)	(0.0)	(0.4)
Proceeds from Life Insurance Policies	-	1.2	-	1.3	0.4	-	-	-	-	-	-	0.4	-	0.6	1.0	-	0.9	-	-	0.9
Proceeds Received on Notes Receivable	0.1	0.1	1.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Cash flow generated by Investing Activities</b>	<b>(36.5)</b>	<b>(4.5)</b>	<b>(4.3)</b>	<b>(0.5)</b>	<b>(6.9)</b>	<b>(26.9)</b>	<b>(1.4)</b>	<b>(1.6)</b>	<b>(0.1)</b>	<b>(30.0)</b>	<b>(3.3)</b>	<b>(2.9)</b>	<b>(1.8)</b>	<b>(0.5)</b>	<b>(8.6)</b>	<b>(1.0)</b>	<b>0.2</b>	<b>(1.3)</b>	<b>(0.6)</b>	<b>(2.7)</b>
<b>Financing Activities</b>																				
Purchase and Retirement of Common Stock	-	-	-	-	-	-	(1.1)	(8.2)	(4.0)	(13.3)	(4.3)	(4.4)	(3.0)	-	(11.7)	-	-	-	-	-
Proceeds from ABL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22.1	22.1
Cash Dividends Paid	(5.8)	(6.7)	(7.2)	(7.8)	(8.8)	(2.4)	(2.4)	(2.3)	(2.5)	(9.6)	(2.4)	(2.4)	(2.4)	(2.5)	(9.7)	(2.5)	(2.5)	(2.5)	(2.5)	(9.9)
Payments for Long-Term Loans	(6.3)	(17.9)	(5.4)	(30.1)	-	-	-	(0.4)	(0.4)	(0.7)	(0.4)	(0.4)	(0.4)	(0.4)	(1.4)	(0.4)	(0.4)	(0.2)	(22.0)	(22.9)
Proceeds from Long-Term Loans	12.0	-	-	-	-	-	25.0	-	-	25.0	-	-	-	-	-	-	-	-	-	-
Proceeds from Revolving Credit Facility	-	-	-	-	-	-	30.3	5.9	-	36.2	-	-	-	-	-	-	-	-	-	-
Payments for Revolving Credit Facility	-	-	-	-	-	-	(30.3)	(5.9)	-	(36.2)	-	-	-	-	-	-	-	-	-	-
Debt Issuance Costs	(0.0)	-	-	-	-	-	(0.0)	-	0.0	(0.0)	-	-	-	-	-	-	-	-	(0.5)	(0.5)
<b>Cash flow generated/(absorbed) by financing Activities</b>	<b>(0.1)</b>	<b>(24.6)</b>	<b>(12.6)</b>	<b>(38.0)</b>	<b>(8.8)</b>	<b>(2.4)</b>	<b>21.4</b>	<b>(10.9)</b>	<b>(6.8)</b>	<b>1.3</b>	<b>(7.1)</b>	<b>(7.1)</b>	<b>(5.7)</b>	<b>(2.8)</b>	<b>(22.8)</b>	<b>(2.8)</b>	<b>(2.8)</b>	<b>(2.7)</b>	<b>(2.8)</b>	<b>(11.1)</b>
<b>Net Cash Flow</b>	<b>(8.9)</b>	<b>(19.5)</b>	<b>24.6</b>	<b>29.8</b>	<b>3.5</b>	<b>(59.3)</b>	<b>1.6</b>	<b>(5.1)</b>	<b>12.5</b>	<b>(50.4)</b>	<b>12.0</b>	<b>19.0</b>	<b>(10.2)</b>	<b>3.4</b>	<b>24.2</b>	<b>(2.3)</b>	<b>1.2</b>	<b>(21.6)</b>	<b>(14.1)</b>	<b>(36.9)</b>
<b>Cash and Cash Equivalents</b>																				
Beginning Cash balance	39.8	30.9	11.4	36.0	65.8	69.4	10.1	11.7	6.5	69.4	19.0	31.0	50.0	39.8	19.0	43.2	40.9	42.1	20.4	43.2
Ending Cash balance	30.9	11.4	36.0	65.8	69.4	10.1	11.7	6.5	19.0	19.0	31.0	50.0	39.8	43.2	43.2	40.9	42.1	20.4	6.3	6.3

Source: Company Reports, Stonegate Capital Partners

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