RESEARCH UPDATE

HOOKER FURNISHINGS CORP. (NASDAQ: HOFT)

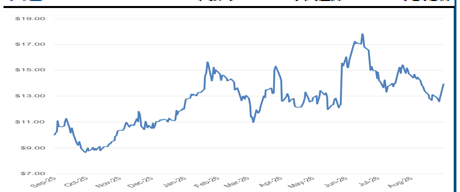
Dave Storms, CFA
dave@stonegateinc.com
214-987-4121

Market Statistics in USD	
Price	$ 13.94
52 week Range	$8.62 - $18.09
Daily Vol (3-mo. average)	66,651
Market Cap (M)	$ 147.6
Enterprise Value (M)	$ 126.6
Shares Outstanding: (M)	10.6
Float (M)	10.2

Financial Summary in USD	
Pro Forma Cash (M)	$ 21.0
Cash/Share	$ 1.98
Debt (M)	$ -
Equity (M)	$ 168.6
Equity/Share	$ 15.92

Valuation in USD	
Valuation Range	$15.27 - $16.80
Price Target	$ 16.00

FYE: Jan	2026	2027E	2028E
(all figures in M, except per share information)			
Rev	$ 305.2	$ 282.0	$ 308.2
Chng%	-23%	-8%	9%
EBIT	$ (23.1)	$ 10.9	$ 14.2
Net Income	$ (27.0)	$ 8.7	$ 10.9
EPS	$ (2.54)	$ 0.81	$ 1.03
EV/Revenue	0.4x	0.4x	0.4x
EV/EBIT	N/A	11.7x	8.9x
P/E	N/A	17.2x	13.5x



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.

HOFT reported revenue, operating income, and EPS of $63.3M, $1.3M, and $0.16, respectively. This compares to our/consensus estimates of $65.2M/$62.3M, $0.1M/($0.7)M, and $0.01/($0.02). Consolidated gross margin expanded 690 bps y/y to 31.8%, with tariff recoveries accounting for most of the increase. Excluding $4.3M of COGS recoveries and $0.5M of customer credits, we calculate gross margin still improved roughly 70 bps y/y to ~25.6%. More importantly, the core businesses showed better underlying core margin performance, with tariff-adjusted gross margin improving approximately 340 bps y/y at Hooker Branded and 150 bps at Domestic Upholstery. With material additional tariff recoveries not expected, 2H27 should provide investors with a cleaner read on normalized profitability.

Growth Strategy: HOFT's near-term setup is shifting from cost reduction toward volume conversion. Hooker Branded sales declined 4.5% y/y on lower unit volumes, promotions, and SKU out-of-stocks, but backlog increased 34.7% y/y and Asia-related inventory constraints largely eased by quarter-end. Combined Hooker Branded and Domestic Upholstery backlog reached $41.4M, up roughly 18% y/y by our calculation, well ahead of the 6.2% consolidated increase as hospitality backlog declined on project timing. Margaritaville has moved from retailer commitments to shipment conversion; shipments began late in 2Q and are expected to build through 2H27 and into FY28, while commitments remain approximately 100 in-store galleries and 10 freestanding stores. Domestic Upholstery generated $0.8M of operating income versus a $(0.4)M loss last year, supported by private-label and outdoor growth, lower input costs, improved absorption, and tariff recoveries.

Outlook/Catalyst: We and Management do not expect meaningful near-term improvement in furniture demand but remain confident in improved y/y results in 2H27 even if current conditions persist. July results improved significantly y/y absent tariff recoveries, promotional activity should normalize during the second half, and the post-Labor Day retail read was fairly positive. Key variables are backlog conversion, Margaritaville's ramp, and whether underlying margin gains hold without tariff support. We continue to view HOFT as a self-help recovery story, with 2H27 increasingly dependent on converting improved order visibility into sustainable profitability rather than additional restructuring benefits.

Balance Sheet & Liquidity: HOFT ended 2Q27 with $18.7M of cash, no outstanding debt, and $51.8M of available borrowing capacity. First-half operating cash flow was $24.0M, though roughly $16.0M came from receivables collections and inventory reduction, indicating material working-capital support. Inventory declined to $43.4M from $48.7M at year-end. The Company repurchased $1.3M of stock through 2Q, leaving approximately $3.7M under its $5M authorization, while maintaining a $0.115 quarterly dividend. The balance sheet remains supportive of Margaritaville and measured capital returns while preserving flexibility through weak demand.

Valuation: We use a DCF and a EV/EBIT comp analysis to guide our valuation. Our DCF analysis produces a valuation range of $15.67 to $17.44 with a mid-point of $16.48. Our EV/EBIT valuation results in a range of $14.88 to $16.17 with a mid-point of $15.52. When we combine these two methodologies using a simple average it returns a range of $15.27 to $16.80 with a price target of $16.00.

Summary of Quarterly Results

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

	2Q27 results		Notes
	Reported	Model	
Total revenues	**63.3**	**65.2**	Revenues below our expectations
Cost of sales	43.2	46.3	
Gross (loss) profit	**20.1**	**18.9**	
Gross margin	**31.8%**	**29.0%**	Gross margin beat expectations
Corporate Expenses	18.3	18.3	
D&A	0.5	0.5	
Total opex	18.8	18.8	Operating expenses in-line with our expectations
Operating Profit	**1.3**	**0.1**	
Operating margin	**2.0%**	**0.2%**	Operating income beat our expectations on margins
Net Income	**1.7**	**0.1**	
Net Income margin	**2.6%**	**0.2%**	Net income above our estimates
EPS	**$ 0.16**	**$ 0.01**	

	Y/Y Change		Notes
	2Q27	2Q26	
Total revenues	**63.3**	**82.1**	Revenue pressured by tariffs
Cost of sales	43.2	65.3	
Gross (loss) profit	**20.1**	**16.8**	Margin expansion led by Hooker Branded
Gross margin	**31.8%**	**20.5%**	
Corporate Expenses	18.3	20.4	
D&A	0.5	0.9	
Total opex	18.8	21.2	
Operating Profit	**1.3**	**(4.4)**	
Operating margin	**2.0%**	**-5.4%**	
Net Income	**1.7**	**(3.3)**	
Net Income margin	**2.6%**	**-4.0%**	
EPS	**$ 0.16**	**$ (0.31)**	

Source: Company Reports; Stonegate Capital Markets

Valuation Summary

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

Our DCF analysis relies on a range of discount rates between 9.75% and 10.25% with a midpoint of 10.00%. This arrives at a valuation range of $15.67 to $17.44 with a mid-point of $16.48.

Sensitivity Analysis:

Discount rate	Terminal Growth Rates 1.0%	1.5%	2.0%	2.5%	3.0%
9.50%	$16.51	$16.94	$17.42	$17.98	$18.61
9.75%	$16.10	$16.49	$16.94	$17.44	$18.02
10.00%	$15.71	$16.07	$16.48	$16.94	$17.47
10.25%	$15.33	$15.67	$16.05	$16.47	$16.96
10.50%	$14.98	$15.29	$15.64	$16.03	$16.48

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

Company Name	Symbol	Price (1)	Mrkt Cap	EV	BV/Share	EV/Revenue (2, 3) 2025	2026E	2027E	EV/EBIT (2, 3) 2025	2026E	2027E	P/E (2, 3) 2025	2026E	2027E
Flexsteel Industries, Inc.	FLXS	$ 81.90	$ 335.1	$ 370.3	$ 32.50	0.50x	0.80x	0.76x	6.3x	9.4x	10.7x	10.0x	16.3x	14.3x
The Lovesac Company	LOVE	$ 14.69	$ 211.9	$ 334.1	$ 14.56	0.55x	0.48x	0.44x	71.5x	14.3x	19.9x	53.3x	13.2x	14.9x
Bassett Furniture Industries, Incorporated	BSET	$ 17.80	$ 154.1	$ 188.0	$ 19.06	0.55x	0.56x	0.53x	22.8x	23.8x	15.4x	23.8x	22.0x	15.1x
La-Z-Boy Incorporated	LZB	$ 30.97	$ 1,240.4	$ 1,520.8	$ 25.30	0.80x	0.73x	0.71x	12.2x	16.3x	10.9x	18.3x	11.2x	11.4x
Mohawk Industries, Inc.	MHK	$129.42	$ 7,821.9	$ 9,335.0	$ 141.17	0.80x	0.84x	0.82x	12.0x	12.1x	12.2x	18.3x	13.2x	12.9x
				Average	**$ 46.52**	**0.64x**	**0.68x**	**0.65x**	**25.0x**	**15.2x**	**13.8x**	**24.7x**	**15.2x**	**13.7x**
				Median	**$ 25.30**	**0.55x**	**0.73x**	**0.71x**	**12.2x**	**14.3x**	**12.2x**	**18.3x**	**13.2x**	**14.3x**
Hooker Furnishings Corporation	HOFT	$ 13.94	$ 147.6	$ 126.6	$ 15.87	0.49x	0.45x	0.41x	(6.4)x	11.7x	8.9x	(4.4)x	17.2x	13.5x

(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 CY27 EV/EBIT of 8.9x compared to comps at an average of 13.8x. 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 CY27 expected EBIT, and an EV/EBIT range of 10.0x to 11.0x with a midpoint of 10.5x 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 $14.88 to $16.17 with a mid-point of $15.52.

EV/EBIT			
CY2027E	**10.00x**	**10.50x**	**11.00x**
Adj EBIT	13.7	13.7	13.7
TEV	136.5	143.3	150.2
Cash	21.0	21.0	21.0
Debt	-	-	-
Mrkt Cap	157.5	164.3	171.2
S/O	10.6	10.6	10.6
Price	**$ 14.88**	**$ 15.52**	**$ 16.17**

When we combine these two methodologies using a simple average it returns a range of $15.27 to $16.80 with a price target of $16.00.

Discounted Cash Flow

Hooker Furnishings Corporation
Discounted Cash Flow Model
(in $M, except per share)

Estimates:	2025	2026	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E	2037E	Terminal Value
Revenue	397.5	305.2	282.0	308.2	330.5	353.3	374.5	394.7	413.3	429.8	445.7	460.4	475.6	
Operating Income	(18.2)	(23.7)	10.9	14.2	14.2	14.5	15.0	15.4	16.1	16.8	16.5	17.0	17.6	
Less: Taxes (benefit)	(3.9)	(5.9)	2.3	3.1	2.8	2.9	3.0	3.1	3.2	3.4	3.3	3.4	3.5	
NOPAT	(14.3)	(17.8)	8.5	11.1	11.4	11.6	12.0	12.3	12.9	13.4	13.2	13.6	14.1	
Plus: Depreciation & Amortization	9.2	7.1	4.5	4.3	4.3	4.2	4.1	3.9	3.9	4.1	4.2	4.4	4.5	
Plus: Changes in WC	22.2	35.9	(0.7)	(0.8)	(0.8)	(0.9)	(0.9)	(1.0)	(1.0)	(1.1)	(1.1)	(1.2)	(1.2)	
Less: Capex	(3.2)	(3.2)	(2.1)	(2.5)	(2.6)	(2.8)	(3.0)	(2.4)	(2.5)	(2.6)	(2.7)	(2.8)	(2.9)	
Free Cash Flow	13.9	22.0	10.2	12.2	12.2	12.1	12.2	12.9	13.3	13.8	13.6	14.1	14.6	185.6
Discount period - months			6	18	30	42	54	66	78	90	102	114	126	
Discount period - years			0.5	1.5	2.5	3.5	4.5	5.5	6.5	7.5	8.5	9.5	10.5	
Discount factor			0.95	0.87	0.79	0.72	0.65	0.59	0.54	0.49	0.44	0.40	0.37	
PV of FCF			9.7	10.6	9.6	8.7	7.9	7.6	7.2	6.8	6.1	5.7	5.4	68.2
Growth rate assumptions:														
Revenue		-23.2%	-7.6%	9.3%	7.2%	6.9%	6.0%	5.4%	4.7%	4.0%	3.7%	3.3%	3.3%	
Operating Income		29.7%	-145.9%	31.0%	-0.2%	1.9%	3.4%	2.8%	4.7%	4.0%	-1.6%	3.3%	3.3%	
Free Cash Flow		58.4%	-53.6%	19.6%	-0.2%	-0.6%	0.4%	6.0%	3.1%	4.0%	-1.5%	3.3%	3.3%	
Margin assumptions:														
Operating Income	-4.6%	-7.7%	3.9%	4.6%	4.3%	4.1%	4.0%	3.9%	3.9%	3.9%	3.7%	3.7%	3.7%	
D&A as a % of sales	2.3%	2.3%	1.6%	1.4%	1.3%	1.2%	1.1%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	
Taxes	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	5.6%	11.8%	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%	
Capex as a % of sales	-0.8%	-1.0%	-0.8%	-0.8%	-0.8%	-0.8%	-0.8%	-0.6%	-0.6%	-0.6%	-0.6%	-0.6%	-0.6%	

Valuation:

Shares outstanding	10.6
PV of FCF	85.3
PV of Terminal Value	68.2
Enterprise Value	153.5
less: Net Debt	(21.0)
Estimated Total Value:	174.5
Est Equity Value/share:	**$16.48**
Price	$13.94

Sensitivity Analysis:

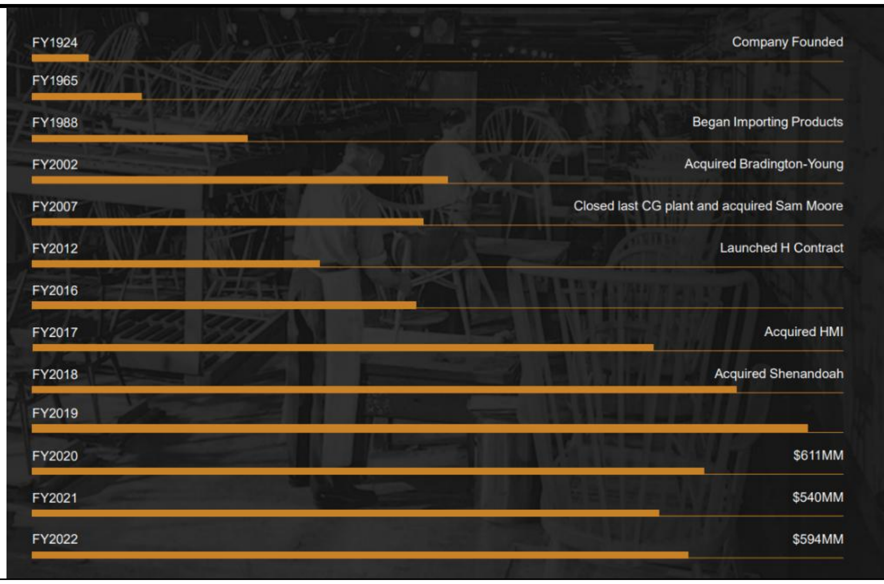
	Terminal Growth Rates				
Discount rate	1.0%	1.5%	2.0%	2.5%	3.0%
9.50%	$16.51	$16.94	$17.42	$17.98	$18.61
9.75%	$16.10	$16.49	$16.94	$17.44	$18.02
10.00%	$15.71	$16.07	$16.48	$16.94	$17.47
10.25%	$15.33	$15.67	$16.05	$16.47	$16.96
10.50%	$14.98	$15.29	$15.64	$16.03	$16.48

Source: Company Reports; Stonegate Capital Partners

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, lighting, accessories, and home décor, and also domestically manufactures premium custom leather, fabric-upholstered, 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 its largest customer accounting for approximately 9% of consolidated sales and its top five customers accounting for approximately 26% in fiscal 2026. 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.

Exhibit 2: Product Distribution Channels

Source: Company Presentation

Hooker was an early adopter of importing furniture goods, sourcing products from foreign manufacturers for over three decades. Imported casegoods and upholstered furniture accounted for approximately 60% of consolidated sales in fiscal 2026. Vietnam is now Hooker's primary sourcing country, representing approximately 87% of import purchases, while China represented approximately 5%. The Company continues to diversify sourcing to countries including Malaysia, Mexico, and India. This diversification is important to mitigate economic and political risks, including the changing tariff environment.

Business Segments

Hooker operates in two primary segments: Hooker Branded 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 2nd 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 $34.6M of sales in 2Q27, accounting for 54.7% of consolidated revenue, compared with $36.3M, or 52.4%, in the prior-year period.

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.

Domestic Upholstery generated $27.2M of sales in 2Q27, accounting for 42.9% of consolidated revenue, compared with $28.7M, or 41.4%, in the prior-year period.

All Other

All Other primarily includes Samuel Lawrence Hospitality, other non-reportable businesses, and intercompany eliminations. H Contract is now reported within Hooker Branded and Domestic Upholstery rather than All Other. All Other generated $1.5M of sales in 2Q27, down 65.8% y/y, primarily due to hospitality project timing. The segment reported a $(0.4)M operating loss during the quarter, although the business remained profitable for the first six months of FY27.

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. Following recent portfolio simplification and fixed-cost reductions, HOFT's near-term growth strategy is increasingly focused on core-brand execution, Margaritaville, Hooker Custom Upholstery, and improved earnings conversion on the lower cost base.

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. In February 2022 Hooker acquired Sunset West, an outdoor furniture manufacturer. Most recently the Company purchased BOBO Intriguing objects, an Atlanta-based lighting, décor, and accents designer. Following the divestiture of the Pulaski Furniture and Samuel Lawrence Furniture casegoods businesses, 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 approximately 120,000-square-foot High Point showroom in 2023. The Company also debuted a 6,500-square-foot year-round Atlanta showroom in July 2023. 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. Margaritaville has become HOFT's most visible company-specific 2H FY27 growth driver, with retailer commitments now at 100 in-store galleries and 10 freestanding retail stores, roughly double the level discussed in December. Shipments began late in 2Q27, with a significant portion of sales expected in 2H27 and shipments expected to build through the second half and into FY28.

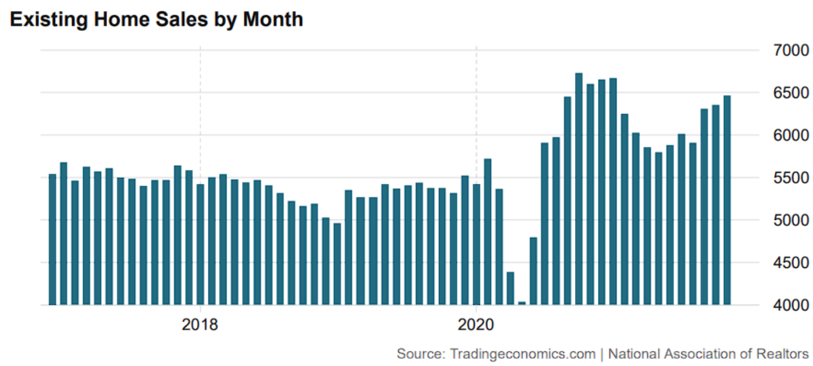
Management also introduced Hooker Custom Upholstery at the April 2026 High Point Market, combining Sam Moore and Bradington-Young under a unified premium platform. In our view, this should simplify the premium upholstery message under the Hooker name and improve go-to-market efficiency as demand normalizes.

Over the last decade Hooker has prioritized Ecommerce using the internet and social media to increase its market breadth. E-commerce remains an important distribution and brand-building channel as consumers continue to research and purchase furniture online. However, the near-term growth setup is more directly tied to Margaritaville shipment conversion, Hooker Custom Upholstery, and improved earnings conversion on the lower cost base.

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.

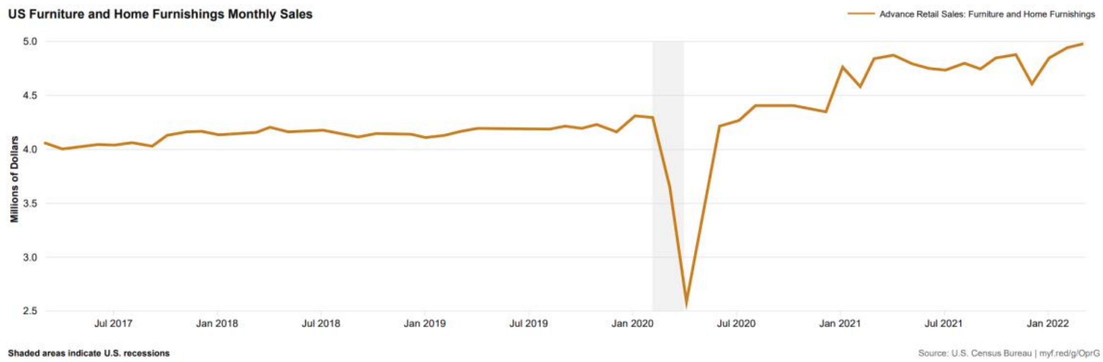
Exhibit 5: Housing Trends



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 HOFTs 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 26% of consolidated sales in fiscal year 2026. 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 – HOFT remains significantly exposed to foreign sourcing, particularly Vietnam. Vietnam represented approximately 87% of fiscal 2026 import purchases, while China represented approximately 5%. The Company's five largest Vietnamese suppliers accounted for approximately 69% of total import purchases. Labor shortages, governmental regulations, tariffs, or supply-chain disruptions could interfere with HOFT's ability to meet customer demand.

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.

Balance Sheet

Hooker Furnishings Corporation
Consolidated Balance Sheets ($M)
Fiscal Year End: January

ASSETS	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 Apr-25	Q2 Jul-25	Q3 Oct-25	Q4 Jan-26	FY 2026	Q1 Apr-26	Q2 Jul-26
Cash and Cash Equivalents	30.9	11.4	36.0	65.8	69.4	19.0	43.2	40.9	42.1	20.4	6.3	6.3	18.0	0.8	1.4	1.1	1.1	10.6	18.7
Income Tax Recoverable	-	-	0.8	-	4.4	3.1	3.0	2.5	1.9	3.0	0.5	0.5	-	0.0	0.1	-	-	-	-
Inventories	84.5	105.2	92.8	70.2	75.0	96.7	61.8	56.6	57.1	51.8	70.8	70.8	64.3	58.5	52.1	48.7	48.7	45.0	43.4
Accounts Receivables	92.8	112.6	87.7	83.3	73.7	62.1	51.3	49.6	44.0	66.5	58.2	58.2	39.6	41.3	31.7	37.8	37.8	30.9	26.3
Insurance Proceeds Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid Expenses and Other Assets	5.3	5.7	4.7	4.4	5.2	6.4	5.5	7.3	9.3	9.0	5.4	5.4	6.1	7.4	20.1	5.3	5.3	5.3	5.7
Total Current Assets	**213.5**	**234.9**	**222.0**	**223.7**	**227.7**	**187.3**	**164.8**	**156.9**	**154.3**	**150.7**	**141.1**	**141.1**	**128.1**	**108.1**	**105.4**	**92.9**	**92.9**	**91.9**	**94.1**
Operating Lease Right-of-use Assets	-	-	39.5	34.6	51.9	68.9	50.8	49.2	48.0	47.4	45.6	45.6	43.7	41.8	24.4	23.0	23.0	21.7	22.1
Property, Plant and Equipment, Net	29.2	29.5	29.9	26.8	28.1	27.0	29.1	28.9	28.4	28.5	28.2	28.2	28.2	28.2	25.0	25.2	25.2	22.2	22.2
Deferred Taxes	3.3	4.5	2.9	14.2	11.6	14.5	12.0	13.3	14.0	15.6	16.1	16.1	17.1	18.1	24.9	24.9	24.9	24.8	24.3
Goodwill	40.1	40.1	40.1	0.5	0.5	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	0.6	0.6	0.6	0.6	0.6
Intangible Assets	38.1	35.8	33.4	26.2	23.9	31.8	28.6	27.7	29.4	23.9	22.1	22.1	21.2	20.3	13.5	13.0	13.0	12.4	11.9
Other Assets	2.2	1.2	1.1	0.9	4.5	9.7	14.7	15.7	16.6	16.7	16.6	16.6	16.4	16.3	16.2	15.8	15.8	18.4	17.9
Cash Surrender Value of Life Insurance Policies	23.6	23.8	24.9	25.4	26.5	27.6	28.5	28.7	26.8	29.0	29.2	29.2	30.0	30.2	30.2	30.4	30.4	31.3	31.5
Total Assets	**350.1**	**369.7**	**393.7**	**352.3**	**374.6**	**381.7**	**343.6**	**335.5**	**332.4**	**326.9**	**313.9**	**313.9**	**299.7**	**278.0**	**240.2**	**225.9**	**225.9**	**223.2**	**224.4**
LIABILITIES AND SHAREHOLDERS' EQUITY																			
Trade Accounts Payable	32.7	40.8	25.5	32.2	30.9	16.1	16.5	18.6	19.9	23.2	20.0	20.0	11.5	14.1	12.4	11.0	11.0	12.1	12.2
Other Accrued Expenses	2.9	3.6	4.2	3.4	4.3	7.4	3.3	2.4	2.2	2.8	2.9	2.9	2.6	2.9	2.3	2.1	2.1	2.3	2.3
Accrued Salaries, Wages and Benefits	9.2	8.0	4.9	7.1	7.1	9.3	7.4	5.6	6.1	6.9	3.9	3.9	4.0	4.5	4.8	3.7	3.7	4.7	4.9
Current Portion of Long-term Debt	7.5	5.8	5.8	-	-	1.4	1.4	22.5	22.2	21.9	-	-	-	-	-	-	-	-	-
Current Portion of Operating Lease Liabilities	-	-	6.3	6.7	7.5	7.3	7.0	7.1	7.3	7.6	7.5	7.5	7.6	7.8	5.4	5.4	5.4	5.4	5.1
Accrued Income Taxes	3.7	3.2	-	0.5	-	-	-	-	-	-	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.2	0.1
Customer Deposits	4.3	3.0	3.4	4.3	7.1	8.5	5.9	6.6	8.7	5.8	5.7	5.7	6.4	6.8	5.3	5.3	5.3	5.2	6.4
Current Liabilities Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9.2	-	-	-	-
Legal Contingency	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	**60.3**	**64.4**	**50.1**	**54.1**	**56.9**	**50.0**	**41.4**	**62.9**	**66.5**	**68.3**	**40.0**	**40.0**	**32.5**	**36.1**	**39.5**	**27.6**	**27.6**	**29.8**	**31.0**
Long-term Debt	45.8	29.6	24.3	-	-	22.9	21.5	-	-	-	21.7	21.7	22.3	5.2	3.8	3.2	3.2	-	-
Operating Lease Liabilities	-	-	33.8	29.4	46.6	63.8	46.4	44.9	43.5	42.8	41.1	41.1	39.1	37.1	20.8	19.5	19.5	18.2	18.9
Pension Plan	2.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Compensation	11.2	11.5	11.4	11.2	9.9	8.2	7.4	7.3	7.1	7.0	6.8	6.8	6.6	6.5	6.3	6.4	6.4	6.1	6.0
Other Liabilities	0.9	1.0	-	-	-	0.8	0.9	0.9	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	**120.6**	**106.5**	**119.6**	**94.8**	**113.4**	**145.7**	**117.6**	**115.9**	**117.1**	**118.1**	**109.6**	**109.6**	**100.5**	**84.9**	**70.5**	**56.6**	**56.6**	**54.1**	**55.9**
Common Stock	49.0	49.5	51.6	53.3	53.3	50.8	49.5	49.7	50.0	50.0	50.5	50.5	50.8	50.6	51.0	51.4	51.4	51.5	51.3
Retained Earnings	180.1	213.4	223.3	205.0	207.9	184.4	175.7	169.2	164.7	158.1	153.3	153.3	147.8	142.0	118.3	117.6	117.6	117.4	117.0
Accumulated Other Comprehensive Income	0.4	0.2	(0.7)	(0.8)	(0.1)	0.9	0.7	0.7	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.3	0.3	0.3	0.2
Total Consolidated Equity	**229.5**	**263.2**	**274.1**	**257.5**	**261.1**	**236.0**	**226.0**	**219.6**	**215.3**	**208.8**	**204.4**	**204.4**	**199.2**	**193.1**	**169.8**	**169.2**	**169.2**	**169.1**	**168.6**
Total Liabilities and Shareholders' Equity	**350.1**	**369.7**	**393.7**	**352.3**	**374.6**	**381.7**	**343.6**	**335.5**	**332.4**	**326.9**	**313.9**	**313.9**	**299.7**	**278.0**	**240.2**	**225.9**	**225.9**	**223.2**	**224.4**
Liquidity																			
Current Ratio	3.5x	3.6x	4.4x	4.1x	4.0x	3.7x	4.0x	2.5x	2.3x	2.2x	3.5x	3.5x	3.9x	3.0x	2.7x	3.4x	3.4x	3.1x	3.0x
Working Capital ($M)	153.2	170.5	171.8	169.6	170.8	137.3	123.4	94.0	87.9	82.40	101.15	101.15	95.6	72.0	65.90	65.27	65.27	62.1	63.0
Leverage																			
Net Debt to Equity	0.10x	0.09x	-0.02x	-0.26x	-0.27x	0.02x	-0.09x	-0.08x	-0.09x	0.01x	0.08x	0.08x	0.02x	0.02x	0.01x	0.01x	0.01x	-0.06x	-0.11x
Net Debt to Capital	0.06x	0.06x	-0.02x	-0.19x	-0.19x	0.01x	-0.06x	-0.05x	-0.06x	0.00x	0.05x	0.05x	0.01x	0.02x	0.01x	0.01x	0.01x	-0.05x	-0.08x
Capital Usage- Annualized																			
A/R Turns		2.0x	1.8x	2.0x	1.8x	1.9x	1.8x	1.9x	2.0x	1.9x	1.7x	1.7x	1.7x	2.0x	1.9x	1.9x	1.9x	2.0x	2.2x
Days Sales Outstanding		181.6	199.5	186.4	199.4	192.1	208.1	196.7	179.6	193.2	217.8	217.8	209.2	179.8	188.5	189.4	189.4	180.6	165.1
A/P Turnover		4.0x	5.1x	4.0x	4.9x	4.4x	3.6x	4.2x	3.8x	3.7x	3.6x	3.6x	4.2x	5.1x	4.0x	4.0x	4.0x	4.2x	3.6x
Days Payable Outstanding		92.1	72.2	91.0	74.5	83.5	101.4	86.1	94.8	98.0	101.1	101.1	86.8	71.7	92.1	91.3	91.3	86.3	102.7

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	FY 2025	Q1 Apr-25	Q2 Jul-25	Q3 Oct-25	Q4 Jan-26	FY 2026	Q1 Apr-26	Q2 Jul-26	Q3 E Oct-26	Q4 E Jan-27	FY 2027E	Q1 E Apr-27	Q2 E Jul-27	Q3 E Oct-27	Q4 E Jan-28	FY 2028E
Revenues	$ 620.6	$ 683.5	$ 610.8	$ 540.1	$ 593.6	$ 583.1	$ 433.2	$ 397.5	$ 85.3	$ 82.1	$ 70.7	$ 67.0	$ 305.2	$ 69.5	$ 63.3	$ 76.2	$ 73.1	$ 282.0	$ 76.2	$ 71.0	$ 82.7	$ 78.4	$ 308.2
Total Revenues	**620.6**	**683.5**	**610.8**	**540.1**	**593.6**	**583.1**	**433.2**	**397.5**	**85.3**	**82.1**	**70.7**	**67.0**	**305.2**	**69.5**	**63.3**	**76.2**	**73.1**	**282.0**	**76.2**	**71.0**	**82.7**	**78.4**	**308.2**
Operating Expenses:																							
Cost of Sales	485.8	536.0	496.9	427.3	490.0	460.7	323.1	306.9	66.3	65.3	52.6	46.9	231.2	48.9	43.2	54.0	49.7	195.7	53.9	51.0	58.2	54.0	217.1
Inventory Valuation Expense	-	-	-	-	2.0	29.1	1.5	2.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Profit	**134.8**	**147.5**	**114.0**	**112.7**	**101.7**	**93.3**	**108.7**	**88.5**	**19.0**	**16.8**	**18.1**	**20.1**	**74.0**	**20.6**	**20.1**	**22.1**	**23.4**	**86.2**	**22.2**	**19.9**	**24.5**	**24.4**	**91.1**
Selling, General, and Expenses	87.3	91.9	88.9	80.4	84.5	95.8	92.7	100.2	21.7	20.4	18.2	18.9	79.1	18.5	18.3	18.5	18.5	73.7	18.5	18.6	18.7	18.7	74.5
Intangible Asset Amortization	2.1	2.4	2.4	2.4	2.4	3.5	3.7	3.7	0.9	0.9	0.6	0.5	3.0	0.5	0.5	0.5	0.5	2.2	0.7	0.7	0.7	0.7	2.8
Trade Name Impairment Charges	-	-	-	4.8	-	0.0	-	2.8	-	-	15.6	-	15.6	-	-	-	-	-	-	-	-	-	-
Goodwill Impairment Charges	-	-	-	39.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	89.4	94.3	91.3	127.1	86.9	99.3	96.3	106.7	22.6	21.2	34.4	19.5	97.7	19.0	18.8	19.0	19.0	75.9	19.2	19.3	19.4	19.4	77.3
Operating Income	**45.5**	**53.2**	**22.7**	**(14.4)**	**14.8**	**(6.0)**	**12.4**	**(18.2)**	**(3.6)**	**(4.4)**	**(16.3)**	**0.6**	**(23.7)**	**1.6**	**1.3**	**3.1**	**4.4**	**10.4**	**3.0**	**0.6**	**5.2**	**5.0**	**13.8**
Other Income/(Expense)	1.6	(0.1)	0.5	0.3	0.4	0.4	1.7	3.1	0.1	0.1	0.3	0.0	0.5	(0.1)	0.4	0.1	0.1	0.5	0.1	0.1	0.1	0.1	0.4
Interest Expense	1.2	1.5	1.2	0.5	0.1	0.5	1.6	1.3	0.4	0.2	0.1	0.1	0.8	0.1	0.1	0.1	0.1	0.3	0.1	0.1	0.1	0.1	0.2
Profit Before Taxes	**45.8**	**51.6**	**21.9**	**(14.6)**	**15.1**	**(6.1)**	**12.4**	**(16.4)**	**(3.8)**	**(4.5)**	**(16.1)**	**0.5**	**(23.9)**	**1.4**	**1.5**	**3.2**	**4.4**	**10.5**	**3.1**	**0.7**	**5.2**	**5.0**	**14.0**
Provision for Income Tax	17.5	11.7	4.8	(4.1)	3.4	(1.8)	2.6	(3.9)	(0.8)	(1.2)	(3.6)	(0.3)	(5.9)	0.3	0.3	0.7	1.0	2.3	0.7	0.2	1.1	1.1	3.1
Net Income from Continuing Operations	**28.3**	**39.9**	**17.1**	**(10.4)**	**11.7**	**(4.3)**	**9.9**	**(12.5)**	**(3.1)**	**(3.3)**	**(12.5)**	**0.9**	**(18.0)**	**1.1**	**1.2**	**2.5**	**3.5**	**8.2**	**2.4**	**0.5**	**4.1**	**3.9**	**10.9**
Impact from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	(8.6)	(0.3)	(9.0)	-	0.5	-	-	0.5	-	-	-	-	-
Net Income	**28.3**	**39.9**	**17.1**	**(10.4)**	**11.7**	**(4.3)**	**9.9**	**(12.5)**	**(3.1)**	**(3.3)**	**(21.2)**	**0.5**	**(27.0)**	**1.1**	**1.7**	**2.5**	**3.5**	**8.7**	**2.4**	**0.5**	**4.1**	**3.9**	**10.9**
Basic EPS	**$ 2.43**	**$ 3.39**	**$ 1.45**	**$ (0.88)**	**$ 0.99**	**$ (0.37)**	**$ 0.91**	**$ (1.19)**	**$ (0.29)**	**$ (0.31)**	**$ (1.99)**	**$ 0.05**	**$ (2.54)**	**$ 0.10**	**$ 0.16**	**$ 0.23**	**$ 0.32**	**$ 0.81**	**$ 0.23**	**$ 0.05**	**$ 0.39**	**$ 0.37**	**$ 1.03**
Diluted EPS	**$ 2.43**	**$ 3.39**	**$ 1.45**	**$ (0.88)**	**$ 0.98**	**$ (0.37)**	**$ 0.91**	**$ (1.19)**	**$ (0.29)**	**$ (0.31)**	**$ (1.99)**	**$ 0.05**	**$ (2.54)**	**$ 0.10**	**$ 0.16**	**$ 0.23**	**$ 0.32**	**$ 0.80**	**$ 0.23**	**$ 0.05**	**$ 0.39**	**$ 0.37**	**$ 1.03**
WTD Shares Out - Basic	11.6	11.8	11.8	11.8	11.9	11.6	10.7	10.5	10.6	10.6	10.6	10.6	10.6	10.6	10.6	10.8	10.8	10.7	10.7	10.6	10.6	10.6	10.6
WTD Shares Out - Diluted	11.6	11.8	11.8	11.8	12.0	11.6	10.8	10.5	10.6	10.6	10.6	10.7	10.6	10.8	10.8	10.8	10.8	10.8	10.7	10.6	10.6	10.6	10.6
Margin Analysis																							
Gross Margin	21.7%	21.6%	18.7%	20.9%	17.1%	16.0%	25.1%	22.3%	22.3%	20.5%	25.6%	30.0%	24.3%	29.6%	31.8%	29.1%	32.0%	30.6%	29.2%	28.1%	29.7%	31.1%	29.6%
Operating Margin	7.3%	7.8%	3.7%	-2.7%	2.5%	-1.0%	2.9%	-4.6%	-4.2%	-5.4%	-23.1%	0.9%	-7.7%	2.3%	2.0%	4.1%	6.0%	3.7%	4.0%	0.9%	6.3%	6.3%	4.5%
EBITDA Margin	7.8%	7.7%	3.9%	-2.3%	3.0%	-0.5%	3.7%	-2.7%	-3.7%	-4.5%	-21.7%	1.5%	-6.9%	2.5%	3.7%	4.9%	6.9%	4.6%	5.0%	2.0%	7.2%	7.4%	5.5%
Pre-Tax Margin	7.4%	7.5%	3.6%	-2.7%	2.5%	-1.1%	2.9%	-4.1%	-4.5%	-5.5%	-22.8%	0.8%	-7.8%	2.0%	2.4%	4.1%	6.1%	3.7%	4.1%	1.0%	6.3%	6.4%	4.6%
Net Income Margin	4.6%	5.8%	2.8%	-1.9%	2.0%	-0.7%	2.3%	-3.1%	-3.6%	-4.0%	-29.9%	0.8%	-8.8%	1.5%	2.6%	3.2%	4.7%	3.1%	3.2%	0.8%	4.9%	5.0%	3.6%
Tax Rate	38.3%	22.7%	22.1%	28.4%	22.4%	29.9%	20.7%	23.9%	20.0%	26.9%	22.3%	-60.7%	24.7%	23.5%	21.9%	22.0%	22.0%	22.2%	22.0%	22.0%	22.0%	22.0%	22.0%
Growth Rate Y/Y																							
Total Revenue		10.1%	-10.6%	-11.6%	9.9%	-1.8%	-25.7%	-8.3%	-8.8%	-13.6%	-32.2%	-35.9%	-23.2%	-18.6%	-23.0%	7.7%	9.1%	-7.6%	9.7%	12.2%	8.6%	7.3%	9.3%
Total cost of revenues		5.5%	-3.2%	39.3%	-31.7%	14.4%	-3.0%	10.8%	-7.5%	-11.8%	10.0%	-27.9%	-8.5%	-15.7%	-11.4%	-44.6%	-2.4%	-22.3%	1.0%	2.6%	1.6%	2.1%	1.8%
Operating Income		17.0%	-57.3%	-163.3%	-203.3%	-140.7%	-304.4%	-247.5%	-31.1%	39.8%	124.7%	-123.7%	29.7%	-144.3%	-129.2%	-119.0%	598.5%	-143.8%	93.1%	-50.0%	66.5%	13.2%	33.5%
Pre-Tax Income		12.7%	-57.5%	-166.4%	-203.7%	-140.7%	-302.3%	-232.0%	-22.2%	140.1%	131.6%	-120.3%	45.5%	-136.3%	-134.4%	-119.5%	716.8%	-144.1%	123.3%	-55.2%	65.5%	13.1%	33.3%
Net Income		41.1%	-57.2%	-161.0%	-212.4%	-136.8%	-328.8%	-226.8%	-25.4%	68.0%	412.6%	-123.0%	115.6%	-134.8%	-151.0%	-111.6%	546.6%	-132.1%	127.7%	-67.7%	65.5%	13.1%	26.4%

Source: Company Reports, Stonegate Capital Partners

Statement of Cashflows

Hooker Furnishings Corporation
Consolidated Cash Flow Statements ($M)
Fiscal Year End: January

CASH FLOW	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 Apr-25	Q2 Jul-25	Q3 Oct-25	Q4 Jan-26	FY 2026	Q1 Apr-26	Q2 Jul-26
Operating Activities																			
Net Income	28.3	39.9	17.1	(10.4)	11.7	(4.3)	9.9	(4.1)	(2.0)	(4.1)	(2.3)	(12.5)	(3.1)	(3.3)	(7.3)	0.9	(12.8)	1.1	1.2
Inventory Valuation Expense	-	-	-	0.5	3.4	28.8	1.8	-	-	-	0.6	0.6	-	-	-	-	-	-	-
Depreciation and Amortization	6.6	7.4	7.1	6.8	7.8	8.8	9.0	2.3	2.3	2.3	2.3	9.2	2.2	2.2	1.0	1.7	7.1	1.8	1.8
Deferred Income Tax Expense	3.5	(1.9)	(1.2)	(10.8)	1.8	(3.2)	2.5	(1.3)	(0.6)	(1.6)	(0.5)	(4.0)	(1.1)	(0.9)	(6.8)	0.0	(8.8)	0.2	0.5
Impairment Adjustment	-	-	-	-	-	-	-	-	-	2.0	0.9	2.8	-	-	15.6	-	15.6	-	-
Noncash Restricted Stock and Performance Awards	1.2	1.3	1.3	1.7	(0.0)	1.2	1.7	0.2	0.2	0.1	0.4	1.0	0.4	(0.2)	0.4	0.4	0.9	0.2	0.3
Provision for Doubtful Accounts and Sales Allowances	(0.5)	(0.8)	(0.4)	4.7	0.0	(3.7)	(0.7)	(0.4)	0.1	0.6	3.1	3.3	(0.2)	0.1	0.4	(0.6)	(0.4)	0.5	(0.3)
Gain on Life Insurance Policies	(0.6)	(0.7)	(0.8)	(1.2)	(1.0)	(1.2)	(1.0)	(0.9)	(0.7)	0.5	(0.2)	(1.2)	(0.7)	(0.0)	(0.5)	(0.1)	(1.3)	(0.8)	(0.1)
Loss on Sales of Assets	0.6	(0.1)	(0.3)	-	(0.0)	0.1	0.0	-	(0.0)	-	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	16.8	11.6	2.1	5.5	(8.4)	(9.5)	(10.2)	18.8	(1.8)	(3.5)	(5.4)	8.1	6.4	4.3
Inventories	(6.8)	(21.3)	12.4	22.1	(8.3)	(47.8)	34.8	5.2	(0.5)	(9.4)	(4.9)	(9.6)	6.4	5.8	1.9	3.5	17.5	3.7	1.6
Income Tax Recoverable	-	-	(0.8)	0.8	(4.4)	1.3	0.1	0.5	0.6	(1.1)	2.5	2.5	0.5	(0.0)	(0.0)	0.0	0.5	0.0	-
Prepaid Expenses and Other Assets	(1.1)	0.3	(0.6)	0.5	(4.4)	(5.7)	(5.1)	(2.2)	(4.0)	(0.2)	3.4	(3.0)	(0.9)	(1.4)	4.2	(1.6)	0.2	(0.4)	(0.4)
Trade Accounts Payable	(4.6)	8.1	(15.3)	6.7	(1.3)	(15.8)	0.2	2.1	1.3	3.3	(3.4)	3.4	(8.5)	2.5	2.1	(1.8)	(5.8)	1.1	(0.5)
Accrued Income Taxes	-	-	-	-	-	-	-	-	-	-	0.0	0.0	0.2	(0.3)	0.0	0.0	(0.0)	0.1	(0.2)
Accrued Salaries, Wages, and Benefits	0.1	(1.6)	(3.1)	2.2	0.1	2.1	(1.9)	(1.8)	0.4	0.9	(3.1)	(3.5)	0.2	0.5	0.3	(1.1)	(0.1)	0.9	0.2
Customer Deposits	(0.3)	(1.3)	0.3	0.9	2.9	(1.9)	(2.6)	0.7	2.1	(2.9)	(0.1)	(0.3)	0.7	0.4	(1.5)	(0.0)	(0.4)	(0.1)	1.3
Operating Lease Assets and Liabilities	-	-	0.3	0.9	0.7	(0.1)	0.4	0.1	0.1	0.1	0.0	0.4	0.1	0.0	(0.6)	0.0	(0.5)	0.0	(0.0)
Other Accrued Expenses	(0.4)	1.2	0.1	(0.9)	0.9	3.3	(4.3)	(0.8)	(1.1)	0.5	0.2	(1.1)	(0.3)	0.3	(0.5)	(0.2)	(0.7)	0.1	(0.0)
Deferred Compensation	(1.2)	(2.8)	(0.0)	(0.3)	(0.3)	(0.5)	(0.9)	(0.2)	(0.2)	(0.2)	(0.2)	(0.8)	(0.2)	(0.2)	(0.2)	(0.2)	(0.8)	(0.2)	(0.2)
Goodwill and Intangible Asset Impairment Charge	-	-	-	44.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flow generated/(absorbed) from operating Activities	**27.7**	**9.7**	**41.4**	**68.3**	**19.2**	**(21.7)**	**55.5**	**1.5**	**3.8**	**(17.6)**	**(10.7)**	**(23.0)**	**14.7**	**3.4**	**4.8**	**(4.6)**	**18.3**	**14.4**	**9.6**
Investing Activities																			
Acquisitions	(32.8)	-	-	-	-	(25.3)	(2.4)	-	-	-	-	-	-	-	-	-	-	-	-
Purchases of Property and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.5	5.5	-	-
Purchases of Property and Equipment	(3.2)	(5.2)	(5.1)	(1.2)	(6.7)	(4.2)	(6.8)	(0.8)	(0.6)	(1.2)	(0.6)	(3.2)	(0.9)	(0.8)	(0.7)	(0.8)	(3.2)	(0.4)	(0.7)
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)	(0.5)	(0.4)	(0.1)	(0.2)	(0.1)	(0.0)	(0.4)	(0.1)	(0.2)	(0.1)	(0.0)	(0.4)	(0.1)	(0.2)
Proceeds of Life Insurance Policies	-	1.2	-	1.3	0.4	-	1.0	-	0.9	-	-	0.9	-	-	-	-	-	-	-
Proceeds Received on Notes Receivable	0.1	0.1	1.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flow generated by Investing Activities	**(36.5)**	**(4.5)**	**(4.3)**	**(0.5)**	**(6.9)**	**(30.0)**	**(8.6)**	**(1.0)**	**0.2**	**(1.3)**	**(0.6)**	**(2.7)**	**(1.0)**	**(1.1)**	**(0.7)**	**4.7**	**2.0**	**0.0**	**(0.9)**
Financing Activities																			
Purchase and Retirement of Common Stock	-	-	-	-	-	(13.3)	(11.7)	-	-	-	-	-	-	-	-	-	-	(0.1)	(1.2)
Proceeds from ABL	-	-	-	-	-	-	-	-	-	-	22.1	22.1	-	-	-	-	-	-	-
Cash Dividends Paid	(5.8)	(6.7)	(7.2)	(7.8)	(8.8)	(9.6)	(9.7)	(2.5)	(2.5)	(2.5)	(2.5)	(9.9)	(2.5)	(2.5)	(2.5)	(1.2)	(8.8)	(1.3)	(1.2)
Payments for Long-Term Loans	(6.3)	(17.9)	(5.4)	(30.1)	-	(0.7)	(1.4)	(0.4)	(0.4)	(0.2)	(22.0)	(22.9)	(0.0)	(48.9)	(46.2)	(27.9)	(123.1)	(6.7)	(0.0)
Proceeds from Long-Term Loans	12.0	-	-	-	-	25.0	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Revolving Credit Facility	-	-	-	-	-	36.2	-	-	-	-	-	-	0.5	31.9	44.8	27.3	104.6	3.2	0.1
Payments for Revolving Credit Facility	-	-	-	-	-	(36.2)	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Issuance Costs	(0.0)	-	-	-	-	(0.0)	-	-	-	-	(0.5)	(0.5)	-	(0.0)	(0.0)	(0.1)	(0.1)	-	-
Cash flow generated/(absorbed) by financing Activities	**(0.1)**	**(24.6)**	**(12.6)**	**(38.0)**	**(8.8)**	**1.3**	**(22.8)**	**(2.8)**	**(2.8)**	**(2.7)**	**(2.8)**	**(11.1)**	**(2.0)**	**(19.6)**	**(4.0)**	**(1.9)**	**(27.4)**	**(4.9)**	**(2.4)**
Net Cash Flow	**(8.9)**	**(19.5)**	**24.6**	**29.8**	**3.5**	**(50.4)**	**24.2**	**(2.3)**	**1.2**	**(21.6)**	**(14.1)**	**(36.9)**	**11.7**	**(17.2)**	**0.1**	**(1.8)**	**(7.1)**	**9.5**	**6.4**
Cash and Cash Equivalents																			
Beginning Cash balance	39.8	30.9	11.4	36.0	65.8	69.4	19.0	43.2	40.9	42.1	20.4	43.2	6.3	18.0	0.8	1.4	6.3	1.1	10.6
Ending Cash balance*	30.9	11.4	36.0	65.8	69.4	19.0	43.2	40.9	42.1	20.4	6.3	6.3	18.0	0.8	1.4	1.1	1.1	10.6	18.7

Source: Company Reports, Stonegate Capital Partners
**Adjusted for Discontinued Operations*

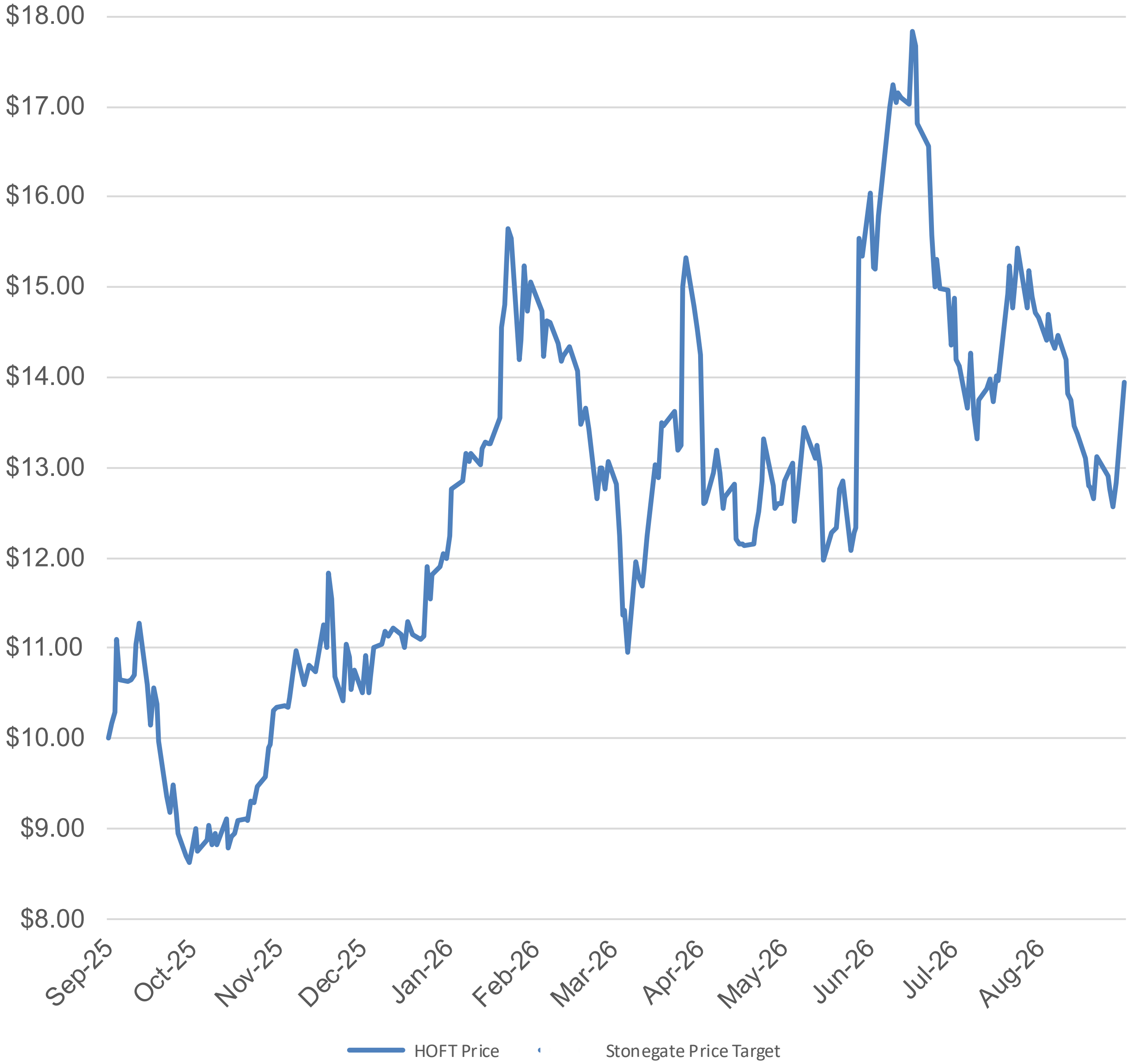
IMPORTANT DISCLOSURES AND DISCLAIMER

(a) The research analyst and/or a member of the analyst's household do not have a financial interest in the debt or equity securities of the subject company.
(b) The research analyst responsible for the preparation of this report has not received compensation that is based upon Stonegate Capital Partners' ("SCP") equity affiliate Stonegate Capital Markets ("SCM"), a FINRA member, investment banking revenues.
(c) SCP or any affiliate has not managed or co-managed a public offering of securities for the subject company in the last twelve months, received investment banking compensation from the subject company in the last 12 months, nor expects to receive or intends to seek compensation for investment banking services from the subject company in the next 12 months.
(d) SCP has a contractual agreement with the subject company to provide research services, investor relations support, and investor outreach. SCP receives a monthly retainer for these non-investment banking services.
(e) SCP or its affiliates do not beneficially own 1% or more of any class of common equity securities of the subject company.
(f) Neither SCP nor its equity affiliate SCM, a FINRA member, make a market in the subject company.
(g) The research analyst has not received any compensation from the subject company in the previous 12 months.
(h) SCP, the research analyst, or associated person of SCP with the ability to influence the content of the research report does not know or have reason to know of any material conflicts of interest at the time of publication or distribution of the research report.
(i) No employee of SCP has a position as an officer or director of the subject company.

Ratings - SCP does not provide ratings for the covered companies.
Distribution of Ratings - SCP does not provide ratings for covered companies.
Price Chart - SCP does not have, nor has previously had, a rating for its covered companies, however, SCP does provide a price target on the covered company. Please see the following page for the historical price chart. This chart shows the covered company's stock price since SCP has been covering the covered company as well as the corresponding SCP price target.
Price Targets - SCP may provide price targets for its covered companies. For a complete understanding of valuation methodologies and risks associated please read this report in its entirety. In instances where SCP does not provide a price target SCP will still provide a valuation analysis.

Regulation Analyst Certification:
I, Dave Storms, CFA, hereby certify that all views expressed in this report accurately reflect my personal views about the subject company or companies and its or their securities. I also certify that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this report.

For Additional Information Contact:
Stonegate Capital Partners, Inc.
Dave Storms, CFA
Dave@stonegateinc.com
214-987-4121


$18.00
$17.00
$16.00
$15.00
$14.00
$13.00
$12.00
$11.00
$10.00
$9.00
$8.00
Sep-25
Oct-25
Nov-25
Dec-25
Jan-26
Feb-26
Mar-26
Apr-26
May-26
Jun-26
Jul-26
Aug-26
HOFT Price
Stonegate Price Target