



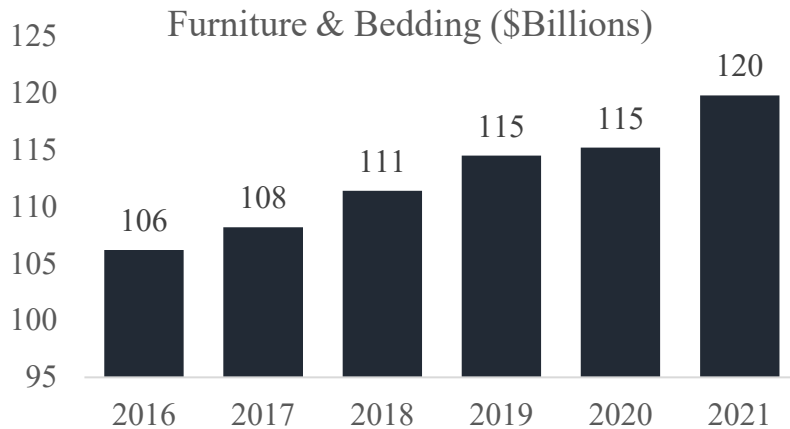
US Home Furnishings Industry Overview

2021/22

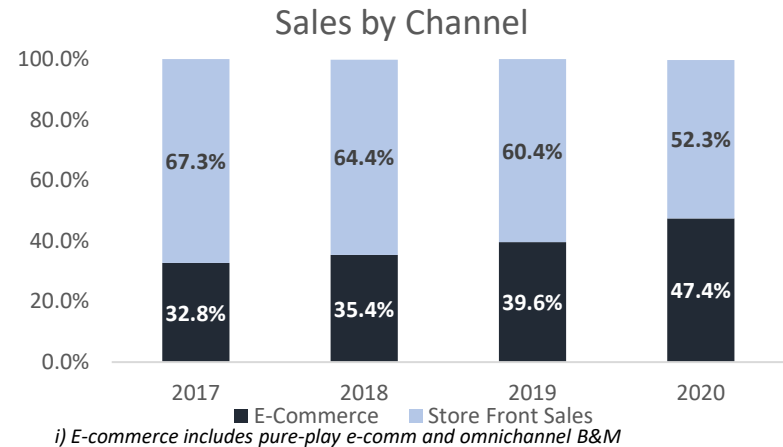
STUMP & COMPANY

U.S. Home Furnishings Market Size

Retail Sales are Stable & Growing (1)

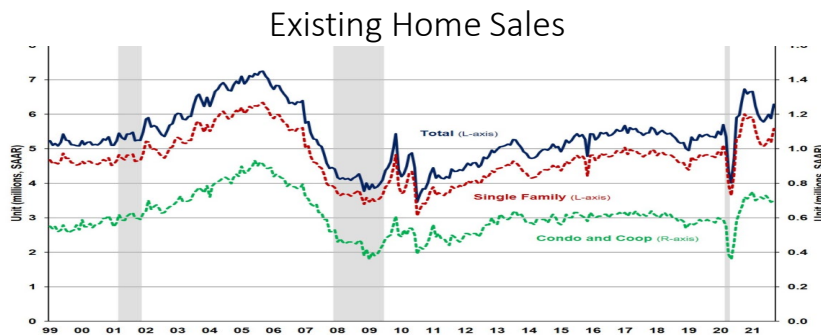


Consumer Spend is Shifting Online (2)

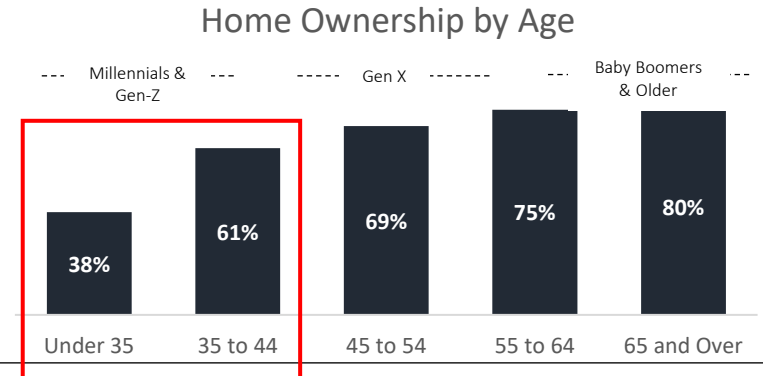


Favorable tailwinds Support Continued Growth

Strong Demand For Homes (3)



Pending Wave of Millennial Homebuyers (4)



- 1) Statista
- 2) Census Bureau / Home Furnishings Business / Impact Consulting Services, Inc.
- 3) National Association of Home Builders (NAHB)
- 4) Statista

E-Commerce is Rapidly Gaining Market Share

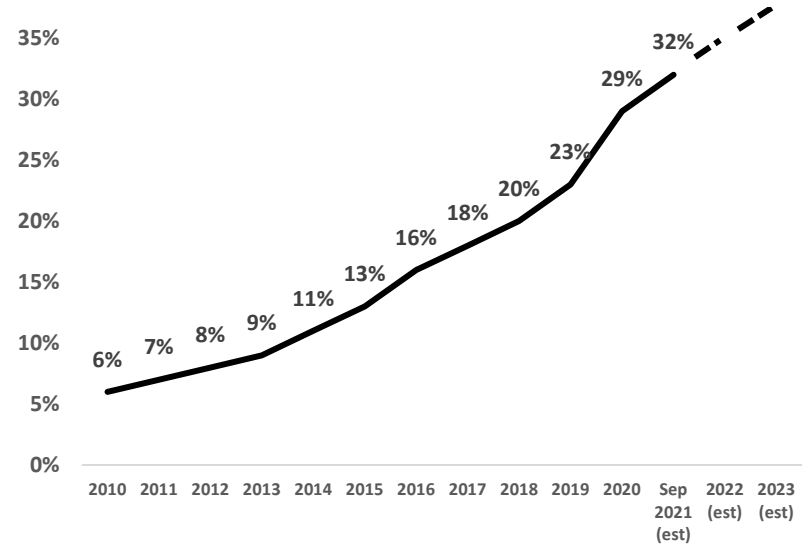
Digitally Native & Omnichannel Retailers are Dominating E-Commerce

Top US Home Furnishings Online Brands

- | | |
|----------------------|--|
| 1) amazon.com | 6) POTTERY BARN |
| 2) wayfair | 7) IKEA |
| 3) Walmart+ | 8) BED BATH & BEYOND |
| 4) overstock | 9) west elm |
| 5) TARGET | 10) RH
<small>RESTORATION HARDWARE</small> |

Growing Willingness of Consumers to Purchase Furnishings Online

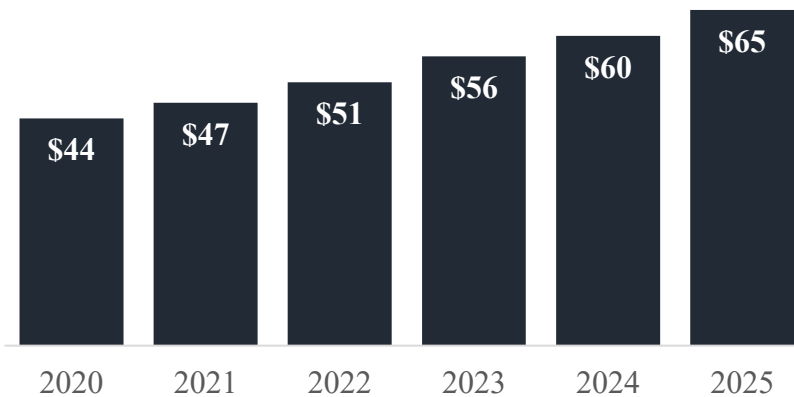
Furniture & Home Furnishings US Online Penetration



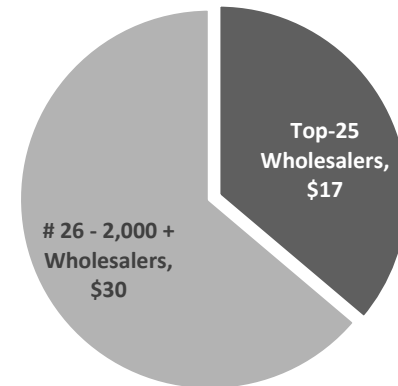
Major white-space remains for Omnichannel Retailers & Digitally Native Brands to expand market share. Potential for manufacturers & wholesale brands to reverse also integrate into digital brands & sales channels.

The Wholesale Market is Highly Fragmented & Acquisition Friendly

Wholesale Furniture Sales, \$ Billions (1)



Sales by Wholesaler Size, 2021, \$Billions (2)



Major Consolidation Opportunity

Highly fragmented nature of the wholesale market presents ripe opportunity to consolidate via acquisition various product categories, aesthetics, geographies, customer bases, and distribution channels (B&M Retail, Designer, E-Commerce, DTC).

1) IBIS World
2) Stump proprietary data

US Demand for Furniture satisfied through domestic manufacturing & global sourcing

The US furniture industry is fueled by domestic manufacturing as well as a robust global supply chain.

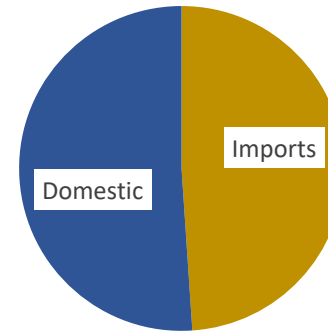
Imports account for \$23 billion in home furnishings products consumed in the US, ~half of all furniture products sold.

In 2001 China became the most important importer of wood furniture. Today it remains a key importer, but in a dramatic shift in 2020, Vietnam surpassed China in furniture production - highlighting the implications of the Chinese tariffs on home goods (both the 2004 tariff and broader 25% Trump era tariffs).

Today furniture is sourced from thousands of factories around the world, with a combined-81% of imports originating from Vietnam, China, Malaysia, Mexico, or Canada.

In 2020 imports fell by 1%, signaling the resurgence of domestic manufacturing and the challenges of the Asia Supply Chain and container rates. We anticipate North American manufacturing will gain additional share in the years to come.

US Furniture Production (domestic v. import)



US Furniture Imports by Source Country (2020)



The Industry Has Witnessed Major Recent Investments

Blackstone

WALKER EDISON

cerberus

HELIX

BB BROOKLYN BEDDING

N|E|P

Norwest Equity Partners

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THIBAUT
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FP
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Recent Transactions

----- E-Commerce -----



----- Domestic Upholstery -----



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