



Bassett®

American furniture

INVESTOR PRESENTATION

August 2022

SAFE HARBOR

Certain of the statements in this presentation, particularly those preceded by, followed by or including the words "believes," "expects," "anticipates," "intends," "should," "estimates," or similar expressions, or those relating to or anticipating financial results for periods beyond the end of the second quarter of 2022, constitute "forward looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended. For those statements, Bassett claims the protection of the safe harbor for forward looking statements contained in the Private Securities Litigation Reform Act of 1995. In many cases, Bassett cannot predict what factors would cause actual results to differ materially from those indicated in the forward-looking statements. Expectations included in the forward-looking statements are based on preliminary information as well as certain assumptions which management believes to be reasonable at this time. The following important factors affect Bassett and could cause actual results to differ materially from those indicated in the forward-looking statements: the effects of national and global economic or other conditions and future events on the retail demand for home furnishings and the ability of Bassett's customers and consumers to obtain credit; and the economic, competitive, governmental and other factors identified in Bassett's filings with the Securities and Exchange Commission. Any forward-looking statement that Bassett makes speaks only as of the date of such statement, and Bassett undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. Comparisons of results for current and any prior periods are not intended to express any future trends or indication of future performance, unless expressed as such, and should only be viewed as historical data.

SETTING THE TABLE

We are one of America's longest serving furniture and home furnishings suppliers, drawing on 120 years of craftsmanship. Our brand is well known and respected.

Our Company today is in a strong industry position. Product, manufacturing and retailing enhancements have materially improved our long-term profit outlook.

Macroeconomic forces are favorable for home furnishings.

Our balance sheet is strong. We are actively returning capital to shareholders in the form of share repurchases as well as a healthy dividend with a current yield in excess of 2%. We are a conservatively managed Company.



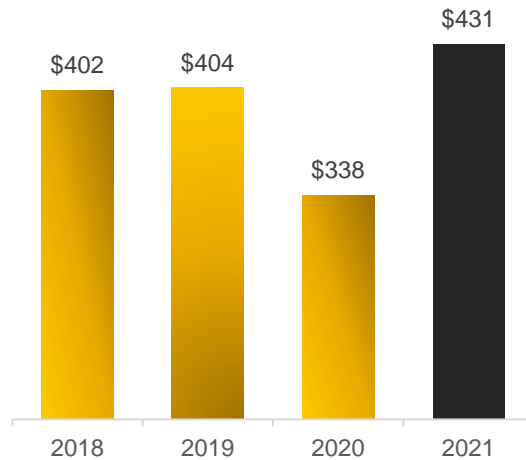
FINANCIAL PERFORMANCE

Bassett Furniture has experienced a material improvement in financial performance in recent years.

This improvement is sustainable; being driven by improved customer service, efficient operations and expanded manufacturing capacity.

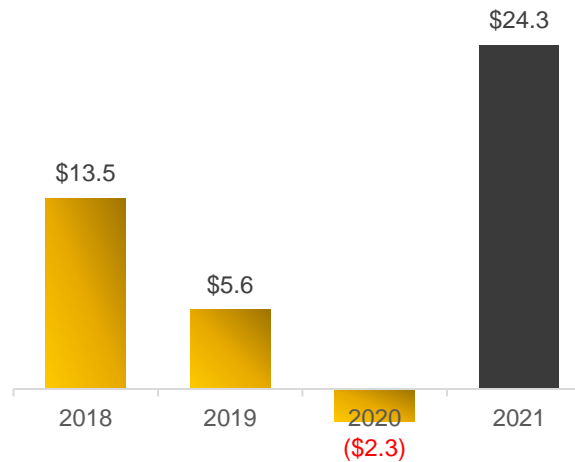
Net furniture sales

\$ million



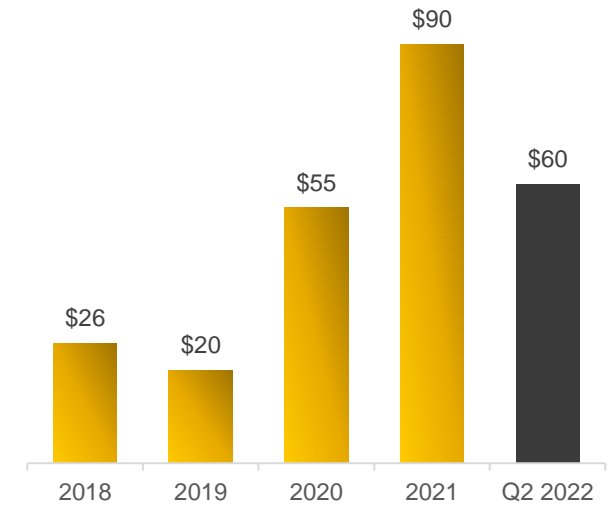
Operating profit (loss)

\$ million



Wholesale order backlog

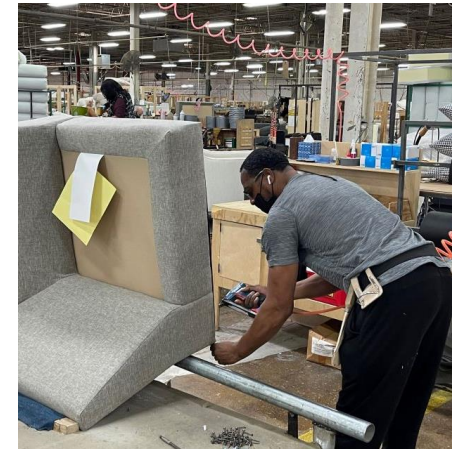
\$ million

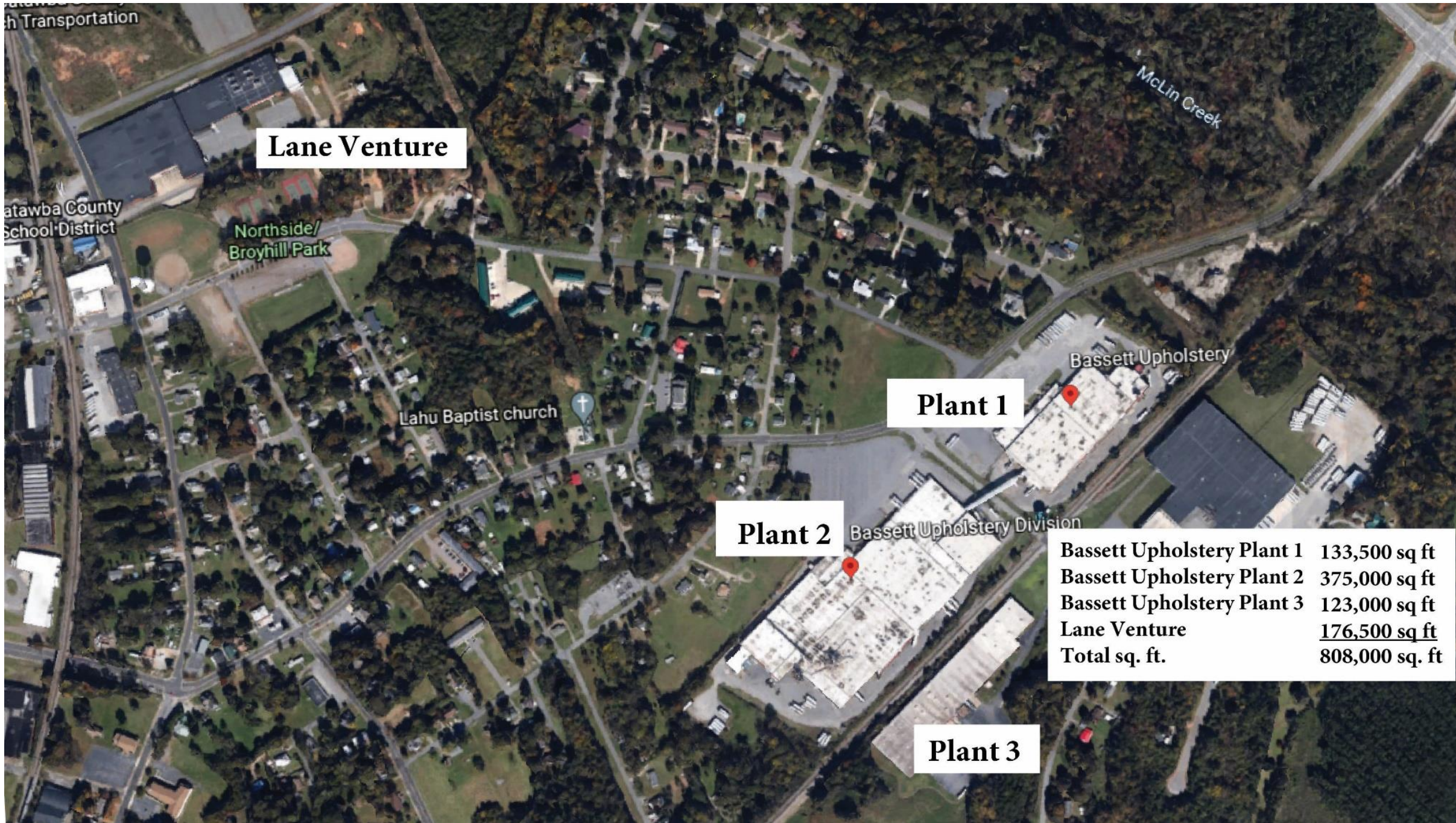


MANUFACTURING/WHOLESALE

- One of America's longest-serving furniture manufacturers with 6 manufacturing facilities. Expansion of capacity completed through 125,000 sq ft extension of Newton, NC facility.
- Customers include our 95 Bassett branded stores and more than 700 independent store accounts.
- Production and shipment rates are running strong following two years of supply-chain induced shortfalls.
- Domestic manufacturing presents a significant advantage in a challenging operating environment due to control of supply-chain and minimization of costly freight and ocean container expenses.
- Industry leader in custom furniture.

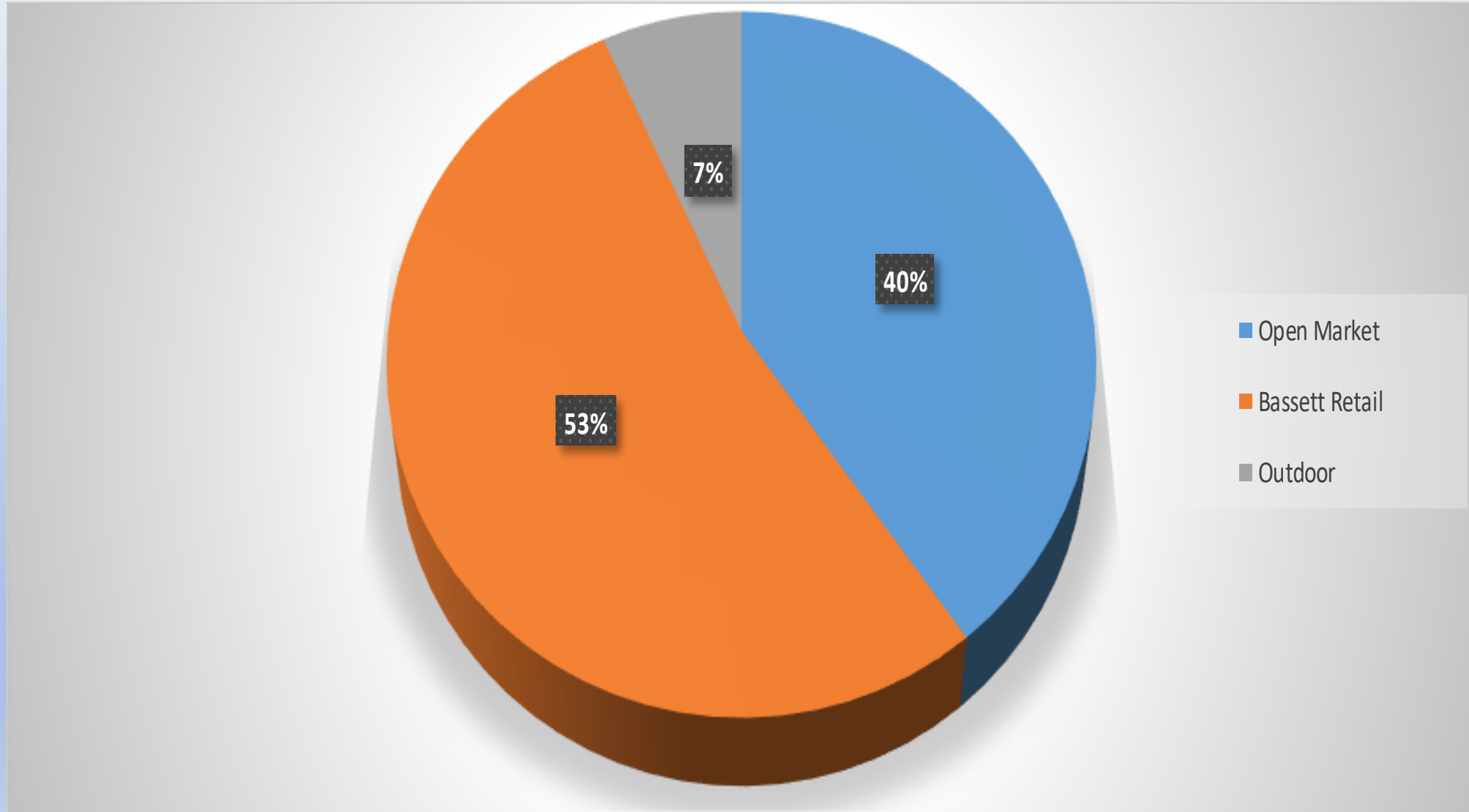
>75% product
manufactured
domestically





Bassett Upholstery Plant 1	133,500 sq ft
Bassett Upholstery Plant 2	375,000 sq ft
Bassett Upholstery Plant 3	123,000 sq ft
Lane Venture	<u>176,500 sq ft</u>
Total sq. ft.	808,000 sq. ft

2021 Wholesale Sales Breakdown

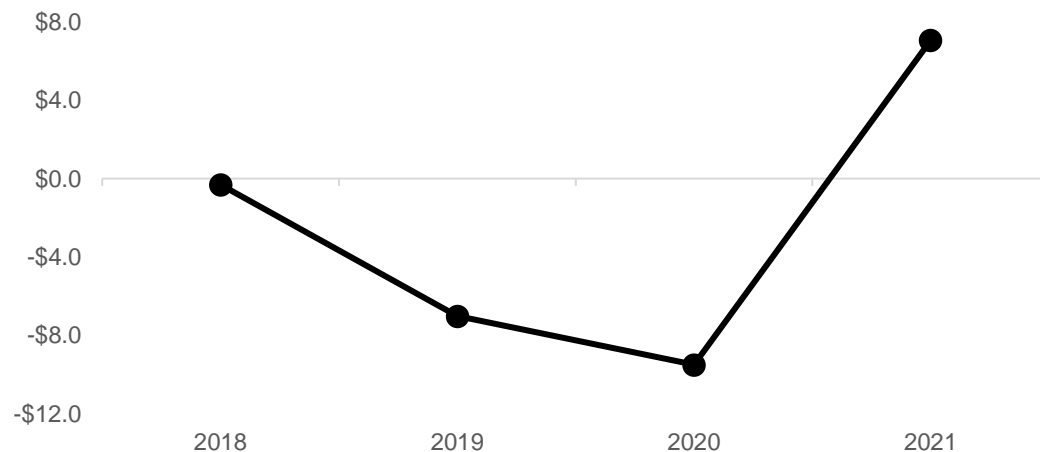


RETAIL

- Network of 95 visually-engaging owned/licensed retail stores act as a source of distribution and profits.
- Locations are staffed by over 250 skilled designers, trained to provide design expertise. Over 35% of sales involve either an in-person or virtual home visit by one of our designers, resulting in higher average sale and customer retention.
- Cost rationalization efforts beginning in 2019 have improved profitability.



Corporate retail operating profit, \$m



EXITING THE PANDEMIC

The pandemic had several disparate effects on our business:

- Demand has normalized to a level we can service - above 2019, but below peak demand in early 2021.
- Shortages of raw materials have improved materially, improving our service times.
- Inflationary cost pressures remain but pace seems to have slowed. We expect that as demand levels normalize, we will see some moderation in input costs.

Exiting the pandemic, we are in a stronger position as a business: demand is healthy, our operations are more efficient, and our balance sheet is incredibly strong.

MACROECONOMIC

The premium home furniture market has lasting tailwinds:

- Household incomes are rising, particularly for high income households
- The housing market remains strong. There is growing demand for larger and second homes, along with a significant pipeline of new housing development.
- Hybrid working setups are permanent – elevating consumer interest in the home.
- Increasing mortgage rates may be a headwind.

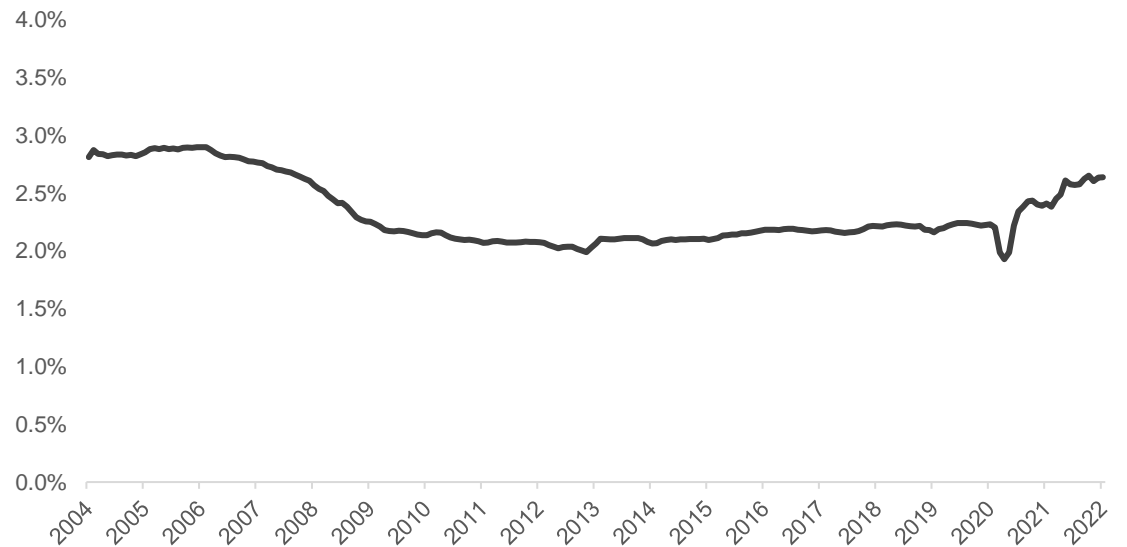
Existing home sales – Months of supply¹



1 National Association of Realtors

2 Bureau of Labor Statistics (Personal Consumption Expenditures Survey)

Disposable income % allocation to Furnishings²

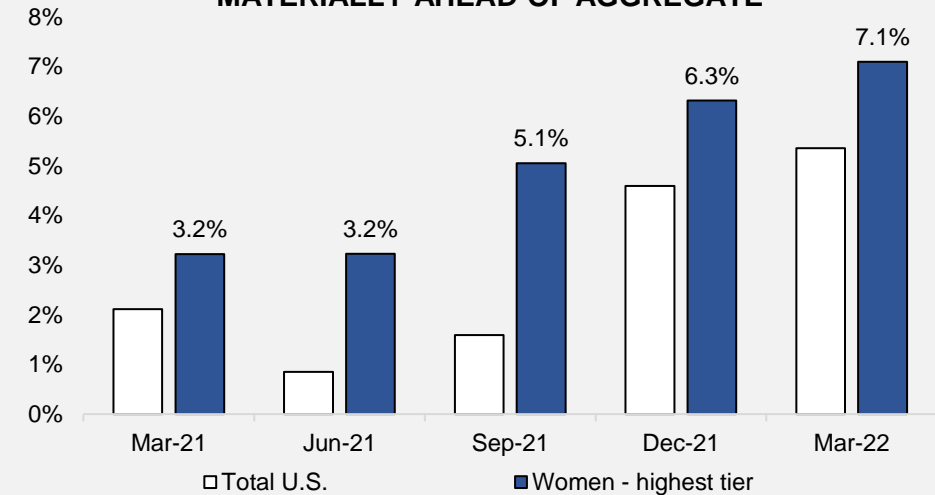


MACROECONOMIC

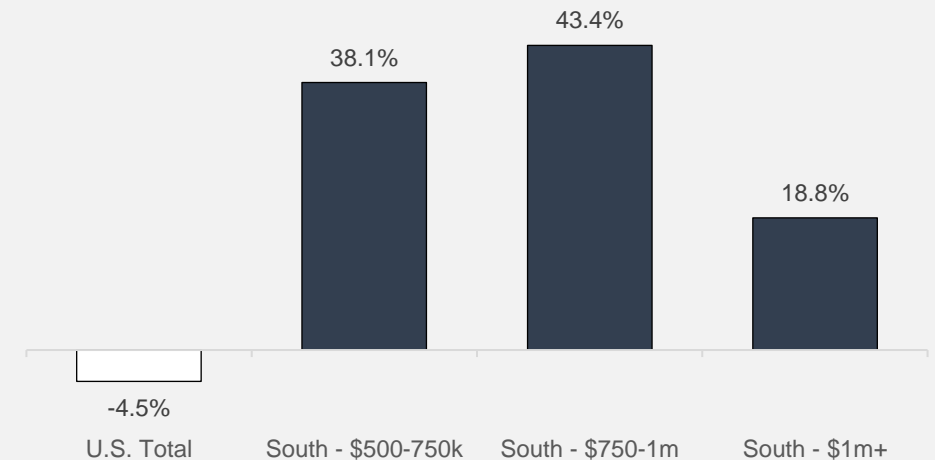
We benefit from a series of unique tailwinds beyond the broader economic landscape:

- Our target customer, women between 35-55 with family earnings above \$150,000, is enjoying an outsized share of wage gains.
- We have a large geographic exposure to southern states where the housing market, and economic activity in general, is stronger than other parts of the country.
- Our decision to maintain a strong domestic manufacturing footprint has created a significant competitive advantage within the industry. Peers are facing diminishing profitability from elevated container and freight costs as well as unreliable supply-chains in Asia. The industry's pivot to on-shoring will take years to execute, if it can be done at all.

WAGE GROWTH FOR HIGH INCOME WOMEN IS MATERIALLY AHEAD OF AGGREGATE¹



MARCH 2022 EXHISTING HOME SALES IN OUR CORE MARKET (HIGH-END, SOUTH) REMAINED VERY ROBUST²



¹ Bureau of Labor Statistics: Women in managerial positions

² National Association of Realtors

Strong Brand & Market Position

Luxury
Priced
\$\$\$\$

ETHAN ALLEN[®]


RH
RESTORATION HARDWARE

ARHAUS[®]

Upper-Mid
Priced
\$\$\$

POTTERY BARN

Bassett[®]

Crate&Barrel

Mid
Priced
\$\$

L A  B O Y

west elm


HAVERTYS[®]

Entry
Priced
\$


ASHLEY[®]
FURNITURE INDUSTRIES, INC.

ROOMS
TO GO


IKEA

Sale of Zenith Logistics

- Had ownership interest in Zenith since 1999
- Sold assets to JB Hunt Transport Services, Inc. on February 28, 2022 for \$87 million
- Seven-year operating agreement
- JB Hunt is a \$12 billion logistics company
- Scale of JB Hunt will be a competitive advantage in growing our regional fulfillment center strategy
- Subsequently paid a \$1.50 special dividend

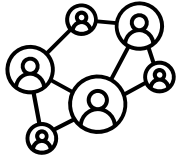


Growth Initiatives

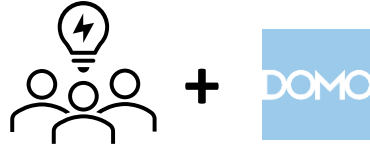
- Digital transformation
- Store makeover
 - New stores
 - Remodel strategy
- Outdoor growth
 - Haleyville upgrade
- Regional fulfillment centers
- New product vision
 - Holistic merchandising
 - Building out accessory offering
 - Better photography



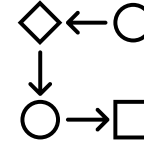
Bassett Digital Transformation Foundation



Engage customers where they want to be engaged



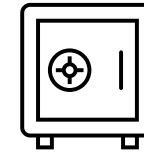
Leverage better information to make decisions



Streamline our business processes



Get customers to stay on journey with Bassett



Secure customer transaction and interactions (PCI compliance)

People + Process + Technology

Digital transformation is building critical capabilities needed to remain part of the retail landscape of the future. We will focus on building our capabilities to include efficient processes, flexible and agile technology platforms, and data capture/ analytics. These capabilities are key to long term survival.

Current Store Prototype



New Store Prototype





**ALUMINUM OUTDOOR FURNITURE FABRICATED AT THE
HALEYVILLE, ALABAMA FACTORY**

Regional Fulfillment Centers

Business Model

Process

Purchase-to-delivery cycle (weeks)

Legacy

Sell > Make > Deliver

6 – 8

ADD

Enhanced

Enabled by JBH ownership of Zenith

Stock

(forward stock fast moving SKUs)

1 – 2

Reduce purchase-to-delivery cycle by 5+ weeks

Goal is to stock our best sellers in our Regional Fulfillment Center, capture market share with customers that are not willing to wait. We will deliver to the customer in 1-2 weeks, like our competition does today.

Bassett®

APPENDIX



RETAIL FINANCIAL PERFORMANCE

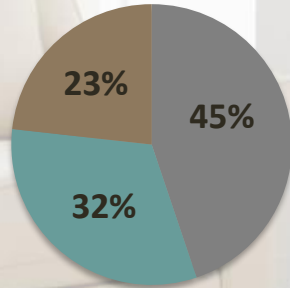
	Q2 2022	2021	2020	2019	2018	2017
Net Sales	\$ 75.6	\$ 247.8	\$ 211.9	\$ 268.7	\$ 268.9	\$ 268.3
Income (Loss) from Operations	\$ 7.9	\$ 7.0	\$ (9.5)	\$ (7.0)	\$ (0.3)	\$ 3.5
	10.4%	2.8%	-4.5%	-2.6%	-0.1%	1.3%
New Store Losses	None	None	None	\$ 2.5	\$ 3.7	\$ 3.4

WHOLESALE FINANCIAL PERFORMANCE

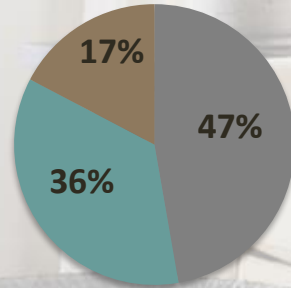
	Q2					
	2022	2021	2020	2019	2018	2017
Net Sales	\$ 87.5	\$ 295.3	\$ 221.1	\$ 261.1	\$ 256.0	\$ 249.2
Income from Operations	\$ 3.4	\$ 17.5	\$ 4.6	\$ 11.5	\$ 12.3	\$ 19.1
	3.9%	5.9%	2.1%	4.4%	4.8%	7.7%

CAPITAL ALLOCATION

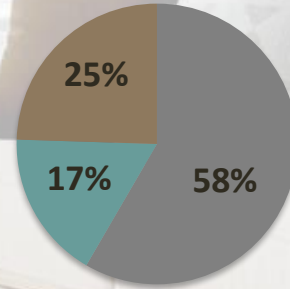
2021



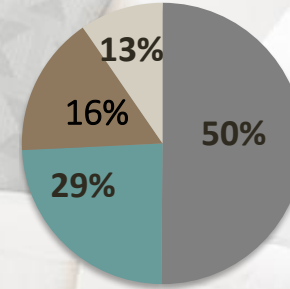
2020



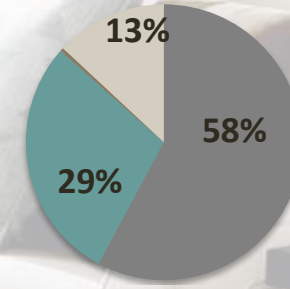
2019



2018



2017



	2021	2020	2019	2018	2017
Cap Ex	\$10.8	\$6.0	\$17.4	\$18.3	\$15.5
Dividends	\$7.7	\$4.5	\$5.1	\$8.8	\$7.7
Share Repurchase	\$5.6	\$2.2	\$7.3	\$5.9	\$0.1
Debt Repayments	-	-	-	\$3.5	\$3.5
Total Capital Spent	\$24.1	\$12.7	\$29.8	\$36.5	\$26.8

- Capital Expenditures
- Dividends
- Share Repurchase
- Debt Repayments



ENVIRONMENTAL POLICY

Bassett Furniture is committed to the conservation of our natural resources by minimizing waste and reducing energy consumption. Through the education and involvement of our associates, business partners, and communities, we will continue to see new and innovative ways to sustain and enrich the environment. We view this endeavor as good business practice, and our responsibility to future generations. We are proud to say that in 2020 we have recycled over 1,900 tons of recyclable items from our facilities nationwide. This includes everything from packing materials, shipping pallets, and finishing materials to wood dust and unused fabric. Further, we plant 2 trees for every Bench*Made product sold - over 24,000 trees were planted in 2021!

