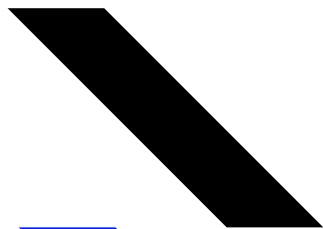


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# EDITED TRANSCRIPT

Q3 2024 BASSETT FURNITURE INDUSTRIES INC EARNINGS CALL

EVENT DATE/TIME: October 10, 2024 / 9:00AM EDT



## CORPORATE PARTICIPANTS

- **J. Michael Daniel** *Bassett Furniture Industries Inc - Senior Vice President, Chief Financial and Administrative Officer*
- **Robert H. Spilman, Jr.** *Bassett Furniture Industries Inc - Chairman of the Board, President, Chief Executive Officer*

## CONFERENCE CALL PARTICIPANTS

- **Operator**
- **Anthony Lebiezinski** *Sidoti - Analyst*
- **Brian Gordon** *Water Tower Research - Analyst*

## PRESENTATION

### Operator

Good day, and thank you for standing by, and welcome to Bassett Furniture Industries Q3 2024 earnings conference call. (Operator Instructions) Please be advised that today's conference is being recorded.

I would now like to hand the conference over to your speaker today, Mike Daniel, CFO. Please go ahead.

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### **Mike Daniel** *Bassett Furniture Industries Inc - Senior Vice President, Chief Financial and Administrative Officer*

Thank you, Gigi, for the introduction. Welcome to Bassett Furniture's earnings call for the third quarter ending August 31, 2024. Joining me today is our Chairman and CEO, Rob Spilman.

We issued our news release yesterday after the market closed, and it's available on our website. After today's remarks about our quarter, we will open the call up for a Q&A session. We will post the transcript of the call on our investor site within 48 hours of this call. In addition, we filed the 10-Q this morning, and that's available on our website under SEC filings on the Investor Relations tab.

During today's call, certain statements we make may be considered forward-looking and inherently involve risks and uncertainties that cause actual results to differ materially from management's present view. These statements are made pursuant to the safe harbor provision of the Private Securities Litigation Reform Act of 1995. The company cannot guarantee the accuracy of any forecast or estimate, nor does it undertake any obligation to update such forward-looking statements.

For more information, including important cautionary notes, please see the company's annual report on Form 10-K for the fiscal year ended November 25, 2023. Other filings with the SEC describing risks related to our business are available on our corporate website.

Now I'll turn the call over to Rob for comments about our third quarter. Rob?

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### **Rob Spilman** *Bassett Furniture Industries Inc - Chairman of the Board, President, Chief Executive Officer*

Thank you, Mike. Good morning, everyone, and thank you for joining us for today's call. The integration of our industry with the weak US housing market continued to pressure sales during our third quarter. Although mortgage rates have started to ease since the Fed's 50 basis points rate cut three weeks ago, overall housing affordability and inventory availability remain impediments in the short term. Our industry is ready for a transformational shift in the next several quarters and Bassett plans to benefit as it happens.

I also want to mention two events that have occurred subsequent to the third quarter that will potentially have a bearing on our fourth quarter, Hurricane Helene and the East Coast dock strike. Many customers and employees were deeply affected by the devastating effects of Hurricane Helene. Our thoughts are with them. Hurricane Helene impacted our distribution center in Kitabu County, North Carolina, and it was shut down due to damage and power outages for two days during the first week of October.

We've recovered as quickly as possible to get shipments back on track. The larger longer-term impact on our logistics and distribution systems are related to the damage to the I-40 infrastructure, which is our main route to the west. And while the East Coast dock strike was just three days, the impact on our business has put shipments back one to two weeks.

Now let's move on to the discussion of our third-quarter results. Like last quarter, revenue in both our wholesale and retail segments was down with greater pressure on our retail business due to the higher level of associated fixed costs.

Heading into the quarter, our Memorial Day event and our subsequent July 4, event both produced increases compared to last year. But the in-between weeks were especially difficult as consumers stayed on the sidelines.

The third quarter is always our weakest reporting period. This year's combination of the annual July 4, weekly operational shutdown, followed by the cyber attack that we suffered meant that our manufacturing facilities were shut down for over 16% of the quarter's workdays.

Consolidated gross margin was 53%, up 1.4% from last year, though slightly lower on a sequential basis. Wholesale gross margins improved by 50 basis points despite lower volume, largely driven by improvement in club level margins. Inventories were down more than \$10 million year over year and slightly down sequentially, reinforcing our belief that we can run with leaner inventory.

Retail gross margins improved by 210 basis points to 53.7% attributable to higher home delivery income and better margin on clearance inventory. Our average ticket was \$3,900, up 5%, while total retail written sales were down 5%. 41% of retail sales were design makeovers also down slightly from last year.

We remain focused on top line enhancements in both retail and open market efforts. Initial sell-through of our fall upholstery introduction was very strong heading into Labor Day. The reception of a leather option to our true custom program produced strong sales in the quarter and should be an important feature going forward.

Since the end of the third quarter, we have added nine new Bassett custom studio dealers to the program. We have made the custom studio a centerpiece of our showroom at the upcoming fall High Point furniture market. We also plan to support the outreach with trade advertising, something we have not done in several years.

Last quarter, we initiated a five-point restructuring plan to set Bassett up for improved long-term operational and financial performance. We made good progress during the quarter on executing this plan, and we believe that we are better positioned as a result. Point one of our strategic plan was to drive organic growth through Bassett branded retail locations, omnichannel capabilities and enhanced customization positioning to expand our dedicated distribution footprints.

We are remaking a significant portion of the product line in the upcoming quarters to address new styling and price point opportunities. In case goods, we will launch three major collections beginning this fall and culminating in the spring of 2025. The three imported collections are comprehensive bedroom, dining and occasional and entertainment product offerings.

On the domestic front, we are expanding our successful origins dining program this fall. Our solid wood BenchMade program will also undergo a makeover over the next two seasons. In upholstery, strong sales in our domestic motion assortment, warrant expansion of the category, especially in our recliner line. We have a targeted outreach to the interior design community underway as well, recognizing the growing importance of this channel throughout the industry.

For the consecutive year, we will operate a designer showroom at inter hall and high point at the fall market in two weeks. We contacted more than 400 designers and design firms at the spring market and are encouraged by their recognition of our strength for the designed trade.

We have continued to invest and our multiyear cross-functional digital transformation this year even in these challenging times. E-commerce sales are still a small portion of retail revenue. We are optimistic about the potential of our omnichannel capabilities, and

we're excited to see double-digit e-commerce growth this quarter. With these investments, we expect stronger Bassett brand and design presentations to complement our in-home makeover proficiency.

Point two of our plan was to rationalize US wood manufacturing from two sites into one primary locations supported by a small satellite operation. As expected with any rationalization, there was some disruption in August during the transition, which impacted margins. This consolidation is now complete and we are seeing improved overhead absorption with operating one location.

Point three was to optimize inventory and drop on productive lines. We are continuing on this path as part of the domestic wood plant consolidation strategy. As expected, this reduction of clearance and slow-moving products affected margin in the third quarter that is designed to strengthen the overall productivity of our line and of our stores.

Point four was to improve overall cost structure of both wholesale and retail businesses. In retail, we are consolidating warehouse operations after the closure of three warehouses during the second quarter. In today's reported quarter, we moved facilities in East Texas and Oklahoma into our North Texas home delivery center and also consolidated two Virginia facilities into one. This process will continue until we realize the completion of our new footprint.

In wholesale, in addition to the aforementioned wood plant consolidation, we have completed our plan to move out of a major West Coast wholesale distribution center, which resulted in a \$1.2 million charge this quarter. We continue to thoroughly review the SG&A structure of both retail and wholesale to further identify opportunities to pair operating expenses. On the capital side, we are beginning a program to refurbish certain stores within the retail fleet with the recently completed Greensboro, North Carolina store being the first.

Our last point and the restructuring plan was to close Noa Home. The mid-price e-commerce furniture retailer headquartered in Canada with operations in Canada, Singapore, the US and the United Kingdom. This work is still in progress as we planned. No operations and remaining inventory will wind down by the end of this current fiscal year.

Our capital spending plans for the fiscal year are primarily complete. We will continue to purchase shares opportunistically and drive returns to shareholders through dividends, including the regular quarterly dividend that our Board of Directors approved this week.

We continue to have a strong balance sheet, but it's imperative for us to improve profitability. That means that we continue to evaluate the efficient use of our resources so that we can align Bassett's operating expense structure with projected revenue. Getting these pieces in place, along with the launching of new products and services I mentioned earlier, are expected to better position ourselves for the eventual turnaround and consumer demand.

Now I'll turn it over to Mike for more details on our financials. Mike?

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### **Mike Daniel Bassett Furniture Industries Inc - Senior Vice President, Chief Financial and Administrative Officer**

Thanks, Rob. In my commentary, the comparisons I will discuss will be the third quarter of fiscal 2024 compared to the third quarter of fiscal 2023, unless otherwise noted. But before I get into the results, I want to provide more context on our cyber incident that occurred in July.

As we reported in our SEC filings, our IT team detected unauthorized occurrences on a portion of our systems. The team immediately took steps to contain the issue by shutting down those systems. We activated our incident response plan and quickly began working with external cybersecurity consultants to assess and monitor the activity by an unknown threat actor.

The system shutdown interrupted Bassett's manufacturing plants for one week, which resulted in delays on some wholesale and retail orders. By July 17, we essentially had all systems up and running, we were able to recover all data from backups and began full operating -- fully operating as normal within two weeks. We do not believe that any consumer personal information was compromised.

This issue resulted in an estimated loss of between \$1 million to \$2 million for the third quarter, and we're in the process of filing a claim with our insurance provider and expect to receive the proceeds in the fourth quarter. So for the third quarter, consolidated revenues declined \$11.6 million or 13%, primarily due to a 16% decrease in wholesale sales and a 10% decrease in retail sales through our company-owned stores.

Consolidated gross margins increased 140 basis points to 53.0% due to improved margins in both the retail and wholesale segments. This was partially offset by \$609,000 of unproductive labor costs incurred during the temporary shutdown resulting from

the cybersecurity incident. Excluding these unproductive labor costs, our consolidated gross margin would have been 53.8% and as compared to 52.7% in the prior year, which included \$900,000 of additional inventory valuation charges.

We reported a consolidated operating loss of \$6.4 million compared to a loss of \$3.2 million for the third quarter of 2023. And non-recurring factors impacting the operating loss was the estimated loss from the cyber incident and a \$1.2 million loss on the logistical services contract that Rob mentioned earlier. Based on the progress Rob discussed in the restructuring plan, we are on target to realize our projected annual cost savings of between \$5.5 million and \$6.5 million, starting with fiscal 2025.

Now I'll provide information regarding our wholesale operations. Net sales decreased \$8.8 million or 16% from the prior year period due primarily to a 22% decrease in shipments to the open market, a 13% decrease in shipments to our retail store network, and a 6% decrease in lane venture shipments.

Gross margins for the three months ended August 31, 2024, increased 50 basis points over the prior year, primarily due to the expected improvement in the club level leather business that Rob previously highlighted. This improvement was partially offset by lower margins in the Bassett custom upholstery business due to deleverage of fixed costs from lower sales volumes and \$609,000 of unproductive labor costs were 1.3% of sales incurred during the temporary shutdown from the cybersecurity incident.

While SG&A expenses decreased \$500,000, SG&A expenses as a percentage of sales increased 240 basis points due to reduced leverage of fixed costs on lower sales volumes. Wholesale backlog at quarter end was \$18.5 million as compared to \$19.4 million at the end of the second quarter.

Now moving on to retail store operations. Net sales decreased \$5 million or 9.6% from the prior year periods. Written sales, the value of sales orders taken but not delivered declined 4.8% compared to the prior year period. Gross margin for the quarter improved 120 basis points over the prior year period due to higher margins in both in line and clearance goods and higher delivery income.

While SG&A expenses decreased \$2.2 million, SG&A expenses as a percentage of sales for the quarter increased 150 basis points, again, primarily due to decreased leverage of fixed costs from lower sales volumes partially offset by reduced advertising and fixed delivery costs.

In our goal to increase efficiency at the store level, we have redirected our customer service functions at our centrally located call center to each individual store. This transition eliminated 30 positions responsibility now for customer engagement on scheduling deliveries, taking payments, and handling issues is now at the store level, which enhances local relationship building and engagement. We kept a small staff at our central call center to handle product claims. Retail backlog at the end of the third quarter was \$33.3 million, up from \$31.5 million at the end of the second quarter.

Finally, let's turn to the balance sheet and capital allocation. We ended the quarter with \$56.2 million in cash and short-term investments. We limited our operating cash flow deficit for the quarter to \$400,000. In addition to the estimated \$1 million to \$2 million loss related to the cyber incident, we historically have increased cash outflows during the third quarter as we pay our annual premiums on company-owned life insurance, fund a significant portion of our annual property and casualty insurance renewal and give our manufacturing workers vacation pay for the week of July 4, when the plants are shut down.

Last quarter, we mentioned our plans to spend an additional \$4 million to \$5 million of capital investments in our business over the back half of the year with the majority of that spending on limited retail store remodels. As the pace of business continued to be weak during the quarter instead of the \$10 million we had planned to spend for fiscal 2024 at the end of Q2, we now expect the annual total to range between \$6 million to \$8 million or \$1.5 million to \$2.5 million for the fourth quarter.

Our financial condition remains solid and provides us with a platform to weather the current economic storm while executing our plans for the future. As Rob previously said, we will complete the planned restructuring activities during the fourth quarter, while continuing to challenge our cost structure so that we can align operating expenses to our revenue. It's imperative for us to improve profitability so that Bassett provides our shareholders a reasonable return.

Now we will open up the line for questions. Gigi, please provide instructions to do so.

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## QUESTIONS AND ANSWERS

### Operator

(Operator Instructions)

Anthony Lebie dzinski, Sidoti.

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**Anthony Lebie dzinski Sidoti - Analyst**

So first, just a quick comment for me. I mean, certainly, despite the difficult environment, it's nice to see the company maintaining a strong balance sheet. So I guess as far as my first question, so obviously, Q3 was -- you had the normal shutdown during fourth of July, you had the cyber attack issue. So you were really only operational for 10 or 11 out of the 13 weeks.

So it looks like the weekly revenue on an adjusted basis improved actually from the second fiscal quarter. Your customer deposits also were up sequentially as well. So how should we think about in that context as far as the results and kind of your near-term outlook. I know you mentioned the hurricane and the port strike issue. But just wondering also if you could just comment as to what you've seen so far as far as the Labor Day. I know it's a multiple part question, but hopefully, you can address all that.

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**Rob Spilman Bassett Furniture Industries Inc - Chairman of the Board, President, Chief Executive Officer**

Anthony, this is Rob. There's a lot to unpack there. I would say July was really tough because we only have operated a week and a half or so in the month. Our July 4<sup>th</sup> promotion was good, as I said in my remarks, and the -- so is Memorial Day, in between was very soft. We have historically, things start getting better at the back half of August, leading into Labor Day. This was no exception this year. And September is one of the stronger months for us in the stores and in general for the year. And it has -- it's definitely better slightly better during that time period. But I'd still say if you just overlay this with past years, we're still in a tough environment. That's the way I would describe it.

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**Anthony Lebie dzinski Sidoti - Analyst**

Understood. Okay. Your average ticket was up. What's driving that? And how sustainable do you think that is?

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**Rob Spilman Bassett Furniture Industries Inc - Chairman of the Board, President, Chief Executive Officer**

Our average ticket is about where it's been. It will be down one quarter to be up the next quarter. We're right around that \$4,000 mark. And so that's -- it's kind of lumpy depending on the size of the design projects that we have. So I would not say that, of course, everybody would like to have a bigger average ticket all the time. But we're as interested as we are in that, we're also interested in store traffic and transactions and all of the above. So I think our average ticket is basically been in this high \$3,000 right at \$4,000 range for the last couple of years. And it's -- I expect it to stay in that range.

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**Anthony Lebie dzinski Sidoti - Analyst**

Okay. And then in terms of the gross margin improvement, so even with the headwind of paying your workers that \$600,000, you had a nice improvement from last year. So I'm just curious, when business recovers and given the improvement that you're making to the business with the restructuring efforts, what kind of gross margin could we see in a better environment. I'm not -- I would love to hear your thoughts on that.

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**Rob Spilman Bassett Furniture Industries Inc - Chairman of the Board, President, Chief Executive Officer**

I think we could improve -- further improve the gross margin. There are challenges, of course, with absorption. We put two factories together this quarter, which is a tough thing to do. We had to really embark upon a new model on [the line], that hurt our margins. We did not -- in addition, we did this right in July and early August. So not only did we have the cyber event, we had that going on.

And so the first couple of weeks of that consolidation of those plants was lumpy as often is, unfortunately, over the years, we've had to do some of this. And -- but it got better as the month of August in (inaudible). So it's hard for me to quantify exactly where this could be, but I do think we still can move some -- see some progress in gross margins over -- on the wholesale side in the future. And frankly, we expect it.

Now the flip side of that is we want to offer value, and this is a very competitive market at the moment. So as we price our goods and settlement retail, we definitely want to -- at least on the opening price point side, for sure, have some recognizable value. But overall, I feel pretty good about the trajectory of our gross margin and the ability to further improve it.

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### **Anthony Lebiezinski Sidoti - Analyst**

That sounds good. And my last question. As far as the basket design studio concept deal, how many stores is that in right now and what is your expectation for the end of the fiscal year?

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### **Rob Spilman Bassett Furniture Industries Inc - Chairman of the Board, President, Chief Executive Officer**

Well, we now have 40 of these out in the field. They're not all set up yet because we've -- we got seven of them in the month of September. So we just made the deal. But -- so the -- we haven't shipped all the goods and the fixtures and all that yet.

We had said earlier in the year, we want to have 50 of these signed and we've got the upcoming market at High Point, and we have reconfigured our showroom to make this a major focal point of the effort down there and look forward to seeing you and showing it to you. So I think we could still get that 50 we talked about earlier. The bigger question is the long-term potential of this.

Now we do not sell entry-level goods. We sell better goods and there are certain markets where you just don't have the demographics to support this, but we are very encouraged and slightly surprise a little bit, frankly, that with the reception that we're getting to this thing with some of the markets that we didn't really necessarily count on.

So over time, we think between this and then our next iteration of our dedicated distribution footprint, of course, is our Bassett design center, which is the full blooded with the case goods and everything around it, what we used to call a gallery back in the day and then stores.

So this is a great way to get into the Bassett program and extensively for the dealer and it's a proven piece of our line that we do every day. So very excited about the potential and the enthusiasm around it so far.

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### **Anthony Lebiezinski Sidoti - Analyst**

Well, that sounds great. I look forward to seeing that at a High Point, and I'll pass it onto others. Thank you very much gentlemen.

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### **Operator**

Brian Gordon, Water Tower Research.

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### **Brian Gordon Water Tower Research - Analyst**

Good morning, Rob. Good morning, Mike. I want to dig in a little bit on an earlier question. I think if I got this right in your remarks that you said that orders at retail were down something like 4.8%. And given the cyber event, that would come to something like 11% of production days by itself. I know that you had mentioned something like 15% of production days were missed. But part of

that I assume was the planned July 4<sup>th</sup> shutdowns. If we back out that cyber, would it be fair to say that shipments might have been down something closer to 5% from wholesale.

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**Mike Daniel Bassett Furniture Industries Inc - Senior Vice President, Chief Financial and Administrative Officer**

Thinking about that question, keep in mind that we do catch up, we're still taking orders on the wholesale side during that shutdown time and --

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**Rob Spilman Bassett Furniture Industries Inc - Chairman of the Board, President, Chief Executive Officer**

Talking about the holiday.

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**Mike Daniel Bassett Furniture Industries Inc - Senior Vice President, Chief Financial and Administrative Officer**

Yeah. And we were taking orders during the cyber event -- So -- and I'm not sure I follow your math on 5%. Give me that a little bit more context on that.

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**Brian Gordon Water Tower Research - Analyst**

Yeah. I mean, so I was just trying to do some back of the envelope. So I mean we have 13 weeks and 5 days of production a week I was assuming. So if you're down to something like 58 days versus 65 that gets to 11%?

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**Mike Daniel Bassett Furniture Industries Inc - Senior Vice President, Chief Financial and Administrative Officer**

Yeah. And we were down -- keep in mind, we were also down that same amount last year because we're closed for that week of July 4<sup>th</sup>.

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**Brian Gordon Water Tower Research - Analyst**

Right. I'm talking about the seven days specifically for the cyber.

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**Mike Daniel Bassett Furniture Industries Inc - Senior Vice President, Chief Financial and Administrative Officer**

Okay. So Well, it certainly did not help our shipments. But we were essentially able to catch up on the majority of the shipments that we missed the -- I think the real issue when you kind of peel back the onion is on the retail side, where although we were open and theoretically taking orders we had several customers that would come in and not right in order because we were doing it on paper.

So I think when you really think about what you -- the sales you lost, it was really during that time period on the retail side where people were coming in, but essentially turning around and leaving because we didn't have our systems up and running. So that's really the main thing that affected our sales and our shipments for the quarter.

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**Rob Spilman Bassett Furniture Industries Inc - Chairman of the Board, President, Chief Executive Officer**

I'll add one other comment to that, Brian. And that is as we -- I mean we've shut down a week for the July 4<sup>th</sup>, for my lifetime around here and in North Carolina is kind of a traditional -- most furniture companies, I know do the same thing. And -- but it takes a little bit of time to get the wheels turning again when you come back from that week off.

And also in our case, where we have really captive distribution system, we don't have a lot of different freight lines coming in here and doing this. But so in other words, the loads are depleted. You have to build the loads up again. And so when you have that factor and then immediately after a day, you shut down again for over a week like we just -- Mike said, then it just exacerbated all that.

So the efficiency in the pipeline and getting these loads built back and filling the trucks and getting them out there, definitely affected our July and into August. We did catch up. Some of that is -- it was just an inefficient really -- and in the factories, too, all this stuff didn't affect us and back to Anthony's question on the gross margins, that's definitely played there. But I would say that it's slightly affected us, but we called up a good part of it is what I would say.

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**Brian Gordon Water Tower Research - Analyst**

That definitely helps kind of understand the impact of that I mean, the reason why I'm asking is, is it does seem like when we take a look at the retail orders and if we were to back out the inefficiencies and then the cyber event that we may be close to a bottom that we might be seeing something like a bottom being put in from a demand perspective? Would you agree with something like that?

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**Rob Spilman Bassett Furniture Industries Inc - Chairman of the Board, President, Chief Executive Officer**

Well, that, of course, is a great observation and question and the one we ask ourselves all the time and in all candor, we were asking ourselves this time last year. In the post-covid meltdown, I guess, of retail business around the whole industry. And we had nine consecutive months last year of pretty much the same business, and we came into this year saying, hey, -- but I think this is a trend.

We've kind of -- we're bumping along the bottom, and this thing is going to come back at some point. Well, it went down again this year. So that really surprised the heck out of us, to be honest with you. But it does feel in the last -- if I take the third quarter we just reported kind of the back part of that, the last several weeks of that and then into September that we're -- I think we've reached the bottom of this thing.

Now the question is, how long do you stay on the bottom? And because we're not seeing, in our case, even though we'll have a very good week, but then we'll get a couple of tough weeks. So we're not seeing the momentum that we want to see. And of course, we're doing everything in our power to try to make that happen. So -- but if you can't come up until you reach the bottom. So from that perspective, I do feel like we're there.

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**Mike Daniel Bassett Furniture Industries Inc - Senior Vice President, Chief Financial and Administrative Officer**

And let me add, Brian, if you look at the retail written last quarter, it was down 2.5%. Retail written this quarter down 4.8% and as you point out on the cyber -- the effects of the cyber, I think you could come to that assumption that we are sort of bumping along on the bottom.

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**Brian Gordon Water Tower Research - Analyst**

Yeah, that's all very encouraging. I mean -- so kind of shifting a little bit to thinking about growth for next year, you kind of put that number something like 50 designed studios by the end of the year. Do you have any kind of thoughts on how big that could be as we look to fiscal year '25. And then kind of the follow-on question to that would be, I know there's been no store openings planned

for the end of the year. but how many new stores might potentially be in the works? I know you said on the last call that you were actually traveling in July to look at some sites. How many of those might be in the works.

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**Rob Spilman *Bassett Furniture Industries Inc - Chairman of the Board, President, Chief Executive Officer***

Well, honestly, I would say at the moment, we've got one market that we're looking at. We're still working on the economics of that. And so -- but that's -- at the moment, all we have planned is one new market, one new store. And we should recent kind of conclusion on that decision in the next few weeks. And so honestly, what we're really doing is looking inward on our current fleet to refurb that. I also alluded to the increase in e-commerce that we're seeing, again, on small basis base, but nevertheless, encouraging, and some good things are happening there.

In terms of the custom studio, it's so new. It's six months in, and it's really difficult to say. But I think we're going to see steady growth in that program. Now will we sign another 50 next year? Honestly, I don't know. But I do think that will provide growth for us. And again, the ones that have opened already are doing well. we report on that every Monday in our market review, and that's encouraging to see. So those are the kind of things we're counting on for next year.

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**Brian Gordon *Water Tower Research - Analyst***

Great. And really excited to see the new product at High Point when we come visit.

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**Rob Spilman *Bassett Furniture Industries Inc - Chairman of the Board, President, Chief Executive Officer***

Brian, listen, thank you, and I can't have the call in without a recognition of Budd. We miss him. And he was -- and you were encouraging us to do conference calls, which we hadn't done in the past. This is our second one. And we miss him but you're doing a great job. I know he'd be proud of what's going on with your organization and looking ahead.

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**Operator**

Thank you. I would now like to turn the conference back over to Rob Spilman for closing remarks.

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**Rob Spilman *Bassett Furniture Industries Inc - Chairman of the Board, President, Chief Executive Officer***

Okay. Thank you, Gigi. And I just want to thank everyone for your interest today in Bassett and for the questions we did receive. As we said, our restructuring plan is well underway and is designed to align our cost structure with our current revenue and it's something we're focusing on every day around here. We look forward to launching the new collections I talked about, as well as growing the Bassett Custom Studio, further connecting with the interior design community and advancing our omnichannel presence as we head into the upcoming High Point market and all into 2025. Thank you very much.

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**Operator**

This concludes today's conference call. Thank you for participating. You may now disconnect.

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